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Date: August 6, 2025

To: Creditors and Investors of LeFever Mattson and Related Debtors

From: Bradley Sharp, Chief Restructuring Officer

Subject: LeFever Mattson and Related Debtors - July 2025 Status Update

Dear Creditors and Investors,

Since my last update to you, we have continued to advance our objectives across the Debtors' operations, real estate sales, litigation matters, and development of a Plan of Liquidation, with the consistent goal of maximizing value and preserving recoveries for stakeholders.

Operationally, I continue to provide oversight across the Debtors' enterprises, focusing on maintaining stability, ensuring compliance with Court orders, and controlling costs. I have remained in regular communication with the Independent Board of Directors, the Official Committee of Unsecured Creditors, and our advisors to ensure alignment on key issues and strategy.

A significant July milestone was the filing of a *Notice of Term Sheet for Global Settlement and Plan of Liquidation* on July 14, 2025 [Docket No. 1724]. This non-binding agreement, reached by the Debtors and the Committee, outlines the principal terms of a comprehensive settlement and proposed Plan of Liquidation that we believe provides a fair and efficient path forward for all stakeholders. A draft of the full proposed Plan has also recently been shared with the Committee. We appreciate the Committee's efforts to work constructively toward this outcome.

In parallel, we continue to develop and execute a real estate sale strategy in collaboration with FTI, our brokers, and the Committee. Marketing and sales activity remains extremely active across the portfolio, and updates on our collective efforts are outlined in the attachment.

We were also recently successful in reaching an agreement that has led to a third party, Robbin Itkin, taking control of KS Mattson Partners, LP. Along with the Committee, the Debtors have developed a very positive relationship with Ms. Itkin that is focused on maximizing the value of the KSMP assets while controlling the costs of the process. We have agreed with the Committee and Ms. Itkin that the Committee's proposed consolidation of KSMP and LeFever Mattson should wait until the Plan of Liquidation. However, we have also agreed to jointly administer the KSMP chapter 11 case with the LeFever Mattson cases, which will help manage costs and keep all investors informed of pleadings filed in the KSMP case.

On the financing front, at the July 11 hearing, the Court declined to approve the Debtors' proposed inter-debtor lending motion. While we certainly appreciate the Court's concerns, we felt the inter-debtor lending would provide the needed funding at a much lower cost than otherwise would have been available. Though we remain hesitant to secure additional outside financing due to the significant cost, we may need funding to continue to manage the process. The professionals involved have deferred substantial payments to help ensure that the Debtors have sufficient resources for payroll and management of the properties. However, this is a short-term solution that will need to be resolved in the next few months. We are continuing to explore cost-effective alternatives.

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As acting CEO of Harrow Cellars, I am pleased to report that the Sojourn Cellars sale closed on August 1st. While we did not receive the value we had hoped for, due in part to the current poor market for wineries, the disposition of this non-Debtor, LeFever Mattson-owned company, will help control and reduce LeFever Mattson's costs going forward.

We continue to work closely with the Committee as it investigates potential litigation against third parties. At the Committee's request, we recently stipulated to grant standing to the Committee to pursue certain causes of action against identified secured lenders. The stipulation was approved by the Court on July 18, 2025 [Docket No. 1777].

We also want to acknowledge the concerns raised by many investors regarding tax matters. In collaboration with FTI's tax team, we have prepared a more detailed letter on the tax issues and tax reporting issues ("Tax Letter"). You can find the Tax Letter at <https://veritaglobal.net/lm>. We encourage you to review the Tax Letter and discuss it with your tax advisor.

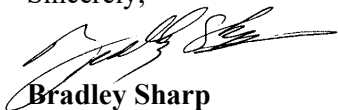
We will provide federal Schedule K-1's to investors by the partnership extended due date of September 15, 2025. When requested by investors, we will prepare pro-forma Federal K-1's for off-book investors or partners that were invested in partnerships where Mattson never filed historic returns by the same date. As discussed in the Tax Letter, the 2024 actual K-1s and pro-forma K-1s will not contain any information for the partner's share of current year income, deductions, gain, losses, or other items.

Lastly, in the coming weeks, our priorities include:

- Filing a Plan of Liquidation with the Court;
- Advancing several key asset sales through offer acceptance, contract negotiations, due diligence, and transaction closings;
- Coordinating closely with all stakeholders to facilitate the heavy real estate transaction pipeline;
- Preparing additional assets for sale or alternative resolutions, including potential lender give-backs where appropriate to save on costs; and
- Continuing forensic and analytical work as requested or as necessary to support the proposed Plan of Liquidation and related legal strategies.

As always, thank you for your continued engagement and patience throughout this complex process. Please refer to the attached fact sheet for additional details on real estate sales and other case administration updates.

Sincerely,



Bradley Sharp
Chief Restructuring Officer
LeFever Mattson

Enclosure

Exhibit to CRO Letter

Asset Monetization Process

Property Sales Summary

(current as of 7/21/25)

	# of Properties	Transaction Value
Closed / Closing	6	\$6,186,000
Sale Notice Filed with Court	5	\$10,098,000
Signed PSA		
Pending Sale Notice	5	\$9,310,000
In Due Diligence Period	21	\$77,559,000
Drafting PSA	9	\$45,489,000
Total - Offers Accepted*	46	\$148,642,000
Marketing		
Call for Offers	5	\$13,370,000
Actively Marketed	41	\$104,743,972
Total – Marketing	46	\$118,113,972
Not Yet Marketed	26	\$42,614,600
Under Evaluation	18	\$19,355,000
Total Properties	136	\$328,725,572

Note: Of the 30 properties that were reflected as under contract in my prior letter, 11 properties were subject to fully-executed contracts and 19 properties were subject to ongoing purchase and sale agreement negotiations and drafting.

** The summary schedule above does not reflect any transactions that have fallen out of contract.*

*** Transaction Values reflect gross sale prices and do not include costs of sale or secured debt that would be senior in priority to unsecured creditors and investors. Transaction Values indicated above are based on either (a) closed transaction price, or if not closed (b) selected offer price, or if no selected offer, (c) highest offer price, or if no offers, (d) broker opinion of value. Note that Transaction Values for pending transactions are estimates, subject to change, and may be lower than estimated.*

- **Offer Evaluations:** In coordination with the Committee, we continue to evaluate and provide approvals for offers to purchase real estate owned by various Debtors, coordinating with the Independent Board of Directors when required for high-value assets, and we will continue to review and approve offers as they come in. To date, 46 properties have received offers that have been accepted.
- **Marketing Pipeline:** An additional 46 properties are being marketed by our real estate advisors and brokers.

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- **Upcoming Marketing Efforts:** 26 additional properties are queued for market launch in the coming weeks and months.
- **Properties Requiring Further Evaluation:** We are analyzing alternative solutions for 18 properties with unique issues that complicate the sale process, including those properties appraised at or below their existing debt.
- **Pinyon Creek Development:** We continue to evaluate all options with respect to this development, balancing recovery potential against financing and market execution risks.

Bankruptcy Administration

- **Monthly Operating Reports (MORs):** MORs for all Debtors are on file with the Court through June 2025.
- **Cash Collateral and Budget Reporting:** We remain in compliance with all requirements regarding the use of cash collateral and have maintained our required reporting.
- **Insurance Issues:** We continue to update the U.S. Trustee with ongoing insurance information as required and requested.
- **DIP Budget Management:** Budget adherence and forecast-to-actual tracking remain closely monitored and reported to the Committee and the DIP lender.