Date: November 14, 2025

To: Creditors and Investors of LeFever Mattson and Related Debtors[1]

From: Brad Sharp, Chief Restructuring Officer

Subject: LeFever Mattson and Related Debtors - Status Update

Dear Creditors and Investors,

Since my last update to you on August 6, 2025, we have continued to make further advances with real estate sales, litigation matters and the 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 (the "Committee"), and our advisors to ensure alignment on key issues and strategy.

Plan and Disclosure Statement. A significant milestone since my last update was the filing, on October 15, 2025, of the *First Amended Joint Chapter 11 Plan of Liquidation* [Docket No. 2561] (the "Plan") and the *Amended Disclosure Statement in Support of First Amended Joint Chapter 11 Plan of Liquidation* [Docket No. 2567] (the "Disclosure Statement"). Jointly drafted by the Debtors, the independent Responsible Individual for KSMP, and the Committee (together, the "Plan Proponents"), the Plan sets forth proposed treatment for claims of creditors and investors in these bankruptcy cases.

As we continue to negotiate with parties in interest regarding the proposed treatment of their claims under the Plan, we anticipate further amendments to the Plan and Disclosure Statement as we attempt to resolve as many issues as possible on a consensual basis. The Disclosure Statement will not be distributed to stakeholders until it has been approved by the Court as containing adequate information for voting on the Plan. The hearing for the Court to approve the Disclosure Statement was scheduled for November 18, 2025, but will be continued to a date to be determined by the Court. Please continue to watch the Court's docket for more updates.

Investigation Report. Also on October 15, 2025, we filed with the Court supplements to the Amended Disclosure Statement, including exhibits and information such as the liquidation analysis, the plan recovery analysis, and the *Joint Investigation Report and Summary of Global Settlement* [Docket No. 2568] (the "Investigation Report"). The Investigation Report was a joint effort of the Plan Proponents and summarizes the results of the investigation into the transactions that led to these bankruptcy cases. This report provides a thorough documentation of our findings and explanation of our conclusion that the Debtors and KSMP operated as a Ponzi scheme.

[1] As used in this letter, the terms "Related Debtors" and "Debtors" do not include KS Mattson Partners, LP ("KSMP") or Live Oak Investments, L.P. ("Live Oak").

Socotra Settlement and Sale Order. We also made significant progress with the Debtors' largest secured lender, Socotra. During a two-day mediation session on September 24-25, 2025, the Plan Proponents were able to negotiate a settlement on the allocation of the Debtors' and KSMP's proceeds from the sale of real estate. The *Joint Motion of LFM Debtors, Debtor KSMP and the Committee to Approve Entry Into and Performance Under the Socotra Settlement Agreement* was filed on October 15, 2025 [Docket No. 2556] and was approved by the Court on November 12, 2025. The terms of the agreement, as disclosed in the filing, will significantly increase the amount of money available to investors and the estate will be able to avoid the significant costs of a legal fight with Socotra and allow for the use of Socotra's cash collateral or funding to continue managing the retained properties identified for return to Socotra.

Tax Reporting. In September, federal Schedules K-1 for 2024 were sent to investors. As discussed in the Tax Letter previously shared with you, the 2024 Schedules K-1 do not contain any information for the partner's share of current year income, deductions, gain, losses, or other items.

Property Sales. In parallel, we continue to develop and execute a real estate sale strategy in collaboration with FTI, our brokers, the Committee and the Independent Board of Directors. Marketing and sales activity remains extremely active across the portfolio, and updates on our collective efforts are outlined in the attachment. As of October 31, 2025, we have either accepted offers or closed on approximately 75% of the value of the portfolio.

Live Oak Investments, L.P. At a recent Live Oak partnership meeting, a majority of Live Oak limited partners voted to remove LeFever Mattson as general partner of Live Oak and remove Keller Benvenutti Kim LLP as counsel to Live Oak. The Court held a hearing on November 13, 2025, to address whether these actions violated the automatic stay provided by the Bankruptcy Code. We expect the Court to issue its decision soon.

KSMP. The Debtors continue to maintain a positive relationship with Ms. Itkin, the independent Responsible Individual of KSMP, with respect to coordination on and maximization of the value of the KSMP assets while controlling the costs of the process. In October, LeFever Mattson filed a proof of claim in KSMP's estate for over $350 million, primarily to preserve its rights, given the substantive consolidation treatment contemplated in the Plan.

Priorities. Lastly, in the coming weeks, our priorities include:

- Advancing the pipeline of real estate sales through offer acceptance, contract negotiations, due diligence, and transaction closings;
- Coordinating closely with all stakeholders to facilitate the significant real estate transaction volume;
- Preparing remaining assets for sale or alternative resolutions, including potential lender give-backs where appropriate to save on costs;
- Providing for a smooth transition of property management and broker management upon the effective date of the Plan;

- Continuing to work closely with the Committee as it investigates and pursues potential litigation against third parties; 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 and Related Debtors

Enclosure

Exhibit to CRO Letter

Asset Monetization Process

Property Sales Summary
(current as of 10/31/25)

	# of Properties	Transaction Value [(1)]
Closed / Closing	45	$87,906,377
Sale Notice Filed with Court	5	$21,975,000
Signed PSA		
Pending Sale Notice	6	$16,031,000
In Due Diligence Period	10	$37,920,000
Drafting PSA	19	$76,828,472
Total - Offers Accepted	85	$240,660,849
Marketing		
Call for Offers	1	$1,725,000
Actively Marketed	20	$40,512,100
Total - Marketing	21	$42,237,100
Not Yet Marketed	7	$10,365,000
Under Evaluation	23	$29,595,000
Total Properties	136	$322,857,949

Note: The totals under Offers Accepted may reflect transactions that have since fallen out of contract.
1) 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, 85 properties have received offers that have been accepted.
- **Marketing Pipeline**: An additional 21 properties are being marketed by our real estate advisors and brokers.
- **Upcoming Marketing Efforts**: With the progress made to date, there are only 7 properties that remain subject to market launch in the coming weeks and months.

- **Properties Requiring Further Evaluation**: We are analyzing alternative solutions for 23 properties with unique issues that complicate the sale process, including those properties appraised at or below their existing debt.
- **Pinyon Creek Development**: On October 31, 2025, we accepted an offer on the entire Pinyon Creek portfolio with an anticipated closing by the end of February 2026.

Bankruptcy Administration

- **Monthly Operating Reports (MORs):** MORs for all Debtors are on file with the Court through September 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.