
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 December 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.)

201 N. Brand Blvd.,

Suite M

Glendale, California

(Address of principal executive offices)

91203

(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 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 ☐

Non-accelerated filer ☐

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
December 31, 2021
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PART I FINANCIAL INFORMATION**Item 1. Financial Statements**
Woodbridge Liquidation Trust and Subsidiaries
Consolidated Statements of Net Assets in Liquidation
As of December 31, 2021 and June 30, 2021
(Unaudited, \$ In Thousands)

	12/31/2021	6/30/2021
Assets		
Real estate assets held for sale, net (Note 3)		
Single-family homes	\$ 82,674	\$ 137,945
Other real estate assets	2,734	2,910
Subtotal	85,408	140,855
Cash and cash equivalents	53,992	45,369
Restricted cash (Note 4)	9,124	8,273
Other assets (Note 5)	30,822	5,473
Total assets	<u>\$ 179,346</u>	<u>\$ 199,970</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 1,287	\$ 160
Distributions payable	5,168	4,687
Accrued liquidation costs (Note 6)	45,386	65,583
Total liabilities	<u>\$ 51,841</u>	<u>\$ 70,430</u>
Commitments and Contingencies (Note 14)		
Net Assets in Liquidation		
Restricted for Qualifying Victims (Note 7)	\$ 3,203	\$ 3,167
All Interestholders	124,302	126,373
Total net assets in liquidation	<u>\$ 127,505</u>	<u>\$ 129,540</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 December 31, 2021 and 2020
(Unaudited, \$ in Thousands)

	Three Months Ended December 31, 2021			Three Months Ended December 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	<u>\$ 3,167</u>	<u>\$ 131,376</u>	<u>\$ 134,543</u>	<u>\$ -</u>	<u>\$ 239,723</u>	<u>\$ 239,723</u>
Change in assets and liabilities (Note 8):						
Restricted for Qualifying Victims -						
Change in carrying value of assets and liabilities, net	<u>36</u>	<u>-</u>	<u>36</u>	<u>-</u>	<u>-</u>	<u>-</u>
All Interestholders:						
Change in carrying value of assets and liabilities, net	<u>-</u>	<u>32,752</u>	<u>32,752</u>	<u>-</u>	<u>472</u>	<u>472</u>
Distributions (declared) reversed, net	<u>-</u>	<u>(39,826)</u>	<u>(39,826)</u>	<u>-</u>	<u>(29,719)</u>	<u>(29,719)</u>
Net change in assets and liabilities	<u>-</u>	<u>(7,074)</u>	<u>(7,074)</u>	<u>-</u>	<u>(29,247)</u>	<u>(29,247)</u>
Net Assets in Liquidation as of end of period	<u>\$ 3,203</u>	<u>\$ 124,302</u>	<u>\$ 127,505</u>	<u>\$ -</u>	<u>\$ 210,476</u>	<u>\$ 210,476</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 Six Months Ended December 31, 2021 and 2020
(Unaudited, \$ in Thousands)

	Six Months Ended December 31, 2021			Six Months Ended December 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	<u>\$ 3,167</u>	<u>\$ 126,373</u>	<u>\$ 129,540</u>	<u>\$ -</u>	<u>\$ 264,517</u>	<u>\$ 264,517</u>
Change in assets and liabilities (Note 8):						
Restricted for Qualifying Victims -						
Change in carrying value of assets and liabilities, net	<u>36</u>	<u>-</u>	<u>36</u>	<u>-</u>	<u>-</u>	<u>-</u>
All Interestholders :						
Change in carrying value of assets and liabilities, net	<u>-</u>	<u>37,657</u>	<u>37,657</u>	<u>-</u>	<u>5,555</u>	<u>5,555</u>
Distributions (declared) reversed, net	<u>-</u>	<u>(39,728)</u>	<u>(39,728)</u>	<u>-</u>	<u>(59,596)</u>	<u>(59,596)</u>
Net change in assets and liabilities	<u>-</u>	<u>(2,071)</u>	<u>(2,071)</u>	<u>-</u>	<u>(54,041)</u>	<u>(54,041)</u>
Net Assets in Liquidation as of end of period	<u>\$ 3,203</u>	<u>\$ 124,302</u>	<u>\$ 127,505</u>	<u>\$ -</u>	<u>\$ 210,476</u>	<u>\$ 210,476</u>

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 Six Months Ended December 31, 2021 and 2020

(Unaudited)

1) Formation and Description of Business

Formation

Woodbridge Liquidation Trust (the “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 of the Trust (the “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, the “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 (the “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, the “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 (the “Wind-Down Entity”) or one of the Wind-Down Entity’s 43 wholly-owned single member LLCs (the “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”.

As further discussed in Note 10, the Trust has two classes of “Liquidation Trust Interests”: Class A Liquidation Trust Interests (the “Class A Interests”) and Class B Liquidation Trust Interests (the “Class B Interests”). The holders of Class A Interests and Class B Interests are sometimes collectively referred to herein as “Interestholders” or “All Interestholders”.

On December 24, 2019, the Trust’s Registration Statement on Form 10 became effective under the Securities Exchange Act of 1934 (the “Exchange Act”). The trading symbol for the Trust’s Class A Interests is WBQNL. Bid and ask prices for the Trust’s Class A Interests are quoted on the OTC Link ATS, the SEC-registered alternative trading system. The Class A Interests 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 December 31, 2021, the Company is the plaintiff in several pending lawsuits (see Note 13 for additional information). The Trust is also liquidating its Forfeited Assets (see Note 7 for additional information).

As of December 31, 2021, the Wind-Down Entity owns three luxury single-family homes that are under construction in the Los Angeles, California area. The majority of the gross carrying value of the Wind-Down Entity’s real estate assets held for sale is concentrated in these three single-family homes. In addition, construction is being completed on two other single-family homes that have been sold. The Wind-Down Entity is also liquidating its remaining five other real estate assets. See Note 3 for additional information.

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. As of December 31, 2021, the Company estimates that the liquidation activities will be completed by February 15, 2024.

As discussed and defined in Note 2, the Company uses the Liquidation Basis of Accounting. The Trust currently operates as one reportable segment comprised primarily of real estate assets held for sale.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries

Notes to Consolidated Financial Statements

For the Three and Six Months Ended December 31, 2021 and 2020

(Unaudited)

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. As a result, the actual amount of any additional distributions may differ materially, perhaps in adverse ways, from the Trust estimates. Furthermore, it is not possible to predict the timing of any additional 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' 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 continued spread of COVID-19 presents challenges for the Company and its vendors, mainly due to labor and product supply shortages. 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.

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 (the "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, 2021 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 the terms of 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 considered 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.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries

Notes to Consolidated Financial Statements

For the Three and Six Months Ended December 31, 2021 and 2020

(Unaudited)

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 through the completion of 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.

The Company does not record any amount from the future settlement of unresolved Causes of Action or recoveries from Fair Fund or Forfeited Assets (including those that may be settled, but subject to court or other regulatory agency approval) 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, liquidation costs and the estimated date of the completion of the liquidation of the Company 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 unresolved Causes of Action when an agreement has been 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 that is expected to be received when the escrow receivable is released. The Forfeited Assets (Note 7) received from the United States Department of Justice (the "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, rent and other office related expenses, interest on financing and other general and administrative costs to operate the Company.

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

(Unaudited)

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.

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.

3) Real Estate Assets Held for Sale

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

	December 31, 2021				June 30, 2021			
	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	3	\$ 87,951	\$ (5,277)	\$ 82,674	7	\$ 146,750	\$ (8,805)	\$ 137,945
Other real estate assets:								
Secured loans	3	1,722	(40)	1,682	4	1,945	(87)	1,858
Other properties	2	1,107	(55)	1,052	2	1,107	(55)	1,052
Subtotal	5	2,829	(95)	2,734	6	3,052	(142)	2,910
Total	8	\$ 90,780	\$ (5,372)	\$ 85,408	13	\$ 149,802	\$ (8,947)	\$ 140,855

As of December 31, 2021, all of the single-family homes are located in the Los Angeles, California area and are under construction. The Company is also completing the construction of one single-family home that was sold in December 2021 and located in New York City and one that was sold in May 2021 and located in Los Angeles, California. The loans are secured by properties located in the Midwest and Eastern United States. The other properties are located in the state of Hawaii and the state of New York.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 1. Financial Statements (Continued)

Woodbridge Liquidation Trust and Subsidiaries**Notes to Consolidated Financial Statements****For the Three and Six Months Ended December 31, 2021 and 2020**

(Unaudited)

During the three months ended December 31, 2021, the Company sold two single-family homes and settled one secured loan for net proceeds of approximately \$21,236,000. One of the single-family homes sold was under construction. As of December 31, 2021, the Company had two single-family homes under contract. Although the contingencies relating to one of the pending sales have been removed, no assurance can be given that the sale will close. During the three months ended December 31, 2020, the Company sold one single-family home, two lots and two other properties for net proceeds of approximately \$87,666,000. During the six months ended December 31, 2021, the Company sold four single-family homes and settled one secured loan for net proceeds of approximately \$63,680,000. During the six months ended December 31, 2020, the Company sold five single-family homes, two lots and eleven other properties for net proceeds of approximately \$121,158,000. One of the single-family homes sold during the six months ended December 31, 2020 was under construction and the buyer assumed the remaining obligations to complete construction of approximately \$11,253,000.

4) Restricted Cash

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

	<u>December 31, 2021</u>	<u>June 30, 2021</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	\$ 5,168	\$ 4,687
Forfeited Assets (Note 7)	2,206	1,836
Interest reserve (Note 9)	1,750	1,750
Total restricted cash	<u>\$ 9,124</u>	<u>\$ 8,273</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 Six Months Ended December 31, 2021 and 2020**

(Unaudited)

5) Other Assets

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

	December 31, 2021	June 30, 2021
Comerica settlement receivable, net (Note 13)	\$ 24,815	\$ -
Escrow receivables (a)	3,560	2,500
Forfeited Assets (Note 7)	1,179	1,549
Settlement installment receivables, net (b)	857	1,014
Other	411	410
Total other assets	<u>\$ 30,822</u>	<u>\$ 5,473</u>

(a) Escrow receivables relate to one and two single-family homes that were sold during the three and six months ended December 31, 2021, respectively, and one single-family home sold prior to June 30, 2021. Amounts are to be released upon completion of construction and/or obtaining a certificate of occupancy.

(b) The allowance for uncollectible settlement installment receivables was approximately \$6 and \$9 (\$ in thousands) at December 31, 2021 and June 30, 2021, 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 Six Months Ended December 31, 2021 and 2020**

(Unaudited)

6) Accrued Liquidation Costs

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

	December 31, 2021	June 30, 2021
Development costs:		
Construction costs	\$ 13,335	\$ 23,480
Construction warranty	2,870	2,870
Indirect costs	399	712
Bond refunds	(752)	(1,134)
Total development costs	<u>15,852</u>	<u>25,928</u>
Holding costs:		
Property tax	1,221	1,901
Insurance	585	1,291
Maintenance, utilities and other	609	1,000
Total holding costs	<u>2,415</u>	<u>4,192</u>
General and administrative costs:		
Legal and other professional fees	12,507	17,697
Payroll and payroll-related	8,109	10,432
Directors and officers insurance	2,576	2,576
State, local and other taxes	2,201	2,217
Board fees and expenses	868	1,558
Other	858	983
Total general and administrative costs	<u>27,119</u>	<u>35,463</u>
Total accrued liquidation costs	<u>\$ 45,386</u>	<u>\$ 65,583</u>

7) Forfeited Assets - Restricted for Qualifying Victims

The Trust entered into a resolution agreement with the DOJ which provided that the Trust would receive the assets forfeited by Robert and Jeri Shapiro (the “Forfeited Assets”). 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 wine and a portion of the gold were sold during the quarter ended December 31, 2021.

The agreement also provided for the Trust to liquidate the Forfeited Assets and to 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 to be allocated pro-rata based on their net allowed claims without considering the (i) 5% enhancement for contributing their causes of action or (ii) 72.5% Class 5 coefficient.

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

(Unaudited)

The Forfeited Assets included in the Company's December 31, 2021 and June 30, 2021 consolidated financial statements are as follows (\$ in thousands):

	December 31, 2021	June 30, 2021
Restricted cash (Note 4)	\$ 2,206	\$ 1,836
Other assets (Note 5)	1,179	1,549
Accrued liquidation costs	(182)	(218)
Net assets in liquidation - restricted for Qualifying Victims	<u>\$ 3,203</u>	<u>\$ 3,167</u>

8) Net Change In Assets and Liabilities
Restricted for Qualifying Victims:

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

	Cash Activities	Remeasure- ment	Total
Real estate assets held for sale, net	\$ -	\$ -	\$ -
Cash and cash equivalents	-	-	-
Restricted cash	389	-	389
Other assets	(406)	36	(370)
Total assets	<u>\$ (17)</u>	<u>\$ 36</u>	<u>\$ 19</u>
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -
Accrued liquidation costs	(17)	-	(17)
Total liabilities	<u>\$ (17)</u>	<u>\$ -</u>	<u>\$ (17)</u>
Change in carrying value of assets and liabilities, net	<u>\$ -</u>	<u>\$ 36</u>	<u>\$ 36</u>

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

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(Unaudited)

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

	Cash Activities	Remeasure- ment	Total
Real estate assets held for sale, net	\$ -	\$ -	\$ -
Cash and cash equivalents	-	-	-
Restricted cash	370	-	370
Other assets	(406)	36	(370)
Total assets	<u>\$ (36)</u>	<u>\$ 36</u>	<u>\$ -</u>
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -
Accrued liquidation costs	(36)	-	(36)
Total liabilities	<u>\$ (36)</u>	<u>\$ -</u>	<u>\$ (36)</u>
Change in carrying value of assets and liabilities, net	<u>\$ -</u>	<u>\$ 36</u>	<u>\$ 36</u>

There was no activity relating to net assets restricted for Qualifying Victims during the six months ended December 31, 2020.

All Interestholders

The following provides details of the change in the carrying value of assets and liabilities, net during the three months ended December 31, 2021 (\$ in thousands):

	Cash Activities	Remeasure- ment	Total
Real estate assets held for sale, net	\$ (21,247)	\$ 5,289	\$ (15,958)
Cash and cash equivalents	13,547	-	13,547
Restricted cash	-	-	-
Other assets	(307)	25,902	25,595
Total assets	<u>\$ (8,007)</u>	<u>\$ 31,191</u>	<u>\$ 23,184</u>
Accounts payable and accrued liabilities	\$ (184)	\$ 1,262	\$ 1,078
Accrued liquidation costs	(8,489)	(2,157)	(10,646)
Total liabilities	<u>\$ (8,673)</u>	<u>\$ (895)</u>	<u>\$ (9,568)</u>
Change in carrying value of assets and liabilities, net	<u>\$ 666</u>	<u>\$ 32,086</u>	<u>\$ 32,752</u>

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The following provides details of the distributions (declared) reversed, net during the three months ended December 31, 2021 (\$ in thousands):

Distributions declared	\$	(40,017)
Distributions reversed		191
Distributions (declared) reversed, net	\$	<u>(39,826)</u>

Distributions payable increased by approximately \$618,000 during the three months ended December 31, 2021.

The following provides details of the change in the carrying value of assets and liabilities, net during the three months ended December 31, 2020 (\$ in thousands):

	Cash Activities	Remeasure- ment	Total
Real estate assets held for sale, net	\$ (87,675)	\$ (1,277)	\$ (88,952)
Cash and cash equivalents	72,508	-	72,508
Restricted cash	578	-	578
Other assets	(1,293)	248	(1,045)
Total assets	<u>\$ (15,882)</u>	<u>\$ (1,029)</u>	<u>\$ (16,911)</u>
Accounts payable and accrued liabilities	\$ (493)	\$ 31	\$ (462)
Accrued liquidation costs	(18,067)	1,146	(16,921)
Total liabilities	<u>\$ (18,560)</u>	<u>\$ 1,177</u>	<u>\$ (17,383)</u>
Change in carrying value of assets and liabilities, net	<u>\$ 2,678</u>	<u>\$ (2,206)</u>	<u>\$ 472</u>

The following provides details of the distributions (declared) reversed, net during the three months ended December 31, 2020 (\$ in thousands):

Distributions declared	\$	(29,957)
Distributions reversed		238
Distributions (declared) reversed, net	\$	<u>(29,719)</u>

Distributions payable increased by approximately \$578,000 during the three months ended December 31, 2020.

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Item 1. Financial Statements (Continued)
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(Unaudited)

The following provides details of the change in the carrying value of assets and liabilities, net during the six months ended December 31, 2021 (\$ in thousands):

	Cash Activities	Remeasure- ment	Total
Real estate assets held for sale, net	\$ (63,701)	\$ 8,254	\$ (55,447)
Cash and cash equivalents	48,350	-	48,350
Restricted cash	-	-	-
Other assets	(1,007)	26,725	25,718
Total assets	\$ (16,358)	\$ 34,979	\$ 18,621
Accounts payable and accrued liabilities	\$ (184)	\$ 1,311	\$ 1,127
Accrued liquidation costs	(17,212)	(2,951)	(20,163)
Total liabilities	\$ (17,396)	\$ (1,640)	\$ (19,036)
Change in carrying value of assets and liabilities, net	\$ 1,038	\$ 36,619	\$ 37,657

The following provides details of the distributions (declared) reversed, net during the six months ended December 31, 2021 (\$ in thousands):

Distributions declared	\$ (40,017)
Distributions reversed	289
Distributions (declared) reversed, net	\$ (39,728)

Distributions payable increased by approximately \$481,000 during the six months ended December 31, 2021.

The following provides details of the change in the carrying value of assets and liabilities, net during the six months ended December 31, 2020 (\$ in thousands):

	Cash Activities	Remeasure- ment	Total
Real estate assets held for sale, net	\$ (121,167)	\$ (13,194)	\$ (134,361)
Cash and cash equivalents	98,849	-	98,849
Restricted cash	1,266	-	1,266
Other assets	(1,877)	329	(1,548)
Total assets	\$ (22,929)	\$ (12,865)	\$ (35,794)
Accounts payable and accrued liabilities	\$ (989)	\$ 393	\$ (596)
Accrued liquidation costs	(29,998)	(10,755)	(40,753)
Total liabilities	\$ (30,987)	\$ (10,362)	\$ (41,349)
Change in carrying value of assets and liabilities, net	\$ 8,058	\$ (2,503)	\$ 5,555

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The following provides details of the distributions (declared) reversed, net during the six months ended December 31, 2020 (\$ in thousands):

Distributions declared	\$	(59,927)
Distributions reversed		331
Distributions (declared) reversed, net	\$	<u>(59,596)</u>

Distributions payable increased by approximately \$1,270,000 during the six months ended December 31, 2020.

9) Credit Agreement

On June 19, 2020, two wholly-owned subsidiaries of the Wind-Down Entity entered into a \$25,000,000 revolving line of credit (the “LOC”) with a financial institution. The LOC had an original maturity of June 19, 2022. The LOC requires 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 had 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, subject to the availability of collateral. There were no other significant changes to the LOC.

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

10) Liquidation Trust Interests

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

Liquidation Trust Interests	For the Six Months Ended December 31,			
	2021		2020	
	Class A	Class B	Class A	Class B
Outstanding at beginning of period	11,512,855	675,784	11,518,232	675,558
Allowed claims	302	-	7,388	1,133
5% enhancement for certain allowed claims	-	-	166	56
Settlement of claims by cancelling Liquidation Trust Interests	(1,392)	(167)	(9,742)	(435)
Outstanding at end of period	<u>11,511,765</u>	<u>675,617</u>	<u>11,516,044</u>	<u>676,312</u>

Of the 11,511,765 Class A Interests outstanding at December 31, 2021, 11,436,286 were held by Qualifying Victims (Note 7).

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At the Plan Effective Date, certain claims were disputed. As those disputed claims are resolved, additional Class A and (if applicable) Class B Interests are issued on account of allowed claims or Class A and (if applicable) Class B Interests are cancelled. No Class A 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 six months ended December 31, 2021 and 2020:

Liquidation Trust Interests	For the Six Months Ended December 31,			
	2021		2020	
	Class A	Class B	Class A	Class B
Reserved for unresolved claims at beginning of period	124,609	5,011	193,559	7,118
Allowed claims	(302)	-	(7,388)	(1,133)
5% enhancement for certain allowed claims	-	-	(16)	-
Disallowed claims	(10,547)	-	(18,682)	(974)
Reserved for unresolved claims at end of period	113,760	5,011	167,473	5,011

Of the 113,760 Class A Interests relating to unresolved claims at December 31, 2021, 22,183 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, 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 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 in the Plan, 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 in the Plan, 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.

During the three and six months ended December 31, 2021, one distribution in the amount of approximately \$40,017,000 was declared on October 8, 2021 which represented \$3.44 per Class A Interest. The distribution included (i) a cash distribution on account of then-allowed claims in the amount of approximately \$39,134,000, which was paid on October 29, 2021 and (ii) a deposit of approximately \$883,000 into a restricted cash account, which was made on October 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) for holders of Class A Interests who failed to cash distribution checks mailed in respect of prior distributions; (d) for distributions that were withheld due to pending avoidance actions; and (e) for holders of Class A Interests for which the Trust is waiting for further beneficiary information.

During the three months ended December 31, 2020, one distribution was declared. During the six months ended December 31, 2020, two distributions were declared. A distribution in the amount of approximately \$29,957,000 was declared on October 19, 2020 which represented \$2.56 per Class A Interest. The distribution included (i) a cash distribution on account of then-allowed claims in the amount 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) for holders of Class A Interests who failed to cash distribution checks mailed in respect of prior distributions; (d) for distributions that were withheld due to pending avoidance actions; and (e) for holders of Class A Interests for which the Trust is waiting for further beneficiary information. A distribution in the amount of approximately \$29,934,000 was declared on July 13, 2020 which represented \$2.56 per Class A Interest. The distribution included (i) a cash distribution on account of then-allowed claims in the amount 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) for holders of Class A Interests who failed to cash distribution checks mailed in respect of prior distributions; (d) for distributions that were withheld due to pending avoidance actions; and (e) for holders of Class A Interests for which the Trust is waiting for further beneficiary information.

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Woodbridge Liquidation Trust and Subsidiaries

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During the three months ended December 31, 2021 and 2020, approximately \$75,000 and \$50,000, respectively, and during the six months ended December 31, 2021 and 2020, approximately \$113,000 and \$164,000, respectively, of distributions were paid to holders of Class A Interests from the restricted cash account and distributions payable were reduced by the same amount 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 months ended December 31, 2021 and 2020, approximately \$191,000 and \$238,000, respectively, and during the six months ended December 31, 2021 and 2020, approximately \$289,000 and \$331,000, respectively, were released from the restricted cash account and distributions payable were reduced by the same amount as a result of claims being disallowed or Class A Interests being cancelled.

During the three months ended December 31, 2021 and 2020, approximately \$0 and \$114,000, respectively, and during the six months ended December 31, 2021 and 2020, approximately \$0, and \$234,000, 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 (G3), a construction firm specializing in the development of high-end luxury residences. G3 is owned by Terry Goebel and his son Kelly Goebel. As of December 31, 2021, the Company was under contract with G3 for the development of one single-family home in Los Angeles, California. As of December 31, 2021 and June 30, 2021 the remaining amounts payable under this contract were approximately \$3,312,000 and \$4,391,000, respectively. During the three months ended December 31, 2021 and 2020, approximately \$1,894,000 and \$1,654,000, respectively, and during the six months ended December 31, 2021 and 2020, approximately \$3,176,000 and \$2,157,000, respectively, were paid by the Company to G3 related to this contract.

The Liquidation Trustee of the Trust is entitled to receive 5% of the total gross amount recovered by the Trust from the pursuit of the Causes of Action. During the three months ended December 31, 2021 and 2020, approximately \$1,262,000 and \$31,000, respectively, and during the six months ended December 31, 2021 and 2020, approximately \$1,311,000 and \$393,000, respectively, were accrued as amounts due to the Liquidation Trustee. As of December 31, 2021 and June 30, 2021, approximately \$1,287,000 and \$160,000, 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 months ended December 31, 2021 and 2020, approximately \$184,000 and \$491,000, respectively, and during the six months ended December 31, 2021 and 2020, approximately \$184,000 and \$491,000, 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 the 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 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 months ended December 31, 2021 and 2020, approximately \$107,000 and \$102,000, respectively, and during the six months ended December 31, 2021 and 2020, approximately \$214,000 and \$206,000, respectively, were paid related to these services and there are no outstanding payables as of December 31, 2021 and June 30, 2021.

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

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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, as of December 31, 2021 and June 30, 2020, approximately \$2,348,000 and \$3,040,000, respectively, were accrued 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 months ended December 31, 2021 and 2020, approximately \$692,000 and \$1,025,000, respectively, and during the six months ended December 31, 2021 and 2020, approximately \$692,000 and \$1,025,000, respectively, were paid related to the bonuses.

13) Causes of Action

During the three and six months ended December 31, 2021 and 2020, the Company recorded the following amounts from the settlement of Causes of Action (\$ in thousands):

	For the Three Months Ended December 31,		For the Six Months Ended December 31,	
	2021	2020	2021	2020
Comerica Bank	\$ 24,815	\$ -	\$ 24,815	\$ -
Other settlement recoveries	429	585	1,400	7,165
Total	\$ 25,244	\$ 585	\$ 26,215	\$ 7,165

On August 6, 2021, the Trust agreed to settle two pending actions against Comerica Bank. The terms of the settlement reached in a putative class action against Comerica Bank in the United States Court for the Central District of California (the “District Court”) are the subject of a Settlement Agreement among the plaintiffs, Comerica Bank, and the Trust (the “Settlement Agreement”).

The Settlement Agreement resolved two actions. One of the actions, captioned *In re Woodbridge Investments Litigation*, Case No.2:18-cv-00103-DMG-MRW (C.D. Cal.), is a consolidated putative class action in the District Court brought on behalf of former noteholders and unitholders of the Debtors (the “California Class Action”). The California Class Action is comprised of five separate lawsuits filed between January 4, 2018 and April 26, 2018 and, as consolidated, asserted claims for aiding and abetting fraud, aiding and abetting breach of fiduciary duty, negligence, and violations of California’s unfair competition law. The Trust is the largest member of the putative class in the California Class Action, as holder of approximately 60.9% of all claims against Comerica Bank based on the claims contributed to the Trust by former investors of the Debtors.

The other action resolved by the settlement, captioned Michael I. Goldberg as trustee for the *Woodbridge Liquidation Trust v. Comerica Bank*, Adv. Pro. No. 20-ap-50452-BLS (Bankr. D. Del.), is an adversary proceeding pending in the United States Bankruptcy Court for the District of Delaware, in which the Trust asserted claims against Comerica Bank for fraudulent transfers under the California Civil Code (the “Delaware Adversary Action”). The Delaware Adversary Action also incorporates the claims asserted against Comerica Bank in the California Class Action to the extent that such claims may ultimately be determined to belong to the Debtors’ estates rather than the individual former noteholders and unitholders.

Under the terms of the Settlement Agreement, the California Class Action has been settled as a class action, subject to District Court approval, on the basis of a class defined to consist of (i) the Trust and (ii) the holders of Net Claims (as defined in the Settlement Agreement) (the “Non-Contributing Claimants”). Under the terms of the Settlement Agreement, Comerica Bank has agreed to pay (including through its insurers) an aggregate of \$54.5 million, consisting of \$54.2 million to settle the California Class Action (Class Payment) and \$0.3 million to settle the Delaware Adversary Action (the “FT Payment”). The Class Payment was intended to provide recoveries to members of the plaintiff class and to fund, in amounts to be determined by the District Court, the legal fees of plaintiffs’ counsel in the California Class Action, totaling 25% of the California Class Action settlement payment, the costs of administering the settlement, and certain incentive awards for class representatives. Under the Settlement Agreement, Comerica Bank (and certain related parties) is required to be released from all claims advanced, or that could have been advanced, related to the facts alleged in the California Class Action or the Delaware Adversary Action.

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

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The settlement amount is to be paid within ten business days of the Settlement Effective Date (as defined in the Settlement Agreement). The Net Class Consideration (defined in the Settlement Agreement as the Class Payment minus Court-awarded attorneys' fees and costs) is required to be distributed to class members as set forth in the Settlement Agreement, resulting in a distribution to the Trust of approximately 60.9% of the Net Class Consideration (corresponding to the Trust's holding of approximately 60.9% of all claims against Comerica based on the claims contributed to the Trust by former investors of the Debtors). No costs of administration or incentive award will be deducted from the Trust's share of the Net Class Consideration. The Trust has agreed not to opt out of the settlement with respect to these claims. The FT Payment is required to be distributed to the Trust. The FT Payment is not subject to reduction for any reason, including attorneys' fees, costs of administration, or incentive awards.

On September 3, 2021, the District Court entered an order granting preliminary approval to the settlement of the California Class Action. The District Court granted final approval on December 17, 2021.

During the three and six months ended December 31, 2021, the Company recorded a receivable of approximately \$24,815,000 from the settlement of the two pending actions against Comerica Bank, the California Class Action and the Delaware Adversary Action. The calculation of the amount to be received by the Trust is as follows (\$ in thousands):

Class Payment	\$	54,200
Less:		
Court-approved legal fees		(13,550)
Court-approved litigation costs		(410)
Net Class Consideration		40,240
Less- amount payable to Non-Contributing Claimants (approximately 39.1%), net of approximately \$125 of court-approved notice and administrative costs and incentive awards for class representatives		(15,725)
Trust's portion of Net Class Consideration		24,515
FT Payment payable to the Trust		300
Trust receivable at December 31, 2021	\$	24,815

The Settlement Agreement provides for the Trust to serve as administrator of the settlement. In that capacity, the Trust will receive the full settlement amount from the defendant (or its insurers), and, from such amount, pay the court-approved legal fees and litigation costs to plaintiffs' class counsel, court-approved incentive awards for class representatives, and costs relating to notice and administration of the settlement. In addition, in its role as administrator of the settlement, the Trust is to pay to the Non-Contributing Claimants their portion of the settlement, constituting approximately 39.1% of the Net Class Consideration, less incentive awards and costs of notice and administration. See Note 15 for additional information.

14) Commitments and Contingencies

As of December 31, 2021, the Company had construction contracts under which an aggregate of approximately \$6,100,000 was unpaid.

The Company had a lease for its office space that expired on August 31, 2021. The Company had one three-month option to extend the lease. On June 4, 2021, the Company opted not to extend its existing lease and entered into a new office lease at a different location. The new lease is for the period from August 1, 2021 through July 31, 2022. The annual rent is approximately \$43,000 plus common area maintenance charges. The Company has two six-month options to extend the lease. The Company paid approximately \$55,000 relating to prepaid rent, common area maintenance charges and a security deposit for the new lease during the year ended June 30, 2021. During the three months ended December 31, 2021 and 2020, approximately \$1,000 and \$79,000, respectively, and during the six months ended December 31, 2021 and 2020, approximately \$51,000 and \$145,000, respectively were paid as rent, including common area maintenance and parking charges.

PART I. FINANCIAL INFORMATION (CONTINUED)**Item 1. Financial Statements (Continued)****Woodbridge Liquidation Trust and Subsidiaries****Notes to Consolidated Financial Statements****For the Three and Six Months Ended December 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.

15) Subsequent Events

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

Distributions

On February 4, 2022, a distribution in the amount of approximately \$40,000,000 was approved which represented \$3.44 per Class A Interest. The distribution is payable to holders of record of Class A Interests as of February 22, 2022 and is expected to be paid on or about March 1, 2022. The distribution included (i) a cash distribution on account of then-allowed claims in the amount of approximately \$39,200,000 and (ii) a deposit of approximately \$800,000 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) for holders of Class A Interests who failed to cash distribution checks mailed in respect of prior distributions; (d) for distributions that were withheld due to pending avoidance actions; and (e) for holders of Class A Interests for which the Trust is waiting for further beneficiary information.

During the period from January 1, 2022 through February 10, 2022, 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, distributions of approximately \$21,000 were paid to holders of Class A Interests from the restricted cash account and distributions payable were reduced by the same amount.

During the period from January 1, 2022 through February 10, 2022, as a result of claims being disallowed or Class A Interests being cancelled, approximately \$74,000 was released from the restricted cash account and distributions payable were reduced by the same amount.

Liquidation Trust Interests

The following table summarizes the Liquidation Trust Interests (rounded) during the period from January 1, 2022 through February 10, 2022:

Liquidation Trust Interests	Class A	Class B
Outstanding at January 1, 2022	11,511,765	675,617
Allowed claims	4,674	-
Settlement of claims by cancelling Liquidation Trust Interests	-	-
Outstanding at February 10, 2022	<u>11,516,439</u>	<u>675,617</u>

Of the 11,516,439 Class A Interests outstanding at February 10, 2022, 11,436,675 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 Six Months Ended December 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 January 1, 2022 through February 10, 2022:

Liquidation Trust Interests	Class A	Class B
Outstanding at January 1, 2022	113,760	5,011
Allowed claims	(4,674)	-
Disallowed claims	(2,852)	(685)
Outstanding at February 10, 2022	<u>106,234</u>	<u>4,326</u>

Of the 106,234 Class A Interests relating to unresolved claims at February 10, 2022, 18,910 would be held by Qualifying Victims (Note 7).

Sales of Real Estate Assets

During the period from January 1, 2022 through February 10, 2022, the Company settled one secured loan and realized net proceeds of approximately \$725,000. As of February 10, 2022, the Company had two single-family homes under contract. Although the contingencies relating to one pending sale have been removed, no assurance can be given that the sale will close.

Construction Contracts

During the period from January 1, 2022 through February 10, 2022, the Company increased other contracts by approximately \$324,000.

Causes of Action

During the period from January 1, 2022 through February 10, 2022, the Trust recorded approximately \$424,000 from the settlement of Causes of Action. The Company recorded approximately \$21,000 as the amount due to the Liquidation Trustee on account of such settlements.

Between January 19, 2022 and January 27, 2022, the Company received approximately \$54,500,000 from the settlement of the two pending actions against Comerica Bank (see Note 13). The Company's net portion of the settlement was approximately \$24,815,000. On February 2, 2022, the Company paid approximately \$13,960,000 of approved legal fees and litigation costs.

PART I. FINANCIAL INFORMATION (CONTINUED)

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

The following discussion and analysis of changes in net assets and net assets in liquidation 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 litigation and/or settlements and the ability to recover thereon, the amount of funding required to continue litigation, 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 Part I. Financial Information, 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 including in Part II. Other Information, Item 1A. Risk Factors of this Form 10-Q. 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 administrative and priority claims, as defined in the Plan, and, subject to the payment of Trust expenses and the retention of various reserves, to make distributions of cash to Interestholders in accordance with the Plan.

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.

PART I. FINANCIAL INFORMATION (CONTINUED)
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

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

Class of Interest	Number Outstanding
Class A Liquidation Trust Interests	11,511,765
Class B Liquidation Trust Interests	675,617

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 disputed claims are settled by cancelling previously issued Liquidation Trust Interests.

Since the Plan Effective Date through December 31, 2021, the Wind-Down Subsidiaries have disposed of approximately 142 properties for aggregate net sales proceeds of approximately \$481.01 million. During the period from January 1, 2022 through February 10, 2022, the Wind-Down Subsidiaries settled one secured loan and realized net proceeds of approximately \$0.72 million. As of December 31, 2021, the Company owned eight real estate assets (including three single-family homes under construction) with a gross carrying value of approximately \$90.78 million. Therefore, the amount of net proceeds from the sale of real estate assets in the future will be significantly less than the amount realized from the Plan Effective Date through December 31, 2021. The Company expects to complete the liquidation of its assets during the fiscal year ending June 30, 2024.

Discussion of the Company's Operations
Three months ended December 31, 2021

The following is a summary of the Consolidated Statement of Changes in Net Assets in Liquidation for the three months ended December 31, 2021 (\$ in thousands):

	Restricted for Qualifying Victims	All Interestholders	Total
Net assets in liquidation as of September 30, 2021	\$ 3,167	\$ 131,376	\$ 134,543
Change in assets and liabilities:			
Restricted for Qualifying Victims - change in carrying value of assets and liabilities, net	36	-	36
All Interestholders:			
Change in carrying value of assets and liabilities, net	-	32,752	32,752
Distributions (declared) reversed, net	-	(39,826)	(39,826)
Net change in assets and liabilities	-	(7,074)	(7,074)
Net assets in liquidation, as of December 31, 2021	\$ 3,203	\$ 124,302	\$ 127,505

PART I. FINANCIAL INFORMATION (CONTINUED)
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Net assets in liquidation – Restricted for Qualifying Victims increased by approximately \$0.04 million during the three months ended December 31, 2021.

Net assets in liquidation – All Interestholders decreased by approximately \$7.07 million during the three-month period ended December 31, 2021. This decrease was due to an increase in the carrying value of assets and liabilities, net of approximately \$32.75 million and distributions (declared) reversed, net of approximately \$39.82 million.

The components of the approximately \$0.04 million and \$32.75 million net change in the carrying value of assets and liabilities are as follows (\$ in thousands):

	<u>Restricted for</u>	<u>All</u>	<u>Total</u>
	<u>Qualifying Victims</u>	<u>Interestholders</u>	
Causes of Action, net (1):			
Comerica Bank	\$ -	\$ 23,574	23,574
Other settlement agreements	-	408	408
Remeasurement of assets and liabilities, net	36	4,989	5,025
Sales proceeds in excess of carrying value	-	3,388	3,388
Other	-	393	393
Change in carrying value of assets and liabilities, net	<u>\$ 36</u>	<u>\$ 32,752</u>	<u>\$ 32,788</u>

(1) Net of the 5% payable to the Liquidation Trustee of approximately \$1,241 for Comerica Bank and \$21 for other settlement agreements (\$ in thousands).

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

- Sold the wine and a portion of the gold Forfeited Assets for net proceeds of approximately \$0.37 million.
- Sold two single-family homes and settled one secured loan for net proceeds of approximately \$21.24 million. One of the single-family homes was under construction.
- Recorded approximately \$24.81 million from the settlement of the two pending actions against Comerica Bank, the California Class Action and the Delaware Adversary Action.
- Signed agreements to settle other Causes of Action for payment to the Trust of approximately \$0.43 million.
- Paid construction costs of approximately \$3.44 million relating to single-family homes under development.
- Paid holding costs of approximately \$0.84 million.
- Paid general and administrative costs of approximately \$4.41 million, including approximately \$0.19 million of board member fees and expenses, approximately \$1.78 million of payroll and other general and administrative costs and approximately \$2.44 million of professional fees.

PART I. FINANCIAL INFORMATION (CONTINUED)
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

For the three months ended December 31, 2020

The following is a summary of the Consolidated Statement of Changes in Net Assets in Liquidation for the three months ended December 31, 2020 (\$ in thousands):

	Restricted for Qualifying Victims	All Interestholders	Total
Net assets in liquidation as of September 30, 2020	\$ -	\$ 239,723	\$ 239,723
Change in assets and liabilities:			
Restricted for Qualifying Victims - change in carrying value of assets and liabilities, net	-	-	-
All Interestholders:			
Change in carrying value of assets and liabilities, net	-	472	472
Distributions (declared) reversed, net	-	(29,719)	(29,719)
Net change in assets and liabilities	-	(29,247)	(29,247)
Net assets in liquidation, as of December 31, 2020	\$ -	\$ 210,476	\$ 210,476

Net assets in liquidation – All Interestholders decreased approximately \$29.25 million during the three months ended December 31, 2020. This decrease was due to changes in the carrying value of assets and liabilities, net of approximately \$0.47 million and distributions (declared) reversed, net of approximately \$29.72 million.

The components of the approximately \$0.47 million net change in the carrying value of assets and liabilities, net are as follows (\$ in thousands):

	Restricted for Qualifying Victims	All Interestholders	Total
Remeasurement of assets and liabilities, net	\$ -	\$ 1,147	\$ 1,147
Settlement agreements, net (1)	-	530	530
Carrying value in excess of sales proceeds	-	(1,277)	(1,277)
Other	-	72	72
Change in carrying value of assets and liabilities, net	\$ -	\$ 472	\$ 472

(1) Net of the 5% payable to the Liquidation Trustee of approximately \$31 (\$ in thousands).

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

- Declared a distribution of \$2.56 per Class A Interest, which totaled approximately \$29.95 million.
- Sold one single-family home, two lots and two other properties for net proceeds of approximately \$87.67 million. One of the single-family homes was under construction and the buyer assumed the remaining obligations to complete the construction of the property of approximately \$11.25 million.
- Signed agreements to settle Causes of Action for payment to the Trust of approximately \$0.60 million.
- Paid construction costs of approximately \$8.43 million relating to single-family homes under development.
- Paid holding costs of approximately \$2.26 million.
- Paid general and administrative costs of approximately \$3.08 million, including approximately \$0.09 million of board member fees and expenses, approximately \$2.45 million of payroll and other general and administrative costs and approximately \$0.54 million of professional fees.

PART I. FINANCIAL INFORMATION (CONTINUED)
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations
Six months ended December 31, 2021

The following is a summary of the Consolidated Statement of Changes in Net Assets in Liquidation for the six months ended December 31, 2021 (\$ in thousands):

	Restricted for Qualifying Victims	All Interestholders	Total
Net assets in liquidation as of June 30, 2021	\$ 3,167	\$ 126,373	\$ 129,540
Change in assets and liabilities:			
Restricted for Qualifying Victims - change in carrying value of assets and liabilities, net	36	-	36
All Interestholders:			
Change in carrying value of assets and liabilities, net	-	37,657	37,657
Distributions (declared) reversed, net	-	(39,728)	(39,728)
Net change in assets and liabilities	-	(2,071)	(2,071)
Net assets in liquidation, as of December 31, 2021	\$ 3,203	\$ 124,302	\$ 127,505

Net assets in liquidation – Restricted for Qualifying Victims increased by approximately \$0.04 million during the six months ended December 31, 2021.

Net assets in liquidation – All Interestholders decreased by approximately \$2.07 million during the six-month period ended December 31, 2021. This decrease was due to an increase in the carrying value of assets and liabilities, net of approximately \$37.66 million and distributions (declared) reversed, net of approximately \$39.73 million.

The components of the approximately \$0.04 million and \$37.66 million of the net change in carrying value of assets and liabilities are as follows (\$ in thousands):

	Restricted for Qualifying Victims	All Interestholders	Total
Causes of Action, net(1) :			
Comerica Bank	\$ -	\$ 23,575	23,575
Other settlement agreements	-	1,333	1,333
Sales proceeds in excess of carrying value	-	6,460	6,460
Remeasurement of assets and liabilities, net	36	5,801	5,837
Other	-	488	488
Change in carrying value of assets and liabilities, net	\$ 36	\$ 37,657	\$ 37,693

(1) Net of the 5% payable to the Liquidation Trustee of approximately \$1,241 for Comerica Bank and \$70 for other settlement agreements (\$ in thousands).

PART I. FINANCIAL INFORMATION (CONTINUED)
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

During the six months ended December 31, 2021, the Company:

- Sold the wine and a portion of the gold Forfeited Assets for net proceeds of approximately \$0.37 million.
- Sold four single-family homes and settled one secured loan for net proceeds of approximately \$63.68 million. One of the single-family homes was under construction.
- Recorded approximately \$24.81 million from the settlement of the two pending actions against Comerica Bank, the California Class Action and the Delaware Adversary Action.
- Signed agreements to settle other Causes of Action for payment to the Trust of approximately \$1.40 million.
- Paid construction costs of approximately \$7.67 million relating to single-family homes under development.
- Paid holding costs of approximately \$1.24 million.
- Paid general and administrative costs of approximately \$8.53 million, including approximately \$0.39 million of board member fees and expenses, approximately \$2.92 million of payroll and other general and administrative costs and approximately \$5.22 million of professional fees.

For the six months ended December 31, 2020

The following is a summary of the Consolidated Statement of Changes in Net Assets in Liquidation for the six months ended December 31, 2020 (\$ in thousands):

	Restricted for Qualifying Victims	All Interestholders	Total
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	-	-	-
All Interestholders:			
Change in carrying value of assets and liabilities, net	-	5,555	5,555
Distributions (declared) reversed, net	-	(59,596)	(59,596)
Net change in assets and liabilities	-	(54,041)	(54,041)
Net assets in liquidation, as of December 31, 2020	\$ -	\$ 210,476	\$ 210,476

Net assets in liquidation – All Interestholders decreased approximately \$54.04 million during the six months ended December 31, 2020. This decrease was due to changes in the carrying value of assets and liabilities, net of approximately \$5.55 million and distributions (declared) reversed, net of approximately \$59.59 million.

PART I. FINANCIAL INFORMATION (CONTINUED)**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

The components of the approximately \$5.55 million change in the carrying value of assets and liabilities, net are as follows (\$ in thousands):

	Restricted for Qualifying Victims	All Interestholders	Total
Settlement agreements, net (1)	\$ -	\$ 6,687	\$ 6,687
Carrying value in excess of sales proceeds	-	(1,540)	(1,540)
Remeasurement of assets and liabilities, net	-	302	302
Other	-	106	106
Change in carrying value of assets and liabilities, net	<u>\$ -</u>	<u>\$ 5,555</u>	<u>\$ 5,555</u>

(1) Net of the 5% payable to the Liquidation Trustee of approximately \$393 (\$ in thousands).

During the six months ended December 31, 2020, the Company:

- Declared two distributions, each of \$2.56 per Class A Interest, which totaled approximately \$59.92 million.
- Sold five single-family home, two lots and eleven other properties for net proceeds of approximately \$121.16 million. One of the single-family homes was under construction and the buyer assumed the remaining obligations to complete the construction of the property of approximately \$11.25 million.
- Signed agreements to settle Causes of Action for payment to the Trust of approximately \$7.18 million.
- Paid construction costs of approximately \$16.27 million relating to single-family homes under development.
- Paid holding costs of approximately \$3.36 million.
- Paid general and administrative costs of approximately \$5.00 million, including approximately \$0.18 million of board member fees and expenses, approximately \$3.66 million of payroll and other general and administrative costs and approximately \$1.16 million of professional fees.

Liquidity and Capital Resources**Liquidity**

The Company's primary sources for meeting its capital requirements are its cash and cash equivalents, availability under the LOC, proceeds from the sale of its real estate assets and recoveries from Causes of Action, including the Comerica Bank settlement, 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 December 31, 2021 of approximately \$63.12 million (of which approximately \$9.12 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 \$25.00 million 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. The maturity date of the LOC was changed to January 31, 2023 with an option to extend for one additional year, subject to the availability of collateral. The LOC required the borrowers to establish an interest reserve of \$1.75 million, 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 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 \$20.00 million 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. No amounts were outstanding under the LOC as of December 31, 2021 or February 10, 2022.

PART I. FINANCIAL INFORMATION (CONTINUED)

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

- **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, all of which are held for sale. As of December 31, 2021, the Company owned a total of eight real estate assets with a gross carrying value of approximately \$90.78 million. Five single-family homes were under construction, one that was sold in December 2021 and one that was sold in May 2021. Therefore, it is unlikely that the net proceeds for the three or six months ended December 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.
- **Recoveries:** During the three and six months ended December 31, 2021, the Company recognized approximately \$24.24 and \$26.21 million, respectively, from the settlement of Causes of Action. The recoveries include approximately \$24.81 million from Comerica Bank. There can be no assurance that the amounts the Company recovers from settling Causes of Action in the future will be consistent with the amount recovered during the three and six months ended December 31, 2021.

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 December 31, 2021, the Company’s total liabilities were approximately \$51.84 million. The total liabilities recorded as of December 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 (including the Comerica Bank settlement), 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 unresolved Causes of Action.

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 February 10, 2022, the Liquidation Trustee has declared nine distributions to the Class A Interests holders. 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) for holders of Class A Interests who failed to cash distribution checks mailed in respect of prior distributions, (d) for distributions that were withheld due to pending avoidance actions and (e) for holders of Class A Interests for which the Trust is waiting for further beneficiary information.

Sections 7.6 and 7.18 of the Plan provide that distributions that have not been cashed within 180 calendar days of their issuance shall be null and void and the holder of the associated Liquidation Trust Interests “shall be deemed to have forfeited its rights to any reserved and future Distributions under the Plan,” with such amounts to become “Available Cash” of the Trust for all purposes. On February 1, 2022, the Trust sent letters to the holders of the Class A Interests who have failed to cash distribution checks in respect of prior distributions, which checks were issued more than 180 days ago. The letter informed the holders that, unless such holders contact the Trust no later than February 28, 2022, then, in accordance with the Plan, the holders’ reserved and future distributions will be deemed forfeited. The Trust provided this final notice simply as a one-time courtesy and reserves its rights to strictly enforce the Plan’s forfeiture provisions, and any other provision of the Plan, against any person (including any recipient of the final notice) at any time in the future, without further notice.

PART I. FINANCIAL INFORMATION (CONTINUED)
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

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 December 31, 2021 and from February 15, 2019 through February 10, 2022:

		During the Period from February 15, 2019 (inception) through December 31, 2021 (\$ in Millions)				During the Period from February 15, 2019 (inception) through February 10, 2022 (\$ in Millions)			
				Restricted Cash Account				Restricted Cash Account	
Date Declared		\$ per Class A Interest	Total Declared	Paid		Total Declared	Paid		
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	30.02	29.33	0.69	30.02	29.33	0.69	
Eighth	10/8/2021	3.44	40.02	39.14	0.88	40.02	39.14	0.88	
Ninth	2/4/2022	3.44	-	-	-	40.00	-	-	
Subtotal		\$ 29.23	\$ 303.10	\$ 293.28	9.82	\$ 343.10	\$ 293.28	9.82	
Distributions Reversed									
Disallowed/cancelled (b)					(3.12)	(3.20)			
Returned (c)					0.74	0.74			
Subtotal					(2.38)	(2.46)			
Distributions Paid from Reserve Account (d)					(2.27)	(2.29)			
Distributions Payable, Net				as of 12/31/2021:	\$ 5.17	as of 2/10/2022:		\$ 5.07	

- (a) The seventh distribution included the cash the Trust received from Fair Funds.
(b) As a result of claims being disallowed or Class A Interests cancelled.
(c) Distribution checks returned or not cashed.
(d) Paid as claims are allowed or resolved.

As claims are resolved, additional Class A Interests may be issued or cancelled (see the Company's Annual Report on Form 10-K filed on September 27, 2021, "Part 1, 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 and 3. Assets and liabilities of the Company"). Therefore, the total amount of a distribution declared may change between the date declared and the date paid. 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).

Management believes that, since its inception, the Wind-Down Entity has made substantial progress toward completion of its liquidation activities and is nearing the end of the liquidation of its real estate portfolio. Holders of Liquidation Trust Interests are advised that future distributions from the Trust will be limited. Once the Company's remaining real property assets have been liquidated and the net proceeds resulting therefrom, net of reserves, have been distributed, further distribution(s) will be materially reliant on future recoveries from litigation, which are uncertain and the amount and timing of which are difficult to determine.

Contractual Obligations

As of December 31, 2021, the Company has contractual commitments related to construction contracts totaling approximately \$6.10 million. The Company expects to complete the construction of the single-family homes during the fiscal year ending June 30, 2022. The Company has an office lease that expires in July 2022. The Company has two six-month options to extend the lease. The Company expects that it will continue to lease office space until the liquidation process is completed.

PART I. FINANCIAL INFORMATION (CONTINUED)

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

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 from the future settlement of unresolved Causes of Action or Fair Fund 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 the terms of 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 considered 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, liquidation costs and the estimated date of the completion of the liquidation of the Company 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 a change to 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.

Causes of Action

The Company does not record any amount from the future settlement of unresolved Causes of Action or recoveries from Fair Fund or Forfeited Assets (including those that may be settled, but subject to court or other regulatory agency approval) in the accompanying consolidated financial statements since they cannot be reasonably estimated. The Company recognizes recoveries from the settlement of unresolved Causes of Action when an agreement has been executed and collectability is reasonably assured.

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

Disclosure Controls and Procedures

As of the end of the period covered by this report, management and the Liquidation Trustee evaluated the effectiveness of the design and operation of our disclosure controls and procedures. Based upon, and as of the date of, the evaluation, management and the Liquidation Trustee concluded that the disclosure controls and procedures were effective as of the end of the period covered by this report to ensure that information required to be disclosed in the reports we file and submit under the Exchange Act is recorded, processed, summarized and reported as and when required. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file and submit under the Exchange Act is accumulated and communicated to our management, including the Liquidation Trustee, as appropriate to allow timely decisions regarding required disclosure.

Management’s Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended.

In connection with the preparation of our Form 10-Q, our management and the Liquidation Trustee assessed the effectiveness of our internal control over financial reporting as of December 31, 2021. In making that assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework* (2013).

Based on its assessment, our management and the Liquidation Trustee believes that, as of December 31, 2021, our internal control over financial reporting was effective based on those criteria. There have been no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION (CONTINUED)

Item 1. Legal Proceedings (KTBS to Update)

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.

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.

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 March 1, 2021, the Trustee filed a notice of appeal of the order granting fees and 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. The other appeals remain pending. On June 14, 2021, the Trustee filed a combined opening brief for all of the appeals other than his appeal of the order granting fees and costs to Sidley Austin LLP. Between September 22-29, 2021, the respondents filed their opening briefs.

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; (i) 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. On April 23, 2021 the federal court entered an order granting those motions, but has not yet entered a final judgment.

Comerica Bank litigation. On August 6, 2021, the Trust agreed to the terms of a settlement of two actions against Comerica Bank. The terms of the settlement, reached following negotiations with Comerica Bank and the plaintiffs in a putative class action against Comerica Bank in the United States District Court for the Central District of California (the "District Court"), are the subject of a Settlement Agreement among the plaintiffs, Comerica Bank, and the Trust ("Comerica Settlement Agreement"). Comerica Bank is the institution at which the Debtors maintained all of their bank accounts, and these actions arise out of the Debtors' former banking relationships with Comerica Bank. The Comerica Settlement Agreement is referenced hereto as Exhibit 10.16.

The Comerica Settlement Agreement resolves two actions. One of the actions, captioned *In re Woodbridge Investments Litigation*, Case No. 2:18-cv-00103-DMG-MRW (C.D. Cal.), was a consolidated putative class action in District Court brought on behalf of former noteholders and unitholders of the Debtors (the "California Class Action"). The California Class Action was comprised of five separate lawsuits filed between January 4, 2018 and April 26, 2018 and, as consolidated, asserted claims for aiding and abetting fraud, aiding and abetting breach of fiduciary duty, negligence, and violations of California's unfair competition law. The Trust believes that it is the largest member of the putative class in the California Class Action, as holder of approximately 60.9% of all claims against Comerica based on the claims contributed to the Trust by former investors of the Debtors.

The other action resolved by the settlement, captioned *Michael I. Goldberg as trustee for the Woodbridge Liquidation Trust v. Comerica Bank*, Adv. Pro. No. 20-ap-50452-BLS (Bankr. D. Del.), is an adversary proceeding in the Bankruptcy Court, in which the Trust asserted claims against Comerica Bank for fraudulent transfers under the California Civil Code (the "Delaware Adversary Action"). The Delaware Adversary Action also incorporated the claims asserted against Comerica Bank in the California Class Action to the extent that such claims may ultimately be determined to belong to the Debtors' estates rather than to individual former noteholders and unitholders.

Under the terms of the Comerica Settlement Agreement, the California Class Action has been settled as a class action on the basis of a class defined to consist of (i) the Trust, as assignee of the claims of the holders of Net Claims (as defined in the Settlement Agreement) in Class 3 (Standard Note Claims, as defined in the Plan) and Class 5 (Unit Claims, as defined in the Plan) of the Plan who are Contributing Claimants (as defined in the Plan) and (ii) the holders of Net Claims (as defined in the Settlement Agreement) in Class 3 (Standard Note Claims, as defined in the Plan) and Class 5 (Unit Claims, as defined in the Plan) of the Plan who are not Contributing Claimants (as defined in the Plan). For purposes of distributions under the Settlement Agreement, the holders of Net Claims who are not Contributing Claimants are deemed to be the holders of such Net Claims as of February 15, 2019.

Under the Comerica Settlement Agreement, Comerica Bank agreed to pay (including through its insurers) an aggregate of \$54.5 million, consisting of \$54.2 million to settle the California Class Action (the “Class Payment”) and \$300,000 to settle the Delaware Adversary Action (the “FT Payment”). The Class Payment was intended to provide recoveries to members of the plaintiff class and to fund, in amounts to be determined by the District Court, the legal fees of plaintiffs’ counsel in the California Class Action, not to exceed 25% of the California Class Action settlement payment, the costs of administering the settlement, and certain incentive award for the class representatives. Under the Comerica Settlement Agreement, Comerica Bank (and certain related parties) has been released from all claims advanced, or that could have been advanced, related to the facts alleged in the California Class Action or the Delaware Adversary Action.

The settlement amount was required to be paid within ten business days of the Settlement Effective Date (as defined in the Comerica Settlement Agreement), and was paid, in its entirety, between January 19, 2022 and January 27, 2022.

On December 17, 2021, the court entered an order granting final approval to the settlement of the California Class Action, and the “Effective Date” of the settlement occurred on or about January 20, 2022. Since that time, the settlement payment has been paid by Comerica Bank (or its insurers) and the Trust has commenced administration of that payment. The Trust has recorded approximately \$24.81 million from the settlement, comprised of (i) the Trust’s share (approximately 60.9%) of the Net Class Consideration (without reduction for costs of administration or incentive awards) and (ii) the \$300,000 FT Payment (without reduction for any reason).

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 (the “Bankruptcy Court”), 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.

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 January 31, 2022, the Trust has obtained judgments of approximately \$15.6 million and has entered into settlements in approximately 210 legal actions and approximately 245 potential avoidance claims for which litigation was not filed, resulting in an aggregate of approximately \$16.78 million of cash payments made or due to the Trust and approximately \$9.98 million in reductions of claims against the Trust.

Other legal proceedings. 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 Shapiro's personal assets.* On December 4, 2019, the Trust filed an action in the Bankruptcy Court, 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 under the Plan and their permitted assigns—but do not include former holders of Class 4 claims under the Plan. The Trust has taken possession of the Forfeited Assets and has sold the wine and gold 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 (\$110,829.43), less all amounts paid by the defendant in respect of claims under the policy (\$97,770.38) and less defendant's costs (defendant has requested costs of \$9,874.71). Plaintiffs have appealed the judgment.

Item 1A. Risk Factors

As the Company's real estate portfolio is further liquidated, further distributions to Interestholders will become increasingly dependent on recoveries from the Causes of Action, the amount and timing of which cannot be determined with certainty. Holders of Liquidation Trust Interests are reminded that the sources of distributions from the Company are limited, and result principally from real estate assets liquidated and Causes of Action successfully prosecuted by the Company. Since inception, the Company has made substantial progress toward completion of its liquidation activities and management believes that the Company is nearing the end of the liquidation of its real estate portfolio. Once the Company's remaining real property assets have been liquidated and the net proceeds of those assets, net of reserves, have been distributed, further distributions will be materially reliant on future recoveries from the Unresolved Causes of Action. Recoveries from the Unresolved Causes of Action depend in substantial part on the successful outcome of litigation, which is inherently uncertain. Accordingly, the amount and timing of such recoveries will be very difficult to determine.

For other risk factors, please see Item 1A of our Annual Report on Form 10-K filed with the SEC on September 27, 2021 or contained in any of the Trust's subsequent filings with the SEC.

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 under the Plan 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 27, 2021. During the period from February 15, 2019 (inception) through December 31, 2021, the Trust has issued an aggregate of 11,534,607 Class A Interests and an aggregate of 677,624 Class B Interests. As of December 31, 2021, the Trust had 11,511,765 Class A Interests and 675,617 Class B Interests outstanding. All Liquidation Trust Interests were issued on the Plan Effective Date or from time to time thereafter as soon as practicable as and when claims in Class 3, Class 4 or Class 5 have become allowed.

During the three months ended December 31, 2021, the Trust did not issue any Liquidation Trust Interests.

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 under the Plan.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Exhibit Description

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, incorporated by reference herein to the Form 10-Q filed by the Trust on May 17, 2021.
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, incorporated by reference herein to the Form 10-Q filed by the Trust on May 17, 2021.
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, incorporated by reference herein to the Form 10-Q filed by the Trust on May 17, 2021.
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.
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.
10.16	Settlement Agreement dated August 6, 2021 by and among Mark Baker, Jay Beynon as Trustee for the Jay Beynon Family Trust DTD 10/23/1998, Alan and Marlene Gordon, Joseph C. Hull, Lloyd and Nancy Landman, and Lilly A. Shirley on behalf of themselves and the proposed Settlement Class, Michael I. Goldberg, as Trustee for Woodbridge Liquidation Trust, and Comerica Bank, incorporated herein by reference to the Form 10-K filed by the Trust on September 27, 2021.
10.17 ^{*†}	California Residential Purchase Agreement and Joint Escrow Instructions dated October 19, 2021 for 642 St. Cloud Rd., Los Angeles, CA, including amendments.
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.
101	The following financial statements from the Woodbridge Liquidation Trust Quarterly Report on Form 10-Q for the quarter ended December 31, 2021, formatted in eXtensible Business Reporting Language (XBRL): (i) Consolidated Statements of Net Assets in Liquidation as of December 31, 2021 and June 30, 2021, (ii) Consolidated Statements of Changes in Net Assets in Liquidation for the three months ended December 31, 2021 and 2020, (iii) Consolidated Statements of Changes in Net Assets in Liquidation for the six months ended December 31, 2021 and 2020, (iv) the Notes to the Consolidated Financial sStatements. XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
104	Cover Page Interactive Data File (Formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith

† Portions omitted in accordance with Item 601(b)(10)(iv) of Regulation S-K (17 CFR § 220.601(b)(10)(iv)).

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: February 10, 2022

By: /s/ Michael I. Goldberg

Michael I. Goldberg,
Liquidation Trustee



**CALIFORNIA
RESIDENTIAL PURCHASE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**
(C.A.R. Form RPA-CA, Revised 12/18)

CERTAIN INFORMATION, INCLUDING
INFORMATION ABOUT PRICING,
IDENTITY OF THE BUYER, AND
CERTAIN CONTRACTUAL DEADLINES,
HAS BEEN EXCLUDED FROM THIS
EXHIBIT BECAUSE SUCH INFORMATION
IS BOTH NOT MATERIAL AND IS THE
TYPE THAT THE REGISTRANT TREATS
AS PRIVATE OR CONFIDENTIAL.

Date Prepared: 10/19/2021

1. OFFER:
- A. THIS IS AN OFFER FROM _____ [information omitted] or Assignee _____ ("Buyer").
- B. THE REAL PROPERTY to be acquired is 642 St Cloud Rd, Los Angeles, CA 90077 situated in Los Angeles (City), Los Angeles (County), California, 90077 (Zip Code), Assessor's Parcel No. 4362-017-060 ("Property").
- C. THE PURCHASE PRICE offered is _____ Dollars [information omitted].
- D. CLOSE OF ESCROW shall occur on ☒ Addendum #1 (date) (or ☐ _____ Days After Acceptance).
- E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.
2. AGENCY:
- A. DISCLOSURE: The Parties each acknowledge receipt of a ☒ "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).
- B. CONFIRMATION: The following agency relationships are confirmed for this transaction:
- Seller's Brokerage Firm Compass License Number 01866771
- Is the broker of (check one): ☒ the seller; or ☐ both the buyer and seller. (dual agent)
- Seller's Agent Tyrone McKillen License Number 01915539
- Is (check one): ☒ the Seller's Agent. (salesperson or broker associate) ☐ both the Buyer's and Seller's Agent. (dual agent)
- Buyer's Brokerage Firm The Agency License Number 01904054
- Is the broker of (check one): ☒ the buyer; or ☐ both the buyer and seller. (dual agent)
- Buyer's Agent Paul Lester/Aileen Comora License Number 1338925/01002982
- Is (check one): ☒ the Buyer's Agent. (salesperson or broker associate) ☐ both the Buyer's and Seller's Agent. (dual agent)
- C. POTENTIALLY COMPETING BUYERS AND SELLERS: The Parties each acknowledge receipt of a ☒ "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).
3. FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder.
- A. INITIAL DEPOSIT: Deposit shall be in the amount of _____ \$, [information omitted]
- (1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, ☐ cashier's check, ☐ personal check, ☐ other _____ within 3 business days after Acceptance (or _____);
- OR (2) ☐ Buyer Deposit with Agent: Buyer has given the deposit by personal check (or _____) to the agent submitting the offer (or to _____), made payable to _____, The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or _____).
- Deposit checks given to agent shall be an original signed check and not a copy.
(Note: Initial and increased deposits checks received by agent shall be recorded in Broker's trust fund log.)
- B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of _____ \$ within _____ Days After Acceptance (or _____).
- If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.
- C. ☒ ALL CASH OFFER: No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or ☐ Buyer shall, within 3 (or _____) Days After Acceptance, Deliver to Seller such verification.
- D. LOAN(S):
- (1) FIRST LOAN: in the amount of _____ \$
- This loan will be conventional financing OR ☐ FHA, ☐ VA, ☐ Seller financing (C.A.R. Form SFA), ☐ assumed financing (C.A.R. Form AFA), ☐ Other _____. This loan shall be at a fixed rate not to exceed _____ % or, ☐ an adjustable rate loan with initial rate not to exceed _____ %. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.
- (2) ☐ SECOND LOAN in the amount of _____ \$
- This loan will be conventional financing OR ☐ Seller financing (C.A.R. Form SFA), ☐ assumed financing (C.A.R. Form AFA), ☐ Other _____. This loan shall be at a fixed rate not to exceed _____ % or, ☐ an adjustable rate loan with initial rate not to exceed _____ %. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.
- (3) FHA/VA: For any FHA or VA loan specified in 3D(1), Buyer has 17 (or _____) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender requirements unless agreed in writing. A FHA/VA amendatory clause (C.A.R. Form FVAC) shall be a part of this Agreement.
- E. ADDITIONAL FINANCING TERMS: _____
- F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of _____ \$, [information omitted] to be deposited with Escrow Holder pursuant to Escrow Holder instructions.
- G. PURCHASE PRICE (TOTAL): _____ \$, [information omitted] (FC)

Buyer's Initials _____
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Seller's Initials _____

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 1 OF 10)

The Agency - Beverly Hills, 331 Foothill Road, Suite 100 Beverly Hills, CA 90210 Phone: 424.230.3746 Fax: 424.230.3740 642 St Cloud Rd -
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- H. **VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS:** Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within 3 (or _____) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (☐ Verification attached.)
- I. **APPRAISAL CONTINGENCY AND REMOVAL:** This Agreement is (or ☐ is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 14B(3), in writing, remove the appraisal contingency or cancel this Agreement within 17 (or _____) Days After Acceptance.
- J. **LOAN TERMS:**
- (1) **LOAN APPLICATIONS:** Within 3 (or _____) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (☐ Letter attached.)
- (2) **LOAN CONTINGENCY:** Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Agreement.
- (3) **LOAN CONTINGENCY REMOVAL:**
Within 21 (or _____) Days After Acceptance, Buyer shall, as specified in paragraph 14, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.
- (4) ☐ **NO LOAN CONTINGENCY:** Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.
- (5) **LENDER LIMITS ON BUYER CREDITS:** Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.
- K. **BUYER STATED FINANCING:** Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.
4. **SALE OF BUYER'S PROPERTY:**
- A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.
- OR B. ☐ This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).
5. **ADDENDA AND ADVISORIES:**
- A. **ADDENDA:**
- | | |
|---|--|
| <input type="checkbox"/> Back Up Offer Addendum (C.A.R. Form BUO) | <input type="checkbox"/> Addendum # _____ (C.A.R. Form ADM) |
| <input type="checkbox"/> Septic, Well and Property Monument Addendum (C.A.R. Form SWPI) | <input type="checkbox"/> Court Confirmation Addendum (C.A.R. Form CCA) |
| <input type="checkbox"/> Short Sale Addendum (C.A.R. Form SSA) | <input checked="" type="checkbox"/> Other Addenda #2, #3 |
- B. **BUYER AND SELLER ADVISORIES:**
- | |
|---|
| <input checked="" type="checkbox"/> Buyer's Inspection Advisory (C.A.R. Form BIA) |
| <input type="checkbox"/> Probate Advisory (C.A.R. Form PA) |
| <input type="checkbox"/> Trust Advisory (C.A.R. Form TA) |
| <input type="checkbox"/> REO Advisory (C.A.R. Form REO) |
| <input type="checkbox"/> Short Sale Information and Advisory (C.A.R. Form SSIA) |
| <input type="checkbox"/> Other |
6. **OTHER TERMS:** Buyer's approval of any items under Paragraph 14 shall be in Buyer's sole and unfettered discretion.
7. **ALLOCATION OF COSTS**
- A. **INSPECTIONS, REPORTS AND CERTIFICATES:** Unless otherwise agreed in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.
- (1) ☐ Buyer ☒ Seller shall pay for a natural hazard zone disclosure report, including tax ☒ environmental ☐ Other: _____
- (2) ☐ Buyer ☐ Seller shall pay for the following Report _____ prepared by _____
- (3) ☐ Buyer ☐ Seller shall pay for the following Report _____ prepared by _____
- B. **GOVERNMENT REQUIREMENTS AND RETROFIT:**
- (1) ☐ Buyer ☒ Seller shall pay for smoke alarm and carbon monoxide device installation and water heater bracing, if required by Law. Prior to Close Of Escrow ("COE"), Seller shall provide Buyer written statement(s) of compliance in accordance with state and local Law, unless Seller is exempt.

Buyer's Initials (Information omitted) _____

Seller's Initials (FC) _____



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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 2 OF 10)

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642 St Cloud Rd -

- C. **Seller remaining in possession After Close Of Escrow:** If Seller has the right to remain in possession after Close Of Escrow, (i) the Parties are advised to sign a separate occupancy agreement such as ☐ C.A.R. Form SIP, for Seller continued occupancy of less than 30 days, ☐ C.A.R. Form RLAS for Seller continued occupancy of 30 days or more; and (ii) the Parties are advised to consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; and (iii) Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.

- D. **Tenant-occupied property: Property shall be vacant at least 5 (or ____) Days Prior to Close Of Escrow, unless otherwise agreed in writing. Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.**

OR ☐ **Tenant to remain in possession (C.A.R. Form TIP).**

- E. At Close Of Escrow, Seller assigns to Buyer any assignable warranty rights for items included in the sale; and Seller shall Deliver to Buyer available Copies of any such warranties. Brokers cannot and will not determine the assignability of any warranties.

- F. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms, home automation systems and intranet and Internet-connected devices included in the purchase price, and garage door openers. If the Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

10. STATUTORY AND OTHER DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:

- A. (1) Seller shall, within the time specified in paragraph 14A, Deliver to Buyer: (i) if required by Law, a fully completed: Federal Lead-Based Paint Disclosures (C.A.R. Form FLD) and pamphlet ("Lead Disclosures"); and (ii) unless exempt, fully completed disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act of 1982 and Improvement Bond Act of 1915) and, if Seller has actual knowledge, of industrial use and military ordnance location (C.A.R. Form SPQ or ESD).

- (2) Any Statutory Disclosure required by this paragraph is considered fully completed if Seller has answered all questions and completed and signed the Seller section(s) and the Seller's Agent, if any, has completed and signed the Seller's Brokerage Firm section(s), or, if applicable, an Agent Visual Inspection Disclosure (C.A.R. Form AVID). Nothing stated herein relieves a Buyer's Brokerage Firm, if any, from the obligation to (i) conduct a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose, on Section IV of the TDS, or an AVID, material facts affecting the value or desirability of the Property that were or should have been revealed by such an inspection or (ii) complete any sections on all disclosures required to be completed by Buyer's Brokerage Firm.

- (3) **Note to Buyer and Seller:** Waiver of Statutory and Lead Disclosures is prohibited by Law.

- (4) Within the time specified in paragraph 14A, (i) Seller, unless exempt from the obligation to provide a TDS, shall, complete and provide Buyer with a Seller Property Questionnaire (C.A.R. Form SPQ); (ii) if Seller is not required to provide a TDS, Seller shall complete and provide Buyer with an Exempt Seller Disclosure (C.A.R. Form ESD).

- (5) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory, Lead and other disclosures to Seller.

- (6) In the event Seller or Seller's Brokerage Firm, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. **However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies of which Buyer is otherwise aware, or which are disclosed in reports provided to or obtained by Buyer or ordered and paid for by Buyer.**

- (7) If any disclosure or notice specified in paragraph 10A(1), or subsequent or amended disclosure or notice is Delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After Delivery in person, or 5 Days After Delivery by deposit in the mail, or by an electronic record satisfying the Uniform Electronic Transactions Act (UETA), by giving written notice of cancellation to Seller or Seller's agent.

- B. **NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS:** Within the time specified in paragraph 14A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet, and home energy rating pamphlet; (ii) disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; and Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.

- C. **WITHHOLDING TAXES:** Within the time specified in paragraph 14A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).

- D. **MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)

- E. **NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES:** This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.

- F. **CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:**

- (1) **SELLER HAS: 7 (or ____) Days After Acceptance to disclose to Buyer if the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form SPQ or ESD).**

Buyer's Initials [information omitted]

Seller's Initials FC ()



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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 4 OF 10)

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642 St Cloud Rd -

Property Address: **642 St Cloud Rd, Los Angeles, CA 90077**Date: **October 19, 2021**

(2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 (or) Days After Acceptance to request from the HOA (C.A.R. Form HOA-IR): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). (vi) private transfer fees; (vii) Pet fee restrictions; and (viii) smoking restrictions. Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14B(3). The Party specified in paragraph 7, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.

11. CONDITION OF PROPERTY: Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.

A. Seller shall, within the time specified in paragraph 14A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.

B. Buyer has the right to conduct Buyer Investigations of the Property and, as specified in paragraph 14B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.

C. **Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.**

12. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:

A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14B. Within the time specified in paragraph 14B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to: (i) a general physical inspection; (ii) an inspection specifically for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) inspect for lead-based paint and other lead-based paint hazards; (iv) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA); (v) review the registered sex offender database; (vi) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; and (vii) review and seek approval of leases that may need to be assumed by Buyer. Without Seller's prior written consent, Buyer shall neither make nor cause to be made: invasive or destructive Buyer Investigations, except for minimally invasive testing required to prepare a Pest Control Report; or inspections by any governmental building or zoning inspector or government employee, unless required by Law.

B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 14B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all such Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.

C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.

D. **Buyer indemnify and seller protection for entry upon property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.

13. TITLE AND VESTING:

A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.

B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.

C. Within the time specified in paragraph 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.

D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.

E. Buyer shall receive a CLTA/ALTA "Homeowner's Policy of Title Insurance", if applicable to the type of property and buyer. If not, Escrow Holder shall notify Buyer. A title company can provide information about the availability, coverage, and cost of other title policies and endorsements. If the Homeowner's Policy is not available, Buyer shall choose another policy, instruct Escrow Holder in writing and shall pay any increase in cost.

Buyer's Initials [Information omitted]

Seller's Initials FC

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 5 OF 10)



14. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).

A. SELLER HAS: 7 (or ____) Days After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 5, 6, 7, 8B(5), 10A, B, C, and F, 11A and 13A. If, by the time specified, Seller has not Delivered any such item, Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement.

B. (1) BUYER HAS: 17 (or 45) Days After Acceptance, unless otherwise agreed in writing, to:

(i) complete all Buyer Investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 8B(5), and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory and Lead Disclosures and other disclosures Delivered by Seller in accordance with paragraph 10A.

(2) Within the time specified in paragraph 14B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.

(3) By the end of the time specified in paragraph 14B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 14A, then Buyer has 5 (or ____) Days After Delivery of any such items, or the time specified in paragraph 14B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.

(4) **Continuation of Contingency:** Even after the end of the time specified in paragraph 14B(1) and before Seller cancels, if at all, pursuant to paragraph 14D, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 14D(1).

(5) **Access to Property:** Buyer shall have access to the Property to conduct inspections and investigations for 17 ([information omitted]) Days After Acceptance, whether or not any part of the Buyer's Investigation Contingency has been waived or removed.

C. ☐ REMOVAL OF CONTINGENCIES WITH OFFER: Buyer removes the contingencies specified in the attached Contingency Removal form (C.A.R. Form CR). If Buyer removes any contingency without an adequate understanding of the Property's condition or Buyer's ability to purchase, Buyer is acting against the advice of Broker.

D. SELLER RIGHT TO CANCEL:

(1) **Seller right to Cancel; Buyer Contingencies:** If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

(2) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A, or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); (iii) Deliver a letter as required by paragraph 3J(1); (iv) Deliver verification, or a satisfactory verification if Seller reasonably disapproves of the verification already provided, as required by paragraph 3C or 3H; (v) In writing assume or accept leases or liens specified in 8B5; (vi) Return Statutory and Lead Disclosures as required by paragraph 10A(5); or (vii) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 21B; or (viii) Provide evidence of authority to sign in a representative capacity as specified in paragraph 19. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

E. NOTICE TO BUYER OR SELLER TO PERFORM: The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least 2 (or ____) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 14.

F. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.

G. CLOSE OF ESCROW: Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or ____) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.

H. EFFECT OF CANCELLATION ON DEPOSITS: If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, **release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award.** If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit. (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. **A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).**

Buyer's Initials [Information omitted]

Seller's Initials () ()

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Property Address: 642 St Cloud Rd, Los Angeles, CA 90077

Date: October 19, 2021

- 15. FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property within 5 (or ____) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 11; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).
- 16. REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.
- 17. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.
- 18. BROKERS:**
- A. COMPENSATION:** Seller or Buyer, or both, as applicable, agree to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
- B. SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.
- 19. REPRESENTATIVE CAPACITY:** If one or more Parties is signing this Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 31 or 32 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).
- 20. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5A, 6, 7, 10C, 13, 14G, 17, 18A, 19, 20, 26, 29, 30, 31, 32 and paragraph D of the section titled Real Estate Brokers on page 10. If a Copy of the separate compensation agreement(s) provided for in paragraph 18A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 7C(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or ____) Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 7, 10 or elsewhere in this Agreement.**
- B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or ____). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 10C, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.**

Buyer's Initials [information omitted]

Seller's Initials []

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 7 OF 10)

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Property Address: 642 St Cloud Rd, Los Angeles, CA 90077

Date: October 19, 2021

- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 18A and paragraph D of the section titled Real Estate Brokers on page 10. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 18A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.
- D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) if Buyer's initial or any additional deposit or down payment is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
- E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment.

21. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

- A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.
- B. **LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Except as provided in paragraph 14H, release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. AT THE TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R. FORM RID).

Buyer's Initials [information omitted]

Seller's Initials FC / _____**22. DISPUTE RESOLUTION:**

- A. **MEDIATION:** The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Real Estate Mediation Center for Consumers (www.consumermediation.org) or through any other mediation provider or service mutually agreed to by the Parties. The Parties also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the Parties involved. If, for any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. Exclusions from this mediation agreement are specified in paragraph 22C.

B. ARBITRATION OF DISPUTES:

The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 22C.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initial [information omitted]

Seller's Initials FC / _____**C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:**

- (1) **EXCLUSIONS:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.

Buyer's Initials [information omitted]

Seller's Initials FC / _____

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 8 OF 10)

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- (2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.
- (3) **BROKERS:** Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to this Agreement.
23. **SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
24. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
25. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 22A.
26. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the separate written consent of Seller to a specified assignee. Such consent shall not be unreasonably withheld. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller. (C.A.R. Form AOAA).
27. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
28. **TERMS AND CONDITIONS OF OFFER:** This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initiated by all Parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. The Parties have read and acknowledge receipt of a Copy of the offer and agree to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.
29. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions shall nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the Laws of the State of California. **Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.**
30. **DEFINITIONS:** As used in this Agreement:
- A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a Party and is delivered to and personally received by the other Party or that Party's authorized agent in accordance with the terms of this offer or a final counter offer.
 - B. "Agreement" means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties.
 - C. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.
 - D. "Close Of Escrow", including "COE", means the date the grant deed, or other evidence of transfer of title, is recorded.
 - E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
 - F. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
 - G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
 - H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
 - I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 10, regardless of the method used (i.e., messenger, mail, email, fax, other).
 - J. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
 - K. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
 - L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
 - M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
31. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by _____, who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by ☐ AM / ☐ PM, on _____ (date)).

☒ One or more Buyers is signing this Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-R) for additional terms.

Date 10/19/2021 BUYER _____ [information omitted] _____

(Print name) (information omitted) or Assignee _____

Date _____ BUYER _____

(Print name) _____

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

Seller's Initials

FC

RPA-CA REVISED 12/18 (PAGE 9 OF 10)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 9 OF 10)

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642 St Cloud Rd -

Property Address: 642 St Cloud Rd, Los Angeles, CA 90077

Date: October 19, 2021

32. **ACCEPTANCE OF OFFER:** Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, and agrees to sell the Property on the above terms and conditions. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

☒ (If checked) SELLER'S ACCEPTANCE IS **SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO)** DATED: 10/20/2021

☐ One or more Sellers is signing this Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-S) for additional terms.

Date: 10/20/2021 SELLER **FREDERICK CHIN**

(Print name) **Addison Park Investments, LLC** 277CF8901925407

Date: SELLER

(Print name)

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

(/) (Do not initial if making a counter offer.) **CONFIRMATION OF ACCEPTANCE:** A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) at

☐ AM/ ☐ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

REAL ESTATE BROKERS:

A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

B. Agency relationships are confirmed as stated in paragraph 2.

C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.

D. **COOPERATING (BUYER'S) BROKER COMPENSATION:** Seller's Broker agrees to pay Buyer's Broker and Buyer's Broker agrees to accept, out of Seller's Broker's proceeds in escrow, the amount specified in the MLS, provided Buyer's Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS. If Seller's Broker and Buyer's Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

E. **PRESENTATION OF OFFER:** Pursuant to Standard of Practice 1-7, if Buyer's Broker makes a written request, Seller's Broker shall confirm in writing that this offer has been presented to Seller.

Buyer's Brokerage Firm **The Agency Company** DRE Lic. # **01904054**
 By **Paul Lester/Aileen Comora** DRE Lic. # **1338925/01002982** Date **10/19/2021**
 By **Paul Lester/Aileen Comora** DRE Lic. # **1338925/01002982** Date **10/19/2021**
 Address **10155 S. Main St, Suite 100, Los Angeles, CA 90001** City **Los Angeles** State **CA** Zip **90001**
 Telephone **(310) 555-1234** Fax **(310) 555-1234** E-mail **Paul.Lester@TheAgencyCompany.com**
 Seller's Brokerage Firm **Compass** DRE Lic. # **01866771**
 By **Tyrone McKillen** DRE Lic. # **01915539** Date **10/20/2021**
 By **Tyrone McKillen** DRE Lic. # **01915539** Date **10/20/2021**
 Address **10155 S. Main St, Suite 100, Los Angeles, CA 90001** City **Los Angeles** State **CA** Zip **90001**
 Telephone **(310) 555-1234** Fax **(310) 555-1234** E-mail **Tyrone.McKillen@Compass.com**

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, ☐ a deposit in the amount of \$ _____), counter offer numbers _____, and agrees to act as Escrow Holder subject to paragraph 20 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is _____

Escrow Holder _____ Escrow # _____

By _____ Date _____

Address _____

Phone/Fax/E-mail _____

Escrow Holder has the following license number # _____

☐ Department of Financial Protection and Innovation, ☐ Department of Insurance, ☐ Department of Real Estate.

PRESENTATION OF OFFER: (/) Seller's Broker presented this offer to Seller on _____ (date).

Broker or Designee Initials _____

REJECTION OF OFFER: (/) (/) No counter offer is being made. This offer was rejected by Seller on _____ (date).

Seller's Initials _____

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 525 South Virgil Avenue, Los Angeles, California 90020

RPA-CA REVISED 12/18 (PAGE 10 of 10)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 10 OF 10)

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**BUYER'S INSPECTION ADVISORY**
(C.A.R. Form BIA, Revised 11/14)Property Address **642 St Cloud Rd, Los Angeles, CA 90077**

1. IMPORTANCE OF PROPERTY INVESTIGATION: The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.

2. BROKER OBLIGATIONS: Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as those listed below. If Broker gives you referrals to professionals, Broker does not guarantee their performance.

3. YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO THE FOLLOWING. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.

- A. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS:** Foundation, roof (condition, age, leaks, useful life), plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa (cracks, leaks, operation), other structural and nonstructural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property.
- B. SQUARE FOOTAGE, AGE, BOUNDARIES:** Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other barriers or markers do not necessarily identify true Property boundaries.
- C. WOOD DESTROYING PESTS:** Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms.
- D. SOIL STABILITY:** Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage.
- E. WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS; WASTE DISPOSAL:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components. The type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
- F. ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants).
- G. EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood.
- H. FIRE, HAZARD AND OTHER INSURANCE:** The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies.
- I. BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS:** Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size.
- J. RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants, and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements.
- K. SECURITY AND SAFETY:** State and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property.
- L. NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS:** Neighborhood or area conditions, including schools, law enforcement, crime statistics, registered felons or offenders, fire protection, other government services, availability, adequacy and cost of internet connections or other technology services and installations, commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

By signing below, Buyers acknowledge that they have read, understand, accept and have received a Copy of this Advisory. Buyers are encouraged to read it carefully.

Buyer _____ [information omitted] Assignee _____ 10/19/2021 Buyer _____

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BUYER'S INSPECTION ADVISORY (BIA PAGE 1 OF 1)

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CALIFORNIA
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CALIFORNIA CONSUMER PRIVACY ACT ADVISORY
(C.A.R. Form CCPA, 12/19)



As of January 1, 2020, the California Consumer Privacy Act (commencing with Civil Code § 1798.100) ("CCPA") grants to California residents certain rights in their private, personal information that is collected by companies with whom they do business. Under the CCPA, "personal information" is defined broadly to encompass non-public records information that could reasonably be linked directly or indirectly to you, including, potentially, photographs of or sales information about your property. Some of your personal information will be collected and likely shared with others during the process of buying and selling real estate. Depending on the situation, you may have the right to "opt out" or stop the transfer of your personal information to others and request that certain businesses delete your personal information altogether. Not all businesses you interact with are required to comply with the law, primarily just those who meet the criteria of a covered "Business" as set forth in Section 1798.140 (c)]. For more information, you may ask your Broker for a copy of the C.A.R. Legal Q&A on the subject.

A real estate broker is likely to submit personal information to a Multiple Listing Service ("MLS") in order to help find a buyer for a seller's property. Through the MLS, the information is made available to real estate brokers and salespeople, and others. Even after a sale is complete, the MLS distributes sales information to the real estate community. Brokers, agents and MLSs may also share your personal information with others who post the personal information on websites or elsewhere, or otherwise use it. Thus, there are various service providers and companies in a real estate transaction who may be engaged in using or sharing data involving your personal information.

If your broker is a covered Business, it should have a privacy policy explaining your rights on its website and giving you an opportunity to request that personal information not be shared, used and even deleted. Even if your real estate brokerage is a covered Business, it needs, and is allowed, to keep your information to effectuate a sale and, by law, is required to maintain such information for three years to comply with regulatory requirements. Not all brokers are covered Businesses, however, and those that are not, do not have to comply with the CCPA.

Similarly, most MLSs will not be considered a covered Business. Instead, the MLS may be considered a Third Party in the event a covered Business (ex: brokerages, real estate listing aggregation or advertising internet sites or other outlets who meet the criteria of covered Businesses) exchanges personal information with the MLS. You do not have the right under the CCPA to require a Third Party to delete your personal information. And like real estate brokerages, even if an MLS is a covered Business, MLSs are also required by law to retain and make accessible in its computer system any and all listing and other information for three years.

Whether an MLS is a covered Business or a Third Party, you have a right to be notified about the sharing of your personal information and your right to contact a covered Business to opt out of your personal information being used, or shared with Third Parties. Since the MLSs and/or other entities receiving your personal information do not have direct contact with buyers and sellers and also may not be aware of which entities exchanging personal information are covered Businesses, this form is being used to notify you of your rights under the CCPA and your ability to direct requests to covered Businesses not to share personal information with Third Parties. One way to limit access to your personal information, is to inform your broker or salesperson you want to opt-out of the MLS, and if so, you will be asked to sign a document (Form SELM) confirming your request to keep your listing off the MLS. However, if you do so, it may be more difficult to sell your property or obtain the highest price for it because your property will not be exposed to the greatest number of real estate licensees and others.

I/we acknowledge receipt of a copy of this California Consumer Privacy Act Advisory.

Buyer/Seller/Landlord/Tenant [information omitted] Date 10/19/2021
[information omitted] or Assignee
 Buyer/Seller/Landlord/Tenant _____ Date _____

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CCPA 12/19 (PAGE 1 OF 1)

CALIFORNIA CONSUMER PRIVACY ACT ADVISORY (CCPA PAGE 1 OF 1)

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REPRESENTATIVE CAPACITY SIGNATURE DISCLOSURE (FOR BUYER REPRESENTATIVES)

(C.A.R. Form RCSD-B, Revised 6/20)

This form is not an assignment. It should not be used to add new parties after a contract has been formed. The purpose of this form is to identify who the principal is in the transaction and who has authority to sign documents on behalf of the principal.

This is a disclosure to one or more of the following: Purchase Agreement, Buyer Representation Agreement, Assignment of Agreement, or Other Agreement, specified below in which _____ [information omitted] or Assignee is identified as "Buyer". If a trust, identify Buyer as the trustee(s) of the trust or by simplified trust name (e.g. John Doe, co-trustee, Jane Doe, co-trustee or Doe Revocable Family Trust 3.) Full name of trust should be identified in 1A below. If power of attorney, insert principal's name as Buyer.

1. A. ☐ **TRUST:** (1) Assets used to acquire/lease the Property are held in trust pursuant to a trust document titled (Name of trust: _____)

(2) The person(s) signing below is/are Sole/Co/Successor Trustee(s) of the Trust.

B. ☒ **ENTITY:** Buyer is a ☐ Corporation, ☒ Limited Liability Company, ☐ Partnership ☐ Other: _____ which has authorized the officer(s), managing member(s), partner(s) or person(s) signing below to act on its behalf. An authorizing resolution of the applicable body of the entity described above ☐ is ☐ is not attached.

C. ☐ **POWER OF ATTORNEY:** Buyer ("Principal") has authorized the person(s) signing below ("Attorney-In-Fact", "Power of Attorney" or "POA") to act on his/her behalf pursuant to a General Attorney (Specific Power of Attorney for the Property), dated _____. This form is not a Power of Attorney. A Power of Attorney must have already been executed before this form is used.

D. ☐ **ESTATE:** (1) Buyer is an ☐ conservatorship, or ☐ guardianship identified by Superior Court Case name as _____, Case # _____.

(2) The person(s) signing below is/are court approved representatives (whether designated as Sole or Co-Executor, Administrator, Conservator, Guardian) of the estate, conservatorship or guardianship identified above.

2. Buyer's Representative represents that the trust, entity or power of attorney for which that Party is acting already exists.

Buyer:

By _____ [information omitted] _____ Date: 10/19/2021

(Sign Name of Trustee, Officer, Managing Member, Partner, or Attorney-in-Fact)

(Print Representative Name) [information omitted] or Assignee Title: Authorized signer

By _____ Date: _____

(Sign Name of Trustee, Officer, Managing Member, Partner, or Attorney-in-Fact)

(Print Representative Name) _____ Title: _____

Acknowledgement of Receipt By Other Party:

AT TIME OF SALE

Buyer and Addison Park Investments, LLC ("Seller") are parties to a Purchase Agreement dated 10/19/2021 for property known as 642 St Cloud Rd. Los Angeles, CA 90077.

Seller FREDERICK CHIN Date 10/20/2021

Addison Park Investments, LLC

Seller _____ Date _____

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RCSD-B REVISED 6/20 (PAGE 1 OF 2)



REPRESENTATIVE CAPACITY SIGNATURE DISCLOSURE (RCSD-B PAGE 1 OF 2)

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AT TIME OF BUYER REPRESENTATION AGREEMENT

Buyer and Paul Lester The Agency ("Buyer's Broker") are parties to a Buyer Representation Agreement dated 10/19/2021.

Real Estate Broker Paul Lester The Agency

By Paul Lester Date 10/19/2021

AT TIME OF ASSIGNMENT OF AGREEMENT

Buyer and _____, the originally named buyer ("Assignor") are parties to an Assignment of Agreement Addendum dated _____.

Assignor and Addison Park Investments, LLC ("Seller") are parties to a Purchase Agreement or ☐ Other: _____, which is being assigned to Buyer.

Assignor _____

By _____ Date _____

Seller Addison Park Investments, LLC

By _____ Date _____

AT TIME OF OTHER AGREEMENT

Buyer and _____ ("Other Party") are parties to _____ Agreement dated _____, if applicable, for property known as _____.

Other Party _____

By _____ Date _____

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**REPRESENTATIVE CAPACITY SIGNATURE DISCLOSURE (RCSD-B PAGE 2 OF 2)**

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642 St Cloud Rd -



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ADDENDUM

(C.A.R. Form ADM, Revised 12/15)

No. One (1)

The following terms and conditions are hereby incorporated in and made a part of the: ☒ Purchase Agreement, ☐ Residential Lease or Month-to-Month Rental Agreement, ☐ Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), ☐ Other _____
dated October 19, 2021, on property known as 642 St Cloud Rd

Los Angeles, CA 90077
in which _____ [information omitted] or Assignee is referred to as ("Buyer/Tenant")
and Addison Park Investments, LLC is referred to as ("Seller/Landlord").

1. This offer is contingent upon Seller obtaining and providing Buyer a fully executed Certificate of Occupancy with all ancillary and outstanding finalized permits signed off (including but not limited to plumbing, electrical, roof, pool, HVAC system, and sewer) issued by the City of Los Angeles prior to close of escrow.
2. Seller to have ^{business} ~~calendar~~ days from offer acceptance to obtain said items (as noted in #2 above) and Buyer to close escrow within ^{business} ~~calendar~~ days of receipt of same. In the event seller is unable to obtain Certificate of Occupancy and finalized permits, then buyer shall have a right to cancel transaction and Escrow is authorized to release Buyer's deposit with no further action required of Seller. However, escrow can be extended at buyer's discretion with written notification to seller every 30 days until Certificate of Occupancy and finalized permits are obtained by seller and given to buyer.
3. Seller agrees to provide reasonable access to buyer to said property if requested during 120 day waiting period or extension thereof.
4. Contractor's warranties to be transferred upon close of escrow.
5. After After buyer's period of due diligence and an initial removal of contingencies pertaining to those items noted in Paragraph 14 B of the purchase agreement (excluding the inspection and approval of any system requiring gas to operate), Buyer to work with Seller to make changes to certain design items/finish materials, fixtures or any item at Buyers discretion
6. Additionally and as part of buyer's contingencies: Buyer to understand all parameters of proposed lot split at: 600 St. Cloud, including any potential building plans, requirements for building: height limits, size and any other issue that might impact the property at 642 St. Cloud

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date 10/19/2021

Buyer/Tenant _____ [information omitted]
[information omitted] or Assignee

Buyer/Tenant _____

Date 10/20/2021

Seller/Landlord FREDERICK CHIN
Addison Park Investments, LLC

Seller/Landlord _____

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ADDENDUM (ADM PAGE 1 OF 1)



The Agency - Beverly Hills, 331 Foothill Road, Suite 100 Beverly Hills CA 90210
Allen Connors

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642 St Cloud Rd -



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ADDENDUM

(C.A.R. Form ADM, Revised 12/15)

No. **TWO (2)**

The following terms and conditions are hereby incorporated in and made a part of the: ☒ Purchase Agreement, ☐ Residential Lease or Month-to-Month Rental Agreement, ☐ Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), ☐ Other _____, dated October 19, 2021, on property known as 642 St Cloud Rd

Los Angeles, CA 90077
in which _____ [information omitted] br Assignee is referred to as ("Buyer/Tenant")
and Addison Park Investments, LLC is referred to as ("Seller/Landlord").

1. INCLUDED IN SALE: The following are included in the purchase of the Property: all appliances, built-in or not (e.g., refrig/range/dishwasher/washer/dryer/wine cooler); all audio and/or visual and/or telephone equipment/components; all exterior furniture, potted plants and fountains; all bathroom mirrors; all fireplace screens (freestanding and otherwise), gas cocks and andirons.

2. REMOVAL OF ART AND OTHER ITEMS: Seller shall repair (in the manner prescribed in Paragraph 16) all holes and other damage which may be caused as a result of the removal of any art or other items.

3. SELLER MATERIALS: UPON ACCEPTANCE

Seller shall deliver to Buyer all plans, permits, renderings, inspections, surveys, reports, and other similar materials (collectively, "Seller Materials") regarding the Property which are in Seller's possession or control. Upon the close of escrow, all Seller Materials shall become Buyer's property at no additional cost to Seller.

4. RESERVATION OF RIGHTS RE LOAN/APPRAISAL: Though Buyer may not have any loan and/or appraisal contingencies (and this Paragraph shall not afford Buyer any additional contingencies in respect of same), should Buyer desire to obtain a loan and/or appraisal in connection with Buyer's purchase of the Property, then Seller shall accommodate, provide access to, and cooperate with (at no additional cost or expense to Seller), such individuals (such as appraisers) who may need to obtain information regarding, or access to, the Property.

5. COMPLETION OF SECTION 1 ITEMS: WOOD DESTROYING PEST REPORT (the "Pest Report"): Seller shall pay for a Pest Report from McKernan or Top Termite, covering all structures, decks and fences on the Property, and deliver same to Buyer within seven (7) Days After Acceptance. Seller shall pay for, and provide to Buyer prior to the close of escrow, clearance of all "Section 1" items. If the Pest Report provides for alternative methods of completion of a particular Section 1 item (e.g., fumigation or local treatment), then Buyer shall select the specific method to be utilized.

6. CONFLICTS: To the extent the terms of this Addendum conflict with the terms of the remainder of this agreement, the terms of this Addendum shall control.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date 10/19/2021

Date _____

DocuSigned by:

Buyer/Tenant _____ [information omitted]
[information omitted] or Assignee
Buyer/Tenant _____

Seller/Landlord FREDERICK CHIN
Addison Park Investments, LLC
Seller/Landlord _____

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ADDENDUM (ADM PAGE 1 OF 1)

The Agency - Beverly Hills, 331 Foothill Road, Suite 100 Beverly Hills CA 90210
Allen Comora

Phone: 424.230.3746 Fax: 424.230.3740
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642 St Cloud Rd -





SELLER COUNTER OFFER No. 1
 May not be used as a multiple counter offer.
 (C.A.R. Form SCO, Revised 11/14)

Date October 20, 2021

This is a counter offer to the: ☒ Purchase Agreement, ☐ Buyer Counter Offer No. _____, or ☐ Other _____ ("Offer").
 dated October 19, 2021, on property known as 642 St Cloud Rd, Los Angeles, CA ("Property").
 between _____ [information omitted] and Assignee ("Buyer")
 and WB 642 St. Cloud LLC ("Seller").

1. **TERMS:** The terms and conditions of the above referenced document are accepted subject to the following:
- A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer or an addendum.
- B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer, but deposit amount(s) shall remain unchanged from the original Offer.

C. **OTHER TERMS:** _____

- D. The following attached addenda are incorporated into this Seller Counter offer: ☒ Addendum No. 1
☒ New Construction Addendum ☐

2. **EXPIRATION:** This Seller Counter Offer shall be deemed revoked and the deposits, if any, shall be returned:
- A. Unless by 5:00pm on the third Day After the date it is signed in paragraph 4 (if more than one signature then, the last signature date)(or by ☐ AM ☐ PM on _____ (date)) (i) it is signed in paragraph 5 by Buyer and (ii) a copy of the signed Seller Counter Offer is personally received by Seller or _____, who is authorized to receive it.
- B. OR If Seller withdraws it anytime prior to Acceptance (CAR Form WOO may be used).
- C. OR If Seller accepts another offer prior to Buyer's Acceptance of this counter offer.
3. **MARKETING TO OTHER BUYERS:** Seller has the right to continue to offer the Property for sale. Seller has the right to accept any other offer received, prior to Acceptance of this Counter Offer by Buyer as specified in 2A and 5. In such event, Seller is advised to withdraw this Seller Counter Offer before accepting another offer.

4. **OFFER: SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.**

Seller FREDERICK CHIN WB 642 St. Cloud LLC Date 10/20/2021
 Seller _____ Date _____

5. **ACCEPTANCE: I/WE** accept the above Seller Counter Offer (If checked ☐ **SUBJECT TO THE ATTACHED COUNTER OFFER**) and acknowledge receipt of a Copy.

Buyer _____ [information omitted] and Assignee Date _____ Time _____ ☐ AM/ ☐ PM
 Buyer _____ Date _____ Time _____ ☐ AM/ ☐ PM

CONFIRMATION OF ACCEPTANCE:

(_____/_____) (Initials) **Confirmation of Acceptance:** A Copy of Signed Acceptance was personally received by Seller, or Seller's authorized agent as specified in paragraph 2A on (date) _____ at _____ ☐ AM/ ☐ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Seller or Seller's authorized agent whether or not confirmed in this document.

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SCO Revised 11/14 (PAGE 1 OF 1)

SELLER COUNTER OFFER (SCO PAGE 1 OF 1)





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ADDENDUM

(C.A.R. Form ADM, Revised 12/15)

No. 1 (Page 1 of 2)

The following terms and conditions are hereby incorporated in and made a part of the: ☐ Purchase Agreement, ☐ Residential Lease or Month-to-Month Rental Agreement, ☐ Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), ☒ Other Seller Counter #1
dated October 20, 2021, on property known as 642 St Cloud Rd

in which Los Angeles, CA [information omitted] and Assignee is referred to as ("Buyer/Tenant")
and WB 642 St. Cloud LLC is referred to as ("Seller/Landlord").

1. Purchase Price shall be [information omitted]
2. Initial Deposit shall be 3% of Purchase Price.
3. Seller name shall be corrected to reflect WB 642 St. Cloud, LLC in place of all references to Addison Park Investments LLC.
4. The checkbox in section 3(I) shall be deemed checked to reflect that this Agreement is NOT contingent upon a written appraisal.
5. The following shall be added to Section 2 of Confidentiality and Non-Disclosure Agreement (C.A.R. Form CND): Buyer and Seller acknowledge that Seller is a public company and, as such, may be required to disclose this purchase agreement in a public filing with the Securities and Exchange Commission during and after the pendency of escrow. Such public disclosures to the SEC shall not be a breach of the Confidentiality and Non-Disclosure Agreement.
6. Escrow Holder to be A & A Escrow Services – Antonia Delgado. Each shall pay their own fees.
7. Title policy shall be issued by Fidelity National Title (Janis Okerlund).
8. Seller to retain all rights to refunds of all existing or outstanding bonds in connection with the development of the Property after the Close of Escrow.
9. Buyer to sign and initial the attached New Construction Addendum.
10. Seller to complete construction of the Property in accordance with the current scope of work, design, finish materials, and budget. Buyer may not make changes to any aspect of the Property, including, but not limited to, the current scope of work, design, finish materials and budget, prior to Close of Escrow.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date _____

Date 10/20/2021

Buyer/Tenant _____
[information omitted] and Assignee

Seller/Landlord FREDERICK CHIN
WB 642 St. Cloud LLC

Buyer/Tenant _____

Seller/Landlord _____

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ADDENDUM (ADM PAGE 1 OF 1)



Compass, 9545 Wilshire Blvd 1st Floor Beverly Hills CA 90212
Tyrone McKillen

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Phone: (949)212-8721

Fax:

642 St Cloud Rd



CALIFORNIA
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ADDENDUM

(C.A.R. Form ADM, Revised 12/15)

No. 1 (Page 2 of 2)

The following terms and conditions are hereby incorporated in and made a part of the: ☐ Purchase Agreement, ☐ Residential Lease or Month-to-Month Rental Agreement, ☐ Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), ☒ Other Seller Counter #1, dated October 20, 2021, on property known as 642 St Cloud Rd

in which Los Angeles, CA [information omitted] and Assignee is referred to as ("Buyer/Tenant") and WB 642 St. Cloud LLC is referred to as ("Seller/Landlord").

11. Buyer shall only communicate with Owner and Owner's Project Manager, Plus Development, regarding any project/construction related inquiries. Buyer shall not communicate directly with Seller's general contractor, subcontractors, architects, or consultants.

12. Item #1 of Addendum No. 1 to Buyer's RPA shall be deleted in its entirety.

13. Item #2 of Addendum No. 1 to Buyer's RPA shall be deleted in its entirety and replaced as follows: Close of Escrow to occur within ten (10) days after all permits are "finalized" by the City of Los Angeles and Certificate of Occupancy is pending issuance (also known as "OK for CoO" status).

14. Item #3 of Addendum No. 1 to Buyer's RPA shall be deleted in its entirety and replaced as follows: Seller agrees to provide Buyer with reasonable access to the Property through Close of Escrow.

15. Item #5 of Addendum No. 1 to Buyer's RPA shall be deleted in its entirety.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date 10/20/2021

Date 10/20/2021

Buyer/Tenant [information omitted] and Assignee

Seller/Landlord FREDERICK CHIN
WB 642 St. Cloud LLC

Buyer/Tenant _____

Seller/Landlord _____

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ADDENDUM (ADM PAGE 1 OF 1)



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Tyrone McKillen

Produced with Lone Wolf Transactions (zipForm Edition) 231 Shearson Cr. Cambridge, Ontario, Canada N1T 1J5 www.lwof.com

Phone: (949) 212-8721

Fax:

642 St Cloud Rd



Property Address: **642 St Cloud Rd, Los Angeles, CA**Date: **October 20, 2021****10. WARRANTY:**

- A. SELLER WARRANTY:** Pursuant to Chapter 2 of Title 7 of Part 2 of Division 2 of the California Civil Code commencing with § 896, Seller warrants the Property including, but not limited to, fit and finish of cabinets, mirrors, flooring, interior and exterior walls, countertops, paint finishes and trim, against defective materials and workmanship for a period of 1 year from the date of occupancy ("Seller Warranty"), provided that Seller receives notice of such defect(s) within the 1-year period. Defects that were inspected and approved or waived by Buyer under paragraph 16 of the Agreement or thereafter, minor settling cracks, damage caused by Buyer or movers, or damage due to alterations or additions made by persons other than Seller, are excluded from Seller's Warranty. Seller will, at Seller's option, and within a reasonable time, repair or replace any defect in the Property. Seller will assign to Buyer all material and subcontractor warranties.
- B.** Seller's obligations are subject to Chapter 2 of Title 7 of Part 2 of Division 2 of the California Civil Code commencing with § 896, unless Seller elects to offer an enhanced protection agreement ("EPA") in place of the provisions of Chapter 2. The protection offered in the EPA must be greater than or equal to the protection offered in Chapter 2. If Seller elects to offer an EPA the election shall be made in writing with Buyer no later than the Close Of Escrow and Seller shall provide Buyer a copy of Chapter 2 and advise Buyer of Seller's election not to be subject to its provisions.
- C.** Seller shall not be liable for, nor have any obligation to provide, warranty services with respect to any defect expressly noted and approved or waived by Buyer at Close Of Escrow.
- D.** THE SELLER'S WARRANTY IS PROVIDED IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS, AND IN LIEU OF ANY STRICT LIABILITY OF SELLER IN TORT, TO THE EXTENT SUCH LIABILITY MAY BE DISCLAIMED UNDER CALIFORNIA LAW. THE SELLER'S WARRANTY ALSO EXCLUDES LIABILITY FOR CONSEQUENTIAL DAMAGES TO THE EXTENT THAT SUCH LIABILITY MAY BE DISCLAIMED UNDER CALIFORNIA LAW.
- E.** WHETHER OR NOT SELLER WARRANTS ANY ASPECT OF THE PROPERTY, SELLER IS OBLIGATED TO DISCLOSE KNOWN MATERIAL FACTS, AND TO MAKE OTHER DISCLOSURES REQUIRED BY LAW.
- F.** Buyer and Seller understand and acknowledge that Brokers shall not be liable for any breach of paragraph 10 of this addendum.

11. PROPOSITION 65 WARNING: MATERIALS INCLUDED IN THE CONSTRUCTION OF THIS HOUSE WILL EXPOSE YOU TO FORMALDEHYDE, A SUBSTANCE KNOWN TO CAUSE CANCER. FURTHER INFORMATION MAY BE OBTAINED FROM THE BUILDER/SELLER.

The following information is intended to explain the warning furnished by Seller of this home for exposures to formaldehyde, a substance known to the State of California to cause cancer. The exposures are caused by materials of which the house is or will be built.

The United States Environmental Protection Agency, the California Air Resources Board, and other agencies have measured the presence of formaldehyde in the indoor air of homes in California. Levels of formaldehyde that present a significant cancer risk have been measured in most homes. Formaldehyde is present in the air because it is emitted by a variety of building materials and home products purchased by Seller from materials suppliers. These materials include carpeting, pressed wood products, insulation, plastics, and glues.

This home, if constructed prior to entering into this Agreement, has not been tested, and if constructed after entering into this Agreement, will not be tested. Most homes that have been tested elsewhere do contain formaldehyde, although the concentrations vary from home to home with no obvious explanation for the differences. One of the problems is that many suppliers of building materials and home products do not provide information on chemical ingredients to builders. In the absence of specific information on these homes, and in light of the materials used in their construction, Seller believes that a warning is necessary.

Buyer may have further questions about these issues. Seller is willing to share any further information Seller has obtained and will provide, upon request, a list of known materials suppliers that may be contacted for further information, and whether any inquiry has been made by Seller.

12. LEGAL ADVICE: Buyer and Seller are advised to consult with legal counsel: (i) about whether to elect to engage in an alternate non-adversarial procedure other than the procedure set forth in Civil Code § 914 and (ii) regarding the effect of an EPA, as specified in paragraph 10B above, and the implications to each party in this transaction if construction defect claims are not subject to the provisions of Chapter 2. Seller is also advised to consult with legal counsel: (i) to determine whether it is advisable to record on title, in addition to the Notice provided in paragraph 4A above, additional documents, and if so, which ones and when, and (ii) whether Seller should elect to offer an EPA in place of the protection granted by Chapter 2.

By signing below, Buyer and Seller acknowledge that each has read, understands, received a copy of, and agrees to the terms of this New Construction Addendum.

Buyer	:	[information omitted]	and Assignee	Date
Buyer	:			Date
Seller	:	FREDERICK CHIN	WB 642 St. Cloud LLC	Date 10/20/2021
Seller	:	277DF9001028407		Date

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NCRPA 4/15 (PAGE 2 OF 2)

NEW CONSTRUCTION ADDENDUM TO RPA-CA (NCRPA PAGE 2 OF 2)

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642 St Cloud Rd





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BUYER COUNTEROFFER No. 1
(C.A.R. Form BCO, 11/14)



This is a counteroffer to the: ☒ Seller Counteroffer No. 1, ☐ Seller Multiple Counteroffer No. , or ☐ Other ("Offer").
dated October 20, 2021, on property known as 642 St Cloud Rd, Los Angeles, CA 90077 ("Property"),
between [information omitted] or Assignee ("Buyer") and WB 642 St. Cloud, LLC ("Seller").
Date November 17, 2021

1. **TERMS:** The terms and conditions of the above referenced document are accepted subject to the following:
- A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counteroffer or an addendum.
 - B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer, but deposit amount(s) shall remain unchanged from the original Offer.

C. **OTHER TERMS:** See Attached Addendum #1 to Buyer's Counter Offer #1

D. The following attached addenda are incorporated into this Buyer Counteroffer: ☒ Addendum No. Addendum #1

2. **EXPIRATION:** This Buyer Counteroffer shall be deemed revoked and the deposits, if any, shall be returned:
- A. Unless by 5:00pm on the third Day After the date it is signed in paragraph 3 (if more than one signature then, the last signature date) (or by ☐ AM ☐ PM on (date)) (i) it is signed in paragraph 4 by Seller and (ii) a copy of the signed Buyer Counteroffer is personally received by Buyer or Paul Lester/Aileen Comora, who is authorized to receive it.

OR B. If Buyer withdraws it in writing (CAR Form WOO) anytime prior to Acceptance.

3. **OFFER: BUYER MAKES THIS COUNTEROFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.**

Buyer [information omitted] [information omitted] or Assignee Date 11/18/2021
Buyer Date

4. **ACCEPTANCE: I/WE accept the above Buyer Counteroffer (If checked ☒ SUBJECT TO THE ATTACHED COUNTEROFFER) and acknowledge receipt of a copy.**

Seller FREDERICK CHIN WB 642 St. Cloud, LLC Date 11/22/2021 Time ☐ AM/ ☐ PM
Seller Date Time ☐ AM/ ☐ PM

CONFIRMATION OF ACCEPTANCE:

(/) (Initials) **Confirmation of Acceptance:** A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent as specified in paragraph 2A on (date) at ☐ AM/ ☐ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document.

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BCO 11/14 (PAGE 1 OF 1)

BUYER COUNTEROFFER (BCO PAGE 1 OF 1)

The Agency - Beverly Hills, 331 Foothill Road, Suite 100 Beverly Hills, CA 90210 Phone: 424.336.3746 Fax: 424.336.3749 642 St Cloud Rd -
Aileen Comora Produced with Lone Wolf Transactions (zipForm Edition) 231 Shearson Cr. Cambridge, Ontario, Canada N1T 1J5 www.lwof.com

ADDENDUM ONE (1) TO BUYERS COUNTER OFFER #1:

Expiration of Sellers Counter offer #1 is extended.

1. Purchase Price to be [information omitted] . Initial deposit in escrow to be 3% of the purchase price
2. Item #10 of Seller's Counter offer #1, Addendum #1 Page 1 is modified as follows:
 - a) Landscape: Buyer requests the ability to alter and adjust the landscape provided that such changes/adjustments do not result in any additional cost impact or impact on the certificate of occupancy. In the event buyer chooses to increase said budgets, Buyer to pay additional costs directly to Vendor
 - b) Seller to Add under cabinet shelves in guest bedrooms where they are absent
 - c) Seller to expand width of interior screen at "pajama lounge" to match width of vents
 - d) Seller to add privacy film at powder toilet room (at Entry)
 - e) Seller to add portola paint to powder bathroom at top floor & at powder adjacent to kitchen
 - f) Seller to swap bath tub from guest suite to master bathroom
 - g) Seller to change the glazing at Master shower to match toilet rooms
 - h) Seller to add 2 exterior screens to Master level
 - i) Seller to add wall & door to switchgear room to hide from main entry
 - j) Buyer requests excess material order for stone floors for back stock (request of 1,500 s.f.)
 - k) Buyer to confirm with Seller the locations for the purchased TVs
 - l) Vehicle Clearance at garage entry to be confirmed (modification of the trellis or driveway may be necessary)
 - m) Electronic car charger to be installed
 - n) Any and all other items should Buyer chose to change, shall be at the expense of Buyer and in no event impact the process for the Certificate of Occupancy.
3. RE: Item #13 of Sellers Counter offer #1, Addendum #1 page 2: CLOSE OF ESCROW/DELIVER OF POSSESSION: Seller anticipates being able to deliver the property by [information omitted] or sooner.

In the event seller is unable to obtain Certificate of Occupancy and finaled permits, then buyer shall have a right to cancel transaction and Escrow is authorized to release Buyer's deposit with no further action required of Seller. However, escrow can be extended at buyer's discretion with written notification to seller every 30 days until Certificate of Occupancy and finaled permits are obtained by seller and given to buyer.
4. Item #11 of Seller Counter Offer #1 Addendum #1, page #1 is modified as follows:

Other than as needed for the due diligence in the acquisition/purchase of the property. If any work is agreed upon then buyer can have direct contact with those professionals if and when needed.

[information
omitted]

DS
FC

PL

5. Buyer to have access to the CAD Documents and digital plans primarily related to potential interior art placement and other items including furniture in advance of the certificate of occupancy.

[information omitted]

11/18/2021

Buyer:

[information omitted] and/or Assignee

Unassigned by

FREDERICK CHIN

Seller: 000019264D7

11/22/2021

WB 642 St. Cloud LLC

DS
FC

PL



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SELLER COUNTER OFFER No. 2
May not be used as a multiple counter offer.
(C.A.R. Form SCO, Revised 11/14)

Date November 22, 2021

This is a counter offer to the: ☐ Purchase Agreement, ☒ Buyer Counter Offer No. 1, or ☐ Other _____ ("Offer"),
dated November 17, 2021, on property known as 642 St Cloud Rd, Los Angeles, CA ("Property"),
between _____ [information omitted] and Assignee ("Buyer")
and WB 642 St. Cloud LLC ("Seller").

1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:

- A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer or an addendum.**
B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer, but deposit amount(s) shall remain unchanged from the original Offer.

C. OTHER TERMS: _____

D. The following attached addenda are incorporated into this Seller Counter offer: ☒ Addendum No. 1

☐ _____

2. EXPIRATION: This Seller Counter Offer shall be deemed revoked and the deposits, if any, shall be returned:

- A. Unless by 5:00pm on the third Day After the date it is signed in paragraph 4 (if more than one signature then, the last signature date) (or by ☐ AM ☐ PM on _____ (date)) (i) it is signed in paragraph 5 by Buyer and (ii) a copy of the signed Seller Counter Offer is personally received by Seller or Tyrone McKillen, who is authorized to receive it.**
B. OR If Seller withdraws it anytime prior to Acceptance (CAR Form WOO may be used).
C. OR If Seller accepts another offer prior to Buyer's Acceptance of this counter offer.

3. MARKETING TO OTHER BUYERS: Seller has the right to continue to offer the Property for sale. Seller has the right to accept any other offer received, prior to Acceptance of this Counter Offer by Buyer as specified in 2A and 5. In such event, Seller is advised to withdraw this Seller Counter Offer before accepting another offer.

4. OFFER: SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.

Seller FREDERICK CHIN WB 642 St. Cloud LLC Date 11/22/2021
Seller _____ Date _____

5. ACCEPTANCE: I/WE accept the above Seller Counter Offer (If checked ☒ SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.

Buyer _____ [information omitted] [information omitted] and Assignee Date 11/23/2021 Time ☐ AM/ ☐ PM
Buyer _____ Date _____ Time ☐ AM/ ☐ PM

CONFIRMATION OF ACCEPTANCE:

(_____/_____) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Seller, or Seller's authorized agent as specified in paragraph 2A on (date) _____ at _____ AM/ ☐ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Seller or Seller's authorized agent whether or not confirmed in this document.

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SCO Revised 11/14 (PAGE 1 OF 1)

SELLER COUNTER OFFER (SCO PAGE 1 OF 1)

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Tyrone McKillen Produced with Lone Wolf Transactions (zipForm Edition) 231 Shearson Cr. Cambridge, Ontario, Canada N1T 1J5 www.lwolf.com



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ADDENDUM

(C.A.R. Form ADM, Revised 12/15)

No. 1

The following terms and conditions are hereby incorporated in and made a part of the: ☐ Purchase Agreement, ☐ Residential Lease or Month-to-Month Rental Agreement, ☐ Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), ☒ Other Seller Counter Offer #2

dated November 22, 2021, on property known as 642 St Cloud Rd
Los Angeles, CA
in which [information omitted] and Assignee is referred to as ("Buyer/Tenant")
and WB 642 St. Cloud LLC is referred to as ("Seller/Landlord").

1. Buyer shall have until January 7, 2022 to complete all Buyer investigations under Section 14(B)(1) of RPA regardless of date of Acceptance.

2. Sections (i) and (l) of item #2 of Addendum One (1) to Buyer's Counter Offer #1 are deleted in their entirety.

3. Item #3 of Addendum One (1) to Buyer's Counter Offer #1 is deleted in its entirety and replaced as follows:

* Close of Escrow shall occur within ten (10) days after seller has obtained final sign offs on all open permits. Seller anticipates being able to deliver the property by [information omitted] or sooner. In the event seller is unable to obtain final sign offs on all open permits by [information omitted] then buyer shall have a right to cancel transaction and Escrow is authorized to release Buyer's deposit with no further action required of Seller. However, escrow can be extended at buyer's discretion with written notification to seller every 30 days until final sign offs on all open permits are obtained by seller and given to buyer.

4. Buyers Counter Offer no 1 is hereby extended to the date of said counter offer

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date 11/23/2021

Date 11/22/2021

Buyer/Tenant [information omitted]
[information omitted] and Assignee

Seller/Landlord FREDERICK CHIN
WB 642 St. Cloud LLC

Buyer/Tenant _____

Seller/Landlord _____

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ADDENDUM (ADM PAGE 1 OF 1)



Compass, 9545 Wilshire Blvd 1st Floor Beverly Hills CA 90212
Tyrone McKillen

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Phone: (949) 212-8721

Fax:

642 St Cloud Rd



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BUYER COUNTEROFFER No. 2
(C.A.R. Form BCO, 11/14)



Date November 22, 2021

This is a counteroffer to the: ☐ Seller Counteroffer No. 2, ☐ Seller Multiple Counteroffer No. , or ☐ Other ("Offer").
dated November 22, 2021, on property known as 642 St Cloud Rd, Los Angeles, CA 90077 ("Property"),
between [information omitted] or Assignee ("Buyer") and WB 642 St. Cloud, LLC ("Seller").

1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:

A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counteroffer or an addendum.

B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer, but deposit amount(s) shall remain unchanged from the original Offer.

C. OTHER TERMS: See Attached Addendum one(1) to Buyer Counter offer #2

D. The following attached addenda are incorporated into this Buyer Counteroffer: ☒ Addendum No. One(1)
☐ _____

2. EXPIRATION: This Buyer Counteroffer shall be deemed revoked and the deposits, if any, shall be returned:

A. Unless by 5:00pm on the third Day After the date it is signed in paragraph 3 (if more than one signature then, the last signature date)(or by ☐ AM ☐ PM on (date)) (i) it is signed in paragraph 4 by Seller and (ii) a copy of the signed Buyer Counteroffer is personally received by Buyer or Paul Lester/Aileen Comora, who is authorized to receive it.

OR B. If Buyer withdraws it in writing (CAR Form WOO) anytime prior to Acceptance.

3. OFFER: BUYER MAKES THIS COUNTEROFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.

Buyer [information omitted] [information omitted] or Assignee Date 11/23/2021
Buyer Date

4. ACCEPTANCE: I/WE accept the above Buyer Counteroffer (If checked ☐ SUBJECT TO THE ATTACHED COUNTEROFFER)
and acknowledge receipt of a copy. 11/24/2021

Seller FREDERICK CHIN WB 642 St. Cloud, LLC Date Time ☐ AM/ ☐ PM
Seller 277DF9051B294D7 Date Time ☐ AM/ ☐ PM

CONFIRMATION OF ACCEPTANCE:

([information omitted]) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent as specified in paragraph 2A on (date) 11/24/21 at 12:33 ☐ AM/ ☒ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document.

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BCO 11/14 (PAGE 1 OF 1)

BUYER COUNTEROFFER (BCO PAGE 1 OF 1)

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ADDENDUM

(C.A.R. Form ADM, Revised 12/15)

No. One(1)



The following terms and conditions are hereby incorporated in and made a part of the: ☐ Purchase Agreement, ☐ Residential Lease or Month-to-Month Rental Agreement, ☐ Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), ☒ Other Buyer Counter Offer #2
dated November 22, 2021, on property known as 642 St Cloud Rd
Los Angeles, CA 90077

in which _____ [information omitted] or Assignee is referred to as ("Buyer/Tenant")
and WB 642 St. Cloud, LLC is referred to as ("Seller/Landlord").

1) RE: SCO#2 dated 11/22/2021, Addendum #1, Item #3:

this item is deleted and the following shall apply: Close of escrow shall occur within ten (10) days after seller has obtained the certificate of occupancy. Seller anticipates being able to deliver the property by [information omitted] or sooner. In the event seller is unable to obtain the C of O by [information omitted] then buyer shall have the right cancel the transaction and Escrow is authorized to release Buyer's deposit with no further action required of Seller. However, escrow can be extended at buyer's discretion with written motivation to seller for a 30 day extension to close in the event Final Inspection has been approved on all permits, but C of O has not yet been received.

2) Buyer shall have 45 days from acceptance to complete all Buyer investigations under Section 14(B)(1) of RPA

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date 11/23/2021

Date

DocuSigned by

11/24/2021

Buyer/Tenant [information omitted]
[information omitted] or Assignee

Seller/Landlord FREDERICK CHIN
WB 642 St. Cloud, LLC

Buyer/Tenant _____

Seller/Landlord _____

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ADDENDUM (ADM PAGE 1 OF 1)

pl



The Agency - Beverly Hills, 331 Foothill Road, Suite 100 Beverly Hills CA 90210
Allison Connor

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642 St Cloud Rd -



EXTENSION OF TIME ADDENDUM (C.A.R. Form ETA, Revised 4/06)



The following terms and conditions are hereby incorporated in and made a part of the: ☒ California Residential Purchase Agreement, ☐ Manufactured Home Purchase Agreement, ☐ Probate Purchase Agreement, ☐ Residential Income Property Purchase Agreement, ☐ Vacant Land Purchase Agreement, ☐ Commercial Property Purchase Agreement, ☐ Business Purchase Agreement, ☐ other _____

_____ ("Agreement"),
dated November 24, 2021, on property known as 642 St Cloud Rd, Los Angeles, CA 90077
_____ ("Property"), in which
_____ [information omitted] _____ is referred to as
("Buyer") and WB 642 St. Cloud, LLC
is referred to as ("Seller").

- 1. EXTENSION OF ESCROW:** The scheduled Close Of Escrow is extended to _____ (Date).
- 2. EXTENSION OF CONTINGENCY(IES):** The following contingency(ies), if checked, is/are extended to February 4, 2022 (Date) ☒ Buyer Investigation of Property Condition ☐ Loan ☒ Other
All Buyers Contingencies as stated in Paragraph 14 of RPA including insurability of property.
- 3. OTHER EXTENSION(S):** The time for _____ is/are extended to _____ (Date).
- 4. ADDITIONAL TERMS:** Due to the current state of construction, buyer inspections & investigations cannot be sufficiently completed. Additional information has been requested of seller.

By signing below, Buyer and Seller acknowledge that each has read, understands, and received a copy of and agrees to the terms of this Extension of Time Addendum.

Buyer [information omitted] _____ Date 01/06/2022
[information omitted]
Buyer _____ Date _____
[Signature of Frederick Chin]
FREDERICK CHIN _____ 1/7/2022
Seller _____ Date _____
WB 642 St. Cloud, LLC
Seller _____ Date _____

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EXTENSION OF TIME ADDENDUM
(C.A.R. Form ETA, Revised 4/06)



The following terms and conditions are hereby incorporated in and made a part of the: ☒ California Residential Purchase Agreement, ☐ Manufactured Home Purchase Agreement, ☐ Probate Purchase Agreement, ☐ Residential Income Property Purchase Agreement, ☐ Vacant Land Purchase Agreement, ☐ Commercial Property Purchase Agreement, ☐ Business Purchase Agreement, ☐ other _____

_____ ("Agreement"),

dated November 24, 2021, on property known as 642 St Cloud Rd, Los Angeles, CA 90077

_____ ("Property"), in which

_____ ("Buyer") and _____ WB 642 St. Cloud, LLC

is referred to as ("Seller").

1. **EXTENSION OF ESCROW:** The scheduled Close Of Escrow is extended to _____ (Date).

2. **EXTENSION OF CONTINGENCY(IES):** The following contingency(ies), if checked, is/are extended to February 11, 2022 (Date) ☒ Buyer Investigation of Property Condition ☐ Loan ☒ Other Insurance/insurability.

3. **OTHER EXTENSION(S):** The time for _____ is/are extended to _____ (Date).

4. **ADDITIONAL TERMS:** Title and survey - review and final approval

By signing below, Buyer and Seller acknowledge that each has read, understands, and received a copy of and agrees to the terms of this Extension of Time Addendum.

Buyer _____ [information omitted] _____ Date 02/04/2022
[information omitted]

Buyer _____ Date _____

Seller FREDERICK CHIN 2/4/2022
27F6F99019284D7...

Seller WB 642 St. Cloud, LLC

Seller _____ Date _____

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**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: February 10, 2022

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 December 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: February 10, 2022

By: /s/ Michael I. Goldberg

Michael I. Goldberg,
Liquidation Trustee
