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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SANTA ROSA DIVISION

In re LEFEVER MATTSON, a California corporation, et al. Debtors.[1] ______________________ In re KS MATTSON PARTNERS, LP, Debtor.	Case No. 24-10545 CN (Lead Case) (Jointly Administered) Chapter 11 **REPLY IN SUPPORT OF MOTION OF DEBTOR KSMP TO ESTABLISH PROCEDURES FOR REAL PROPERTY SALES** Date: October 22, 2025 Time: 11:00 a.m. Place: (In Person or Via Zoom) United States Bankruptcy Court 1300 Clay Street, Courtroom 215 Oakland, CA 94612

[1] The last four digits of LeFever Mattson's tax identification number are 7537. The last four digits of the tax identification number for KS Mattson Partners, LP ("KSMP") are 5060. KSMP's address for service is c/o Stapleton Group, 514 Via de la Valle, Solana Beach, CA 92075. The address for service on LeFever Mattson and all other Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at https://veritaglobal.net/LM.

Debtor KS Mattson Partners, LP ("KSMP"), by and through undersigned counsel, hereby submits this reply (this "Reply") in support of the *Motion of Debtor KSMP to Establish Procedures for Real Property Sales* [Docket No. 2508] (the "Motion").[2]

REPLY

KSMP and its professionals are working diligently to position this case for a successful and orderly liquidation of KSMP's real estate portfolio, and the proposed sale procedures are a critical component of that effort. They provide a standardized, Court-approved framework to bring properties to market, obtain Court approval for their sale, and close sale transactions efficiently. With this framework in place, KSMP is prepared to move expeditiously to seek Court approval of and consummate sales. It currently has 19 properties on the market, with seven properties subject to active market interest. Indeed, KSMP anticipates filing up to four sale notices under the proposed sale procedures promptly upon their approval. Together, these transactions are expected to generate almost $15.8 million in sale proceeds, of which approximately $1.4 million will be unencumbered—creating immediate and much needed liquidity to fund administrative expenses and minimize postpetition financing costs.

Indeed, KSMP has been disciplined in managing its postpetition borrowing to date, drawing so far only $850,000 of the available $4 million. Because no interest accrues on undrawn amounts, every dollar generated through timely sales reduces the need to borrow, preserving value for stakeholders. Prompt approval of the sale procedures—and the ability to close transactions quickly—will allow the estate to maintain this low-borrowing posture, minimizing financing costs and conserving resources for distribution to stakeholders. Conversely, any delay threatens to disrupt KSMP's current momentum. It risks chilling buyer interest, increasing the estate's reliance on borrowed funds and undermining the value-maximizing, transparent sale process that KSMP has worked to put in place.

[2] Capitalized terms used but not defined in this Reply shall have the meanings ascribed to such terms in the Motion.

In this Reply, KSMP addresses several informal comments and one formal objection it received to the Motion. KSMP understands that all of these have been resolved through discussions with counsel and/or clarifications to the proposed order. The clarifications to the proposed order (a clean and redline of which are attached as Exhibit 1) expand notice to interested parties, preserve the Committee's rights with respect to secured creditor paydowns, clarify the procedures' already existing protections of co-owners, and address how the sale procedures will interplay with the proposed settlement with Socotra Capital, Inc. ("Socotra"), which is currently pending Court approval. The issues raised and resolutions thereto are described in more detail below. [3]

I. KSMP Has Resolved Informal Responses and Comments.

As noted, KSMP received informal comments and objections to the proposed sale procedures. Most were raised constructively and were fully resolved through revisions to the proposed order. None provides a basis to deny or delay approval of the Motion.

A. Committee Comments: Notice and Claim Preservation

The Committee's informal comments were narrow and targeted to ensuring appropriate notice and preserving creditor protections. Specifically, the Committee requested:

- that, for commercial properties, the Sale Notice be served on any party that previously submitted a bid for that property, ensuring that interested parties receive direct notice of any proposed transaction; and
- the addition of language to paragraph 8 of the proposed sale orders clarifying that any amounts paid to a secured lender at closing will not constitute an allowance of the secured claim, and that such amounts remain fully subject to clawback or disgorgement, as appropriate.

These clarifications have been incorporated into (i) paragraph 7(b) of the revised order and (ii) paragraph 8 of the proposed forms of sale order (disgorgement), which form exhibits to the

[3] In addition to the modifications requested by parties in interest, KSMP has made a small clarifying change to paragraph 7(e) of the proposed order to clarify that the 5.0% aggregate limit on bid protections (break-up fee and expense reimbursement) for any stalking horse bidder is a cap, and not the bid protections that any stalking horse bidder should expect to receive.

residential and commercial forms of sale notice and can be found at Exhibits B and C of the redline at Exhibit 1. They do not alter the substance of the sale procedures or impede KSMP's ability to move forward with sales. Rather, they promote transparency and protect creditor rights—objectives KSMP shares. With these changes, the Committee's informal concerns are resolved.

B. DIP Lender Comments: Payoff at Closing

KSMP's postpetition lender, Serene Investment Management LLC ("Serene"), requested that the sale procedures order be clarified to expressly provide that, where Serene holds a postpetition lien on a property, its lien will be paid in full at the closing of the sale of that property. As this was already a requirement under KSMP's postpetition credit facility, KSMP agreed to the proposed clarifications. *See* Dkt No. 2414, Ex. 1 (Credit Agreement, Section 2.1). The clarifying language can be found in paragraphs 6(a).xiii, 7(a).xiii and 13 of the revised order, and paragraph 7 of each of the forms of sale order. KSMP has also agreed to add Serene as a notice party with respect to sale notices and stalking horse notices. Serene's informal objection is thus also resolved.

C. Co-Owner Concerns: Use of Sale Procedures

KSMP has also received inquiries from individuals and entities asserting co-ownership interests in certain KSMP properties—some of whom are on title, and others who are not but have presented executed agreements or other materials purporting to evidence some form of a co-ownership arrangement with KSMP and/or Mr. Mattson.

The proposed order already makes clear that the streamlined sale procedures will only be used for properties that KSMP owns jointly when all co-owners consent. *See* Proposed Order ¶ 2 ("The Sale Procedures shall not apply to any TIC Property unless all co-owners consent to the sale."). But to provide further comfort to co-owner parties, KSMP has clarified the proposed order to provide that KSMP will not use the streamlined procedures to sell any property where it has actual knowledge of someone asserting a co-ownership interest without that individual's or entity's consent—even if that person or entity is not on title.[4] Nothing in this clarification limits KSMP's

[4] Under the proposed order, KSMP has actual knowledge of a co-ownership claim where an entity or individual

right to contest the existence or validity of any co-ownership claims, seek approval of a sale free and clear of liens or interests under section 363(f), or pursue relief under section 363(h) of the Bankruptcy Code through a separate motion or adversary proceeding if necessary and appropriate.

D. Socotra Objection: Interim Standstill

Socotra, KSMP, the LFM Debtors and the Committee have recently entered into a proposed settlement agreement, parts of which impact the sale of certain KSMP properties. A motion has been filed to approve the settlement agreement, which is set for hearing on November 5, 2025. Socotra has requested, and KSMP has agreed, that pending approval of that settlement, KSMP will not file any sale notices with respect to properties in which Socotra asserts a lien ("Socotra Properties") without Socotra's consent. The parties further agree that, following approval of the proposed settlement agreement, KSMP may file a Sale Notice with respect to any property that the agreement permits it to sell and in which Socotra asserts a lien, provided that the sale proceeds shall be distributed in accordance with the distribution waterfall set forth in the settlement agreement. This resolution is set forth at paragraph 16 of the revised proposed order.[5]

Collectively, none of these informal objections challenges the core structure or purpose of the sale procedures. To the contrary, they reflect routine clarifications that are typical in the context of coordinated, Court-supervised sale processes. With these clarifications, the procedures enjoy broad support among key stakeholders and will allow KSMP to continue advancing toward an efficient, value-maximizing liquidation of its real estate portfolio.

II. The Filed Objection Has Been Resolved.

Only one objection to the Motion was filed. Dkt. No. 2588. It was asserted by Equitable Group, Inc. ("Equitable") and Matthew Treger as to a property located at 454 15th Street, Del Mar,

either (1) is on record title with KSMP for a specific property or (2) after the Relief Date, provided KSMP with an executed co-ownership agreement, whether directly or through a filed proof of claim against KSMP. To date, KSMP has identified seven parties that have filed proofs of claim asserting a co-ownership interest in properties owned by, or once owned by, KSMP.

[5] If the settlement is not approved, KSMO and Socotra will either seek to reach and document and agreement as to the disposition of proceeds or seek relief from the Court as to any disputes over the same.

CA 92014 (the "15th Street Property"). Upon speaking with their counsel, it appears that these parties were not objecting to approval of the sale procedures themselves, but rather filed their papers to ensure that KMSP, the Court and parties in interest were aware of their purported interests in the 15th Street Property.[6] These interests—and why they are not impaired by the proposed sale procedures—are discussed in more detail below.

A. Mr. Treger's Claimed Co-Ownership Interest

Mr. Treger asserts that he holds a 33% co-ownership interest in the 15th Street Property. He bases this assertion on a purported May 22, 2008 Co-Ownership Agreement (as subsequently amended August 13, 2009) that his counsel transmitted with his objection. KSMP, which has limited books and records, was unaware of these alleged co-ownership rights when it filed the Motion.[7] A title search shows that the property is 100% titled in KSMP's name.

KSMP looks forward to engaging constructively with Mr. Treger regarding his asserted co-ownership interest. But his claim provides no basis to deny or delay approval of the sale procedures. As discussed above, the sale procedures themselves do not authorize KSMP to sell any property; they simply provide a clear process for bringing proposed sales before the Court and interested parties. If and when KSMP seeks to sell the 15th Street Property, that will be the appropriate time and forum to address Mr. Treger's substantive co-ownership claim (if it has not yet otherwise been resolved).

Moreover, as discussed above, KSMP has already clarified in the revised proposed order that it will not use the sale procedures to sell any property if it has actual knowledge of a co-owner's purported interest—whether reflected through title records, an executed co-ownership agreement, or a proof of clam attaching an executed coownership agreement—without that party's consent.

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[6] Mr. Treger's and Equitable's counsel represented to KSMP's counsel that the parties were not objecting to approval of the sale procedures, and that they did not intend to press their evidentiary objections. As the evidentiary objections are no longer at issue, KSMP has not responded to them. KSMP reserves all rights to do so, however, if they become relevant at the hearing or in the future.

[7] Mr. Treger filed two proofs of claim (Claim Nos. 377 and 790) on September 30 and October 2, 2025. The September 30, 2025 proof of claim was not processed until after the Motion was filed on October 1, 2025.

See Ex. 1, ¶2. Mr. Treger, having submitted his purported co-ownership documents, falls squarely within this framework. His rights and interests are unimpaired by the sale procedures.

B. Equitable's Asserted Ownership

Equitable separately asserts that it is the assignee of a March 30, 2024 purchase agreement for the 15th Street Property between the Debtor and the MCDAB Family Trust (the "MCDAB Trust"), of which Mr. Lair is a trustee. It also asserts that "possession" of the property has changed hands, that "purchase monies were received" by KSMP, but that the property remains in an "open escrow." Objection, 2:16-20.

KSMP only first obtained a copy of the March 30, 2024 purchase agreement after filing the Motion and is currently investigating the terms, conditions and circumstances of the agreement. It is unclear, for instance, whether the purchase agreement remains operative at all, as it calls for an escrow closing of more than one year ago (on August 30, 2024). KSMP is attempting to obtain additional records from the escrow company and Equitable's counsel to confirm the status of the escrow and agreement.

If a valid, unexpired purchase agreement exists, KSMP will need to determine how to proceed. Any such agreement would be an executory contract, and KSMP retains its rights under section 365 of the Bankruptcy Code to assume or reject any executory contract prior to confirmation of a plan. *See* 11 U.S.C. § 365(a); *see also Benevides v. Alexander (In re Alexander)*, 670 F.2d 885, 887 (9th Cir.1982) (holding that a substantially unperformed real estate purchase agreement remained executory). KSMP will evaluate the purported agreement—if it is still operative—in the exercise of its fiduciary duties and will assume or reject it depending on what is in the best interests of the estate and its stakeholders.

At bottom, however, it appears based on conversations between Equitable and KSMP's counsel that both parties agree that these are issues for another day and do not pose a roadblock to approval of the sale procedures. To the extent unresolved issues remain when KSMP notices a sale of the 15th Street Property, the proposed sale procedures order makes clear that Equitable will be free to raise any objections it may have at that time. *See* Proposed Order, ¶ 16 ("All parties' rights under the Bankruptcy Code to object to a Sale Notice, their treatment thereunder and/or to an interest in the Properties…are preserved.”). Its rights and interests are unimpaired by the sale procedures.

III. <u>Conclusion</u>

The sale procedures are a critical tool to advance this case efficiently and transparently. They create a clear, Court-supervised framework for marketing and selling properties, protect the rights of all stakeholders, and preserve estate value. All the formal and informal concerns with respect to the Motion have been addressed, none of which provide any basis to deny or delay its approval. For the reasons set forth in the Motion and this Reply, KSMP respectfully requests that the Court overrule any remaining objections (to the extent not withdrawn), grant the Motion, approve the revised sale procedures and grant KSMP such other relief as is just and proper.

Dated: October 21, 2025

<u>/s/ Erin N. Brady</u>

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Exhibit 1

Revised Proposed Order and Redline

EXHIBIT A

(Proposed Order)

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SANTA ROSA DIVISION

In re LEFEVER MATTSON, a California corporation, et al. Debtors.[1] In re KS MATTSON PARTNERS, LP, Debtor.	Case No. 24-10545 CN (Lead Case) (Jointly Administered) Chapter 11 **[PROPOSED] ORDER GRANTING MOTION OF DEBTOR KSMP TO ESTABLISH PROCEDURES FOR REAL PROPERTY SALES** Date: October 22, 2025 Time: 11:00 a.m. Place: (In Person or Via Zoom) United States Bankruptcy Court 1300 Clay Street, Courtroom 215 Oakland, CA 94612

[1] The last four digits of LeFever Mattson's tax identification number are 7537. The last four digits of the tax identification number for KS Mattson Partners, LP ("KSMP") are 5060. KSMP's address for service is c/o Stapleton Group, 514 Via de la Valle, Solana Beach, CA 92075. The address for service on LeFever Mattson and all other Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at https://veritaglobal.net/LM.

Upon consideration of the *Motion of Debtor KSMP to Establish Omnibus Procedures for Real Property Sales* (the "Motion"),[2] filed by the above-captioned debtor and debtor in possession ("Debtor KSMP" or "KSMP"), the Court having reviewed the Motion, the Itkin Declaration and the Kieffer Declaration, and the Court having considered the statements of counsel and the evidence adduced with respect to the Motion at a hearing before the Court (the "Hearing"); and the Court having found that (i) the Court has jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 and Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern District of California (the "Bankruptcy Local Rules"); (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); (iv) notice of the Motion and the Hearing was sufficient under the circumstances; and (v) good cause exists to waive the requirements imposed by Bankruptcy Rules 6003 or 4001(b)(2), to the extent either is applicable; and after due deliberation the Court having determined that the relief requested in the Motion is in the best interests of Debtor KSMP, its estates, and its creditors; and good and sufficient cause having been shown;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted.

2. The Sale Procedures are approved, and Debtor KSMP is authorized, but not directed, to take any and all actions reasonably necessary or appropriate to implement those procedures. The Sale Procedures shall not apply to any TIC Property unless all co-owners consent to the sale. For purposes of this Order, "TIC Property**"** shall mean (i) any property where KSMP is a record title owner with another person or entity or (ii) any property where KSMP is the sole record title

[2] Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

owner, but in respect of which a party in interest has directly given to KSMP's counsel after the June 9, 2025 date of the entry of the order for relief (the "Relief Date") an executed co-ownership agreement or has filed a proof of claim against KSMP attaching a copy of the executed co-ownership agreement. Debtor KSMP need not use the Sale Procedures, but may file, in its business judgement, a motion to approve the sale of any individual Property which it deems necessary and appropriate.

3. These Sale Procedures do not apply to sales where the estimated net sale proceeds (purchase price minus Closing Costs) are less than the aggregate amount of claims secured by such property unless Debtor KSMP first obtains in writing the permission of the applicable secured lender(s).

4. "Residential Sales" shall be defined as sales of single-family residences, multi-family properties of four units or fewer and vacant lots that are zoned for residential use.

5. "Commercial Sales" shall be defined as sales of commercial properties and multi-family properties with more than four units, mixed-use properties including both commercial and residential units, vacant lots that are zoned for commercial use, and the vineyard properties.

6. The Residential Sale Procedures shall be as follows:

a. Contents of Sale Notice: Prior to any sale of a Property for which Debtor KSMP, in consultation with the Committee, elects to seek approval through these Residential Sale Procedures, Debtor KSMP shall file with the Court a notice (the "Sale Notice") that sets forth:

i. The address and tax identification number of the Property proposed to be sold (the "Subject Property");

ii. The sale price;

iii. The name(s) of the title holder(s) of the Subject Property;

iv. The name(s) of the holder of any and all liens or other interests in the Subject Property, with the recording date and instrument number of such liens or interests, if any, listed immediately below the caption of the Sale Notice in compliance with Bankruptcy Local Rule 6004-1(a);

v. The amount and nature of any known liens or other interests in the Subject Property, their proposed treatment, and the basis for any dispute thereof or any other ground asserted for selling free and clear thereof;

vi. A brief summary of the marketing of the Subject Property that would support Debtor KSMP's representation that it was done in a fully commercially reasonable manner and Debtor KSMP's conclusion that the price and terms are reasonable and in the best interests of Debtor KSMP's bankruptcy estate according to its business judgment;

vii. The name(s) of the proposed buyer(s) (the "Buyer") and any known relationship to Debtor KSMP[3];

viii. The provision(s) of section 363(f) that Debtor KSMP submits authorize the sale free and clear of liens, a summary of Debtor KSMP's evidence supporting such assertion, and each lien creditor(s)' name, recording date and instrument number for which the sale will be free and clear;

ix. The name of the Broker(s), the date of entry and docket number of the order approving the Broker's employment, any known connection to Debtor KSMP, and their proposed compensation;

x. A schedule of any known unexpired leases or executory contracts (collectively, the "Leases") associated with the Subject Property and their proposed treatment in the Sale including any cure amounts;

xi. A summary of the Buyer's evidence that it can provide adequate assurance of future performance of the Leases, if any;

xii. A summary of any other proposed closing payments, including but not limited to payment of the Broker's commission, transfer taxes, closing and escrow costs, recording costs and the Title Company's fees (collectively, the "Closing Costs");

xiii. The estimated net proceeds available to the estate upon conclusion of the Sale, after the satisfaction of any liens (including the debtor-in-possession financing liens of Serene Investment Management LLC (the "DIP Lender") that will be paid at closing of the sale of the Subject Property pursuant to the DIP Order)[4], and payment of the Closing Costs;

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[3] These Sale Procedures shall not apply if the proposed purchaser is an insider of Debtor KSMP or the LFM Debtors.

[4] "DIP Order" means the order dated September 25, 2025 [Dkt. No. 2414] approving entry into the debtor-in-possession financing facility with the DIP Lender.

xiv. The Objection Procedures (as described below); and

xv. An identification of any Known Co-owners[5] and a representation that all co-owners have consented to the proposed sale.

b. Filing and Service of Sale Notice: The Sale Notice shall be served by email where available and by mail for those who have not consented to email service upon (i) the United States Trustee (the "U.S. Trustee"); (ii) counsel to the Committee; (iii) any known holders of interests in the Subject Property, including any Known Co-owners; (iv) counterparties to the Leases; (v) counsel to LeFever Mattson; (vi) the DIP Lender and (vii) those persons who have formally appeared in this chapter 11 case and requested service pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties").

c. Objection Procedures: Any objection to the proposed sale or the assumption of the Leases or request for hearing (the "Objection") must be served upon counsel for Debtor KSMP and filed with the Court not more than twenty-one (21) calendar days after service of the Sale Notice unless the Sale Notice specifies a longer period or a shorter period is ordered by the Court (the "Objection Deadline").

d. Overbids: There shall be no overbids. The commercially reasonable practice for residential properties is to contact all interested parties once an offer is received, notifying them of the offer and requesting overbids. Therefore, any agreed purchase price will already include any overbids.

e. No Stalking Horse Procedures: There shall be no stalking horse procedures; however, Debtor KSMP reserves the right to request such procedures should it, in its sole discretion determine that a stalking horse would benefit the estate.

f. If No Objection: If the Objection Deadline passes without the filing of an Objection or any such response is withdrawn, Debtor KSMP shall file a declaration attesting that no Objection was filed or served on Debtor KSMP (the "Certificate of No Objection") and Debtor KSMP shall submit a proposed order substantially in the form attached to the Sale Notice as Exhibit 1 (the "Residential Sale Order"). Debtor KSMP may proceed with closing the Sale of the Subject Property immediately upon entry of the Residential Sale Order.

g. Sale Hearing: If an Objection is filed prior to the Objection Deadline and not withdrawn, Debtor KSMP will set a hearing (the "Sale Hearing") giving no less than seven (7) days' notice to (i) the Buyer; (ii) any party that filed an Objection; (iii) and the Notice Parties.

[5] "Known Co-owner" means any person who (i) is a record title owner of the Subject Property with KSMP or (ii) is not a record title owner of the Subject Property with KSMP, but who has directly given to KSMP's counsel after the Relief Date an executed co-ownership agreement for the Subject Property or has filed a proof of claim against KSMP attaching a copy of the executed co-ownership agreement for the Subject Property.

h. Free and Clear: Sales pursuant to the Residential Sale Procedures shall be free and clear of liens and encumbrances to the extent provided under the Bankruptcy Code, with any such liens of any kind or nature to attach to the net proceeds of the sale in the order of their priority, with the same validity, force and effect which they had immediately prior to Sale as against the Subject Property.

7. The Commercial Sale Procedures shall be as follows:

a. Contents of Sale Notice: Prior to any sale of a Property for which Debtor KSMP, in consultation with the Committee, elects to seek approval through these Commercial Sale Procedures, Debtor KSMP shall file with the Court a notice (the "Sale Notice") that sets forth:

i. The address of the Property proposed to be sold (the "Subject Property");

ii. The sale price;

iii. The name(s) of the title holder(s) of the Subject Property;

iv. The name(s) of the holder of any and all liens or other interests in the Subject Property, with the recording date and instrument number of such liens or interests, if any, listed immediately below the caption of the Sale Notice in compliance with Bankruptcy Local Rule 6004-1(a);

v. The amount and nature of any known liens or other interests in the Subject Property, their proposed treatment, and the basis for any dispute thereof or any other ground asserted for selling free and clear thereof;

vi. A brief summary of the marketing of the Subject Property that would support Debtor KSMP's representation that it was done in a commercially reasonable manner and Debtor KSMP's conclusion that the price and terms are reasonable and in the best interests of Debtor KSMP's bankruptcy estate according to its business judgment;

vii. The name(s) of the proposed buyer(s) (the "Buyer") and any known relationship to Debtor KSMP;[6]

viii. The provision(s) of section 363(f) that Debtor KSMP submits authorizes the sale free and clear of liens and a summary of Debtor KSMP's evidence supporting such assertion, and each lien creditor(s)' name, recording date and instrument number for which the sale will be free and clear;

ix. The name of the Broker(s), the date of entry and docket number of the order approving the Broker's employment, any known connection to Debtor KSMP, and their proposed compensation;

[6] These Sale Procedures shall not apply if the proposed purchaser is an insider of Debtor KSMP or the LFM Debtors.

x. A schedule of any known unexpired leases or executory contracts (collectively, the "Leases") associated with the Subject Property and their proposed treatment in the Sale including any cure amounts;

xi. A summary of the Buyer's evidence that it can provide adequate assurance of future performance of the Leases, if any;

xii. A summary of any other proposed closing payments, including but not limited to payment of the Closing Costs;

xiii. The estimated net proceeds available to the estate upon conclusion of the Sale, after the satisfaction of any liens (including the debtor-in—possession financing liens of the DIP Lender that will be paid at closing of the sale of the Subject Property pursuant to the DIP Order), and payment of the Closing Costs;

xiv. The Objection Procedures (as described below);

xv. The procedures for an auction (the "Auction") should qualified overbids be received prior to the Objection Deadline; and

xvi. An identification of any Known Co-owners and a representation that all co-owners have consented to the proposed sale.

b. Filing and Service of Sale Notice: The Sale Notice shall be filed and served by email where available and by mail for those who have not consented to email service upon (i) the United States Trustee (the "U.S. Trustee"); (ii) counsel to the Committee; (iii) any known holders of interests in the Subject Property, including any Known Co-owners, (iv) counterparties to the Leases; (v) counsel to the LeFever Mattson Debtors; (vi) those persons who have formally appeared in this chapter 11 case and requested service pursuant to Bankruptcy Rule 2002, (vii) the DIP Lender, and (viii) any person that previously submitted a bid for the Subject Property (collectively, the "Notice Parties").

c. Objection Procedures: Any objection to the proposed sale, the Auction procedures, or the assumption and assignment of the Leases or request for hearing (the "Objection") must be served upon counsel for Debtor KSMP and filed with the Court not more than twenty-one (21) calendar days after service of the Sale Notice unless the Sale Notice specifies a longer period or a shorter period is ordered by the Court (the "Objection Deadline").

d. Overbids: The Sale Notice shall include solicitation for overbids which must be submitted in writing to Debtor KSMP on or before the Objection Deadline. Overbids must be accompanied by a good faith deposit of 10% of the proposed sale price. Overbids must exceed the proposed sale price by at least 2% on sales up to and including $10,000,000 and by 1% for sales over $10,000,000 plus Bid Protections (if any).

e. Stalking Horse Procedures: Debtor KSMP may, in consultation with the Committee:

i. designate a bidder per Subject Property as a stalking horse bidder (the "Stalking Horse Bidder"), whose bid shall serve as the stalking horse bid (the "Stalking Horse Bid"), and

ii. execute, subject to higher or otherwise better offers, a purchase agreement memorializing the proposed transaction set forth in the Stalking Horse Bid (a "Stalking Horse Agreement"), which may include:

1. a break-up fee of no more than 3.0% of the total cash consideration payable under such Stalking Horse Agreement (the "Break-Up Fee") plus

2. an expense reimbursement for the Stalking Horse Bidder's actual out-of-pocket costs of up to $100,000 (the "Expense Reimbursement" and, together with the Break-Up Fee, the "Bid Protections"); *provided, however*, that the aggregate Bid Protections with respect to any Stalking Horse Bid shall not exceed 5.0% of the total cash consideration offered in such Stalking Horse Bid (the "Bid Protections Cap").

The Bid Protections Cap is an outside cap, and not a floor or an expected amount, of Bid Protections that may be offered to a Stalking Horse Bidder. KSMP's Responsible Individual may, in her business judgment, agree to any amount of Bid Protections that she deems appropriate that does not exceed the Bid Protections Cap. Such Bid Protections may be materially lower than the Bid Protections Cap.

To the extent Debtor KSMP designates more than one Stalking Horse Bidder pursuant to these Bid Procedures, no two Stalking Horse Bidders will be designated with respect to the same Subject Property. The Bid Protections shall only be payable upon consummation of an alternative transaction. Debtor KSMP shall not pay a Break-Up Fee to any Stalking Horse Bidder on account of the portion of the purchase price of such bid that is a credit bid, assumption of liabilities, or other non-cash (or cash-equivalent) consideration, nor provide any Bid Protections to an insider or affiliate of Debtor KSMP or the LFM Debtors.

To the extent Debtor KSMP, in consultation with the Committee, determines to offer Bid Protections to any Stalking Horse Bidder, Debtor KSMP shall disclose such Bid Protections in a corresponding notice designating such Stalking Horse Bidder (the "Stalking Horse Notice") to be filed seven (7) calendar days *prior* to the filing of the corresponding Sale Notice. A Stalking Horse Notice, if filed, shall also include:

i. a copy of the Stalking Horse Agreement;

ii. an appropriate declaration in support of the proposed Bid Protections (the "Bid Protections Declaration"); and

iii. a proposed form of order approving the Bid Protections (the "Stalking Horse Order").

Any objection to (i) the Bid Protections set forth in the Stalking Horse Notice, or (ii) the form of Stalking Horse Order (a "Stalking Horse Objection"), shall be filed no later than ten (10) calendar days after the filing of the Stalking Horse Notice; *provided*, *however*, any such Stalking Horse Objection shall be limited to whether the Stalking Horse Notice and Stalking Horse Order are consistent with the Bid Protections provided for herein. If a timely Stalking Horse Objection is filed, Debtor KSMP is authorized to file a notice seeking an expedited hearing with respect to the Stalking Horse Objection on not less than three (3) calendar days' notice. Absent any timely Stalking Horse Objection, the Court may enter the Stalking Horse Order without further hearing.

f. Auction: If a qualified overbid is received prior to the Objection Deadline, Debtor KSMP shall file and serve notice of the Auction to the Stalking Horse Bidder, all overbidders, any parties filing objections by the Objection Deadline.

g. If No Objection: If the Objection Deadline passes without the filing of an Objection or submission of an overbid or any such response is withdrawn, Debtor KSMP shall file a Certificate of No Objection and Debtor KSMP shall submit a proposed order substantially in the form attached to the Sale Notice as Exhibit 1 (the "Commercial Sale Order"). Debtor KSMP may proceed with closing the Sale of the Subject Property immediately upon entry of the Commercial Sale Order.

h. Sale Hearing: If an Objection is filed or an overbid is submitted prior to the Objection Deadline and not withdrawn, Debtor KSMP will set a Sale Hearing giving no less than seven (7) days' notice to (i) the Buyer; (ii) any party that filed an Objection or submitted an overbid; (iii) and the Notice Parties.

i. Free and Clear: Sales pursuant to these Sale Procedures shall be free and clear of liens and encumbrances to the extent provided under the Bankruptcy Code, with any such liens of any kind or nature to attach to the net proceeds of the sale in the order of their priority, with the same validity, force and effect which they had immediately prior to Sale as against the Subject Property.

8. The forms of Sale Notices attached hereto as **Exhibits B and C** are approved.

9. The forms of Residential Sale Order and Commercial Sale Order each attached as Exhibit 1 to the respective form of Sale Notices are approved.

10. The form of the Stalking Horse Notice attached as **Exhibit D** hereto is approved.

11. The form of the Stalking Horse Order attached as Exhibit 1 to the Stalking Horse Notice is approved.

12. To the extent that any counterparty to a Lease fails to timely object to the Sale of a Subject Property or the assumption and assignment of its Lease to the Buyer, such counterparty is deemed to have consented to the assignment of its Lease to the Buyer.

13. Debtor KSMP is authorized to pay directly from escrow the Closing Costs, any outstanding property taxes, the debtor-in-possession financing claims of the DIP Lender, and any other secured claims for which there are no objections pending at the time of closing.

14. These Sale Procedures shall not apply to sales of Property to "insiders" of Debtor KSMP or the LFM Debtors as that term is defined in section 101(31) of the Bankruptcy Code.

15. Until the Court approves the settlement agreement dated October 14, 2025 with Socotra Capital, Inc. (collectively, with its affiliates that are party to the settlement agreement, "Socotra"), which is attached as Exhibit 1 to the *Joint Motion of LFM Debtors, Debtor KSMP and the Committee to Approve Entry Into and Performance Under the Socotra Settlement Agreement* [Dkt. No. 2556] (the "Socotra Settlement Agreement"), Debtor KSMP shall not file a Sale Notice with respect to any property in which Socotra asserts a lien absent Socotra's consent. Following approval by the Court of the Socotra Settlement Agreement, Debtor KSMP may file a Sale Notice with respect to any property that the Socotra Settlement Agreement permits it to sell and in which Socotra asserts a lien, provided that the sale proceeds shall be distributed in accordance with the distribution waterfall set forth in the Socotra Settlement Agreement.

16. All parties' rights under the Bankruptcy Code to object to a Sale Notice, their treatment thereunder and/or to an interest in the Properties, including the right to seek relief from the automatic stay from the Bankruptcy Court, are preserved. Secured creditors' rights to credit bid pursuant to section 363(k) of the Bankruptcy Code are preserved and shall not be required to pay Closing Costs or Bid Protections unless there is a prior written agreement or order of the Court.

17. This Order shall be effective immediately upon entry, and any stay of orders provided

for in Bankruptcy Rules 6004 or 6006 or any other provision of the Bankruptcy Code or Bankruptcy Rules is expressly lifted. Debtor KSMP is not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order, and may, in its discretion and without further delay, take any action and perform any act authorized under this Order.

18. Nothing contained in the Motion, the Sale Notice, or this Order is intended to be or shall be construed as (i) an admission as to the validity of any claim against Debtor KSMP; (ii) a waiver of Debtor KSMP's or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against Debtor KSMP; (iii) a waiver of any claims or causes of action that may exist against any creditor or interest holder; or (iv) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy, other than those identified in the Sale Notice, between Debtor KSMP and any third party under section 365 of the Bankruptcy Code.

19. Debtor KSMP is hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Order.

20. Debtor KSMP is authorized to make non-substantive changes to the documents referenced herein without further order of the Court, including, without limitation, changes to correct typographical and grammatical errors and to make conforming changes among the aforementioned documents prior to their distribution.

21. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

END OF ORDER

EXHIBIT B

(Form of Residential Sale Notice)

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Attorneys for Debtor and Debtor in Possession

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SANTA ROSA DIVISION

In re LEFEVER MATTSON, a California corporation, et al. Debtors.[1] In re KS MATTSON PARTNERS, LP, Debtor.	Case No. 24-10545 CN (Lead Case) (Jointly Administered) Chapter 11 **NOTICE OF SALE OF SUBJECT PROPERTY LOCATED AT [*INSERT SUBJECT PROPERTY ADDRESS*]** **(RESIDENTIAL SALE)** **LIEN HOLDER: [Name of Secured Party(ies); Recording Date(s); Instrument Number(s)]**

[1] The last four digits of LeFever Mattson's tax identification number are 7537. The last four digits of the tax identification number for KS Mattson Partners, LP ("KSMP") are 5060. KSMP's address for service is c/o Stapleton Group, 514 Via de la Valle, Solana Beach, CA 92075. The address for service on LeFever Mattson and all other Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at https://veritaglobal.net/LM.

PLEASE TAKE NOTICE THAT pursuant to the *Order Establishing Procedures for Real Property Sales* [Dkt. No. __] (the "Sale Procedures Order")[2] entered on [*DATE*], KS Mattson Partners, a California limited partnership ("Debtor KSMP" or "KSMP") in the above-captioned chapter 11 cases, propose to sell certain of its real property in accordance with the approved Sale Procedures. The proposed sale has the following terms:

1. The address of the property proposed to be sold (the "Subject Property"):

   [*STREET*]
   [*CITY, STATE, ZIP CODE*]

The sale price is $_____.

Title holder of the Subject Property: [*NAME*]

[*NAME OF SECURED PARTY*] holds a lien [*RECORDING DATE; INSTRUMENT NUMBER*] against the Subject Property in the amount of $____. Upon closing of the sale, the lien [*DESCRIPTION OF (I) TREATMENT OF LIEN; (II) BASIS FOR ANY DISPUTE OF THE LIEN; AND (III) GROUNDS ASSERTED FOR SELLING FREE AND CLEAR OF THE LIEN PURSUANT TO § 363(f)*]

The Subject Property was marketed as follows: [*DESCRIPTION OF MARKETING*]. [*DESCRIPTION OF BASIS FOR CONCLUSION THAT THE PRICE AND TERMS ARE REASONABLE AND IN THE BEST INTERESTS OF THE DEBTOR'S BANKRUPTCY ESTATES ACCORDING TO ITS BUSINESS JUDGMENT*.]

Proposed Buyer: [*NAME*]

Known connections to Debtor KSMP: [*DESCRIPTION, IF ANY*]

Pursuant to section 363(f)__ of the Bankruptcy Code, Debtor KSMP may sell the Subject Property free and clear of all liens for the following reason(s): [*SUMMARY OF THE DEBTOR'S EVIDENCE SUPPORTING A SALE FREE AND CLEAR OF LIENS*.]

Broker: [*NAME*]

Known connections to Debtor KSMP: *[DESCRIPTION, IF ANY*]

Compensation: ___% of Sale Price ($ ___)

Date and Docket Number of Employment Order: [*INSERT*]

The following unexpired leases or executory contracts (the "Leases") are associated with the Subject Property:

Counter Party	Title	Treatment	Cure Amount (if any)

Adequate assurance information: [*DESCRIPTION OF BUYER'S EVIDENCE THAT IT CAN PROVIDE ADEQUATE ASSURANCE OF FUTURE PERFORMANCE OF THE ASSIGNED LEASES*]

Title and escrow company: [*NAME*]

Escrow number: [*NUMBER*]

Closing payments and treatment of liens: [*DESCRIPTION INCLUDING AMOUNTS OF ALL CLOSING COSTS; MAY ATTACH CLOSING STATEMENT PROVIDED BY TITLE COMPANY/ DESCRIPTION OF LIENS BEING PAID*]

Estimated Net Proceeds of Sale: [*AMOUNT*]

[ONLY IN CASE OF A TIC PROPERTY WHERE ALL CO-OWNERS CONSENT TO USE OF THE SALES PROCEDURES:

Known Co-owners,[2] their asserted percentage ownership, and whether there exists any dispute as to the legitimacy of the asserted co-ownership interest.

Debtor Representation: [*The Debtor represents that each co-owner has consented to the sale*.]]

PLEASE TAKE FURTHER NOTICE THAT this Sale Notice shall be served by email where available and by mail for those who have not consented to email service upon (i) the United States Trustee (the "U.S. Trustee"); (ii) counsel to the Committee; (iii) any known holders of interests in the Subject Property, including any Known Co-owners, (iv) counterparties to the Leases; (v) counsel to the LeFever Mattson Debtors; (vi) the DIP Lender, and (vii) those persons who have formally appeared in this chapter 11 case and requested service pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties").

PLEASE TAKE FURTHER NOTICE THAT any objection to the proposed sale or the assumption and assignment of the Leases or request for hearing (the "Objection") must be served upon counsel for Debtor KSMP and filed with the Court not more than twenty-one (21) calendar days after service of the Sale Notice unless the Sale Notice specifies a longer period or a shorter period is ordered by the Court (the "Objection Deadline").

PLEASE TAKE FURTHER NOTICE THAT there shall be no overbids.

PLEASE TAKE FURTHER NOTICE THAT there shall be no stalking horse procedures; however, Debtor KSMP reserves the right to request such procedures should it, in its sole discretion determine that a stalking horse procedure would benefit the estate.

PLEASE TAKE FURTHER NOTICE THAT if the Objection Deadline passes without the filing of an Objection or credit bit or any such response is withdrawn, Debtor KSMP shall file a declaration attesting that no Objection was filed or served on Debtor KSMP and Debtor KSMP shall submit a proposed order substantially in the form attached hereto as **Exhibit 1** (the

[2] "Known Co-owner" means any person who (i) is a record title owner of the Subject Property with KSMP or (ii) is not a record title owner of the Subject Property with KSMP, but who has directly given to KSMP's counsel after the Relief Date an executed co-ownership agreement for the Subject Property or has filed a proof of claim against KSMP attaching a copy of the executed co-ownership agreement for the Subject Property.

"Residential Sale Order"). The Debtor may proceed with closing the Sale of the Subject Property upon entry of the Residential Sale Order.

PLEASE TAKE FURTHER NOTICE THAT if an Objection is filed prior to the Objection Deadline and not withdrawn, Debtor KSMP will set a hearing (the "Sale Hearing") giving no less than seven (7) days' notice to (i) the Buyer; (ii) any party that filed an Objection; (iii) and the Notice Parties.

PLEASE TAKE FURTHER NOTICE THAT to the extent that any counterparty to a Lease fails to timely object to the Sale of the Subject Property or the assumption and assignment of its Lease to the Buyer, such counterparty is deemed to have consented to the assignment of its Lease to the Buyer.

PLEASE TAKE FURTHER NOTICE THAT the Sale pursuant to these Sale Procedures shall be free and clear of liens and encumbrances to the extent provided under the Bankruptcy Code, with any such liens or encumbrances of any kind or nature to attach to the net proceeds of the sale in the order of their priority, with the same validity, force and effect which they had immediately prior to Sale as against the Subject Property.

Dated: [•], 2025

[*/s/ EXHIBIT*]

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Attorneys for Debtor and Debtor in Possession

EXHIBIT 1

(Proposed Sale Order)

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Attorneys for Debtor and Debtor in Possession

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SANTA ROSA DIVISION

In re LEFEVER MATTSON, a California corporation, et al. Debtors.[1] ______________________ In re KS MATTSON PARTNERS, LP, Debtor.	Case No. 24-10545 CN (Lead Case) (Jointly Administered) Chapter 11 **[PROPOSED] ORDER APPROVING ASSET SALE OF THE PROPERTY LOCATED AT [*INSERT SUBJECT PROPERTY ADDRESS*]**

[1] The last four digits of LeFever Mattson's tax identification number are 7537. The last four digits of the tax identification number for KS Mattson Partners, LP ("KSMP") are 5060. KSMP's address for service is c/o Stapleton Group, 514 Via de la Valle, Solana Beach, CA 92075. The address for service on LeFever Mattson and all other Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at https://veritaglobal.net/LM.

Upon submission of the Certificate of No Objection regarding the proposed sale (the "Sale") of the property located at ____________ (the "Subject Property") as contemplated by the Sales Procedures approved by the *Order Establishing Omnibus Procedures for Real Property Sales* [Dkt. No. __] (the "Sale Procedures Order"),[2] filed by the above-captioned debtor and debtor in possession ("Debtor KSMP" or "KSMP"); the Court having reviewed the *Notice of Sale of Subject Property Located at* [*INSERT SUBJECT PROPERTY ADDRESS*] dated ____, 2025 [Dkt. No. __] (the "Sale Notice"); and the Court having found that (i) the Court has jurisdiction to consider the proposed sale pursuant to 28 U.S.C. §§ 157 and 1334, and the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 and Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern District of California (the "Bankruptcy Local Rules"); (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); and (iv) the Sale Notice was sufficient under the circumstances; and after due deliberation the Court having determined that the relief requested in the Sale Notice is in the best interests of Debtor KSMP , its estates, and its creditors; and good and sufficient cause having been shown;

IT IS HEREBY ORDERED THAT:

1. The proposed Sale of the Subject Property located at _________ is approved.

2. The Sale shall be free and clear of liens and encumbrances to the extent provided under the Bankruptcy Code, with any such liens or encumbrances of any kind or nature to attach to the net proceeds of the sale in the order of their priority, with the same validity, force and effect which they had immediately prior to Sale as against the Subject Property.

3. [SOLELY IN THE CASE OF A TIC PROPERTY WHERE ALL CO-OWNERS CONSENT TO THE SALE: Each co-owner of the Subject Property having consented to the Sale,

the sale of such co-owners' interests in the Subject Property is hereby approved. Each purported co-owner for which there is no dispute as to the legitimacy of its asserted interest shall be entitled to receive its share of the net proceeds of sale pro rata to its ownership percentage in the Subject Property. The share of the net proceeds of sale for any asserted co-owner whose interest is in dispute shall be escrowed pending a determination of such asserted co-owner's rights with respect to the Subject Property.]

4. Debtor KSMP is authorized to fully assume, perform under, consummate and implement the sale agreement and all additional instruments and documents that may be reasonably necessary or desirable to implement the Sale, including the purchase and sale agreement and escrow instructions.

5. Pursuant to Bankruptcy Code section 365(a), Debtor KSMP is authorized to assume the Lease(s) identified in the Sale Notice.

6. Pursuant to Bankruptcy Code section 365(f), Debtor KSMP is authorized to assign the Lease(s) to the Buyer and, pursuant to Bankruptcy Code section 365(k), Debtor KSMP shall be relieved from any liability for any breach of the lease after such assignment, both effective upon the closing of the Sale.

7. Debtor KSMP, and any escrow agent upon Debtor KSMP's written instruction, are authorized to pay directly from escrow (i) all Closing Costs, including but not limited to, the real estate commission of the Broker(s) in the indicated amount(s), costs of sale, and escrow costs, (ii) any outstanding property taxes, and (iii) amounts owing to Serene Investment Management LLC under that certain Debtor-in-Possession Loan and Security Agreement dated as of September [], 2025, by and among Debtor KSMP and the DIP Lender previously approved by the Court pursuant to its Order dated September 25, 2025 [Docket No. 2414].

8. This Order shall be effective immediately upon entry, and any stay of orders provided for in Bankruptcy Rules 6004 or 6006 or any other provision of the Bankruptcy Code or Bankruptcy Rules is expressly lifted. Debtor KSMP is not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order, and may, in its discretion and without further delay, take any action and perform any act authorized under this Order.

9. Nothing contained in the Sale Notice or this Order is intended to be or shall be construed as (i) an admission as to the validity of any claim against Debtor KSMP; (ii) a waiver of Debtor KSMP's or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against Debtor KSMP; (iii) a waiver of any claims or causes of action that may exist against any creditor or interest holder; or (iv) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy, other than those identified in the Sale Notice, between Debtor KSMP and any third party under section 365 of the Bankruptcy Code. Any amounts paid to a secured lender at closing shall not be construed as an allowance of such secured lender's claim, and all amounts paid remain subject to disgorgement and claw back.

10. Debtor KSMP is hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Order.

11. Debtor KSMP is authorized to make non-substantive changes to the documents referenced herein without further order of the Court, including, without limitation, changes to correct typographical and grammatical errors and to make conforming changes among the aforementioned documents prior to its distribution.

12. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

** END OF ORDER **

<u>EXHIBIT C</u>

(Form of Commercial Sale Notice)

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Attorneys for Debtor and Debtor in Possession

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SANTA ROSA DIVISION

In re LEFEVER MATTSON, a California corporation, et al. Debtors.[1] In re KS MATTSON PARTNERS, LP, Debtor.	Case No. 24-10545 CN (Lead Case) (Jointly Administered) Chapter 11 **NOTICE OF SALE OF SUBJECT PROPERTY LOCATED AT [*INSERT SUBJECT PROPERTY ADDRESS*]** **(COMMERCIAL SALE)** **LIEN HOLDER: [Name of Secured Party(ies); Recording Date(s); Instrument Number(s)]**

[1] The last four digits of LeFever Mattson's tax identification number are 7537. The last four digits of the tax identification number for KS Mattson Partners, LP ("KSMP") are 5060. KSMP's address for service is c/o Stapleton Group, 514 Via de la Valle, Solana Beach, CA 92075. The address for service on LeFever Mattson and all other Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at https://veritaglobal.net/LM.

PLEASE TAKE NOTICE THAT pursuant to the *Order Establishing Procedures for Real Property Sales* [Dkt. No. __] (the "Sale Procedures Order")[2] entered on [*DATE*], KS Mattson Partners, a California limited partnership ("KSMP") in the above-captioned chapter 11 cases, propose to sell certain of its real property in accordance with the approved Sale Procedures. The proposed sale has the following terms:

1. The address of the property proposed to be sold (the "Subject Property"):

[*STREET*]
[*CITY, STATE, ZIP CODE*]

The sale price is $_____.

Title holder of the Subject Property: [*NAME*]

[*NAME OF SECURED PARTY*] holds a lien [*RECORDING DATE; INSTRUMENT NUMBER*] against the Subject Property in the amount of $____. Upon closing of the sale, the lien [*DESCRIPTION OF (I) TREATMENT OF LIEN; (II) BASIS FOR ANY DISPUTE OF THE LIEN; AND (III) GROUNDS ASSERTED FOR SELLING FREE AND CLEAR OF THE LIEN PURSUANT TO § 363(f)*]

The Subject Property was marketed as follows: [*DESCRIPTION OF MARKETING*]. [*DESCRIPTION OF BASIS FOR CONCLUSION THAT THE PRICE AND TERMS ARE REASONABLE AND IN THE BEST INTERESTS OF THE DEBTOR'S BANKRUPTCY ESTATES ACCORDING TO ITS BUSINESS JUDGMENT*.]

Proposed Buyer: [*NAME*]

Known connections to Debtor KSMP: [*DESCRIPTION, IF ANY*]

Pursuant to section 363(f)__ of the Bankruptcy Code, Debtor KSMP may sell the Subject Property free and clear of all liens for the following reason(s): [*SUMMARY OF THE DEBTOR'S EVIDENCE SUPPORTING A SALE FREE AND CLEAR OF LIENS*.]

Broker: [*NAME*]

Known connections to Debtor KSMP: [*DESCRIPTION, IF ANY*]

Compensation: ___% of Sale Price ($ ___)

Date and Docket Number of Employment Order: [*INSERT*]

The following unexpired leases or executory contracts (the "Leases") are associated with the Subject Property:

Counter Party	Title	Treatment	Cure Amount (if any)

Adequate assurance information: [*DESCRIPTION OF BUYER'S EVIDENCE THAT IT CAN PROVIDE ADEQUATE ASSURANCE OF FUTURE PERFORMANCE OF THE ASSIGNED LEASES*]

Title and escrow company: [*NAME*]

Escrow number: [*NUMBER*]

Closing payments and treatment of liens: [*DESCRIPTION INCLUDING AMOUNTS OF ALL CLOSING COSTS; MAY ATTACH CLOSING STATEMENT PROVIDED BY TITLE COMPANY/DESCRIPTION OF LIENS BEING PAID*]

Estimated Net Proceeds of Sale: [*AMOUNT*]

[ONLY IN CASE OF A TIC PROPERTY WHERE ALL CO-OWNERS CONSENT TO USE OF THE SALES PROCEDURES:

Known Co-owners,[1] their asserted percentage ownership, and whether there exists any dispute as to the legitimacy of the asserted co-ownership interest.

Debtor Representation: [*The Debtor represents that each co-owner has consented to the sale*.]]

PLEASE TAKE FURTHER NOTICE THAT this Sale Notice shall be served by email where available and by mail for those who have not consented to email service upon (i) the United States Trustee (the "U.S. Trustee"); (ii) counsel to the Committee; (iii) any known holders of interests in the Subject Property, including any Known Co-owners, (iv) counterparties to the Leases; (v) counsel to the LeFever Mattson Debtors; (vi) those persons who have formally appeared in this chapter 11 case and requested service pursuant to Bankruptcy Rule 2002, (vii) the DIP Lender and (viii) any person that previously submitted a bid for the Subject Property (collectively, the "Notice Parties").

PLEASE TAKE FURTHER NOTICE THAT any objection to the proposed sale or the assumption and assignment of the Leases or request for hearing (the "Objection") must be served upon counsel for Debtor KSMP and filed with the Court not more than twenty-one (21) calendar days after service of the Sale Notice unless the Sale Notice specifies a longer period or a shorter period is ordered by the Court (the "Objection Deadline").

PLEASE TAKE FURTHER NOTICE THAT parties wishing to submit to an overbid for the Subject Property must do so in writing on or before the Objection Deadline by emailing it to David Kieffer at David.Kieffer@jsheld.com. Overbids must be accompanied by a good faith deposit of 10% of the proposed sale price. Overbids must exceed the proposed sale price by at least 2% on sales up to and including $10,000,000 and by 1% for sales over $10,000,000 plus Bid Protections (if any).

PLEASE TAKE FURTHER NOTICE THAT if an overbid is received prior to the Objection Deadline, Debtor KSMP shall conduct a final auction for the Subject Property within seven (7) days, or as soon as practicable given the nature and complexity of the transaction.

PLEASE TAKE FURTHER NOTICE THAT if an overbid is received prior to the Objection Deadline, Debtor KSMP shall conduct a final auction for the Subject Property no less than seven (7) days after filing the Sale Notice.

---

[1] "Known Co-owner" means any person who (i) is a record title owner of the Subject Property with KSMP or (ii) is not a record title owner of the Subject Property with KSMP, but who has directly given to KSMP's counsel after the Relief Date an executed co-ownership agreement for the Subject Property or has filed a proof of claim against KSMP attaching a copy of the executed co-ownership agreement for the Subject Property.

PLEASE TAKE FURTHER NOTICE THAT if the Objection Deadline passes without the filing of an Objection or submission of an overbid or any such response is withdrawn, Debtor KSMP shall file a Certificate of No Objection and Debtor KSMP shall submit a proposed order substantially in the form attached to the Sale Notice as Exhibit 1 (the "Commercial Sale Order"). The Debtor may proceed with closing the Sale of the Subject Property upon entry of the Commercial Sale Order.

PLEASE TAKE FURTHER NOTICE THAT if an Objection is filed or an overbid is submitted prior to the Objection Deadline and not withdrawn, Debtor KSMP will set a Sale Hearing giving no less than seven (7) days' notice to (i) the Buyer; (ii) any party that filed an Objection or submitted an overbid; (iii) and the Notice Parties.

PLEASE TAKE FURTHER NOTICE THAT to the extent that any counterparty to a Lease fails to timely object to the Sale of the Subject Property or the assumption and assignment of its Lease to the Buyer, such counterparty is deemed to have consented to the assignment of its Lease to the Buyer.

PLEASE TAKE FURTHER NOTICE THAT the Sale pursuant to these Sale Procedures shall be free and clear of liens and encumbrances to the extent provided under the Bankruptcy Code, with any such liens or encumbrances of any kind or nature to attach to the net proceeds of the sale in the order of its priority, with the same validity, force and effect which they had immediately prior to Sale as against the Subject Property.

Dated: [•], 2025

[*/s/ EXHIBIT*]

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EXHIBIT 1

(Proposed Sale Order)

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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SANTA ROSA DIVISION

In re LEFEVER MATTSON, a California corporation, et al. Debtors.[1] In re KS MATTSON PARTNERS, LP, Debtor.	Case No. 24-10545 CN (Lead Case) (Jointly Administered) Chapter 11 **[PROPOSED] ORDER APPROVING ASSET SALE OF THE PROPERTY LOCATED AT [*INSERT SUBJECT PROPERTY ADDRESS*]**

[1] The last four digits of LeFever Mattson's tax identification number are 7537. The last four digits of the tax identification number for KS Mattson Partners, LP ("KSMP") are 5060. KSMP's address for service is c/o Stapleton Group, 514 Via de la Valle, Solana Beach, CA 92075. The address for service on LeFever Mattson and all other Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at https://veritaglobal.net/LM.

Upon submission of the Certificate of No Objection regarding the proposed sale (the "Sale") of the property located at ____________ (the "Subject Property") as contemplated by the Sales Procedures approved by the *Order Establishing Omnibus Procedures for Real Property Sales* [Dkt. No. __] (the "Sale Procedures Order"),[2] filed by the above-captioned debtor and debtor in possession ("Debtor KSMP" or "KSMP"); the Court having reviewed the *Notice of Sale of Subject Property Located at* [*INSERT SUBJECT PROPERTY ADDRESS*] dated ____, 2025 [Dkt. No. __] (the "Sale Notice"); and the Court having found that (i) the Court has jurisdiction to consider the proposed sale pursuant to 28 U.S.C. §§ 157 and 1334, and the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 and Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern District of California (the "Bankruptcy Local Rules"); (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); and (iv) the Sale Notice was sufficient under the circumstances; and after due deliberation the Court having determined that the relief requested in the Sale Notice is in the best interests of Debtor KSMP, tits estates, and its creditors; and good and sufficient cause having been shown;

IT IS HEREBY ORDERED THAT:

1. The proposed Sale of the Subject Property located at _____ is approved.

2. The Sale shall be free and clear of liens and encumbrances to the extent provided under the Bankruptcy Code, with any such liens or encumbrances of any kind or nature to attach to the net proceeds of the sale in the order of their priority, with the same validity, force and effect which they had immediately prior to Sale as against the Subject Property.

3. [SOLELY IN THE CASE OF A TIC PROPERTY WHERE ALL CO-OWNERS CONSENT TO THE SALE: Each co-owner of the Subject Property having consented to the Sale,

the sale of such co-owners' interests in the Subject Property is hereby approved. Each purported co-owner for which there is no dispute as to the legitimacy of its asserted interest shall be entitled to receive its share of the net proceeds of sale pro rata to its ownership percentage in the Subject Property. The share of the net proceeds of sale for any asserted co-owner whose interest is in dispute shall be escrowed pending a determination of such asserted co-owner's rights with respect to the Subject Property.]

4. Debtor KSMP is authorized to fully assume, perform under, consummate and implement the sale agreement and all additional instruments and documents that may be reasonably necessary or desirable to implement the Sale, including the purchase and sale agreement and escrow instructions.

5. Pursuant to Bankruptcy Code section 365(a), Debtor KSMP is authorized to assume the Lease(s) identified in the Sale Notice.

6. Pursuant to Bankruptcy Code section 365(f), Debtor KSMP is authorized to assign the Lease(s) to the Buyer and, pursuant to Bankruptcy Code section 365(k), Debtor KSMP shall be relieved from any liability for any breach of the lease after such assignment, both effective upon the closing of the Sale.

7. Debtor KSMP, and any escrow agent upon Debtor KSMP's written instruction, are authorized to pay directly from escrow (i) all Closing Costs, including but not limited to, the real estate commission of the Broker(s) fee in the indicated amount(s), costs of sale, and escrow costs (ii) any outstanding property taxes, and (iii) amounts owing to Serene Investment Management LLC under that certain Debtor-in-Possession Loan and Security Agreement dated as of September [ ], 2025, by and among Debtor KSMP and the DIP Lender previously approved by the Court pursuant to its Order dated September 25, 2025 [Docket No. 2414].

8. This Order shall be effective immediately upon entry, and any stay of orders provided for in Bankruptcy Rules 6004 or 6006 or any other provision of the Bankruptcy Code or Bankruptcy Rules is expressly lifted. Debtor KSMP is not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order, and may, in its discretion and without further delay, take any action and perform any act authorized under this Order.

9. Nothing contained in the Sale Notice or this Order is intended to be or shall be construed as (i) an admission as to the validity of any claim against Debtor KSMP; (ii) a waiver of Debtor KSMP's or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against Debtor KSMP; (iii) a waiver of any claims or causes of action that may exist against any creditor or interest holder; or (iv) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy, other than those identified in the Sale Notice, between Debtor KSMP and any third party under section 365 of the Bankruptcy Code. Any amounts paid to a secured lender at closing shall not be construed as an allowance of such secured lender's claim, and all amounts paid remain subject to disgorgement and claw back.

10. Debtor KSMP is hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Order.

11. Debtor KSMP is authorized to make non-substantive changes to the documents referenced herein without further order of the Court, including, without limitation, changes to correct typographical and grammatical errors and to make conforming changes among the aforementioned documents prior to their distribution.

12. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

** END OF ORDER **

EXHIBIT D

(Form of Stalking Horse Notice)

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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SANTA ROSA DIVISION

In re LEFEVER MATTSON, a California corporation, et al. Debtors.[1]	Case No. 24-10545 CN (Lead Case) (Jointly Administered) Chapter 11
In re KS MATTSON PARTNERS, LP, Debtor.	**NOTICE OF DESIGNATION OF STALKING HORSE BIDDER FOR SALE OF SUBJECT PROPERTY LOCATED AT [*INSERT SUBJECT PROPERTY ADDRESS*]**

[1] The last four digits of LeFever Mattson's tax identification number are 7537. The last four digits of the tax identification number for KS Mattson Partners, LP ("KSMP") are 5060. KSMP's address for service is c/o Stapleton Group, 514 Via de la Valle, Solana Beach, CA 92075. The address for service on LeFever Mattson and all other Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at https://veritaglobal.net/LM.

PLEASE TAKE NOTICE THAT pursuant to the *Order Establishing Procedures for Real Property Sales* [Dkt. No. __] (the "Sale Procedures Order")[2] entered on [*DATE*], KS Mattson Partners, a California limited partnership, and certain of its affiliates that are debtor and debtor in possession ("KSMP") in the above-captioned chapter 11 cases, propose to sell certain of its real property in accordance with the approved Sale Procedures and have designated the following:

The address of the property proposed to be sold (the "Subject Property"):

[*STREET*]
[*CITY, STATE, ZIP CODE*]

[*NAME OF STALKING HORSE BIDDER*] shall be the stalking horse bidder (the "Stalking Horse Bidder") for the Subject Property.

Stalking Horse Bid: [*AMOUNT OF BID*]

Break-Up Fee: [*PERCENTAGE OF SALE PRICE*]

[Expense Reimbursement Cap: $100,000]

Proviso: The aggregate Break-Up Fee and Expense Reimbursement (the "Bid Protections") shall not exceed 5.0% of the total cash consideration offered in the Stalking Horse Bid.

PLEASE TAKE FURTHER NOTICE THAT a copy of the agreement between Debtor KSMP and the Stalking Horse Bidder is attached hereto as **Exhibit 2** (the "Stalking Horse Agreement").

PLEASE TAKE FURTHER NOTICE THAT the declaration of [*DECLARANT'S NAME*] supporting Debtor KSMP's decision to approve the Stalking Horse Bidder and enter the Stalking Horse Agreement is attached hereto as **Exhibit 3**.

PLEASE TAKE FURTHER NOTICE THAT this Stalking Horse Notice shall be served by email where available and by mail for those who have not consented to email service upon (i) the United States Trustee (the "U.S. Trustee"); (ii) counsel to the Committee; (iii) any known holders of interests in the Subject Property, including any Known Co-owners;[1] (iv) counterparties to the Leases; (v) counsel to the LeFever Mattson Debtors; (vi) the DIP Lender, and (vii) those persons who have formally appeared in this chapter 11 case and requested service pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties").

PLEASE TAKE FURTHER NOTICE THAT any objection to (i) the Bid Protections set forth in this Stalking Horse Notice, or (ii) the form of Stalking Horse Order (a "Stalking Horse Objection"), shall be filed no later than ten (10) calendar days after the filing of the Stalking Horse Notice (the "Objection Deadline"); *provided, however,* any such Stalking Horse Objection shall be limited to whether the Stalking Horse Notice and Stalking Horse Order are consistent with the Bid Protections provided for in the Sales Procedures Order.

PLEASE TAKE FURTHER NOTICE THAT if the Objection Deadline passes without the filing of a Stalking Horse Objection or any such response is withdrawn, Debtor KSMP shall

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[1] Known Co-owner" means any person who (i) is a record title owner of the Subject Property with KSMP or (ii) is not a record title owner of the Subject Property with KSMP, but who has directly given to KSMP's counsel after the Relief Date an executed co-ownership agreement for the Subject Property or has filed a proof of claim against KSMP attaching a copy of the executed co-ownership agreement for the Subject Property.

file a declaration attesting that no Stalking Horse Objection was filed or served on Debtor KSMP and Debtor KSMP shall submit a proposed order substantially in the form attached hereto as **Exhibit 1** (the "Stalking Horse Order").

PLEASE TAKE FURTHER NOTICE THAT if a Stalking Horse Objection is filed prior to the Objection Deadline and not withdrawn, Debtor KSMP will file a notice seeking an expedited hearing with respect to the Stalking Horse Objection on not less than three (3) calendar days' notice.

Dated: [•], 2025

[*/s/ EXHIBIT*]

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EXHIBIT 1

(Proposed Stalking Horse Order)

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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SANTA ROSA DIVISION

In re LEFEVER MATTSON, a California corporation, et al. Debtors.[1]	Case No. 24-10545 CN (Lead Case) (Jointly Administered) Chapter 11
In re KS MATTSON PARTNERS, LP,	**[PROPOSED] ORDER APPROVING DESIGNATION OF STALKING HORSE**

[1] The last four digits of LeFever Mattson's tax identification number are 7537. The last four digits of the tax identification number for KS Mattson Partners, LP ("KSMP") are 5060. KSMP's address for service is c/o Stapleton Group, 514 Via de la Valle, Solana Beach, CA 92075. The address for service on LeFever Mattson and all other Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at https://veritaglobal.net/LM.

Debtor.	**FOR THE SALE OF THE PROPERTY LOCATED AT [*INSERT SUBJECT PROPERTY ADDRESS*]**

Upon submission of the Certificate of No Objection regarding the *Notice of Designation of Stalking Horse Bidder for Sale of Subject Property Located at* [*INSERT SUBJECT PROPERTY ADDRESS*] [Dkt. No. __] (the "Stalking Horse Notice") as contemplated by the Sales Procedures approved by the *Order Establishing Omnibus Procedures for Real Property Sales* [Dkt. No. __] (the "Sale Procedures Order"),[2] filed by the above-captioned debtor and debtor in possession ("Debtor KSMP" or "KSMP"); the Court having reviewed the Stalking Horse Notice and the exhibits thereto; and the Court having found that (i) the Court has jurisdiction to consider the proposed sale pursuant to 28 U.S.C. §§ 157 and 1334, and the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 and Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern District of California (the "Bankruptcy Local Rules"); (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); and (iv) the Stalking Horse Notice was sufficient under the circumstances; and after due deliberation the Court having determined that the relief requested in the Stalking Horse Notice is in the best interests of Debtor KSMP, its estates, and its creditors; and good and sufficient cause having been shown;

IT IS HEREBY ORDERED THAT:

1. [*NAME OF STALKING HORSE BIDDER*] is approved as the Stalking Horse Bidder.

2. The Stalking Horse Bid shall be [*AMOUNT*].

3. [The Break-Up Fee shall be [*AMOUNT*] plus expense reimbursement for the Stalking Horse Bidder's actual out-of-pocket costs of up to $100,000 (the "Expense Reimbursement" and, together with the Break-Up Fee, the "Bid Protections") *provided, however*, that the aggregate Bid Protections with respect to the Stalking

Horse Bid shall not exceed 5.0% of the total cash consideration offered in such Stalking Horse Bid].[1]

4. Debtor KSMP is authorized to fully assume, perform under, consummate and implement the Stalking Horse Agreement.

5. This Order shall be effective immediately upon entry, and any stay of orders provided for in Bankruptcy Rules 6004 or 6006 or any other provision of the Bankruptcy Code or Bankruptcy Rules is expressly lifted. Debtor KSMP are not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order, and may, in its discretion and without further delay, take any action and perform any act authorized under this Order.

6. Nothing contained in the Stalking Horse Notice or this Order is intended to be or shall be construed as (i) an admission as to the validity of any claim against Debtor KSMP; (ii) a waiver of Debtor KSMP's or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against Debtor KSMP; (iii) a waiver of any claims or causes of action that may exist against any creditor or interest holder; or (iv) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy, other than those identified in the Sale Notice, between Debtor KSMP and any third party under section 365 of the Bankruptcy Code.

7. Debtor KSMP is hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Order.

8. The Court retains exclusive jurisdiction with respect to all matters arising from or

[1] The aggregate 5.0% in Bid Protections is an outside cap, and not a floor or an expected amount, of Bid Protections that may be offered to a Stalking Horse Bidder. KSMP's Responsible Individual may, in her business judgment, agree to any amount of Bid Protections that she deems appropriate that does not exceed the 5.0% cap.. Such Bid Protections may be materially lower than the 5.0%.

related to the implementation, interpretation, and enforcement of this Order.

** END OF ORDER **

EXHIBIT E

Redline of Residential Sale Procedures versus LFM Small Asset Sale Procedures

EXHIBIT F

Redline of Commercial Sale Procedures versus LFM Large Asset Sale Procedures

EXHIBIT A

(Proposed Order)

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SANTA ROSA DIVISION

In re LEFEVER MATTSON, a California corporation, et al. Debtors.[1] In re KS MATTSON PARTNERS, LP, Debtor.	Case No. 24-10545 CN (Lead Case) (Jointly Administered) Chapter 11 **[PROPOSED] ORDER GRANTING MOTION OF DEBTOR KSMP TO ESTABLISH PROCEDURES FOR REAL PROPERTY SALES** Date: October 22, 2025 Time: 11:00 a.m. Place: (In Person or Via Zoom) United States Bankruptcy Court 1300 Clay Street, Courtroom 215

[1] The last four digits of LeFever Mattson's tax identification number are 7537. The last four digits of the tax identification number for KS Mattson Partners, LP ("KSMP") are 5060. KSMP's address for service is c/o Stapleton Group, 514 Via de la Valle, Solana Beach, CA 92075. The address for service on LeFever Mattson and all other Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at https://veritaglobal.net/LM.

[Different first page link-to-previous setting changed from off in original to on in modified.].

Oakland, CA 94612

Upon consideration of the *Motion of Debtor KSMP to Establish Omnibus Procedures for Real Property Sales* (the "Motion"),[2] filed by the above-captioned debtor and debtor in possession ("Debtor KSMP" or "KSMP"), the Court having reviewed the Motion, the Itkin Declaration and the Kieffer Declaration, and the Court having considered the statements of counsel and the evidence adduced with respect to the Motion at a hearing before the Court (the "Hearing"); and the Court having found that (i) the Court has jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 and Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern District of California (the "Bankruptcy Local Rules"); (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); (iv) notice of the Motion and the Hearing was sufficient under the circumstances; and (v) good cause exists to waive the requirements imposed by Bankruptcy Rules 6003 or 4001(b)(2), to the extent either is applicable; and after due deliberation the Court having determined that the relief requested in the Motion is in the best interests of Debtor KSMP, its estates, and its creditors; and good and sufficient cause having been shown;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted.

2. The Sale Procedures are approved, and Debtor KSMP is authorized, but not directed, to take any and all actions reasonably necessary or appropriate to implement those procedures. The Sale Procedures shall not apply to any TIC Property unless all co-owners consent to the sale. For purposes of this Order, "TIC Property" shall mean (i) any property where

[2] Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

KSMP is a record title owner with another person or entity or (ii) any property where KSMP is the sole record title owner, but in respect of which a party in interest has directly given to KSMP's counsel after the June 9, 2025 date of the entry of the order for relief (the "Relief Date") an executed co-ownership agreement or has filed a proof of claim against KSMP attaching a copy of the executed co-ownership agreement. Debtor KSMP need not use the Sale Procedures, but may file, in its business judgement, a motion to approve the sale of any individual Property which it deems necessary and appropriate.

3. These Sale Procedures do not apply to sales where the estimated net sale proceeds (purchase price minus Closing Costs) are less than the aggregate amount of claims secured by such property unless Debtor KSMP first obtains in writing the permission of the applicable secured lender(s).

4. "Residential Sales" shall be defined as sales of single-family residences, multi-family properties of four units or fewer and vacant lots that are zoned for residential use.

5. "Commercial Sales" shall be defined as sales of commercial properties and multi-family properties with more than four units, mixed-use properties including both commercial and residential units, vacant lots that are zoned for commercial use, and the vineyard properties.

6. The Residential Sale Procedures shall be as follows:

a. Contents of Sale Notice: Prior to any sale of a Property for which Debtor KSMP, in consultation with the Committee, elects to seek approval through these Residential Sale Procedures, Debtor KSMP shall file with the Court a notice (the "Sale Notice") that sets forth:

i. The address and tax identification number of the Property proposed to be sold (the "Subject Property");

ii. The sale price;

iii. The name(s) of the title holder(s) of the Subject Property;

iv. The name(s) of the holder of any and all liens or other interests in the Subject Property, with the recording date and instrument number of such liens or interests, if any, listed immediately below the caption of the Sale Notice in compliance with Bankruptcy Local Rule 6004-1(a);

v. The amount and nature of any known liens or other interests in the Subject Property, their proposed treatment, and the basis for any dispute thereof or any other ground asserted for selling free and clear thereof;

vi. A brief summary of the marketing of the Subject Property that would support Debtor KSMP's representation that it was done in a fully commercially reasonable manner and Debtor KSMP's conclusion that the price and terms are reasonable and in the best interests of Debtor KSMP's bankruptcy estate according to its business judgment;

vii. The name(s) of the proposed buyer(s) (the "Buyer") and any known relationship to Debtor KSMP[3];

viii. The provision(s) of section 363(f) that Debtor KSMP submits authorize the sale free and clear of liens, a summary of Debtor KSMP's evidence supporting such assertion, and each lien creditor(s)' name, recording date and instrument number for which the sale will be free and clear;

ix. The name of the Broker(s), the date of entry and docket number of the order approving the Broker's employment, any known connection to Debtor KSMP, and their proposed compensation;

x. A schedule of any known unexpired leases or executory contracts (collectively, the "Leases") associated with the Subject Property and their proposed treatment in the Sale including any cure amounts;

xi. A summary of the Buyer's evidence that it can provide adequate assurance of future performance of the Leases, if any;

xii. A summary of any other proposed closing payments, including but not limited to payment of the Broker's commission, transfer taxes, closing and escrow costs, recording costs and the Title Company's fees (collectively, the "Closing Costs");

xiii. The estimated net proceeds available to the estate upon conclusion of the Sale, after the satisfaction of any liens (including the debtor-in-possession financing liens of Serene Investment Management LLC (the "DIP Lender")

[3] These Sale Procedures shall not apply if the proposed purchaser is an insider of Debtor KSMP or the LFM Debtors.

that will be paid at closing of the sale of the Subject Property pursuant to the DIP Order)[4], and payment of the Closing Costs;

xiv. The Objection Procedures (as described below); and

xv. An identification of any ~~known tenants in common~~ Known Co-owners[5] and a representation that all ~~tenants in common~~co-owners have consented to the proposed sale.

b. Filing and Service of Sale Notice: The Sale Notice shall be served by email where available and by mail for those who have not consented to email service upon (i) the United States Trustee (the "U.S. Trustee"); (ii) counsel to the Committee; (iii) any known holders of interests in the Subject Property, including any ~~known tenants in common~~Known Co-owners; (iv) counterparties to the Leases; (v) counsel to LeFever Mattson; ~~and~~ (vi) the DIP Lender and (vii) those persons who have formally appeared in this chapter 11 case and requested service pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties").

c. Objection Procedures: Any objection to the proposed sale or the assumption of the Leases or request for hearing (the "Objection") must be served upon counsel for Debtor KSMP and filed with the Court not more than twenty-one (21) calendar days after service of the Sale Notice unless the Sale Notice specifies a longer period or a shorter period is ordered by the Court (the "Objection Deadline").

d. Overbids: There shall be no overbids. The commercially reasonable practice for residential properties is to contact all interested parties once an offer is received, notifying them of the offer and requesting overbids. Therefore, any agreed purchase price will already include any overbids.

e. No Stalking Horse Procedures: There shall be no stalking horse procedures; however, Debtor KSMP reserves the right to request such procedures should it, in its sole discretion determine that a stalking horse would benefit the estate.

f. If No Objection: If the Objection Deadline passes without the filing of an Objection or any such response is withdrawn, Debtor KSMP shall file a declaration attesting that no Objection was filed or served on Debtor KSMP (the "Certificate of No Objection") and Debtor KSMP shall submit a proposed order substantially in the form attached to the Sale Notice as Exhibit 1 (the "Residential Sale Order"). Debtor KSMP may proceed with closing the Sale of the Subject Property immediately upon entry of the Residential Sale Order.

[4] "DIP Order" means the order dated September 25, 2025 [Dkt. No. 2414] approving entry into the debtor-in-possession financing facility with the DIP Lender.

[5] "Known Co-owner" means any person who (i) is a record title owner of the Subject Property with KSMP or (ii) is not a record title owner of the Subject Property with KSMP, but who has directly given to KSMP's counsel after the Relief Date an executed co-ownership agreement for the Subject Property or has filed a proof of claim against KSMP attaching a copy of the executed co-ownership agreement for the Subject Property.

g. Sale Hearing: If an Objection is filed prior to the Objection Deadline and not withdrawn, Debtor KSMP will set a hearing (the "Sale Hearing") giving no less than seven (7) days' notice to (i) the Buyer; (ii) any party that filed an Objection; (iii) and the Notice Parties.

h. Free and Clear: Sales pursuant to the Residential Sale Procedures shall be free and clear of liens and encumbrances to the extent provided under the Bankruptcy Code, with any such liens of any kind or nature to attach to the net proceeds of the sale in the order of their priority, with the same validity, force and effect which they had immediately prior to Sale as against the Subject Property.

7. The Commercial Sale Procedures shall be as follows:

a. Contents of Sale Notice: Prior to any sale of a Property for which Debtor KSMP, in consultation with the Committee, elects to seek approval through these Commercial Sale Procedures, Debtor KSMP shall file with the Court a notice (the "Sale Notice") that sets forth:

i. The address of the Property proposed to be sold (the "Subject Property");

ii. The sale price;

iii. The name(s) of the title holder(s) of the Subject Property;

iv. The name(s) of the holder of any and all liens or other interests in the Subject Property, with the recording date and instrument number of such liens or interests, if any, listed immediately below the caption of the Sale Notice in compliance with Bankruptcy Local Rule 6004-1(a);

v. The amount and nature of any known liens or other interests in the Subject Property, their proposed treatment, and the basis for any dispute thereof or any other ground asserted for selling free and clear thereof;

vi. A brief summary of the marketing of the Subject Property that would support Debtor KSMP's representation that it was done in a commercially reasonable manner and Debtor KSMP's conclusion that the price and terms are reasonable and in the best interests of Debtor KSMP's bankruptcy estate according to its business judgment;

vii. The name(s) of the proposed buyer(s) (the "Buyer") and any known relationship to Debtor KSMP~~[3]~~;[6]

~~[3] These Sale Procedures shall not apply if the proposed purchaser is an insider of Debtor KSMP.~~

[6] These Sale Procedures shall not apply if the proposed purchaser is an insider of Debtor KSMP or the LFM Debtors.

viii. The provision(s) of section 363(f) that Debtor KSMP submits authorizes the sale free and clear of liens and a summary of Debtor KSMP's evidence supporting such assertion, and each lien creditor(s)' name, recording date and instrument number for which the sale will be free and clear;

ix. The name of the Broker(s), the date of entry and docket number of the order approving the Broker's employment, any known connection to Debtor KSMP, and their proposed compensation;

x. A schedule of any known unexpired leases or executory contracts (collectively, the "Leases") associated with the Subject Property and their proposed treatment in the Sale including any cure amounts;

xi. A summary of the Buyer's evidence that it can provide adequate assurance of future performance of the Leases, if any;

xii. A summary of any other proposed closing payments, including but not limited to payment of the Closing Costs;

xiii. The estimated net proceeds available to the estate upon conclusion of the Sale, after the satisfaction of any liens (including the debtor-in—possession financing liens of the DIP Lender that will be paid at closing of the sale of the Subject Property pursuant to the DIP Order), and payment of the Closing Costs;

xiv. The Objection Procedures (as described below);

xv. The procedures for an auction (the "Auction") should qualified overbids be received prior to the Objection Deadline; and

xvi. An identification of any ~~known tenants in common~~Known Co-owners and a representation that all ~~tenants in common~~co-owners have consented to the proposed sale.

b. Filing and Service of Sale Notice: The Sale Notice shall be filed and served by email where available and by mail for those who have not consented to email service upon (i) the United States Trustee (the "U.S. Trustee"); (ii) counsel to the Committee; (iii) any known holders of interests in the Subject Property, including any ~~known tenants in common;~~Known Co-owners, (iv) counterparties to the Leases; (v) counsel to the LeFever Mattson Debtors; ~~and~~ (vi) those persons who have formally appeared in this chapter 11 case and requested service pursuant to Bankruptcy Rule 2002, (vii) the DIP Lender, and (viii) any person that previously submitted a bid for the Subject Property (collectively, the "Notice Parties").

c. Objection Procedures: Any objection to the proposed sale, the Auction procedures, or the assumption and assignment of the Leases or request for hearing (the "Objection") must be served upon counsel for Debtor KSMP and filed with the

Court not more than twenty-one (21) calendar days after service of the Sale Notice unless the Sale Notice specifies a longer period or a shorter period is ordered by the Court (the "Objection Deadline").

d. Overbids: The Sale Notice shall include solicitation for overbids which must be submitted in writing to Debtor KSMP on or before the Objection Deadline. Overbids must be accompanied by a good faith deposit of 10% of the proposed sale price. Overbids must exceed the proposed sale price by at least 2% on sales up to and including $10,000,000 and by 1% for sales over $10,000,000 plus Bid Protections (if any).

e. Stalking Horse Procedures: Debtor KSMP may, in consultation with the Committee:

i. designate a bidder per Subject Property as a stalking horse bidder (the "Stalking Horse Bidder"), whose bid shall serve as the stalking horse bid (the "Stalking Horse Bid"), and

ii. execute, subject to higher or otherwise better offers, a purchase agreement memorializing the proposed transaction set forth in the Stalking Horse Bid (a "Stalking Horse Agreement"), which may include:

1. a break-up fee of no more than 3.0% of the total cash consideration payable under such Stalking Horse Agreement (the "Break-Up Fee") plus

2. an expense reimbursement for the Stalking Horse Bidder's actual out-of-pocket costs of up to $100,000 (the "Expense Reimbursement" and, together with the Break-Up Fee, the "Bid Protections"); *provided*, *however*, that the aggregate Bid Protections with respect to any Stalking Horse Bid shall not exceed 5.0% of the total cash consideration offered in such Stalking Horse Bid (the "Bid Protections Cap").

The Bid Protections Cap is an outside cap, and not a floor or an expected amount, of Bid Protections that may be offered to a Stalking Horse Bidder. KSMP's Responsible Individual may, in her business judgment, agree to any amount of Bid Protections that she deems appropriate that does not exceed the Bid Protections Cap. Such Bid Protections may be materially lower than the Bid Protections Cap.

To the extent Debtor KSMP designates more than one Stalking Horse Bidder pursuant to these Bid Procedures, no two Stalking Horse Bidders will be designated with respect to the same Subject Property. The Bid Protections shall only be payable upon consummation of an alternative transaction. Debtor KSMP shall not pay a Break-Up Fee to any Stalking Horse Bidder on account of the portion of the purchase price of such bid that is a credit bid, assumption of liabilities, or other non-cash (or cash-equivalent) consideration, nor provide any Bid Protections to an insider or affiliate of Debtor KSMP or the LFM Debtors.

To the extent Debtor KSMP, in consultation with the Committee, determines to offer Bid Protections to any Stalking Horse Bidder, Debtor KSMP shall disclose such Bid Protections in a corresponding notice designating such Stalking Horse Bidder (the "Stalking Horse Notice") to be filed seven (7) calendar days *prior* to the filing of the corresponding Sale Notice. A Stalking Horse Notice, if filed, shall also include:

i. a copy of the Stalking Horse Agreement;

ii. an appropriate declaration in support of the proposed Bid Protections (the "Bid Protections Declaration"); and

iii. a proposed form of order approving the Bid Protections (the "Stalking Horse Order").

Any objection to (i) the Bid Protections set forth in the Stalking Horse Notice, or (ii) the form of Stalking Horse Order (a "Stalking Horse Objection"), shall be filed no later than ten (10) calendar days after the filing of the Stalking Horse Notice; *provided*, *however*, any such Stalking Horse Objection shall be limited to whether the Stalking Horse Notice and Stalking Horse Order are consistent with the Bid Protections provided for herein. If a timely Stalking Horse Objection is filed, Debtor KSMP is authorized to file a notice seeking an expedited hearing with respect to the Stalking Horse Objection on not less than three (3) calendar days' notice. Absent any timely Stalking Horse Objection, the Court may enter the Stalking Horse Order without further hearing.

f. Auction: If a qualified overbid is received prior to the Objection Deadline, Debtor KSMP shall file and serve notice of the Auction to the Stalking Horse Bidder, all overbidders, any parties filing objections by the Objection Deadline.

g. If No Objection: If the Objection Deadline passes without the filing of an Objection or submission of an overbid or any such response is withdrawn, Debtor KSMP shall file a Certificate of No Objection and Debtor KSMP shall submit a proposed order substantially in the form attached to the Sale Notice as Exhibit 1 (the "Commercial Sale Order"). Debtor KSMP may proceed with closing the Sale of the Subject Property immediately upon entry of the Commercial Sale Order.

h. Sale Hearing: If an Objection is filed or an overbid is submitted prior to the Objection Deadline and not withdrawn, Debtor KSMP will set a Sale Hearing giving no less than seven (7) days' notice to (i) the Buyer; (ii) any party that filed an Objection or submitted an overbid; (iii) and the Notice Parties.

i. Free and Clear: Sales pursuant to these Sale Procedures shall be free and clear of liens and encumbrances to the extent provided under the Bankruptcy Code, with any such liens of any kind or nature to attach to the net proceeds of the sale in the order of their priority, with the same validity, force and effect which they had immediately prior to Sale as against the Subject Property.

8. The forms of Sale Notices attached hereto as **Exhibits B and C** are approved.

9. The forms of Residential Sale Order and Commercial Sale Order each attached as Exhibit 1 to the respective form of Sale Notices are approved.

10. The form of the Stalking Horse Notice attached as **Exhibit D** hereto is approved.

11. The form of the Stalking Horse Order attached as Exhibit 1 to the Stalking Horse Notice is approved.

12. To the extent that any counterparty to a Lease fails to timely object to the Sale of a Subject Property or the assumption and assignment of its Lease to the Buyer, such counterparty is deemed to have consented to the assignment of its Lease to the Buyer.

13. Debtor KSMP is authorized to pay directly from escrow the Closing Costs, ~~and~~ any outstanding property taxes~~ and any~~, the debtor-in-possession financing claims of the DIP Lender, and any other secured claims for which there are no objections pending at the time of closing.

14. These Sale Procedures shall not apply to sales of Property to "insiders" of Debtor KSMP or the LFM Debtors as that term is defined in section 101(31) of the Bankruptcy Code.

15. Until the Court approves the settlement agreement dated October 14, 2025 with Socotra Capital, Inc. (collectively, with its affiliates that are party to the settlement agreement, "Socotra"), which is attached as Exhibit 1 to the *Joint Motion of LFM Debtors, Debtor KSMP and the Committee to Approve Entry Into and Performance Under the Socotra Settlement Agreement* [Dkt. No. 2556] (the "Socotra Settlement Agreement"), Debtor KSMP shall not file a Sale Notice with respect to any property in which Socotra asserts a lien absent Socotra's consent. Following approval by the Court of the Socotra Settlement Agreement, Debtor KSMP may file a Sale Notice with respect to any property that the Socotra Settlement Agreement permits it to sell

and in which Socotra asserts a lien, provided that the sale proceeds shall be distributed in accordance with the distribution waterfall set forth in the Socotra Settlement Agreement.

16. ~~15.~~ All parties' rights under the Bankruptcy Code to object to a Sale Notice, their treatment thereunder and/or to an interest in the Properties, including the right to seek relief from the automatic stay from the Bankruptcy Court, are preserved. Secured creditors' rights to credit bid pursuant to section 363(k) of the Bankruptcy Code are preserved and shall not be required to pay Closing Costs or Bid Protections unless there is a prior written agreement or order of the Court.

17. ~~16.~~ This Order shall be effective immediately upon entry, and any stay of orders provided for in Bankruptcy Rules 6004 or 6006 or any other provision of the Bankruptcy Code or Bankruptcy Rules is expressly lifted. Debtor KSMP is not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order, and may, in its discretion and without further delay, take any action and perform any act authorized under this Order.

18. ~~17.~~ Nothing contained in the Motion, the Sale Notice, or this Order is intended to be or shall be construed as (i) an admission as to the validity of any claim against Debtor KSMP; (ii) a waiver of Debtor KSMP's or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against Debtor KSMP; (iii) a waiver of any claims or causes of action that may exist against any creditor or interest holder; or (iv) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy, other than those identified in the Sale Notice, between Debtor KSMP and any third party under section 365 of the Bankruptcy Code.

19. ~~18.~~ Debtor KSMP is hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Order.

20. ~~19.~~ Debtor KSMP is authorized to make non-substantive changes to the documents referenced herein without further order of the Court, including, without limitation, changes to correct typographical and grammatical errors and to make conforming changes among the aforementioned documents prior to their distribution.

21. ~~20.~~ The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

END OF ORDER

<u>EXHIBIT B</u>

(Form of Residential Sale Notice)

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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SANTA ROSA DIVISION

In re LEFEVER MATTSON, a California corporation, et al. Debtors.[1] ______ In re KS MATTSON PARTNERS, LP, Debtor.	Case No. 24-10545 CN (Lead Case) (Jointly Administered) Chapter 11 **NOTICE OF SALE OF SUBJECT PROPERTY LOCATED AT [*INSERT SUBJECT PROPERTY ADDRESS*]** **(RESIDENTIAL SALE)** **LIEN HOLDER: [Name of Secured Party(ies); Recording Date(s); Instrument Number(s)]**

[1] The last four digits of LeFever Mattson's tax identification number are 7537. The last four digits of the tax identification number for KS Mattson Partners, LP ("KSMP") are 5060. KSMP's address for service is c/o Stapleton Group, 514 Via de la Valle, Solana Beach, CA 92075. The address for service on LeFever Mattson and all other Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at https://veritaglobal.net/LM.

____

PLEASE TAKE NOTICE THAT pursuant to the *Order Establishing Procedures for Real Property Sales* [Dkt. No. __] (the "Sale Procedures Order")[2] entered on [*DATE*], KS Mattson Partners, a California limited partnership ("Debtor KSMP" or "KSMP") in the above-captioned chapter 11 cases, propose to sell certain of its real property in accordance with the approved Sale Procedures. The proposed sale has the following terms:

1. The address of the property proposed to be sold (the "Subject Property"):

[*STREET*]
[*CITY, STATE, ZIP CODE*]

The sale price is $_____.

Title holder of the Subject Property: [*NAME*]

[*NAME OF SECURED PARTY*] holds a lien [*RECORDING DATE; INSTRUMENT NUMBER*] against the Subject Property in the amount of $____. Upon closing of the sale, the lien [*DESCRIPTION OF (I) TREATMENT OF LIEN; (II) BASIS FOR ANY DISPUTE OF THE LIEN; AND (III) GROUNDS ASSERTED FOR SELLING FREE AND CLEAR OF THE LIEN PURSUANT TO § 363(f)*]

The Subject Property was marketed as follows: [*DESCRIPTION OF MARKETING*]. [*DESCRIPTION OF BASIS FOR CONCLUSION THAT THE PRICE AND TERMS ARE REASONABLE AND IN THE BEST INTERESTS OF THE DEBTOR'S BANKRUPTCY ESTATES ACCORDING TO ITS BUSINESS JUDGMENT*.]

Proposed Buyer: [*NAME*]

Known connections to Debtor KSMP: [*DESCRIPTION, IF ANY*]

Pursuant to section 363(f)__ of the Bankruptcy Code, Debtor KSMP may sell the Subject Property free and clear of all liens for the following reason(s): [*SUMMARY OF THE DEBTOR'S EVIDENCE SUPPORTING A SALE FREE AND CLEAR OF LIENS*.]

Broker: [*NAME*]

Known connections to Debtor KSMP: [*DESCRIPTION, IF ANY*]

Compensation: ___% of Sale Price ($____)

Date and Docket Number of Employment Order: [*INSERT*]

The following unexpired leases or executory contracts (the "Leases") are associated with the Subject Property:

Counter Party	Title	Treatment	Cure Amount (if any)

Adequate assurance information: [*DESCRIPTION OF BUYER'S EVIDENCE THAT IT CAN PROVIDE ADEQUATE ASSURANCE OF FUTURE PERFORMANCE OF THE ASSIGNED LEASES*]

Title and escrow company: [*NAME*]

Escrow number: [*NUMBER*]

Closing payments and treatment of liens: [*DESCRIPTION INCLUDING AMOUNTS OF ALL CLOSING COSTS; MAY ATTACH CLOSING STATEMENT PROVIDED BY TITLE COMPANY/ DESCRIPTION OF LIENS BEING PAID*]

Estimated Net Proceeds of Sale: [*AMOUNT*]

[ONLY IN CASE OF A TIC PROPERTY WHERE ALL CO-OWNERS CONSENT TO USE OF THE SALES PROCEDURES:

~~Co-owners and percentage ownership:~~

Known Co-owners,[2] their asserted percentage ownership, and whether there exists any dispute as to the legitimacy of the asserted co-ownership interest.

Debtor Representation: [*The Debtor represents that each co-owner has consented to the sale.*]]

PLEASE TAKE FURTHER NOTICE THAT this Sale Notice shall be served by email where available and by mail for those who have not consented to email service upon (i) the United States Trustee (the "U.S. Trustee"); (ii) counsel to the Committee; (iii) any known holders of interests in the Subject Property, including any ~~known tenants in common;~~Known Co-owners, (iv) counterparties to the Leases; (v) counsel to the LeFever Mattson Debtors; ~~and~~ (vi) the DIP Lender, and (vii) those persons who have formally appeared in this chapter 11 case and requested service pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties").

PLEASE TAKE FURTHER NOTICE THAT any objection to the proposed sale or the assumption and assignment of the Leases or request for hearing (the "Objection") must be served upon counsel for Debtor KSMP and filed with the Court not more than twenty-one (21) calendar days after service of the Sale Notice unless the Sale Notice specifies a longer period or a shorter period is ordered by the Court (the "Objection Deadline").

PLEASE TAKE FURTHER NOTICE THAT there shall be no overbids.

[2] "Known Co-owner" means any person who (i) is a record title owner of the Subject Property with KSMP or (ii) is not a record title owner of the Subject Property with KSMP, but who has directly given to KSMP's counsel after the Relief Date an executed co-ownership agreement for the Subject Property or has filed a proof of claim against KSMP attaching a copy of the executed co-ownership agreement for the Subject Property.

PLEASE TAKE FURTHER NOTICE THAT there shall be no stalking horse procedures; however, Debtor KSMP reserves the right to request such procedures should it, in its sole discretion determine that a stalking horse procedure would benefit the estate.

PLEASE TAKE FURTHER NOTICE THAT if the Objection Deadline passes without the filing of an Objection or credit bit or any such response is withdrawn, Debtor KSMP shall file a declaration attesting that no Objection was filed or served on Debtor KSMP and Debtor KSMP shall submit a proposed order substantially in the form attached hereto as **Exhibit 1** (the "Residential Sale Order"). The Debtor may proceed with closing the Sale of the Subject Property upon entry of the Residential Sale Order.

PLEASE TAKE FURTHER NOTICE THAT if an Objection is filed prior to the Objection Deadline and not withdrawn, Debtor KSMP will set a hearing (the "Sale Hearing") giving no less than seven (7) days' notice to (i) the Buyer; (ii) any party that filed an Objection; (iii) and the Notice Parties.

PLEASE TAKE FURTHER NOTICE THAT to the extent that any counterparty to a Lease fails to timely object to the Sale of the Subject Property or the assumption and assignment of its Lease to the Buyer, such counterparty is deemed to have consented to the assignment of its Lease to the Buyer.

PLEASE TAKE FURTHER NOTICE THAT the Sale pursuant to these Sale Procedures shall be free and clear of liens and encumbrances to the extent provided under the Bankruptcy Code, with any such liens or encumbrances of any kind or nature to attach to the net proceeds of the sale in the order of their priority, with the same validity, force and effect which they had immediately prior to Sale as against the Subject Property.

Dated: [•], 2025

[*/s/ EXHIBIT*]
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EXHIBIT 1

(Proposed Sale Order)

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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SANTA ROSA DIVISION

In re LEFEVER MATTSON, a California corporation, et al. Debtors.[1] In re KS MATTSON PARTNERS, LP, Debtor.	Case No. 24-10545 CN (Lead Case) (Jointly Administered) Chapter 11 **[PROPOSED] ORDER APPROVING ASSET SALE OF THE PROPERTY LOCATED AT [*INSERT SUBJECT PROPERTY ADDRESS*]**

[1] The last four digits of LeFever Mattson's tax identification number are 7537. The last four digits of the tax identification number for KS Mattson Partners, LP ("KSMP") are 5060. KSMP's address for service is c/o Stapleton Group, 514 Via de la Valle, Solana Beach, CA 92075. The address for service on LeFever Mattson and all other Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at https://veritaglobal.net/LM.

Upon submission of the Certificate of No Objection regarding the proposed sale (the "Sale") of the property located at____________(the "Subject Property") as contemplated by the Sales Procedures approved by the *Order Establishing Omnibus Procedures for Real Property Sales* [Dkt. No. __] (the "Sale Procedures Order"),[2] filed by the above-captioned debtor and debtor in possession ("Debtor KSMP" or "KSMP"); the Court having reviewed the *Notice of Sale of Subject Property Located at* [*INSERT SUBJECT PROPERTY ADDRESS*] dated ____, 2025 [Dkt. No. __] (the "Sale Notice"); and the Court having found that (i) the Court has jurisdiction to consider the proposed sale pursuant to 28 U.S.C. §§ 157 and 1334, and the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 and Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern District of California (the "Bankruptcy Local Rules"); (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); and (iv) the Sale Notice was sufficient under the circumstances; and after due deliberation the Court having determined that the relief requested in the Sale Notice is in the best interests of Debtor KSMP , its estates, and its creditors; and good and sufficient cause having been shown;

IT IS HEREBY ORDERED THAT:

1. The proposed Sale of the Subject Property located at___________is approved.

2. The Sale shall be free and clear of liens and encumbrances to the extent provided under the Bankruptcy Code, with any such liens or encumbrances of any kind or nature to attach to the net proceeds of the sale in the order of their priority, with the same validity, force and effect which they had immediately prior to Sale as against the Subject Property.

3. [SOLELY IN THE CASE OF A TIC PROPERTY WHERE ALL CO-OWNERS CONSENT TO THE SALE: Each co-owner of the Subject Property having consented to the

Sale, the sale of such co-owners' interests in the Subject Property is hereby approved~~, and each such~~. Each purported co-owner for which there is no dispute as to the legitimacy of its asserted interest shall be entitled to receive its share of the net proceeds of sale pro rata to its ownership percentage in the Subject Property. The share of the net proceeds of sale for any asserted co-owner whose interest is in dispute shall be escrowed pending a determination of such asserted co-owner's rights with respect to the Subject Property.]

4. ~~3.~~ Debtor KSMP is authorized to fully assume, perform under, consummate and implement the sale agreement and all additional instruments and documents that may be reasonably necessary or desirable to implement the Sale, including the purchase and sale agreement and escrow instructions.

5. ~~4.~~ Pursuant to Bankruptcy Code section 365(a), Debtor KSMP is authorized to assume the Lease(s) identified in the Sale Notice.

6. ~~5.~~ Pursuant to Bankruptcy Code section 365(f), Debtor KSMP is authorized to assign the Lease(s) to the Buyer and, pursuant to Bankruptcy Code section 365(k), Debtor KSMP shall be relieved from any liability for any breach of the lease after such assignment, both effective upon the closing of the Sale.

7. ~~6.~~ Debtor KSMP, and any escrow agent upon Debtor KSMP's written instruction, are authorized to pay directly from escrow (i) all Closing Costs, including but not limited to, the real estate commission of the Broker(s) in the indicated amount(s), costs of sale, and escrow costs ~~and~~, (ii) any outstanding property taxes~~.~~, and (iii) amounts owing to Serene Investment Management LLC under that certain Debtor-in-Possession Loan and Security Agreement dated as of September [], 2025, by and among Debtor KSMP and the DIP Lender previously approved by the Court pursuant to its Order dated September 25, 2025 [Docket No. 2414].

8. ~~7.~~ This Order shall be effective immediately upon entry, and any stay of orders provided for in Bankruptcy Rules 6004 or 6006 or any other provision of the Bankruptcy Code or Bankruptcy Rules is expressly lifted. Debtor KSMP is not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order, and may, in its discretion and without further delay, take any action and perform any act authorized under this Order.

9. ~~8.~~ Nothing contained in the Sale Notice or this Order is intended to be or shall be construed as (i) an admission as to the validity of any claim against Debtor KSMP; (ii) a waiver of Debtor KSMP's or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against Debtor KSMP; (iii) a waiver of any claims or causes of action that may exist against any creditor or interest holder; or (iv) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy, other than those identified in the Sale Notice, between Debtor KSMP and any third party under section 365 of the Bankruptcy Code. Any amounts paid to a secured lender at closing shall not be construed as an allowance of such secured lender's claim, and all amounts paid remain subject to disgorgement and claw back.

10. ~~9.~~ Debtor KSMP is hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Order.

11. ~~10.~~ Debtor KSMP is authorized to make non-substantive changes to the documents referenced herein without further order of the Court, including, without limitation, changes to correct typographical and grammatical errors and to make conforming changes among the aforementioned documents prior to its distribution.

12. ~~11.~~ The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

** END OF ORDER **

EXHIBIT C

(Form of Commercial Sale Notice)

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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SANTA ROSA DIVISION

In re LEFEVER MATTSON, a California corporation, et al. Debtors.[1]	Case No. 24-10545 CN (Lead Case) (Jointly Administered) Chapter 11
In re KS MATTSON PARTNERS, LP, Debtor.	**NOTICE OF SALE OF SUBJECT PROPERTY LOCATED AT [*INSERT SUBJECT PROPERTY ADDRESS*]** **(COMMERCIAL SALE)** **LIEN HOLDER: [Name of Secured Party(ies); Recording Date(s); Instrument**

[1] The last four digits of LeFever Mattson's tax identification number are 7537. The last four digits of the tax identification number for KS Mattson Partners, LP ("KSMP") are 5060. KSMP's address for service is c/o Stapleton Group, 514 Via de la Valle, Solana Beach, CA 92075. The address for service on LeFever Mattson and all other Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at https://veritaglobal.net/LM.

	Number(s)]

PLEASE TAKE NOTICE THAT pursuant to the *Order Establishing Procedures for Real Property Sales* [Dkt. No. __] (the "Sale Procedures Order")[2] entered on [*DATE*], KS Mattson Partners, a California limited partnership ("KSMP") in the above-captioned chapter 11 cases, propose to sell certain of its real property in accordance with the approved Sale Procedures. The proposed sale has the following terms:

1. The address of the property proposed to be sold (the "Subject Property"):

[*STREET*]
[*CITY, STATE, ZIP CODE*]

The sale price is $_____.

Title holder of the Subject Property: [*NAME*]

[*NAME OF SECURED PARTY*] holds a lien [*RECORDING DATE; INSTRUMENT NUMBER*] against the Subject Property in the amount of $____. Upon closing of the sale, the lien [*DESCRIPTION OF (I) TREATMENT OF LIEN; (II) BASIS FOR ANY DISPUTE OF THE LIEN; AND (III) GROUNDS ASSERTED FOR SELLING FREE AND CLEAR OF THE LIEN PURSUANT TO § 363(f)*]

The Subject Property was marketed as follows: [*DESCRIPTION OF MARKETING*]. [*DESCRIPTION OF BASIS FOR CONCLUSION THAT THE PRICE AND TERMS ARE REASONABLE AND IN THE BEST INTERESTS OF THE DEBTOR'S BANKRUPTCY ESTATES ACCORDING TO ITS BUSINESS JUDGMENT*.]

Proposed Buyer: [*NAME*]

Known connections to Debtor KSMP: [*DESCRIPTION, IF ANY*]

Pursuant to section 363(f)__ of the Bankruptcy Code, Debtor KSMP may sell the Subject Property free and clear of all liens for the following reason(s): [*SUMMARY OF THE DEBTOR'S EVIDENCE SUPPORTING A SALE FREE AND CLEAR OF LIENS*.]

Broker: [*NAME*]

Known connections to Debtor KSMP: [*DESCRIPTION, IF ANY*]

Compensation: ___% of Sale Price ($____)

Date and Docket Number of Employment Order: [*INSERT*]

The following unexpired leases or executory contracts (the "Leases") are associated with the Subject Property:

Counter Party	Title	Treatment	Cure Amount (if any)

Adequate assurance information: [*DESCRIPTION OF BUYER'S EVIDENCE THAT IT CAN PROVIDE ADEQUATE ASSURANCE OF FUTURE PERFORMANCE OF THE ASSIGNED LEASES*]

Title and escrow company: [*NAME*]

Escrow number: [*NUMBER*]

Closing payments and treatment of liens: [*DESCRIPTION INCLUDING AMOUNTS OF ALL CLOSING COSTS; MAY ATTACH CLOSING STATEMENT PROVIDED BY TITLE COMPANY/DESCRIPTION OF LIENS BEING PAID*]

Estimated Net Proceeds of Sale: [*AMOUNT*]

[ONLY IN CASE OF A TIC PROPERTY WHERE ALL CO-OWNERS CONSENT TO USE OF THE SALES PROCEDURES:

~~Co-owners and percentage ownership:~~

Known Co-owners,[1] their asserted percentage ownership, and whether there exists any dispute as to the legitimacy of the asserted co-ownership interest.

Debtor Representation: [*The Debtor represents that each co-owner has consented to the sale*.]]

PLEASE TAKE FURTHER NOTICE THAT this Sale Notice shall be served by email where available and by mail for those who have not consented to email service upon (i) the United States Trustee (the "U.S. Trustee"); (ii) counsel to the Committee; (iii) any known holders of interests in the Subject Property, including any ~~known tenants in common;~~Known Co-owners, (iv) counterparties to the Leases; (v) counsel to the LeFever Mattson Debtors; ~~and~~ (vi) those persons who have formally appeared in this chapter 11 case and requested service pursuant to Bankruptcy Rule 2002, (vii) the DIP Lender and (viii) any person that previously submitted a bid for the Subject Property (collectively, the "Notice Parties").

PLEASE TAKE FURTHER NOTICE THAT any objection to the proposed sale or the assumption and assignment of the Leases or request for hearing (the "Objection") must be served upon counsel for Debtor KSMP and filed with the Court not more than twenty-one (21) calendar days after service of the Sale Notice unless the Sale Notice specifies a longer period or a shorter period is ordered by the Court (the "Objection Deadline").

PLEASE TAKE FURTHER NOTICE THAT parties wishing to submit to an overbid for the Subject Property must do so in writing on or before the Objection Deadline by emailing it to David Kieffer at David.Kieffer@jsheld.com. Overbids must be accompanied by a good faith deposit of 10% of the proposed sale price. Overbids must exceed the proposed sale price by at least 2% on sales up to and including $10,000,000 and by 1% for sales over $10,000,000 plus Bid Protections (if any).

PLEASE TAKE FURTHER NOTICE THAT if an overbid is received prior to the Objection Deadline, Debtor KSMP shall conduct a final auction for the Subject Property within seven (7) days, or as soon as practicable given the nature and complexity of the transaction.

[1] "Known Co-owner" means any person who (i) is a record title owner of the Subject Property with KSMP or (ii) is not a record title owner of the Subject Property with KSMP, but who has directly given to KSMP's counsel after the Relief Date an executed co-ownership agreement for the Subject Property or has filed a proof of claim against KSMP attaching a copy of the executed co-ownership agreement for the Subject Property.

PLEASE TAKE FURTHER NOTICE THAT if an overbid is received prior to the Objection Deadline, Debtor KSMP shall conduct a final auction for the Subject Property no less than seven (7) days after filing the Sale Notice.

PLEASE TAKE FURTHER NOTICE THAT if the Objection Deadline passes without the filing of an Objection or submission of an overbid or any such response is withdrawn, Debtor KSMP shall file a Certificate of No Objection and Debtor KSMP shall submit a proposed order substantially in the form attached to the Sale Notice as Exhibit 1 (the "Commercial Sale Order"). The Debtor may proceed with closing the Sale of the Subject Property upon entry of the Commercial Sale Order.

PLEASE TAKE FURTHER NOTICE THAT if an Objection is filed or an overbid is submitted prior to the Objection Deadline and not withdrawn, Debtor KSMP will set a Sale Hearing giving no less than seven (7) days' notice to (i) the Buyer; (ii) any party that filed an Objection or submitted an overbid; (iii) and the Notice Parties.

PLEASE TAKE FURTHER NOTICE THAT to the extent that any counterparty to a Lease fails to timely object to the Sale of the Subject Property or the assumption and assignment of its Lease to the Buyer, such counterparty is deemed to have consented to the assignment of its Lease to the Buyer.

PLEASE TAKE FURTHER NOTICE THAT the Sale pursuant to these Sale Procedures shall be free and clear of liens and encumbrances to the extent provided under the Bankruptcy Code, with any such liens or encumbrances of any kind or nature to attach to the net proceeds of the sale in the order of its priority, with the same validity, force and effect which they had immediately prior to Sale as against the Subject Property.

Dated: [•], 2025

[*/s/ EXHIBIT*]
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Possession

EXHIBIT 1

(Proposed Sale Order)

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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SANTA ROSA DIVISION

In re LEFEVER MATTSON, a California corporation, et al. Debtors.[1] In re KS MATTSON PARTNERS, LP, Debtor.	Case No. 24-10545 CN (Lead Case) (Jointly Administered) Chapter 11 **[PROPOSED] ORDER APPROVING ASSET SALE OF THE PROPERTY LOCATED AT [*INSERT SUBJECT PROPERTY ADDRESS*]**

[1] The last four digits of LeFever Mattson's tax identification number are 7537. The last four digits of the tax identification number for KS Mattson Partners, LP ("KSMP") are 5060. KSMP's address for service is c/o Stapleton Group, 514 Via de la Valle, Solana Beach, CA 92075. The address for service on LeFever Mattson and all other Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at https://veritaglobal.net/LM.

Upon submission of the Certificate of No Objection regarding the proposed sale (the "Sale") of the property located at_____________(the "Subject Property") as contemplated by the Sales Procedures approved by the *Order Establishing Omnibus Procedures for Real Property Sales* [Dkt. No. __] (the "Sale Procedures Order"),[2] filed by the above-captioned debtor and debtor in possession ("Debtor KSMP" or "KSMP"); the Court having reviewed the *Notice of Sale of Subject Property Located at* [*INSERT SUBJECT PROPERTY ADDRESS*] dated ____, 2025 [Dkt. No. __] (the "Sale Notice"); and the Court having found that (i) the Court has jurisdiction to consider the proposed sale pursuant to 28 U.S.C. §§ 157 and 1334, and the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 and Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern District of California (the "Bankruptcy Local Rules"); (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); and (iv) the Sale Notice was sufficient under the circumstances; and after due deliberation the Court having determined that the relief requested in the Sale Notice is in the best interests of Debtor KSMP, tits estates, and its creditors; and good and sufficient cause having been shown;

IT IS HEREBY ORDERED THAT:

1. The proposed Sale of the Subject Property located at _____ is approved.

2. The Sale shall be free and clear of liens and encumbrances to the extent provided under the Bankruptcy Code, with any such liens or encumbrances of any kind or nature to attach to the net proceeds of the sale in the order of their priority, with the same validity, force and effect which they had immediately prior to Sale as against the Subject Property.

3. [SOLELY IN THE CASE OF A TIC PROPERTY WHERE ALL CO-OWNERS CONSENT TO THE SALE: Each co-owner of the Subject Property having consented to the

Sale, the sale of such co-owners' interests in the Subject Property is hereby approved~~, and each such~~. Each purported co-owner for which there is no dispute as to the legitimacy of its asserted interest shall be entitled to receive its share of the net proceeds of sale pro rata to its ownership percentage in the Subject Property. The share of the net proceeds of sale for any asserted co-owner whose interest is in dispute shall be escrowed pending a determination of such asserted co-owner's rights with respect to the Subject Property.]

4. ~~3.~~ Debtor KSMP is authorized to fully assume, perform under, consummate and implement the sale agreement and all additional instruments and documents that may be reasonably necessary or desirable to implement the Sale, including the purchase and sale agreement and escrow instructions.

5. ~~4.~~ Pursuant to Bankruptcy Code section 365(a), Debtor KSMP is authorized to assume the Lease(s) identified in the Sale Notice.

6. ~~5.~~ Pursuant to Bankruptcy Code section 365(f), Debtor KSMP is authorized to assign the Lease(s) to the Buyer and, pursuant to Bankruptcy Code section 365(k), Debtor KSMP shall be relieved from any liability for any breach of the lease after such assignment, both effective upon the closing of the Sale.

7. ~~6.~~ Debtor KSMP, and any escrow agent upon Debtor KSMP's written instruction, are authorized to pay directly from escrow (i) all Closing Costs, including but not limited to, the real estate commission of the Broker(s) fee in the indicated amount(s), costs of sale, and escrow costs ~~and~~ (ii) any outstanding property taxes~~.~~, and (iii) amounts owing to Serene Investment Management LLC under that certain Debtor-in-Possession Loan and Security Agreement dated as of September [ ], 2025, by and among Debtor KSMP and the DIP Lender previously approved by the Court pursuant to its Order dated September 25, 2025 [Docket No. 2414].

8. ~~7.~~ This Order shall be effective immediately upon entry, and any stay of orders provided for in Bankruptcy Rules 6004 or 6006 or any other provision of the Bankruptcy Code or Bankruptcy Rules is expressly lifted. Debtor KSMP is not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order, and may, in its discretion and without further delay, take any action and perform any act authorized under this Order.

9. ~~8.~~ Nothing contained in the Sale Notice or this Order is intended to be or shall be construed as (i) an admission as to the validity of any claim against Debtor KSMP; (ii) a waiver of Debtor KSMP's or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against Debtor KSMP; (iii) a waiver of any claims or causes of action that may exist against any creditor or interest holder; or (iv) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy, other than those identified in the Sale Notice, between Debtor KSMP and any third party under section 365 of the Bankruptcy Code. Any amounts paid to a secured lender at closing shall not be construed as an allowance of such secured lender's claim, and all amounts paid remain subject to disgorgement and claw back.

10. ~~9.~~ Debtor KSMP is hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Order.

11. ~~10.~~ Debtor KSMP is authorized to make non-substantive changes to the documents referenced herein without further order of the Court, including, without limitation, changes to correct typographical and grammatical errors and to make conforming changes among the aforementioned documents prior to their distribution.

12. ~~11.~~ The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

** END OF ORDER **

EXHIBIT D

(Form of Stalking Horse Notice)

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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SANTA ROSA DIVISION

In re LEFEVER MATTSON, a California corporation, et al. Debtors.[1]	Case No. 24-10545 CN (Lead Case) (Jointly Administered) Chapter 11
In re KS MATTSON PARTNERS, LP, Debtor.	**NOTICE OF DESIGNATION OF STALKING HORSE BIDDER FOR SALE OF SUBJECT PROPERTY LOCATED AT [*INSERT SUBJECT PROPERTY ADDRESS*]**

[1] The last four digits of LeFever Mattson's tax identification number are 7537. The last four digits of the tax identification number for KS Mattson Partners, LP ("KSMP") are 5060. KSMP's address for service is c/o Stapleton Group, 514 Via de la Valle, Solana Beach, CA 92075. The address for service on LeFever Mattson and all other Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at https://veritaglobal.net/LM.

PLEASE TAKE NOTICE THAT pursuant to the *Order Establishing Procedures for Real Property Sales* [Dkt. No. __] (the "Sale Procedures Order")[2] entered on [*DATE*], KS Mattson Partners, a California limited partnership, and certain of its affiliates that are debtor and debtor in possession ("KSMP") in the above-captioned chapter 11 cases, propose to sell certain of its real property in accordance with the approved Sale Procedures and have designated the following:

The address of the property proposed to be sold (the "Subject Property"):

[*STREET*]
[*CITY, STATE, ZIP CODE*]

[*NAME OF STALKING HORSE BIDDER*] shall be the stalking horse bidder (the "Stalking Horse Bidder") for the Subject Property.

Stalking Horse Bid: [*AMOUNT OF BID*]

Break-Up Fee: [*PERCENTAGE OF SALE PRICE*]

[Expense Reimbursement Cap: $100,000]

Proviso: The aggregate Break-Up Fee and Expense Reimbursement (the "Bid Protections") shall not exceed 5.0% of the total cash consideration offered in the Stalking Horse Bid.

PLEASE TAKE FURTHER NOTICE THAT a copy of the agreement between Debtor KSMP and the Stalking Horse Bidder is attached hereto as **Exhibit 2** (the "Stalking Horse Agreement").

PLEASE TAKE FURTHER NOTICE THAT the declaration of [*DECLARANT'S NAME*] supporting Debtor KSMP's decision to approve the Stalking Horse Bidder and enter the Stalking Horse Agreement is attached hereto as **Exhibit 3**.

PLEASE TAKE FURTHER NOTICE THAT this ~~Sale~~Stalking Horse Notice shall be served by email where available and by mail for those who have not consented to email service upon (i) the United States Trustee (the "U.S. Trustee"); (ii) counsel to the Committee; (iii) any known holders of interests in the Subject Property, including any ~~known tenants in common~~Known Co-owners;[1] (iv) counterparties to the Leases; (v) counsel to the LeFever Mattson Debtors; ~~and~~ (vi) the DIP Lender, and (vii) those persons who have formally appeared in this chapter 11 case and requested service pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties").

PLEASE TAKE FURTHER NOTICE THAT any objection to (i) the Bid Protections set forth in this Stalking Horse Notice, or (ii) the form of Stalking Horse Order (a "Stalking Horse Objection"), shall be filed no later than ten (10) calendar days after the filing of the Stalking Horse Notice (the "Objection Deadline"); *provided*, *however*, any such Stalking Horse Objection shall be limited to whether the Stalking Horse Notice and Stalking Horse Order are consistent with the Bid Protections provided for in the Sales Procedures Order.

[1] Known Co-owner" means any person who (i) is a record title owner of the Subject Property with KSMP or (ii) is not a record title owner of the Subject Property with KSMP, but who has directly given to KSMP's counsel after the Relief Date an executed co-ownership agreement for the Subject Property or has filed a proof of claim against KSMP attaching a copy of the executed co-ownership agreement for the Subject Property.

PLEASE TAKE FURTHER NOTICE THAT if the Objection Deadline passes without the filing of a Stalking Horse Objection or any such response is withdrawn, Debtor KSMP shall file a declaration attesting that no Stalking Horse Objection was filed or served on Debtor KSMP and Debtor KSMP shall submit a proposed order substantially in the form attached hereto as **Exhibit 1** (the "Stalking Horse Order").

PLEASE TAKE FURTHER NOTICE THAT if a Stalking Horse Objection is filed prior to the Objection Deadline and not withdrawn, Debtor KSMP will file a notice seeking an expedited hearing with respect to the Stalking Horse Objection on not less than three (3) calendar days' notice.

Dated: [•], 2025

[*/s/ EXHIBIT*]
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EXHIBIT 1

(Proposed Stalking Horse Order)

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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SANTA ROSA DIVISION

In re LEFEVER MATTSON, a California corporation, et al. Debtors.[1]	Case No. 24-10545 CN (Lead Case) (Jointly Administered) Chapter 11 **[PROPOSED] ORDER APPROVING**

[1] The last four digits of LeFever Mattson's tax identification number are 7537. The last four digits of the tax identification number for KS Mattson Partners, LP ("KSMP") are 5060. KSMP's address for service is c/o Stapleton Group, 514 Via de la Valle, Solana Beach, CA 92075. The address for service on LeFever Mattson and all other Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at https://veritaglobal.net/LM.

In re

KS MATTSON PARTNERS, LP,

Debtor.

DESIGNATION OF STALKING HORSE FOR THE SALE OF THE PROPERTY LOCATED AT [*INSERT SUBJECT PROPERTY ADDRESS*]

Upon submission of the Certificate of No Objection regarding the *Notice of Designation of Stalking Horse Bidder for Sale of Subject Property Located at* [*INSERT SUBJECT PROPERTY ADDRESS*] [Dkt. No. __] (the "Stalking Horse Notice") as contemplated by the Sales Procedures approved by the *Order Establishing Omnibus Procedures for Real Property Sales* [Dkt. No. __] (the "Sale Procedures Order"),[2] filed by the above-captioned debtor and debtor in possession ("Debtor KSMP" or "KSMP"); the Court having reviewed the Stalking Horse Notice and the exhibits thereto; and the Court having found that (i) the Court has jurisdiction to consider the proposed sale pursuant to 28 U.S.C. §§ 157 and 1334, and the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 and Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern District of California (the "Bankruptcy Local Rules"); (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); and (iv) the Stalking Horse Notice was sufficient under the circumstances; and after due deliberation the Court having determined that the relief requested in the Stalking Horse Notice is in the best interests of Debtor KSMP, its estates, and its creditors; and good and sufficient cause having been shown;

IT IS HEREBY ORDERED THAT:

1. [*NAME OF STALKING HORSE BIDDER*] is approved as the Stalking Horse Bidder.

2. The Stalking Horse Bid shall be [*AMOUNT*].

3. [The Break-Up Fee shall be [*AMOUNT*] plus expense reimbursement for the Stalking Horse Bidder's actual out-of-pocket costs of up to $100,000 (the "Expense Reimbursement" and, together with the Break-Up Fee, the "Bid Protections") *provided*, *however*, that the aggregate Bid Protections with respect to

the Stalking Horse Bid shall not exceed 5.0% of the total cash consideration offered in such Stalking Horse Bid].[1]

4. Debtor KSMP is authorized to fully assume, perform under, consummate and implement the Stalking Horse Agreement.

5. This Order shall be effective immediately upon entry, and any stay of orders provided for in Bankruptcy Rules 6004 or 6006 or any other provision of the Bankruptcy Code or Bankruptcy Rules is expressly lifted. Debtor KSMP are not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order, and may, in its discretion and without further delay, take any action and perform any act authorized under this Order.

6. Nothing contained in the Stalking Horse Notice or this Order is intended to be or shall be construed as (i) an admission as to the validity of any claim against Debtor KSMP; (ii) a waiver of Debtor KSMP's or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against Debtor KSMP; (iii) a waiver of any claims or causes of action that may exist against any creditor or interest holder; or (iv) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy, other than those identified in the Sale Notice, between Debtor KSMP and any third party under section 365 of the Bankruptcy Code.

7. Debtor KSMP is hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Order.

[1] The aggregate 5.0% in Bid Protections is an outside cap, and not a floor or an expected amount, of Bid Protections that may be offered to a Stalking Horse Bidder. KSMP's Responsible Individual may, in her business judgment, agree to any amount of Bid Protections that she deems appropriate that does not exceed the 5.0% cap.. Such Bid Protections may be materially lower than the 5.0%.

8. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

** END OF ORDER **

EXHIBIT E

Redline of Residential Sale Procedures versus LFM Small Asset Sale Procedures

EXHIBIT F

Redline of Commercial Sale Procedures versus LFM Large Asset Sale Procedures

Summary report: **Litera Compare for Word 11.2.0.54 Document comparison done on 10/21/2025 12:41:35 PM**	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: nd://4123-9835-9393/1/Revised Sale Procedures and Order - Motion re Procedure for Real Property Sales.docx	
Modified DMS: nd://4123-9835-9393/8/Revised Sale Procedures and Order - Motion re Procedure for Real Property Sales.docx	
Changes:	
Add	143
~~Delete~~	111
~~Move From~~	0
Move To	0
Table Insert	0
~~Table Delete~~	0
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	254