

**KELLER BENVENUTTI KIM LLP**  
 425 MARKET STREET, 26TH FLOOR  
 SAN FRANCISCO, CALIFORNIA 94105

**KELLER BENVENUTTI KIM LLP**  
 TOBIAS S. KELLER (Cal. Bar No. 151445)  
 (tkeller@kbbkllp.com)  
 DAVID A. TAYLOR (Cal. Bar No. 247433)  
 (dtaylor@kbbkllp.com)  
 THOMAS B. RUPP (Cal. Bar No. 278041)  
 (trupp@kbbkllp.com)  
 425 Market Street, 26th Floor  
 San Francisco, California 94105  
 Telephone: (415) 496-6723  
 Facsimile: (650) 636-9251

*Attorneys for the Debtors and  
 Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT**  
**NORTHERN DISTRICT OF CALIFORNIA**  
**SANTA ROSA DIVISION**

In re:

LEFEVER MATTSON, a California  
 corporation, *et al.*,<sup>1</sup>

Debtors.

Lead Case No. 24-10545 (CN)

(Jointly Administered)

Chapter 11

**MOTION OF DEBTORS TO ESTABLISH  
 PROCEDURES FOR REAL PROPERTY  
 SALES**

**Date:** February 19, 2025

**Time:** 11:00 a.m. (Pacific Time)

**Place:** United States Bankruptcy Court  
 1300 Clay Street, Courtroom 215  
 Oakland, CA 94612

<sup>1</sup> The last four digits of LeFever Mattson's tax identification number are 7537. 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>. The address for service on the Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621.



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LeFever Mattson, a California corporation (“LeFever Mattson”), and certain of its affiliates that are debtors and debtors in possession (the “Debtors”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”), hereby move (the “Motion”) this Court pursuant to sections 105, 363 and 365 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2002, 6004, 6006, and 9006 of the Federal Rules of Bankruptcy Procedure, (the “Bankruptcy Rules”) and Rules 6004-1 and 6006-1 of the Bankruptcy Local Rules for the Northern District of California (the “Bankruptcy Local Rules”) for the entry of an order, in substantially the form attached hereto as **Exhibit A**, authorizing the Debtors to sell their real property pursuant to the proposed procedures<sup>2</sup> set forth herein.

The Debtors seek approval and implementation of procedures related to the sale of their real property, including the following:

1. Limiting the time and parties to be served with notice of any proposed sale.
2. Establishing procedures for parties to object or submit overbids (including credit bids) to any proposed sale.
3. Authorizing any sale of property to be free and clear of any interest in such property of an entity other than the selling Debtor’s estate.
4. Proscribing procedures for the treatment of unexpired leases on property to be sold where a Debtor is the lessor.

The facts and circumstances supporting this Motion are set forth in the *Declaration of Bradley D. Sharp in Support of Motion of Debtors to Establish Procedures for Real Property Sales* (the “Sharp Declaration”), filed concurrently herewith. Capitalized terms used but not defined herein have the meanings given to them in the Sharp Declaration. In further support of this Motion, the Debtors rely on the *Declaration of Bradley D. Sharp in Support of Chapter 11 Petitions and First Day Motions* (the “First Day Declaration”) [Dkt. No. 5] which is fully incorporated herein by reference.

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<sup>2</sup> These procedures are available for the Debtors to use if they elect to do so. If appropriate in the event of a particularly complicated sale, the Debtors retain the option to file individual sale motions pursuant to section 363 of the Bankruptcy Code in their sole discretion.

**MEMORANDUM OF POINTS AND AUTHORITIES**

**I. JURISDICTION AND VENUE**

This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334, the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.), and Rule 5011-1(a) of the Bankruptcy Local Rules. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

**II. BACKGROUND**

**A. General Background**

As described in the First Day Declaration, these Chapter 11 Cases were necessitated by, among other things, Mr. Kenneth Mattson's purported sales of equity interests in numerous of the Debtors to hundreds of investors through transactions that were not recorded in the books and records of LeFever Mattson or the appropriate Debtor. Debtor Windscape Apartments, LLC, filed its chapter 11 petition on August 6, 2024. Fifty-eight Debtors, including LeFever Mattson, filed their chapter 11 petitions on September 12, 2024. Debtors Pinewood Condominiums, LP, and Ponderosa Pines, LP, filed their chapter 11 petitions on October 2, 2024.

**B. The Debtors' Real Property**

Among them, the various Debtors hold a highly diversified real estate portfolio of approximately 176 properties (each, the "Property" and collectively, the "Properties"), comprised of commercial, residential, office, and mixed-use real estate, as well as vacant land, located throughout California, primarily in Sonoma, Sacramento, and Solano Counties. The Properties are located in cities scattered across (mostly) Northern California, including Cameron Park, Carmichael, Ceres, Citrus Heights, Concord, Elk Grove, Fairfield, Fresno, Napa, Orangevale, Perris, Roseville, Sacramento, San Leandro, Sonoma, Suisun City, Truckee, Vacaville, and Vallejo. While the Properties have not been appraised individually, the Debtors' estimate that they are collectively worth several hundred million dollars, and that the Debtors have substantial equity in many of the Properties. A schedule of the Properties including their addresses, owners, and secured lenders is attached as Exhibit 1 to the Sharp Declaration.



Debtor LeFever Mattson is the general partner of each of the Debtor limited partnerships and under their partnership agreements, LeFever Mattson has the authority to sell each limited partnership's Property without prior approval of the limited partners. 166 of the Properties are 100% owned by a single Debtor, and 8 are owned jointly by more than one Debtor. There are 4 properties held by a Debtor as a tenant in common with a non-Debtor party; these which are excluded from those proposed to be sold pursuant to this Motion. The Debtors are working to obtain consent from the non-Debtor tenants in common for sale and may proceed with the sale if such consent is received.

The Debtors and their professionals, in consultation with the Official Committee of Unsecured Creditors (the "Committee"), are evaluating the value maximizing strategy for each asset which will be informed by a comprehensive marketing process. In support of this goal, on November 12, 2024, the Debtors and the Committee jointly retained FTI Consulting, Inc. and FTI Consulting Realty, Inc. (jointly, "FTI") to provide certain real estate and tax advisory services in these Chapter 11 Cases. Since its retention, FTI has toured the Debtors' properties, contacted local brokers to assist with potential sales, and begun providing strategic advice to the Debtors and the Committee regarding the portfolio. The Debtors have also retained a law firm specializing in real property transactions, SSL Law Firm LLP.

The Debtors, in consultation with the Committee, are in the process of retaining various real estate brokers (the "Brokers") with expertise in different types of properties and in each of the applicable geographic locations in which the Properties are located to market and sell the various properties. Each of these Brokers will be tasked with broadly marketing the Properties for a sufficient period of time to maximize market exposure and attract qualified buyers.<sup>3</sup> Where multiple offers are received, the Debtors will select the best offers to conduct a "best and final"

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<sup>3</sup> In addition to the direct marketing to prospective buyers and other brokers, the Debtors are requiring that the Brokers widely advertise each Property on common listing services for commercial or residential property (such as the Multiple Listing Service for 1- to 4-unit residential property). The initial marketing period will be a minimum of 21 days prior to a "call for offers" for those properties that exhibit high demand. Marketing periods for other properties may be longer to allow for adequate exposure.

bid process in the pursuit of sales for the highest and best offers obtainable including considerations of a buyers ability and willingness to close, and the proposed timing of execution.

**C. The Need for the Proposed Sale Procedures**

Prior to the Petition Date, the Debtors bought and sold the Properties in the ordinary course of their business. Post-petition, the Debtors need to sell the Properties to maximize the value of their estates. Accordingly, the Debtors seek authority to implement a procedure whereby they can sell the Properties in a commercially reasonable manner with a streamlined and efficient procedure that complies with the substantive requirements of the Bankruptcy Code.

Filing and noticing for hearing a separate motion for the sale of each of the Properties would be unduly burdensome. In addition to the professional fees required to prepare those motions, it would require substantial time and attention from the Debtors' management and employees. Having to prepare and attend hearings on so many separate motions would also be taxing on other parties in these Chapter 11 Cases, including the Committee, the U.S. Trustee, and any other creditors or parties-in-interest that wish to review and be heard on any sales. Finally, numerous motions and hearings would tax the resources of the Court.

Perhaps most concerning, without these notice and sale procedures, parties that would otherwise be interested in purchasing one or more of the Properties may not wish to participate in a sale through these Chapter 11 Cases, or their potential bids may be chilled. While this is a concern for all the Properties, sales of the single-family residences could be severely impacted as potential buyers may not be sophisticated in real estate transactions, let alone those sold through a bankruptcy proceeding. Imposing a hearing requirement for all those Properties is likely to negatively impact the prices received.

To avoid these administrative costs and risks, the Debtors have worked with their professionals and with the Committee to develop summary sale procedures that provide parties notice, overbidding, procedures, and an opportunity to be heard by the Court, among other protections.

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1     **III.     RELIEF REQUESTED**

2             The Debtors request authorization to sell the Properties pursuant to the Sale Procedures.  
3     The Sale Procedures are split between Properties with a sale price up to \$5 million (“Small Asset  
4     Sales” and the “Small Asset Sale Procedures”) and those with a sale price equal to or greater than  
5     \$5 million (a “Large Asset Sales” and the “Large Asset Sale Procedures” and jointly with Small  
6     Asset Sales and the Small Asset Sale Procedures, the “Sales” and the “Sale Procedures”). Based  
7     on limited information currently available, the Debtors estimate that there are approximately 151  
8     Properties whose sales will be governed by the Small Asset Sale Procedures and 25 that will  
9     qualify for the Large Asset Sale Procedures. The Small Asset Sale Procedures Properties are  
10    mainly comprised of single-family residences and smaller multi-family properties, as well  
11    miscellaneous smaller commercial properties and land. The Large Asset Sale Procedures  
12    Properties are commercial properties and multi-family properties with more than four units. In the  
13    event that a purchaser makes an offer for multiple Properties, the aggregate price will govern the  
14    Large or Small Asset Sale designation.

15                             SMALL ASSET SALE PROCEDURES

16             The Small Asset Sale Procedures are as follows:

- 17             1.     Contents of Sale Notice: Prior to any sale of a Property for which the Debtors, in  
18                   consultation with the Committee, elect to seek approval through these Sale  
19                   Procedures, the Debtors shall file with the Court a notice (the “Sale Notice”) that  
20                   sets forth:
- 21                   a.     The address of the Property proposed to be sold (the “Subject  
22                           Property”);
  - 23                   b.     The sale price;
  - 24                   c.     The name(s) of the title holder of the Subject Property;
  - 25                   d.     The name(s) of the holder of any liens or other interests in the Subject  
26                           Property, if any, listed immediately below the caption of the Sale Notice  
27                           in compliance with Bankruptcy Local Rule 6004-1(a);
  - 28                   e.     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;
  - f.     A brief summary of the marketing of the Subject Property that would  
                         support the Debtors’ representation that it was done in a commercially  
                         reasonable manner and the Debtors’ conclusion that the price and terms

are reasonable and in the best interests of the Debtors' bankruptcy estates according to their business judgment;

g. The name(s) proposed buyer(s) (the "Buyer") and any known relationship to the Debtors;<sup>4</sup>

h. The provision(s) of section 363(f) that the Debtors submit authorize the sale free and clear of liens and a summary of the Debtors' evidence supporting such assertion;

i. 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 the Debtors, and their proposed compensation;

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

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

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

m. The estimated net proceeds available to the estate upon conclusion of the Sale, after the satisfaction of any liens, and payment of the Closing Costs; and

n. The Objection Procedures (as described below).

2. Service of Sale Notice: The Sale Notice shall be served by mail upon (i) the United State Trustee (the "U.S. Trustee"); (ii) counsel to the Committee; (iii) any holders of interests in the Subject Property, including interest holders in the applicable Debtor; (iv) counter-parties to the Leases; and (v) those persons who have formally appeared in these Chapter 11 Cases and requested service pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties").

3. 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 the Debtors and filed with the Court not more than seven (7) 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").

4. Credit Bids: Creditors wishing to credit bid for the Subject Property shall serve notice on the Debtors and the Committee prior to the Objection Deadline. Any creditor successfully credit bidding shall be responsible for the payment of all Closing Costs. In the event that a credit bid is received, the Debtors will set the Sale for hearing on no less than 21 days' notice with opportunity to object.

<sup>4</sup> These Sale Procedures shall not apply if the proposed purchaser is an insider of the Debtors.

- 1 5. Overbids: There shall be no overbids. The commercially reasonable practice for  
2 properties of this price range is to contact all interested parties once an offer is  
3 received, notifying them of the offer and requesting overbids. Therefore, any  
4 agreed purchase price will already include any overbids.
- 5 6. No Stalking Horse Procedures: There shall be no stalking horse procedures;  
6 however, the Debtors reserve the right to request such procedures should they, in  
7 their sole discretion determine that a stalking horse procedure would benefit the  
8 estates.
- 9 7. If No Objection Or Credit Bid: If the Objection Deadline passes without the filing  
10 of an Objection or credit bid or any such response is withdrawn, the Debtors shall  
11 file a declaration attesting that no Objection was filed or served on the Debtors (the  
12 "Certificate of No Objection") and the Debtors shall submit a proposed order  
13 substantially in the form attached to the Sale Notice as Exhibit 1 (the "Small Asset  
14 Sale Order"). The Debtors may proceed with closing the Sale of the Subject  
15 Property upon entry of the Small Asset Sale Order.
- 16 8. Sale Hearing: If an Objection is filed prior to the Objection Deadline and not  
17 withdrawn, the Debtors will set a hearing (the "Sale Hearing") giving no less than  
18 seven (7) days' notice to (i) the Buyer; (ii) any party that filed an Objection; (iii) and  
19 the Notice Parties. If notice of a credit bid is received prior to the Objection  
20 Deadline, the Sale Hearing shall be on 21 days' notice to the parties listed above.
- 21 9. Free and Clear: Sales pursuant to these Sale Procedures shall be free and clear of  
22 liens and encumbrances to the extent provided under the Bankruptcy Code, with  
23 any such liens of any kind or nature to attach to the net proceeds of the sale in the  
24 order of their priority, with the same validity, force and effect which they had  
25 immediately prior to Sale as against the Subject Property.

#### 26 LARGE ASSET SALE PROCEDURES<sup>5</sup>

27 The Large Asset Sale Procedures are as follows:

- 28 1. Contents of Sale Notice: Prior to any sale of a Property for which the Debtors elect  
to seek approval through these Sale Procedures, the Debtors shall file with the Court  
a notice (the "Sale Notice") that sets forth:
  - a. The address of the Property proposed to be sold (the "Subject  
Property");
  - b. The sale price;
  - c. The name(s) of the title holder of the Subject Property;
  - d. The name(s) of the holder of any liens or other interests in the Subject  
Property, if any, listed immediately below the caption of the Sale Notice  
in compliance with Bankruptcy Local Rule 6004-1(a);

<sup>5</sup> Numbers 1 – 4 are identical to those in the Small Asset Sale Procedures. They are repeated here for ease of reference.

- e. 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;
  - f. A brief summary of the marketing of the Subject Property that would support the Debtors' representation that it was done in a commercially reasonable manner and the Debtors' conclusion that the price and terms are reasonable and in the best interests of the Debtors' bankruptcy estates according to their business judgment;
  - g. The name(s) of the proposed buyer(s) (the "Buyer") and any known relationship to the Debtors;<sup>6</sup>
  - h. The provision(s) of section 363(f) that the Debtors submit authorize the sale free and clear of liens and a summary of the Debtors' evidence supporting such assertion;
  - i. 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 the Debtors, and their proposed compensation;
  - j. A schedule of any unexpired leases or executory contracts (collectively, the "Leases") associated with the Subject Property and their proposed treatment in the Sale including any cure amounts;
  - k. A summary of the Buyer's evidence that it can provide adequate assurance of future performance of the Leases, if any;
  - l. A summary of any other proposed closing payments, including but not limited to payment of the Closing Costs;
  - m. The estimated net proceeds available to the estate upon conclusion of the Sale, after the satisfaction of any liens, and payment of the Closing Costs; and
  - n. The Objection Procedures (as described below).
2. Service of Sale Notice: The Sale Notice shall be served by mail upon (i) the United State Trustee (the "U.S. Trustee"); (ii) counsel to the Committee; (iii) any holders of interests in the Subject Property, including interest holders in the applicable Debtor; (iv) counter-parties to the Leases; and (v) those persons who have formally appeared in these Chapter 11 Cases and requested service pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties").
  3. Objection Procedures: 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 the Debtors and filed with the Court not more than seven (7) 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").
  4. Credit Bids: Creditors wishing to credit bid for the Subject Property shall serve notice on the Debtors and the Committee prior to the Objection Deadline. Any

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<sup>6</sup> These Sale Procedures shall not apply if the proposed purchaser is an insider of the Debtors.



creditor successfully credit bidding shall be responsible for the payment of all Closing Costs and break-up fees in the event there is a Stalking Horse Bidder, infra. In the event that a credit bid is received, the Debtors will set the Sale for hearing on no less than 21 days' notice with opportunity to object.

5. Overbids: The Sale Notice shall include solicitation for overbids which must be submitted in writing to FTI 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 \$10,000,000 and for 1% for sales over \$10,000,000 plus Bid Protections<sup>7</sup> (if any).
6. Stalking Horse Procedures: The Debtors may, in consultation with the Committee:
  - a. 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
  - b. 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:
    - i. 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
    - ii. 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.

To the extent the Debtors designate 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. The Debtors 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 the Debtors.

To the extent the Debtors, in consultation with the Committee, determine to offer Bid Protections to any Stalking Horse Bidder, the Debtors 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:

- a. a copy of the Stalking Horse Agreement;
- b. an appropriate declaration in support of the proposed Bid Protections (the "Bid Protections Declaration"); and

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<sup>7</sup> Defined below.

c. 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 seven (7) 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, the Debtors are 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.

7. Auction: If an overbid is received prior to the Objection Deadline, FTI shall conduct a final auction for the Subject Property no less than seven (7) days after filing the Sale Notice.
8. 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, the Debtors shall file a Certificate of No Objection and the Debtors shall submit a proposed order substantially in the form attached to the Sale Notice as Exhibit 1 (the “Large Asset Sale Order”). The Debtors may proceed with closing the Sale of the Subject Property upon entry of the Large Asset Sale Order.
9. Sale Hearing: If an Objection is filed or an overbid is submitted prior to the Objection Deadline and not withdrawn, the Debtors 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. If notice of a credit bid is received prior to the Objection Deadline, the Sale Hearing shall be on 21 days’ notice to the parties listed above.
10. 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.

\* \* \*

A proposed form of the Sale Notice for Small Asset Sales is attached hereto as **Exhibit B** and for Large Asset Sales is attached hereto as **Exhibit C**. A proposed form of the Stalking Horse Notice is attached hereto as **Exhibit D**. As described herein, such authorization will allow the Debtors to efficiently sell their Properties in a manner that maximizes revenue for their estates while providing parties in interest notice and opportunity to be heard.

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1 **IV. AUTHORITY FOR RELIEF REQUESTED**

2 **A. The Sale of the Properties in Accordance with the Sale Procedures Is a**  
3 **Product of the Debtors' Reasonable Business Judgment.**

4 In accordance with Bankruptcy Rule 6004, sales of property rights outside the ordinary  
5 course of business may be by private sale or public auction. The Debtors have determined that the  
6 Sale Procedures will enable them to obtain the highest or otherwise best offers for the Subject  
7 Properties (thereby maximizing the value of the estate) and are in the best interests of the Debtors'  
8 creditors while minimizing administrative costs. In particular, the Sales will be the result of arms'  
9 length negotiations, will be subject to higher or otherwise better offers, and will provide a greater  
10 recovery for the Debtors' creditors than would be provided by any other existing alternative.

11 The Debtors seek to have the Sale Procedures approved pursuant to section 363 of the  
12 Bankruptcy Code. Section 363(b)(1) provides: "The Trustee, after notice and a hearing, may use,  
13 sell, or lease, other than in the ordinary course of business, property of the estate." Section 105(a)  
14 of the Bankruptcy Code provides in relevant part: "The Court may issue any order, process, or  
15 judgment that is necessary or appropriate to carry out the provisions of this title."

16 Section 363 does not provide a standard for approving a sale, but the Ninth Circuit has held  
17 that the "bankruptcy court has considerable discretion in deciding whether to approve or  
18 disapprove the use of estate property by a debtor in possession, in the light of sound business  
19 justification." *In re Walter*, 83 B.R. 14, 16 (9th Cir. 1988). *See also Chamberlain v. Stanziale (In*  
20 *re Chamberlain)*, 545 B.R. 827, 844 (D. Del. 2016) (stating that the Bankruptcy Court has  
21 "considerable discretion" for approving sales under section 363). Indeed, courts have uniformly  
22 held that approval of a proposed sale of assets of a debtor under section 363 outside the ordinary  
23 course of business and prior to the confirmation of a plan of reorganization is appropriate if a court  
24 finds that the transaction represents a reasonable business judgment on the part of the trustee or  
25 debtor in possession. *See, e.g., In re Continental Airlines, Inc.*, 780 F.2d 1223, 1226 (5th Cir.  
26 1986); *In re Delaware & Hudson Ry. Co.*, 124 B.R. 169, 176 (D. Del. 1991); *In re Stroud Ford,*  
27 *Inc.*, 164 B.R. 730, 732 (Bankr. M.D. Pa 1993); *Titusville Country Club v. Pennbank (In re*  
28 *Titusville Country Club)*, 128 B.R. 396, 399 (Bankr. W.D. Pa. 1991); *In re Verity Health Sys. of*

1 *Cal., Inc.*, 598 B.R. at 292; *In re Culp*, 545 B.R. 827, 844 (D. Del. 2016) (citing *In re Montgomery*  
2 *Ward Holding, Corp.*, 242 B.R. 147, 153 (D. Del. 1999); *In re Phoenix Steel Corp.*, 82 B.R. 334,  
3 335-36 (Bankr. D. Del. 1987) (stating that the elements necessary for approval of a section 363  
4 sale in a chapter 11 case are “that the proposed sale is fair and equitable, that there is a good  
5 business reason for completing the sale and the transaction is in good faith”).

6 In determining whether a debtor in possession has complied with the business judgment  
7 rule, a court must consider whether: (a) there has been “[a]ny improper or bad motive,” (b) the  
8 “price is fair and the negotiations or bidding has occurred at arm’s length,” and (c) the sale  
9 followed “[a]dequate procedures, including proper exposure to the market and accurate and  
10 reasonable notice to all parties in interest.” *In re Castre*, 312 B.R. 426, 428 (Bankr. D. Colo.  
11 2004). *See also In re Aller*, 649 B.R. 662, 666 (Bankr. W.D. Pa. 2023); *Hernandez v. Hernandez*  
12 (*In re Hernandez*), No. SC-23-1016-BCF, 2023 Bankr. LEXIS 2875, at \*12 (B.A.P. 9th Cir.  
13 Dec. 6, 2023); *In re Boston Generating, LLC*, 440 B.R. 302, 330 (Bankr. S.D.N.Y. 2010). When  
14 applying the rule, “the bankruptcy court should presume that the debtor-in-possession acted  
15 prudently on an informed basis, in good faith, and in the honest belief that the action taken was in  
16 the best interests of the bankruptcy estate.” *Agarwal v. Pomona Valley Med. Grp., Inc. (In re*  
17 *Pomona Valley Med. Grp., Inc.)*, 476 F.3d 665, 670 (9th Cir. 2007) (considering the rule in the  
18 context of the debtor’s decision to reject a contract).

19 The paramount goal in any proposed sale of property of the estate is to maximize the  
20 proceeds received by the estate. *See, e.g., In re Food Barn Stores, Inc.*, 107 F.3d 558, 564-65 (8th  
21 Cir. 1997) (in bankruptcy sales, “a primary objective of the Code [is] to enhance the value of the  
22 estate at hand”); *Delannoy v. Woodlawn Colonial L.P. (In re Delannoy)*, 833 F. App’x 116, 119  
23 (9th Cir. 2020) (“To satisfy § 363, the sale must be proposed in good faith and for a proper purpose  
24 and realize optimal value . . . for the estate under the circumstances” (cleaned up)); *Simantob v.*  
25 *Claims Prosecutor, L.L.C. (In re Lahijani)*, 325 B.R. 282, 288 (B.A.P. 9th Cir. 2005) (“The court’s  
26 obligation in § 363(b) sales is to assure that optimal value is realized by the estate under the  
27 circumstances”). As long as the sale appears to enhance a debtor’s estate, court approval of a  
28 trustee’s decision to sell should only be withheld if the trustee’s judgment is clearly erroneous, too

speculative, or contrary to the provisions of the Bankruptcy Code. *GBL Holding Co., Inc. v. Blackburn/Travis/Cole, Ltd.*, 331 B.R. 251, 255 (N.D. Tex. 2005); *In re Lajijani*, 325 B.R. at 289; *In re WPRV-TV, Inc.*, 143 B.R. 315, 319 (D.P.R. 1991) (“The trustee has ample discretion to administer the estate, including authority to conduct public or private sales of estate property. Courts have much discretion on whether to approve proposed sales, but the trustee’s business judgment is subject to great judicial deference.”).

The Debtors assert that selling the Properties in a manner consistent with market-tested means of advertising real property outside of the bankruptcy context is the best way of ensuring that they receive the highest possible value for the Properties. Use of the Sales Procedures fits squarely within the Debtors’ business judgement.

**B. The Sale Procedures Are Appropriate and Will Maximize the Value Received for the Properties.**

To achieve the goal of maximizing the proceeds received by the estate in any proposed sale of property, courts have recognized that procedures intended to enhance competitive bidding are consistent with the goal of maximizing the value received by the estate and therefore are appropriate in the context of bankruptcy sales. *See, e.g., Silver State Broad., LLC v. Carmel (In re Silver State Broad., LLC)*, No. NV-23-1196-FCL, 2024 Bankr. LEXIS 1935, at \*22 (B.A.P. 9th Cir. Aug. 20, 2024) (the Bankruptcy Appellate Panel for the Ninth Circuit upheld the Bankruptcy Court’s approval of a sale under section 363, emphasizing that the bid procedures were fair and reasonable, and that competitive bidding process resulted in a significant increase in the sale price, benefitting the estate and its creditors); *In re Fin’l News Network, Inc.*, 126 B.R. 152, 156 (Bankr. S.D.N.Y. 1991) (“court-imposed rules for the disposition of assets . . . [should] provide an adequate basis for comparison of offers, and [should] provide for a fair and efficient resolution of bankrupt estates”).

The Debtors believe that the Sale Procedures will establish the parameters under which the value of the Properties may be tested by both the traditional real estate market and the opportunity to overbid, either prior to or during the objection period set in the Sale Notice. Such procedures will increase the likelihood that the Debtors’ estates will receive the greatest possible consideration

1 for their assets because they will ensure a competitive and fair bidding process. They also allow  
2 the Debtors to sell the Properties in as expeditious and efficient a manner as possible which the  
3 Debtors believe is essential to maximizing the value of the Debtors' estate for their creditors.

4 The Debtors also believe that the proposed Sale Procedures will promote active bidding  
5 from seriously interested parties and will dispel any doubt as to the highest or otherwise best offer  
6 reasonably available for the Subject Properties. In particular, the proposed Sale Procedures will  
7 allow the Debtors to liquidate their Properties in a controlled, fair, and open fashion that will  
8 encourage participation by financially capable buyers who demonstrate the ability to close a  
9 transaction.

10 In sum, the Debtors believe that the Sale Procedures will encourage fair market offers for  
11 the Properties while preventing the sales price from being impeded by long delays in the  
12 bankruptcy proceedings. Accordingly, the proposed Sale Procedures are reasonable, appropriate,  
13 and within the Debtors' sound business judgment.

14 **C. Sale of the Properties Should Be Free and Clear of Liens, Claims,**  
15 **Encumbrances, and Interests.**

16 Pursuant to section 363(f) of the Bankruptcy Code, the Debtors seek authority to sell and  
17 transfer the Debtors' right, interest, and title in the Properties free and clear of all liens, claims,  
18 encumbrances, and interests with such liens, claims, encumbrances, and interests to attach to the  
19 proceeds of the Sales of the Subject Properties, subject to any rights and defenses of the Debtors  
20 and other parties in interest with respect thereto.

21 Section 363(f) of the Bankruptcy Code provides, in pertinent part:

22 The trustee may sell property under subsection (b) or (c) of this  
23 Section free and clear of any interest in such property of an entity  
other than the estate, only if –

24 (1) applicable nonbankruptcy law permits sale of such property  
25 free and clear of such interest;

26 (2) such entity consents;

27 (3) such interest is a lien and the price at which such property is to  
28 be sold is greater than the aggregate value of all liens on such  
property;

(4) such interest is in bona fide dispute; or

(5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f); *see also In re Elliot*, 94 B.R. 343, 345 (E.D. Pa. 1988) (holding that section 363(f) written in disjunctive; court may approve sale “free and clear” provided at least one of the requirements is met); *A&D Prop. Consultants, LLC v. A&S Lending, LLC (In re Groves)*, 652 B.R. 104, 114 (B.A.P. 9th Cir. 2023) (stating same).

With respect to each creditor asserting a lien, claim, encumbrance, or interest, one or more of the standards set forth in Bankruptcy Code sections 363(f)(1) to (5) has been satisfied. Those holders of liens, claims, encumbrances, or interests who did not object or who withdraw their objections to the Sales are deemed to have consented to the Sale pursuant to Bankruptcy Code section 363(f)(2). Those holders of liens, claims, encumbrances, or interests who do object will be shown to fall within one or more of the other subsections of Bankruptcy Code section 363(f), including that such holder could be compelled to accept a money satisfaction of such interest, which satisfies section 363(f)(5).

A sale free and clear of liens, claims, encumbrances, or interests is necessary to maximize the value of the Properties. A sale of the Properties other than one free and clear of all liens, claims, encumbrances, or interests would yield substantially less value for the Debtors’ estates. Therefore, the transactions contemplated by the Sale Procedures are in the best interests of the Debtors, their estates and creditors, and all other parties in interest. A sale free and clear of liens, claims, encumbrances, or interests is particularly appropriate under the circumstances, because any lien, claim, encumbrance, or interest in, to or against the Debtors’ right, interest, and title in the Properties that exist immediately prior to the closing of any sales will attach to the sale proceeds allocated to the Debtors with the same validity, priority, force, and effect as it had at such time, subject to the rights and defenses of the Debtors or any party in interest. The Debtors submit that holders of liens, claims, encumbrances, or interests, if any, will be adequately protected by the availability of the proceeds of the Sales to satisfy their liens, claims, encumbrances, or interests.

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**D. Credit Bidding Should Be Authorized.**

A secured creditor is allowed to “credit bid” the amount of its allowed claims in a sale of assets in which it has a security interest. Bankruptcy Code section 363(k) provides, in relevant part, that unless the court for cause orders otherwise, the holder of a claim secured by property that is the subject of the sale “may bid at such sale, and, if the holder of such claim purchases such property, such holder may offset such claim against the purchase price of such property.” 11 U.S.C. § 363(k). Even if a secured creditor is undersecured as determined in accordance with Bankruptcy Code section 506(a), section 363(k) allows such secured creditor to bid the total face value of its claim and does not limit the credit bid to the creditor’s economic value. *See In re Submicron Sys. Corp.*, 432 F.3d 448, 459-60 (3d Cir. 2006) (explaining that “[i]t is well settled . . . that creditors can bid the full face value of their secured claims under section 363(k)”; *POLK 33 Lending, LLC v. THL Corp. Fin., Inc. (In re Aerogroup Int’l, Inc.)*, 620 B.R. 517, 523 (D. Del. 2020) (citing *id.*).

Absent cause for restriction on credit bidding, courts have consistently ruled in favor of reserving a secured creditor’s right to credit bid its claim. *See, e.g., In re Gardens Reg’l Hosp. & Med. Ctr., Inc.*, No. 2:16-bk-17463-ER, 2016 Bankr. LEXIS 4714, at \*34 (Bankr. C.D. Cal. July 6, 2016) (order approving Bid Procedures which authorized parties with secured claims to credit bid under section 363(k)); *In re T Asset Acquisition Co., LLC*, Nos. 2:09-31853-ER, 2010 Bankr. LEXIS 4052, at \*8 (Bankr. C.D. Cal. Jan. 28, 2010) (same); *In re Source Home Entm’t, LLC*, No. 14-115533 (KG) (Bankr. D. Del. July 21, 2014) (same); *In re Fisker Auto. Hldgs, Inc.*, No. 13-13087 (KG) (Bankr. D. Del. Jan. 23, 2014) (same); *In re PTC Alliance Corp.*, No. 09-13395 (Bankr. D. Del. Nov. 6, 2009) (order authorizing, but not directing, the administrative agent to credit bid); *In re Hayes Lemmerz Int’l, Inc.*, No. 09-11655 (Bankr. D. Del. Sept. 22, 2009) (order authorizing interested party to exercise its right under Bankruptcy Code section 363(k) to make a credit bid); *In re Foamex Int’l Inc.*, No. 09-10560 (Bankr. D. Del. May 27, 2009) (order authorizing the sale of substantially all of the debtor’s assets in a \$155 million credit bid over a \$151.5 million all-cash bid); *see also Cohen v. KB Mezzanine Fund II, LP (In re SubMicron Sys. Corp.)*, 432 F.3d 448, 459-60 (3d Cir. 2006) (citations omitted).



1 In order to comply with section 363(k) of the Bankruptcy Code, the Debtors request that  
2 the order approving the Sale Procedures authorize the Debtors to accept credit bids from secured  
3 creditors in an amount up to that of their allowed secured claim. Additionally, to ensure that the  
4 Debtors' fees and costs are covered, the Debtors request that the Court order such credit bids to  
5 include a cash payment sufficient to pay all Closing Costs.

6 **E. The Applicable Leases Should Be Assumed and Assigned by the Purchasers.**

7 Bankruptcy Code section 365(a) authorizes a debtor in possession, "subject to the court's  
8 approval," to "assume or reject any executory contract or unexpired lease of the debtor." Courts  
9 review a debtor's decision to assume an executory contract under the "business judgment  
10 standard." *See, e.g., Agarwal v. Pomona Valley Med. Grp., Inc. (In re Pomona Valley Med. Grp.,*  
11 *Inc.)*, 476 F.3d 665, 670 (9th Cir. 2007) (applying the Ninth Circuit's interpretation of the business  
12 judgment rule in evaluating a rejection decision under section 365(a)); *Orion Pictures Corp. v.*  
13 *Showtime Networks (In re Orion Pictures Corp.)*, 4 F.3d 1095, 1099 (2d Cir. 1993) (applying  
14 business judgment rule in context of assumption of a contract).

15 As a general matter, the business judgment rule is satisfied in the Ninth Circuit where a  
16 company's directors acted on an informed basis, in good faith, with the honest belief that the  
17 actions taken were in the best interests of the company. *See, e.g., F.D.I.C. v. Castetter*, 184 F.3d  
18 1040, 1043 (9th Cir. 1999) (the business judgment rule "requires directors to perform their duties  
19 in good faith and as an ordinarily prudent person in a like circumstance would"); *see also, e.g.,*  
20 *Comm. of Asbestos-Related Litigants v. Johns-Manville Corp. (In re Johns-Manville Corp.)*,  
21 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) ("Where the debtor articulates a reasonable basis for its  
22 business decisions (as distinct from a decision made arbitrarily or capriciously), courts will  
23 generally not entertain objections to the debtor's conduct.").

24 In applying the business judgment rule under section 365(a), "the bankruptcy court should  
25 presume that the debtor-in-possession acted prudently, on an informed basis, in good faith, and in  
26 the honest belief that the action taken was in the best interests of the bankruptcy estate." *In re*  
27 *Pomona Valley Med. Grp.*, 476 F.3d at 670; *see also 3 Collier on Bankruptcy* ¶ 365.03 (noting that  
28 the *In re Pomona Valley Med. Group* court's broad reading of the business judgment rule in the

context of executory contract rejection “presumably [applied to] assumption as well”). The court should approve the decision to reject or assume a contract under section 365 unless it finds that the decision “is so manifestly unreasonable that it could not be based on sound business judgment, but only on bad faith, or whim or caprice.” *In re Pomona Valley Med. Grp.*, 476 F.3d at 670 (quoting *Lubrizol Enter. v. Richmond Metal Finishers*, 756 F.2d 1043, 1047 (4th Cir. 1985)).

If there has been a default under an unexpired lease, section 365(b)(1) requires that, before a debtor in possession may assume that lease, it must cure the default or provide adequate assurance that it will promptly do so (section 365(b)(1)(A)); compensate, or provide adequate assurance that it will promptly compensate the other party for any actual pecuniary loss it suffered from the default (section 365(b)(1)(B)); and provide adequate assurance of future performance under the lease (section 365(b)(1)(C)).

Under section 365(f)(1), the debtor in possession may assign an unexpired lease, so long as the requirements of subsection (f)(2) are met. Under section 365(f)(2), the debtor in possession may assign an unexpired lease so long as it assumes the lease “in accordance with the provisions of this section” (section 365(f)(2)(A) and provides “adequate assurance of future performance by the assignee . . . , whether or not there has been a default in [the] lease” (section 365(f)(2)(B).

The meaning of “adequate assurance of future performance” depends on the facts and circumstances of each case, but should be given “practical, pragmatic construction.” *EBG Midtown S. Corp. v. McLaren/Hart Envtl. Eng’g Corp. (In re Sanshoe Worldwide Corp.)*, 139 B.R. 585, 593 (S.D.N.Y. 1992); *In re Prime Motor Inns Inc.*, 166 B.R. 993, 997 (Bankr. S.D. Fla. 1994); *Carlisle Homes, Inc. v. Azzari (In re Carlisle Homes, Inc.)*, 103 B.R. 524, 538 (Bankr. D.N.J. 1988).

Among other things, adequate assurance may be provided by demonstrating the assignee’s financial health and experience in managing the type of enterprise or property assigned. *See, e.g., In re Bygaph, Inc.*, 56 B.R. 596, 605-06 (Bankr. S.D.N.Y. 1986) (finding adequate assurance of future performance present when prospective assignee of lease from debtor has financial resources and has expressed willingness to devote sufficient funding to business in order to give it strong likelihood of succeeding).



1 The Debtors submit that it is an exercise of their sound business judgment to assume and  
2 assign the Leases to the Buyers in connection with the consummation of the Sales, and the  
3 assumptions, assignments, and sales of the Leases to the Buyers are in the best interests of the  
4 Debtors, their estates, their creditors, and all parties in interest. Due to the Properties' nature as  
5 income properties, the Leases being assigned to the Buyers contribute significantly to the  
6 Properties' value, and accordingly, such assumptions, assignments, and sales of the Leases are  
7 reasonable and enhance the value of the Debtors' estates.

8 To the extent any defaults exist under the Leases, any such default will be promptly cured,  
9 or adequate assurance that such default will be cured will be provided, by the Buyer of the Subject  
10 Property prior to the assumption and assignment. If an Objection is filed, the Debtors will submit  
11 facts prior to or at the Sale Hearing to show the financial credibility of the Buyer and its willingness  
12 and ability to perform under the Leases. The Sale Hearing will therefore provide the Court and  
13 other interested parties the opportunity to evaluate and, if necessary, challenge the ability of the  
14 Buyer to provide adequate assurance of future performance under the Leases, as required under  
15 sections 365(b)(1)(C) and 365(f)(2)(B) of the Bankruptcy Code.

16 The Debtors submit that the cure procedures set forth herein are appropriate, reasonably  
17 calculated to provide notice to any affected party, and afford the affected party the opportunity to  
18 exercise any rights affected by the Sale Procedures, and consistent with Section 365 of the  
19 Bankruptcy Code. To the extent that any defaults exist under any Lease, any such default will be  
20 cured pursuant to the Buyer. Accordingly, the Debtors submit that the cure procedures for  
21 effectuating the assumption and assignment of the Leases as set forth herein are appropriate and  
22 should be approved. The Court should therefore authorize the Debtors to assume and assign the  
23 Lease as set forth herein.

24 **F. The Sale Procedures' Sale Notice Provision Is Reasonable Under the**  
25 **Circumstances.**

26 Under Bankruptcy Rules 2002(a) and (c), the Debtors are required to notify creditors of  
27 the proposed sale of the Debtors' assets, including a disclosure of the time and place of an auction,  
28 the terms and conditions of a sale, and the deadline for filing any objections unless the Court orders

otherwise. The Debtors submit that in view of the significant number of Properties, the proposed limitation of service of the Sales Notices is appropriate under the circumstances and should be approved. The Sale Notice is reasonably calculated to provide interested parties with timely and proper notice of the Sales, the opportunity to overbid under certain circumstances, the Sale Hearing (if necessary), and the Sale. Serving all parties in interest in these Chapter 11 Cases with notice of each individual Sale as contemplated in Bankruptcy Rule 2002 will result in substantial expense to the estate without any attended benefit thereto.

As set forth below, the Debtors are serving all known creditors and parties in interest in these Chapter 11 Cases with notice of this Motion, affording them meaningful opportunity to either object to the relief requested herein or request that they be added to the list of parties receiving the Notice of Sale. Accordingly, granting such relief is an acceptable use of the power bestowed upon the Court by Bankruptcy Rule 2002(a)(2).

**V. REQUEST FOR WAIVER OF BANKRUPTCY RULES 6004 AND 6006**

Pursuant to Bankruptcy Rule 6004(h), unless the Court orders otherwise, all orders authorizing the sale of property pursuant to section 363 of the Bankruptcy Code are automatically stayed for fourteen days after entry of the order. Similarly, under Bankruptcy Rule 6006(d), unless the Court orders otherwise, all orders authorizing the assignment of contracts or unexpired leases are automatically stayed for fourteen days after entry of the order. The purpose of Bankruptcy Rules 6004(h) and 6006(d) is to provide sufficient time for an objecting party to request a stay pending appeal before the order can be implemented. *See* Advisory Committee Notes to Fed. R. Bankr. P. 6004(h); Advisory Committee Notes to Fed. R. Bankr. P. 6006(d).

Although Bankruptcy Rules 6004(h) and 6006(d) and the Advisory Committee Notes are silent as to when a court should “order otherwise” and eliminate or reduce the 14-day stay period, commentators agree that the 14-day stay period should be eliminated to allow a sale or other transaction to close immediately where there has been no objection to the procedure. *See generally Collier on Bankruptcy* ¶ 6004.11 (Alan N. Resnick & Henry J. Sommer eds., 16th ed.). Furthermore, if an objection is filed and overruled, and the objecting party informs the court of its intent to appeal, the stay may be reduced to the amount of time necessary to file such appeal. *Id.*

1 The Sale Procedures provide the Debtors a means of closing Sales of the Subject Properties  
2 without significant delay while providing interested parties with the opportunity to object so that  
3 the Debtors may maximize their value for the benefit of their estates and creditors. Thus, waiver  
4 of any applicable stays is appropriate in this circumstance.

5 **VI. NOTICE**

6 Notice of this Motion will be provided to (i) the United States Trustee; (ii) parties with  
7 liens on the Properties; (iii) the Committee; (iv) all creditors and equity holders; and (v) Lease  
8 counter-parties. Based on the nature of the relief requested herein, the Debtors respectfully submit  
9 that no further notice is required.

10 **WHEREFORE**, the Debtors respectfully request that the Court enter an order,  
11 substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein.

12  
13 Dated: January 29, 2025

**KELLER BENVENUTTI KIM LLP**

14  
15 By: /s/ Gabrielle L. Albert

16 Gabrielle L. Albert

17 *Attorneys for the Debtors and Debtors in*  
18 *Possession*

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**Exhibit A**  
**(Proposed Order)**

**KELLER BENVENUTTI KIM LLP**  
TOBIAS S. KELLER (Cal. Bar No. 151445)  
(tkeller@kbbkllp.com)  
DAVID A. TAYLOR (Cal. Bar No. 247433)  
(dtaylor@kbbkllp.com)  
THOMAS B. RUPP (Cal. Bar No. 278041)  
(trupp@kbbkllp.com)  
425 Market Street, 26th Floor  
San Francisco, California 94105  
Telephone: (415) 496-6723  
Facsimile: (650) 636-9251

*Attorneys for the Debtors and  
Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT**  
**NORTHERN DISTRICT OF CALIFORNIA**  
**SANTA ROSA DIVISION**

In re:

LEFEVER MATTSON, a California  
corporation, *et al.*,<sup>1</sup>

Debtors.

Lead Case No. 24-10545 (CN)

(Jointly Administered)

Chapter 11

**[PROPOSED] ORDER  
ESTABLISHING OMNIBUS  
PROCEDURES FOR REAL  
PROPERTY SALES**

<sup>1</sup> The last four digits of LeFever Mattson's tax identification number are 7537. 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>. The address for service on the Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621.

Upon consideration of the *Motion of Debtors to Establish Omnibus Procedures for Real Property Sales* (the “Motion”),<sup>2</sup> filed by the above-captioned debtors and debtors in possession (the “Debtors”); the Court having reviewed the Motion and the Sharp Declaration; and 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); and (iv) notice of the Motion and the Hearing was sufficient under the circumstances; and after due deliberation the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, and their 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 the Debtors are authorized, but not directed, to take any and all actions reasonably necessary or appropriate to implement those procedures. The Debtors may file, in their business judgement, a motion to approve the sale of any individual Property which they deem necessary and appropriate.

3. The Small Asset Sale Procedures shall be as follows:

a. Contents of Sale Notice: Prior to any sale of a Property for which the Debtors, in consultation with the Committee, elect to seek approval through these Sale Procedures, the Debtors 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”);

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<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

- ii. The sale price;
- iii. The name(s) of the title holder of the Subject Property;
- iv. The name(s) of the holder of any liens or other interests in the Subject Property, 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 the Debtors' representation that it was done in a commercially reasonable manner and the Debtors' conclusion that the price and terms are reasonable and in the best interests of the Debtors' bankruptcy estates according to their business judgment;
- vii. The name(s) proposed buyer(s) (the "Buyer") and any known relationship to the Debtors;<sup>3</sup>
- viii. The provision(s) of section 363(f) that the Debtors submit authorize the sale free and clear of liens and a summary of the Debtors' evidence supporting such assertion;
- 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 the Debtors, and their proposed compensation;
- x. A schedule of any 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, FTI's advisory and transaction fee, transfer taxes, 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, and payment of the Closing Costs; and

<sup>3</sup> These Sale Procedures shall not apply if the proposed purchaser is an insider of the Debtors.

xiv. The Objection Procedures (as described below).

- b. Service of Sale Notice: The Sale Notice shall be served by mail upon (i) the United State Trustee (the “U.S. Trustee”); (ii) counsel to the Committee; (iii) any holders of interests in the Subject Property, including interest holders in the applicable Debtor; (iv) counter-parties to the Leases; and (v) those persons who have formally appeared in these Chapter 11 Cases 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 the Debtors and filed with the Court not more than seven (7) 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. Credit Bids: Creditors wishing to credit bid for the Subject Property shall serve notice on the Debtors and the Committee prior to the Objection Deadline. Any creditor successfully credit bidding shall be responsible for the payment of all Closing Costs. In the event that a credit bid is received, the Debtors will set the Sale for hearing on no less than 21 days’ notice with opportunity to object.
  - e. Overbids: There shall be no overbids. The commercially reasonable practice for properties of this price range 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.
  - f. No Stalking Horse Procedures: There shall be no stalking horse procedures; however, the Debtors reserve the right to request such procedures should they, in their sole discretion determine that a stalking horse procedure would benefit the estates.
  - g. If No Objection Or Credit Bid: If the Objection Deadline passes without the filing of an Objection or credit bid or any such response is withdrawn, the Debtors shall file a declaration attesting that no Objection was filed or served on the Debtors (the “Certificate of No Objection”) and the Debtors shall submit a proposed order substantially in the form attached to the Sale Notice as Exhibit 1 (the “Small Asset Sale Order”). The Debtors may proceed with closing the Sale of the Subject Property upon entry of the Small Asset Sale Order.
  - h. Sale Hearing: If an Objection is filed prior to the Objection Deadline and not withdrawn, the Debtors 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. If notice of a credit bid is received prior to the Objection Deadline, the Sale Hearing shall be on 21 days’ notice to the parties listed above.
4. The Large Asset Sale Procedures shall be as follows:
- a. Contents of Sale Notice: Prior to any sale of a Property for which the Debtors elect to seek approval through these Sale Procedures, the Debtors 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 of the Subject Property;
- iv. The name(s) of the holder of any liens or other interests in the Subject Property, 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 the Debtors’ representation that it was done in a commercially reasonable manner and the Debtors’ conclusion that the price and terms are reasonable and in the best interests of the Debtors’ bankruptcy estates according to their business judgment;
- vii. The name(s) of the proposed buyer(s) (the “Buyer”) and any known relationship to the Debtors;<sup>4</sup>
- viii. The provision(s) of section 363(f) that the Debtors submit authorize the sale free and clear of liens and a summary of the Debtors’ evidence supporting such assertion;
- 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 the Debtors, and their proposed compensation;
- x. A schedule of any 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, and payment of the Closing Costs; and

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<sup>4</sup> These Sale Procedures shall not apply if the proposed purchaser is an insider of the Debtors.

xiv. The Objection Procedures (as described below).

- b. Service of Sale Notice: The Sale Notice shall be served by mail upon (i) the United State Trustee (the “U.S. Trustee”); (ii) counsel to the Committee; (iii) any holders of interests in the Subject Property; (iv) counter-parties to the Leases; and (v) those persons who have formally appeared in these Chapter 11 Cases and requested service pursuant to Bankruptcy Rule 2002 (collectively, the “Notice Parties”).
- c. Objection Procedures: 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 the Debtors and filed with the Court not more than seven (7) 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. Credit Bids: Creditors wishing to credit bid for the Subject Property shall serve notice on the Debtors and the Committee prior to the Objection Deadline. Any creditor successfully credit bidding shall be responsible for the payment of all Closing Costs and break-up fees in the event there is a Stalking Horse Bidder, infra. In the event that a credit bid is received, the Debtors will set the Sale for hearing on no less than 21 days’ notice with opportunity to object.
- e. Overbids: The Sale Notice shall include solicitation for overbids which must be submitted in writing to FTI on or before the Objection Deadline. Overbids must be accompanied by a good faith deposit of 10% of the proposed sale price. Overbids must be for 2% on sales up to \$10,000,000 and for 1% for sales over \$10,000,000 plus Bid Protections (if any).
- f. Stalking Horse Procedures: The Debtors 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 agreements 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.

To the extent the Debtors designate 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. The Debtors 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 the Debtors.

To the extent the Debtors, in consultation with the Committee, determine to offer Bid Protections to any Stalking Horse Bidder, the Debtors 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 seven (7) 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, the Debtors are 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.

- g. Auction: If an overbid is received prior to the Objection Deadline, FTI shall conduct a final auction for the Subject Property no less than seven (7) days after filing the Sale Notice.
- h. 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, the Debtors shall file a Certificate of No Objection and the Debtors shall submit a proposed order substantially in the form attached to the Sale Notice as Exhibit 1 (the "Large Asset Sale Order"). The Debtors may proceed with closing the Sale of the Subject Property upon entry of the Large Asset Sale Order.
- i. Sale Hearing: If an Objection is filed or an overbid is submitted prior to the Objection Deadline and not withdrawn, the Debtors 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. If notice of a credit bid is received prior to the Objection Deadline, the Sale Hearing shall be on 21 days' notice to the parties listed above.

5. The forms of Sale Notices attached as Exhibits B and C to the Motion are approved.

6. The forms of Small Asset Sale Order and Large Asset Sale Order each attached as Exhibit 1 to the respective form of Sale Notices are approved.

7. The form of the Stalking Horse Notice attached as Exhibit D to the Motion is approved.

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

9. 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.

10. The Debtors are authorized to pay directly from escrow the Closing Costs, and any outstanding property taxes.

11. Secured creditors may credit bid up the amount of their allowed secured claims and are responsible for paying all Closing Costs.

12. 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. The Debtors are not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order, and may, in their discretion and without further delay, take any action and perform any act authorized under this Order.

13. 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 the Debtors; (ii) a waiver of the Debtors' or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against the Debtors; (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 the Debtors and any third party under section 365 of the Bankruptcy Code.

14. The Debtors are hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Order.

1           15.     The Debtors are authorized to make non-substantive changes to the documents  
2 referenced herein without further order of the Court, including, without limitation, changes to  
3 correct typographical and grammatical errors and to make conforming changes among the  
4 aforementioned documents prior to their distribution.

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

7                               \*\* END OF ORDER \*\*  
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**Exhibit B**  
**(Form of Small Asset Sale Notice)**

**KELLER BENVENUTTI KIM LLP**  
425 MARKET STREET, 26TH FLOOR  
SAN FRANCISCO, CALIFORNIA 94105

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**KELLER BENVENUTTI KIM LLP**  
TOBIAS S. KELLER (Cal. Bar No. 151445)  
(tkeller@kbbkllp.com)  
DAVID A. TAYLOR (Cal. Bar No. 247433)  
(dtaylor@kbbkllp.com)  
THOMAS B. RUPP (Cal. Bar No. 278041)  
(trupp@kbbkllp.com)  
425 Market Street, 26th Floor  
San Francisco, California 94105  
Telephone: (415) 496-6723  
Facsimile: (650) 636-9251

*Attorneys for the Debtors and  
Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT**  
**NORTHERN DISTRICT OF CALIFORNIA**  
**SANTA ROSA DIVISION**

In re:

LEFEVER MATTSON, a California  
corporation, *et al.*,<sup>1</sup>

Debtors.

Lead Case No. 24-10545 (CN)

(Jointly Administered)

Chapter 11

**NOTICE OF SALE OF SUBJECT  
PROPERTY LOCATED AT [INSERT  
SUBJECT PROPERTY ADDRESS]**

**(SMALL ASSET SALE)**

**LIEN HOLDER: [Name of Secured  
Party(ies)]**

<sup>1</sup> The last four digits of LeFever Mattson's tax identification number are 7537. 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>. The address for service on the Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621.

PLEASE TAKE NOTICE THAT pursuant to the *Order Establishing Procedures for Real Property Sales* [Dkt. No. \_\_\_\_] (the “Sale Procedures Order”)<sup>2</sup> entered on [DATE], LeFever Mattson, a California corporation, and certain of its affiliates that are debtors and debtors in possession (the “Debtors”) in the above-captioned chapter 11 cases, propose to sell certain of their 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 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 DEBTORS’ BANKRUPTCY ESTATES ACCORDING TO THEIR BUSINESS JUDGMENT.]

Proposed Buyer: [NAME]

Known connections to the Debtors: [DESCRIPTION, IF ANY]

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

Broker: [NAME]

Known connections to the Debtors: [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)

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meaning given to them in the Sale Procedures Order.



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]*

Estimated Net Proceeds of Sale: *[AMOUNT]*

**PLEASE TAKE FURTHER NOTICE THAT** this Sale Notice shall be served by mail upon (i) the United State Trustee (the "U.S. Trustee"); (ii) counsel to the Committee; (iii) any holders of interests in the Subject Property, including interest holders in the applicable Debtor; (iv) counter-parties to the Leases; and (v) those persons who have formally appeared in these Chapter 11 Cases 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 the Debtors and filed with the Court not more than seven (7) 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** creditors wishing to credit bid for the Subject Property shall serve notice on the Debtors and the Committee prior to the Objection Deadline. Any creditor successfully credit bidding shall be responsible for the payment of all Closing Costs. In the event that a credit bid is received, the Debtors will set the Sale for hearing on no less than 21 days' notice with opportunity to object.

**PLEASE TAKE FURTHER NOTICE THAT** there shall be no overbids.

**PLEASE TAKE FURTHER NOTICE THAT** there shall be no stalking horse procedures; however, the Debtors reserve the right to request such procedures should they, in their sole discretion determine that a stalking horse procedure would benefit the estates.

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

**PLEASE TAKE FURTHER NOTICE THAT** if an Objection is filed prior to the Objection Deadline and not withdrawn, the Debtors 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. If notice of a credit bid is received prior to the Objection Deadline, the Sale Hearing shall be on 21 days' notice to the parties listed above.

**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: \_\_\_\_\_

**KELLER BENVENUTTI KIM LLP**

By: /s/ EXHIBIT

Gabrielle L. Albert

*Attorneys for the Debtors and Debtors in Possession*

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**Exhibit 1**  
**(Proposed Sale Order)**

**KELLER BENVENUTTI KIM LLP**  
TOBIAS S. KELLER (Cal. Bar No. 151445)  
(tkeller@kbbkllp.com)  
DAVID A. TAYLOR (Cal. Bar No. 247433)  
(dtaylor@kbbkllp.com)  
THOMAS B. RUPP (Cal. Bar No. 278041)  
(trupp@kbbkllp.com)  
425 Market Street, 26th Floor  
San Francisco, California 94105  
Telephone: (415) 496-6723  
Facsimile: (650) 636-9251

*Attorneys for the Debtors and  
Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT**  
**NORTHERN DISTRICT OF CALIFORNIA**  
**SANTA ROSA DIVISION**

In re:

LEFEVER MATTSON, a California  
corporation, *et al.*,<sup>1</sup>

Debtors.

Lead Case No. 24-10545 (CN)

(Jointly Administered)

Chapter 11

**[PROPOSED] ORDER APPROVING  
ASSET SALE OF THE PROPERTY  
LOCATED AT [INSERT SUBJECT  
PROPERTY ADDRESS]**

<sup>1</sup> The last four digits of LeFever Mattson's tax identification number are 7537. 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>. The address for service on the Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621.

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”),<sup>2</sup> filed by the above-captioned debtors and debtors in possession (the “Debtors”); 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 the Debtors, their estates, and their 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. The Debtors are 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.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in the Sale Procedures Order.

1           4. Pursuant to Bankruptcy Code section 365(a), the Debtors are authorized to assume  
2 the Lease(s) identified in the Sale Notice.

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

7           6. The Debtors, and any escrow agent upon the Debtors' written instruction, are  
8 authorized to pay directly from escrow (i) all Closing Costs, including but not limited to, the real  
9 estate commission of the Broker(s) and FTI's advisory and transaction fee in the indicated  
10 amount(s), costs of sale, and escrow costs and (ii) any outstanding property taxes.

11           7. This Order shall be effective immediately upon entry, and any stay of orders  
12 provided for in Bankruptcy Rules 6004 or 6006 or any other provision of the Bankruptcy Code or  
13 Bankruptcy Rules is expressly lifted. The Debtors are not subject to any stay in the  
14 implementation, enforcement or realization of the relief granted in this Order, and may, in their  
15 discretion and without further delay, take any action and perform any act authorized under this  
16 Order.

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

24           9. The Debtors are hereby authorized to take such actions and to execute such  
25 documents as may be necessary to implement the relief granted by this Order.

26           10. The Debtors are authorized to make non-substantive changes to the documents  
27 referenced herein without further order of the Court, including, without limitation, changes to  
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1 correct typographical and grammatical errors and to make conforming changes among the  
2 aforementioned documents prior to their distribution.

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

5 \*\* END OF ORDER \*\*  
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**Exhibit C**  
**(Form of Large Asset Sale Notice)**

**KELLER BENVENUTTI KIM LLP**  
425 MARKET STREET, 26TH FLOOR  
SAN FRANCISCO, CALIFORNIA 94105

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**KELLER BENVENUTTI KIM LLP**  
TOBIAS S. KELLER (Cal. Bar No. 151445)  
(tkeller@kbbkllp.com)  
DAVID A. TAYLOR (Cal. Bar No. 247433)  
(dtaylor@kbbkllp.com)  
THOMAS B. RUPP (Cal. Bar No. 278041)  
(trupp@kbbkllp.com)  
425 Market Street, 26th Floor  
San Francisco, California 94105  
Telephone: (415) 496-6723  
Facsimile: (650) 636-9251

*Attorneys for the Debtors and  
Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT**  
**NORTHERN DISTRICT OF CALIFORNIA**  
**SANTA ROSA DIVISION**

In re:

LEFEVER MATTSON, a California  
corporation, *et al.*,<sup>1</sup>

Debtors.

Lead Case No. 24-10545 (CN)

(Jointly Administered)

Chapter 11

**NOTICE OF SALE OF SUBJECT  
PROPERTY**

**(LARGE ASSET SALE)**

**LIEN HOLDER: [Name of Secured  
Party(ies)]**

<sup>1</sup> The last four digits of LeFever Mattson's tax identification number are 7537. 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>. The address for service on the Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621.

PLEASE TAKE NOTICE THAT pursuant to the *Order Establishing Procedures for Real Property Sales* [Dkt. No. \_\_\_\_] (the “Sale Procedures Order”)<sup>2</sup> entered on [DATE], LeFever Mattson, a California corporation, and certain of its affiliates that are debtors and debtors in possession (the “Debtors”) in the above-captioned chapter 11 cases, propose to sell certain of their real property in accordance with the approved Sale Procedures. The proposed sale has the following terms:

12. 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 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 DEBTORS’ BANKRUPTCY ESTATES ACCORDING TO THEIR BUSINESS JUDGMENT.]

Proposed Buyer: [NAME]

Known connections to the Debtors: [DESCRIPTION, IF ANY]

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

Broker: [NAME]

Known connections to the Debtors: [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)

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meaning given to them in the Sale Procedures Order.

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]*

Estimated Net Proceeds of Sale: *[AMOUNT]*

**PLEASE TAKE FURTHER NOTICE THAT** this Sale Notice shall be served by mail upon (i) the United State Trustee (the "U.S. Trustee"); (ii) counsel to the Committee; (iii) any holders of interests in the Subject Property, including interest holders in the applicable Debtor; (iv) counter-parties to the Leases; and (v) those persons who have formally appeared in these Chapter 11 Cases 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 of the Leases or request for hearing (the "Objection") must be served upon counsel for the Debtors and filed with the Court not more than seven (7) 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** creditors wishing to credit bid for the Subject Property shall serve notice on the Debtors and the Committee prior to the Objection Deadline. Any creditor successfully credit bidding shall be responsible for the payment of all Closing Costs. In the event that a credit bid is received, the Debtors will set the Sale for hearing on no less than 21 days' notice with opportunity to object.

**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 Greg Gotthardt at greg.gotthardt@fticonsulting.com. Overbids must be accompanied by a good faith deposit of 10% of the proposed sale price. Overbids must be for 2% on sales up to \$10,000,000 and for 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, FTI 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, FTI 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, the Debtors shall file a Certificate of No Objection and the Debtors shall submit a proposed order substantially in the form attached to the Sale Notice as Exhibit 1 (the "Large Asset Sale Order"). The Debtors may proceed with closing the Sale of the Subject Property upon entry of the Large Asset 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, the Debtors 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. If notice of a credit bid is received prior to the Objection Deadline, the Sale Hearing shall be on 21 days' notice to the parties listed above.

**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: \_\_\_\_\_

**KELLER BENVENUTTI KIM LLP**

By: /s/ EXHIBIT

Gabrielle L. Albert

*Attorneys for the Debtors and Debtors in Possession*

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**Exhibit 1**  
**(Proposed Sale Order)**

**KELLER BENVENUTTI KIM LLP**  
TOBIAS S. KELLER (Cal. Bar No. 151445)  
(tkeller@kbbkllp.com)  
DAVID A. TAYLOR (Cal. Bar No. 247433)  
(dtaylor@kbbkllp.com)  
THOMAS B. RUPP (Cal. Bar No. 278041)  
(trupp@kbbkllp.com)  
425 Market Street, 26th Floor  
San Francisco, California 94105  
Telephone: (415) 496-6723  
Facsimile: (650) 636-9251

*Attorneys for the Debtors and  
Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT**  
**NORTHERN DISTRICT OF CALIFORNIA**  
**SANTA ROSA DIVISION**

In re:

LEFEVER MATTSON, a California  
corporation, *et al.*,<sup>1</sup>

Debtors.

Lead Case No. 24-10545 (CN)

(Jointly Administered)

Chapter 11

**[PROPOSED] ORDER APPROVING  
ASSET SALE OF THE PROPERTY  
LOCATED AT [INSERT SUBJECT  
PROPERTY ADDRESS]**

<sup>1</sup> The last four digits of LeFever Mattson's tax identification number are 7537. 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>. The address for service on the Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621.



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”),<sup>2</sup> filed by the above-captioned debtors and debtors in possession (the “Debtors”); 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 the Debtors, their estates, and their creditors; and good and sufficient cause having been shown;

**IT IS HEREBY ORDERED THAT:**

13. The proposed Sale of the Subject Property located at \_\_\_\_\_ is approved.

14. 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.

15. The Debtors are 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.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in the Sale Procedures Order.

1           16. Pursuant to Bankruptcy Code section 365(a), the Debtors are authorized to assume  
2 the Lease(s) identified in the Sale Notice.

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

7           18. The Debtors, and any escrow agent upon the Debtors' written instruction, are  
8 authorized to pay directly from escrow (i) all Closing Costs, including but not limited to, the real  
9 estate commission of the Broker(s) and FTI's advisory and transaction fee in the indicated  
10 amount(s), costs of sale, and escrow costs and (ii) any outstanding property taxes.

11           19. This Order shall be effective immediately upon entry, and any stay of orders  
12 provided for in Bankruptcy Rules 6004 or 6006 or any other provision of the Bankruptcy Code or  
13 Bankruptcy Rules is expressly lifted. The Debtors are not subject to any stay in the  
14 implementation, enforcement or realization of the relief granted in this Order, and may, in their  
15 discretion and without further delay, take any action and perform any act authorized under this  
16 Order.

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

24           21. The Debtors are hereby authorized to take such actions and to execute such  
25 documents as may be necessary to implement the relief granted by this Order.

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

28                           \*\* END OF ORDER \*\*

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**Exhibit D**  
**(Form of Stalking Horse Notice)**

**KELLER BENVENUTTI KIM LLP**  
TOBIAS S. KELLER (Cal. Bar No. 151445)  
(tkeller@kbbkllp.com)  
DAVID A. TAYLOR (Cal. Bar No. 247433)  
(dtaylor@kbbkllp.com)  
THOMAS B. RUPP (Cal. Bar No. 278041)  
(trupp@kbbkllp.com)  
425 Market Street, 26th Floor  
San Francisco, California 94105  
Telephone: (415) 496-6723  
Facsimile: (650) 636-9251

*Attorneys for the Debtors and  
Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT**  
**NORTHERN DISTRICT OF CALIFORNIA**  
**SANTA ROSA DIVISION**

In re:

LEFEVER MATTSON, a California  
corporation, *et al.*,<sup>1</sup>

Debtors.

Lead Case No. 24-10545 (CN)

(Jointly Administered)

Chapter 11

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

<sup>1</sup> The last four digits of LeFever Mattson's tax identification number are 7537. 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>. The address for service on the Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621.

PLEASE TAKE NOTICE THAT pursuant to the *Order Establishing Procedures for Real Property Sales* [Dkt. No. \_\_\_\_] (the “Sale Procedures Order”)<sup>2</sup> entered on [DATE], LeFever Mattson, a California corporation, and certain of its affiliates that are debtors and debtors in possession (the “Debtors”) in the above-captioned chapter 11 cases, propose to sell certain of their 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 the Debtor 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 the Debtors' 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 mail upon (i) the United State Trustee (the “U.S. Trustee”); (ii) counsel to the Committee; (iii) any holders of interests in the Subject Property, including interest holders in the applicable Debtor; and (iv) those persons who have formally appeared in these Chapter 11 Cases 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 seven (7) 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, the Debtors shall file a declaration attesting that no Stalking Horse Objection was filed or served on the Debtors and the Debtors shall submit a proposed order substantially in the form attached hereto as Exhibit 1 (the “Stalking Horse Order”).

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meaning given to them in the Sale Procedures Order.

**PLEASE TAKE FURTHER NOTICE THAT** if a Stalking Horse Objection is filed prior to the Objection Deadline and not withdrawn, the Debtors 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: \_\_\_\_\_

**KELLER BENVENUTTI KIM LLP**

By: /s/ EXHIBIT

Gabrielle L. Albert

*Attorneys for the Debtors and Debtors in Possession*

**Exhibit 1**  
**(Proposed Stalking Horse Order)**

**KELLER BENVENUTTI KIM LLP**  
425 MARKET STREET, 26TH FLOOR  
SAN FRANCISCO, CALIFORNIA 94105

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**KELLER BENVENUTTI KIM LLP**  
TOBIAS S. KELLER (Cal. Bar No. 151445)  
(tkeller@kbbkllp.com)  
DAVID A. TAYLOR (Cal. Bar No. 247433)  
(dtaylor@kbbkllp.com)  
THOMAS B. RUPP (Cal. Bar No. 278041)  
(trupp@kbbkllp.com)  
425 Market Street, 26th Floor  
San Francisco, California 94105  
Telephone: (415) 496-6723  
Facsimile: (650) 636-9251

*Attorneys for the Debtors and  
Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SANTA ROSA DIVISION**

In re:

LEFEVER MATTSON, a California  
corporation, *et al.*,<sup>1</sup>

Debtors.

Lead Case No. 24-10545 (CN)

(Jointly Administered)

Chapter 11

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

<sup>1</sup> The last four digits of LeFever Mattson's tax identification number are 7537. 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>. The address for service on the Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621.

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”),<sup>2</sup> filed by the above-captioned debtors and debtors in possession (the “Debtors”); 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 the Debtors, their estates, and their 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.
4. The Debtors are authorized to fully assume, perform under, consummate and implement the Stalking Horse Agreement.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in the Sale Procedures Order.

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

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

14           7.       The Debtors are hereby authorized to take such actions and to execute such  
15 documents as may be necessary to implement the relief granted by this Order.

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

18                               \*\* END OF ORDER \*\*