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 Possession KS Mattson Partners, LP*

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

In re:

LEFEVER MATTSON, a California
 corporation, *et al.*,¹

Debtors.

Lead Case No. 24-10545 (CN)
 (Jointly Administered)
 Chapter 11

**MOTION OF DEBTOR KSMP TO
 APPROVE ENTRY INTO AND
 PERFORMANCE UNDER THE
 NIELSEN SETTLEMENT
 AGREEMENT**

In re:

KS MATTSON PARTNERS, LP,

Debtor.

Date: December 17, 2025
Time: 11:00 a.m.
Place: Via Zoom or In Person
 United States Bankruptcy Court
 1300 Clay Street, Courtroom 215
 Oakland, CA 94612

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

TABLE OF AUTHORITIES

	Page(s)
Cases	
<i>In re 240 North Brand Partners</i> , 200 B.R. 653 (B.A.P. 9th Cir. 1996).....	18
<i>Burton v. Ulrich (In re Schmitt)</i> , 215 B.R. 417 (B.A.P. 9th Cir. 1997).....	11
<i>Matter of Carla Leather, Inc.</i> , 44 B.R. 457 (Bankr. S.D.N.Y. 1984).....	10
<i>Claremont Terrace Homeowners' Assn. v. United States</i> , 146 Cal. App. 3d 398, 194 Cal. Rptr. 216 (Ct. App. 1983)	14
<i>Foster v. First Interstate Bank (In re Shoot the Moon, LLC)</i> , 635 B.R. 568 (Bankr. D. Mont. 2022)	10
<i>Grief & Co. v. Shapiro (In re W. Funding Inc.)</i> , 550 B.R. 841 (9th Cir. BAP 2016), <i>aff'd</i> 705 F. App'x 600 (9th Cir. 2017).....	11
<i>In re Artesian Future Technology, LLC</i> , Case No. 22-40396 (CN) (Bankr. N.D. Cal. Dec. 5, 2022), Dkt. No. 213	10
<i>In re Claar Cellars LLC</i> , Nos. 20-00044-WLH11, 20-00045-WLH11, 2020 Bankr. LEXIS 682 (Bankr. E.D. Wash. Mar. 13, 2020)	10, 19
<i>In re Hilde</i> , 120 F.3d 950 (9th Cir. 1997)	13
<i>In re Mickey Thompson Entm't Grp., Inc.</i> , 292 B.R. 415 (BAP 9th Cir. 2003).....	10, 19
<i>In re Walsh Constr., Inc.</i> , 669 F.2d 1325 (9th Cir. 1982)	10
<i>Martin v. Kane (In re A & C Props.)</i> , 784 F.2d 1377 (9th Cir. 1986), <i>cert. denied sub nom., Martin v. Robinson</i> , 479 U.S. 854 (1986).....	10, 11
<i>Martin v. United States (In re Martin)</i> , 150 B.R. 43 (Bankr. S.D. Cal. 1993)	19
<i>Rosson v. Fitzgerald (In re Rosson)</i> , 545 F.3d 764 (9th Cir. 2008)	19
<i>Sutton v. Warner</i> , 12 Cal. App. 4th 415, 15 Cal. Rptr. 2d 632 (1993).....	12

1	<i>United States v. Energy Resources Co.</i> ,	
2	495 U.S. 545 (1990).....	18
3	<i>Walter v. Sunwest Bank (In re Walter)</i> ,	
4	83 B.R. 14 (B.A.P. 9th Cir. 1988).....	18
5	<i>Woodson v. Fireman's Fund Ins. Co. (In re Woodson)</i> ,	
6	839 F.2d 610 (9th Cir. 1988)	10
7	Statutes	
8	11 U.S.C. § 105(a)	1, 9 18
9	11 U.S.C. § 363(b)	1, 9, 18, 20
10	11 U.S.C. § 363(b)(1)	10
11	11 U.S.C. § 363(f)(2)	8
12	11 U.S.C. § 365.....	20
13	11 U.S.C. § 541(d)	7
14	11 U.S.C. § 544.....	13
15	11 U.S.C. § 544(a)(3).....	13
16	28 U.S.C. §§ 157 and 1334.....	2
17	28 U.S.C. § 157(b)	2
18	28 U.S.C. §§ 1408 and 1409	2
19	Cal. Civ. Code § 1214.....	14
20	Cal. Civ. Code § 1624(a)(3).....	12
21	Cal. Civ. Proc. Code § 405.24	13
22	Cal. Civ. Proc. Code § 1971	12
23	Other Authorities	
24	Fed. R. Bankr. P. 6004.....	<i>passim</i>
25	Fed. R. Bankr. P. 9019	<i>passim</i>
26	Miller and Starr Cal. Real Est. (4th ed.)	12, 14

Debtor and debtor in possession, KS Mattson Partners, LP (“KSMP”) moves under 11 U.S.C. §§ 105(a) and 363(b) and Federal Rules of Bankruptcy Procedure 6004 and 9019 for the entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), approving the *Settlement Agreement, dated as of November 19, 2025* (the “Settlement Agreement”), by and among KSMP, on the one hand, and Mark and Rebecca Nielsen (the “Nielsens”), on the other. A copy of the Settlement Agreement is attached to the Proposed Order as **Exhibit 1**.

In support of its request, KSMP submits the declaration of Robbin L. Itkin (the “Itkin Declaration”), filed concurrently herewith and respectfully states as follows:

MEMORANDUM OF POINTS AND AUTHORITIES

I. PRELIMINARY STATEMENT

This motion seeks approval of a Settlement Agreement that resolves a multi-layered ownership dispute involving a real property located at 415 Pacific Avenue, Piedmont, CA 94611 (the “Property”). For more than a decade, the Nielsens have asserted that they hold a 25 percent ownership interest in the Property based on a series of transactions beginning with a written co-ownership agreement for a different property and culminating in an alleged oral amendment substituting the Property in 2012. KSMP disputes both the existence and the scope of any such ownership interest, including whether any oral agreement exists or is enforceable under the statute of frauds and whether any exception to the statute of frauds could apply. The parties also sharply disagree over the legal significance of the Nielsens’ long-term possession of the Property, including whether their occupancy placed KSMP’s secured lender on notice of potential unrecorded rights.

These disputes, left unresolved, would require extensive discovery, fact-intensive litigation, and likely a lengthy trial, all while jeopardizing KSMP’s ability to sell the Property and realize value for creditors. A *lis pendens* recorded by the Nielsens (the “Lis Pendens”) clouds title and undermines marketability, and continued litigation would impose ongoing carrying costs and create a genuine risk that KSMP could lose the opportunity to sell the Property altogether under the terms of its existing agreements with its secured lender.

1 The Settlement Agreement eliminates these risks. It provides a clear path to a timely sale,
2 protects the value of the Property for the benefit of creditors, removes the Lis Pendens and pending
3 litigation, and resolves proofs of claim exceeding \$900,000 asserted against the estate. In doing
4 so, the settlement reflects the product of KSMP's careful analysis and sound business judgment.
5 Approval will allow KSMP to avoid costly litigation, preserve value, and advance these chapter
6 11 cases efficiently and equitably. Approval of the Settlement Agreement is in the best interests of
7 the estate and its creditors.

8 **II. JURISDICTION AND VENUE**

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

13 **III. BACKGROUND**

14 **A. General Background**

15 This case arises from what appears to be a years-long, multimillion-dollar fraud
16 orchestrated by Kenneth Mattson—conduct that has prompted an onslaught of civil litigation as
17 well as serious criminal charges against Mattson. KSMP, a California limited partnership formed
18 to manage and develop assets for Mattson and his family, was a key instrument of Mattson's
19 alleged fraud.

20 The financial and legal pressures generated by Mattson's alleged fraud culminated in an
21 involuntary chapter 11 petition against KSMP on November 22, 2024 (the "Petition Date"). After
22 the Court entered a stipulated order for relief on June 9, 2025 (the "Relief Date") [Case No. 24-
23 10715, Dkt. No. 131], Robbin L. Itkin was appointed as the Responsible Individual effective June
24 16, 2025 [Case No. 24-10715, Dkt. No. 172]. KSMP has continued operating as a debtor in
25 possession under sections 1107(a) and 1108 of the Bankruptcy Code., and on August 26, 2025, an
26 unsecured creditors committee (the "Committee") was appointed— comprised of the same
27 members who serve in the related LeFever Mattson case.² [Dkt No. 2104].

28 ² On September 19, 2024, LeFever Mattson and fifty-seven affiliates and subsidiaries (collectively, along with

1 **B. The 415 Pacific Avenue Dispute**

2 KSMP is believed to hold interests in roughly 36 properties—some wholly owned and
3 others as tenant-in-common with third-party investors. The Settlement Agreement resolves a
4 dispute concerning one of those properties—the Property, located at 415 Pacific Avenue,
5 Piedmont, CA 94611—where the Nielsens’ claim a 25 percent co-ownership interest.

6 The path to the Nielsens’ purported co-ownership interest is winding. It begins in April
7 2009, when the Nielsens entered into a written “co-ownership agreement” relating to a property
8 located at 236 King Avenue in Piedmont, California (the “King Property”). Under that agreement,
9 the Nielsens paid \$100,000 to KSMP and believed they acquired a 25 percent interest in the King
10 Property. At the time, however, a third party—not KSMP—was the record owner of the King
11 Property (although the Nielsens assert equitable title was held by KSMP). And no deed or other
12 recorded instrument ever conveyed an interest in the King Property to the Nielsens. The Nielsens
13 moved into the King Property in April 2009 and lived there through June 2012.

14 By June 2012, the Nielsens’ circumstances had changed—their family was growing. As a
15 result, the Nielsens moved from the King Property into the Property, another property within
16 KSMP’s real estate portfolio. According to the Nielsens, this move coincided with an oral
17 amendment to the King Property co-ownership agreement under which they exchanged their
18 purported 25 percent interest in the King Property for a matching 25 percent interest in the
19 Property. They contend that all other terms of the original agreement remained the same. No
20 additional consideration was paid, no written amendment was executed, and the third-party record
21 owner of the King Property was not involved. At that time (and at all times thereafter), the Property
22 itself was titled solely in KSMP’s name, and no deed, assignment or other recorded instrument
23 ever reflected any ownership interest in the Property in favor of the Nielsens.

24
25 _____
26 chapter 11 debtors Windscape Apartments, LLC, Pinewood Condominiums, LP, and Ponderosa Pines, the “LFM
27 Debtors” and, together with KSMP, the “Debtors”)—parties related to KSMP—filed voluntary petitions for relief
28 under chapter 11 of the Bankruptcy Code, commencing their jointly administered bankruptcy cases. On July 29, 2025,
the Court entered the *Stipulated Bridge Order in Connection with the Motion to Substantively Consolidate the*
Bankruptcy Estates of LeFever Mattson and KS Mattson Partners, LP [Dkt No. 1887], which, among other things,
jointly administers Debtor KSMP’s chapter 11 case (the “KSMP Chapter 11 Case”) with those of the LFM Debtors
(collectively, the “Chapter 11 Cases”).

1 Following their move, the Nielsens assert that they lived in the Property continuously from
2 June 2012 until July 2024. During that period, they claim they contributed more than \$200,000
3 towards improvements to the Property and paid what they believed to be their 25 percent share of
4 the mortgage, fire insurance, maintenance, and property taxes. They further maintain that they
5 would not have made these payments or improvements absent their belief that they were co-
6 owners.

7 More than a decade later, the financial relationship surrounding the Property shifted again.
8 In April 2023, Socotra Capital, Inc. or one of its affiliates (“Socotra”) made a loan to KSMP
9 secured by a deed of trust dated April 18, 2023 and recorded on April 21, 2023 in Alameda County
10 as Instrument Number 2023045176 (the “Socotra Loan” and “Socotra Deed of Trust”). The
11 Nielsens contend that their asserted interest is unencumbered by the Socotra Loan and Socotra
12 Deed of Trust because they were residing at the Property when the loan was taken out, which they
13 assert placed Socotra on inquiry notice of their claimed ownership—even though their alleged
14 interest in the Property had never been recorded.

15 The issues regarding ownership of the Property came to a head the following year. Mattson
16 informed the Nielsens he needed to sell the Property for financial reasons and asked them to move
17 out—which they did in July 2025. Thereafter, in part because KSMP never recorded the Nielsens’
18 asserted co-ownership interest in the Property, on July 2, 2024, the Nielsens filed the *Verified*
19 *Complaint for Partition of Real Property by Sale and Breach of Contract* in the Superior Court of
20 the State of California County of Alameda (Case No. 24CV092453) (the “Alameda Action”). In
21 the Alameda Action, the Nielsens assert that they acquired a 25 percent equitable co-ownership
22 interest in the Property based on the alleged 2012 oral agreement. Critically, on September 18,
23 2024, the Nielsens recorded the Lis Pendens, which is recorded under Instrument Number
24 2024114140.

25 The **Property was not sold, and the** dispute carried over to KSMP’s bankruptcy case.
26 Following the Relief Date, and because KSMP disputed the Nielsens’ purported co-ownership
27 interest in the Property, the Nielsens filed proofs of claim against KSMP seeking recoveries of
28 more than \$900,000 based on monies paid with respect to the Property. *See* Claim Nos. 413, 619

1 and 623 (collectively, along with any other claims that the Nielsens have filed or may file, the
2 “Nielsen Proofs of Claim”). The Nielsens also threatened to bring an adversary proceeding to
3 adjudicate their asserted rights.

4 Against this backdrop, the Debtors, the Committee and Socotra undertook broader efforts
5 to resolve disputes affecting this and other properties. On October 14, 2025, the Debtors and the
6 Committee, and Socotra (on behalf of itself and its affiliates identified on Schedule 2 to such
7 settlement agreement) entered into a settlement (the “Socotra Settlement Agreement”), which this
8 Court approved on November 14, 2025. The Property is designated as a “Retained Property” under
9 that agreement, such that Net Sales Proceeds (as defined therein) will be divided 75% to Socotra
10 and 25% to KSMP until the Socotra Loan principal is paid in full, and 50% to Socotra and 50% to
11 KSMP thereafter. KSMP has 18 months after the Socotra Settlement Agreement’s effective date
12 to sell its Retained Properties, including the Property; failure to do so allows Socotra to exercise
13 state law remedies, including foreclosure. The Nielsens were not a party to, and did not object to,
14 the Socotra Settlement Agreement.

15 Today, the Property is listed for sale at \$5,500,000. Were the Property to sell at this price
16 (conservatively estimating \$500,000 in closing costs and property taxes, and absent any co-
17 ownership interest by the Nielsens), KSMP would stand to receive approximately \$1,545,000 in
18 sale proceeds under the Socotra Settlement Agreement. The recorded Lis Pendens has resulted in
19 uncertainty regarding title and threatens KSMP’s ability to market and sell the Property for full
20 value during the bankruptcy case.

21 **C. Summary of Disputed Issues**

22 The disputes between KSMP and the Nielsens give rise to multiple legal and factual issues
23 that would require judicial resolution if the parties did not reach a settlement. These disputes
24 include, without limitation, the following:

25 **1. *Existence and Enforceability of the Alleged Co-Ownership Agreement***

26 A threshold issue is whether the Nielsens hold any enforceable ownership interest in the
27 Property.
28

1 **KSMP's Position:** KSMP asserts that the alleged 2012 oral agreement under which
2 the Nielsens claim a 25 percent interest in the Property is unenforceable under the statute of frauds
3 because agreements concerning interests in real property must be in writing. KSMP maintains that
4 no deed, assignment, memorandum, or other writing transferred any interest in the Property to the
5 Nielsens.

6 **The Nielsens' Position:** The Nielsens contend that their claim falls within equitable
7 exceptions to the statute of frauds—specifically, part performance—because they took possession
8 of the Property, lived there continuously for more than a decade, made substantial improvements,
9 and paid expenses consistent with co-ownership.

10 ***2. Character and Valuation of the Nielsens' Alleged Interest***

11 Litigation would also require determining the nature, extent, and economic value of any
12 interest the Nielsens may hold.

13 **KSMP's Position:** KSMP contends that the Nielsens hold any interest at all, it
14 should not be valued at 25 percent given the amount of their investment in the Property.

15 **The Nielsens' Position:** The Nielsens assert that they are entitled to a 25 percent
16 ownership interest as agreed in their court-ownership agreement, and that their long-term
17 residence, improvements exceeding \$200,000, and payment of expenses support both their
18 equitable claim and its valuation.

19 ***3. Priority and Effect of the Socotra Loan and Socotra Deed of Trust***

20 Another significant issue concerns whether any interest held by the Nielsens—if one
21 exists—is subordinate to the Socotra Loan and Socotra Deed of Trust.

22 **KSMP's Position:** KSMP asserts that any interest the Nielsens may hold is subject
23 to the Socotra Loan because the Nielsens' alleged co-ownership rights, if they existed at all, were
24 in existence when the Socotra Loan was executed and recorded. According to KSMP, any such
25 preexisting equitable interest automatically became subject to the Socotra Deed of Trust upon
26 recordation.

27 **The Nielsens' Position:** The Nielsens contend that their alleged interest is not
28 subordinate to the Socotra Loan because they had no knowledge of the loan and were not asked to

sign or consent to it. They further assert that Socotra was on inquiry notice of their potential ownership because they openly resided at the Property when the loan was made, and therefore Socotra could not obtain a security interest superior to theirs without addressing their claimed rights.

In light of these complex disputes, and to avoid the costs and delays associated with both litigation and with any resulting delay in the sale of the Property, KSMP and the Nielsens elected to participate in mediation.

D. The Settlement Agreement

On November 14, 2025, KSMP and the Nielsens (collectively, the “Parties”) participated in a live mediation before the Honorable Lee Bogdanoff (Ret.). At the conclusion of the mediation, the Parties reached a global resolution, which was memorialized by the Settlement Agreement. A summary of the key terms and conditions of the Settlement Agreement are set forth in the table below:³

<i>Parties to the Settlement</i>	The parties to the settlement are: (1) KSMP and (2) the Nielsens
<i>Effective Date of Settlement</i>	The date of entry of an order of this Court approving the Settlement Agreement under Bankruptcy Rule 9019 (the “ <u>Effective Date</u> ”).
<i>Consent to Sale of the Property Free and Clear; Distribution of Sale Proceeds</i>	<p>Amount of the Nielsens’ interest. The Nielsens interest in the Property (the “<u>Nielsen Interest</u>”) shall be thirty-four percent (34%) of the KSMP Share⁴ of the Net Sale Proceeds.⁵</p> <p>Not property of the estate. The Nielsen Interest is not, and will not be treated as, property of the estate, including under 11 U.S.C. § 541(d).</p> <p>Efforts to sell the Property. KSMP will use commercially reasonable and good-faith efforts to market and sell the Property,</p>

³ This summary is not intended to be exhaustive and is qualified entirely by the written terms of the Settlement Agreement. Capitalized terms used but not defined in this summary shall have the meanings ascribed to them in the Settlement Agreement.

⁴ KSMP Share” means KSMP’s share of the Net Sale Proceeds as determined by the distribution waterfall set forth in section 5 of the Socotra Settlement Agreement.

⁵ Net Sale Proceeds” has the meaning ascribed to such term in the Socotra Settlement Agreement.

1		subject to identifying a buyer and Bankruptcy Court approval,. Any
2		such sale shall be free and clear of the Nielsen Interest pursuant to 11
3		U.S.C. § 363(f)(2), to the extent necessary.
4		Direct payment at closing. At closing, the Nielsens will receive
5		directly from escrow the amount equal to the Nielsen Interest (the
6		“ <u>Nielsen Share</u> ”). KSMP shall not receive its portion unless the
7		Nielsens simultaneously receive theirs.
8		Unaffected by substantive consolidation. Any future substantive
9		consolidation of the Debtors’ estates will not affect the distribution of
10		the Nielsen Share..
11		Exclusive remedy. The Nielsen Share constitutes the Nielsens’ sole
12		and exclusive remedy for the claims that they asserted or could have
13		asserted in the Alameda Action.
14		Closing protocol. The Settlement Agreement sets forth a protocol
15		governing the closing of any sale of the Property.
16	<i>Consent to Marketing</i>	KSMP has sole authority over the sale. KSMP will exclusively
17	<i>and Sale</i>	control all aspects of marketing and selling the Property, including
18		broker selection, negotiation of terms, and determination of the
19		purchaser and purchase price.
20		Advance consent to any sale. The Nielsens consent in advance to
21		any sale KSMP proposes and presents to the Bankruptcy Court.
22		No objections or interference. The Nielsens agree not to object to,
23		interfere with, or impede any proposed sale.
24		Limited consultation rights. The Nielsens may receive information,
25		ask questions, and provide non-binding comments, but have no
26		approval or veto rights over any part of the sale process.
27		No need for § 363(h) relief. The Nielsens agree that their consent
28		satisfies § 363(f)(2), and KSMP is not required to seek relief under §
		363(h).
		Waiver of statutory objections. The Nielsens waive any right to rely
		on §§ 363(f), 363(h), or related provisions to oppose, delay, or
		condition approval or consummation of any sale of the Property.
	<i>Withdrawal of the</i>	Withdrawal of claims. Upon the Effective Date, the Nielsen Proofs
	<i>Nielsen Proof of</i>	of Claim will be deemed withdrawn, and the Nielsens will not file any
	<i>Claims</i>	additional proofs of claim in the Chapter 11 Cases.
		Expungement from the claims register. Verita, the Debtors’ claims

	and noticing agent, may expunge the Nielsen Proofs of Claim from the Debtors' claims register upon the Effective Date.
	No further recoveries. The Nielsens acknowledge and agree that, aside from receiving their share of sale proceeds in accordance with the Settlement Agreement, they have no right to any other distributions, recoveries or proceeds in the Chapter 11 Cases.
<i>Dismissal of Alameda Action, Removal of Lis Pendens and Cooperation With Sale</i>	<p>Dismissal and Lis Pendens removal: Within seven days of the Effective Date, the Nielsens will dismiss the Alameda Action (as more fully described in the Settlement Agreement) and remove the Lis Pendens.</p> <p>Cooperation with sale: The Nielsens will cooperate in the sale process and sign any documents needed by escrow.</p> <p>Agency authority if they fail to act: If the Nielsens do not take the foregoing actions, KSMP is authorized to take (through a formal agency agreement) all actions necessary—on the Nielsens' behalf—to effectuate the dismissals, remove the Lis Pendens, or execute any documents required in the sale process.</p>
<i>Mutual Releases</i>	The Settlement Agreement contains mutual releases.
<i>No Objection to Plan</i>	The Nielsens shall not object to any chapter 11 plan solicited by KSMP or any of the other Debtors
<i>Incorporation Into Sale Order</i>	The Settlement Agreement and the terms therein will be incorporated by reference into any order approving the sale of the Property.

IV. RELIEF REQUESTED

KSMP requests, pursuant to sections 105(a) and 363(b) of the Bankruptcy Code and Bankruptcy Rules 6004 and 9019, that the Court enter the Proposed Order: (1) approving the Settlement Agreement; (2) authorizing KSMP to take any and all actions necessary to effectuate the Settlement Agreement; and (3) granting such other and further relief as the Court deems just and proper under the circumstances.

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1 **V. AUTHORITY FOR RELIEF REQUESTED**

2 **A. The Settlement Agreement is Fair, Equitable and in the Best Interests of the**
3 **Estates.**

4 Pursuant to Bankruptcy Rule 9019(a), “[o]n motion by the [debtor in possession] and after
5 notice and a hearing, the court may approve a compromise or settlement” Fed. R. Bankr. P.
6 9019(a). The statutory basis for Rule 9019 is section 363(b)(1) of the Bankruptcy Code, which
7 allows debtors, *inter alia*, to use property of their estates outside the ordinary course of business,
8 following notice and a hearing. 11 U.S.C. § 363(b)(1); *See In re Claar Cellars LLC*, Nos. 20-
9 00044-WLH11, 20-00045-WLH11, 2020 Bankr. LEXIS 682, at *11 n.24 (Bankr. E.D. Wash. Mar.
10 13, 2020) (“The statutory basis to settle lies in section 363(b)(1) - a debtor either “uses” a chose
11 of action by releasing it in a settlement or “sells” that property to the settlement counterparty.”)
12 (citing *Adeli v. Barclay (In re Berkeley Del. Court, LLC)*, 834 F.3d 1036, 1039-40 (9th Cir. 2016));
13 *see also In re Artesian Future Technology, LLC*, Case No. 22-40396 (CN) (Bankr. N.D. Cal. Dec.
14 5, 2022), Dkt. No. 213 at 10-11 (“a bankruptcy court is obliged to consider . . . whether any
15 property of the estate that would be disposed of in connection with the settlement might draw a
16 higher price through a competitive process and be the proper subject of a section 363 sale.”) (citing
17 *In re Mickey Thompson Entm't Grp., Inc.*, 292 B.R. 415, 421-22 (BAP 9th Cir. 2003)).

18 As “[t]he law favors compromise and not litigation for its own sake,” it is unsurprising that
19 the settlement process “has preserved or created value for hundreds of thousands of bankruptcy
20 estates.” *Martin v. Kane (In re A & C Props.)*, 784 F.2d 1377, 1380–81 (9th Cir. 1986), *cert. denied*
21 *sub nom.*, *Martin v. Robinson*, 479 U.S. 854 (1986); *Foster v. First Interstate Bank (In re Shoot*
22 *the Moon, LLC)*, 635 B.R. 568, 575 (Bankr. D. Mont. 2022). In the settlement process, the
23 bankruptcy court possesses “great latitude” in approving agreements under Rule 9019 so long as
24 they are fair and equitable. *See Woodson v. Fireman’s Fund Ins. Co. (In re Woodson)*, 839 F.2d
25 610, 620 (9th Cir. 1988); *In re A & C Props.*, 784 F.2d at 1380–81. Still, a court should not
26 substitute its own judgment for the judgment of the debtor in possession. *See Matter of Carla*
27 *Leather, Inc.*, 44 B.R. 457, 465 (Bankr. S.D.N.Y. 1984). The court need not conduct an exhaustive
28 investigation of the claims sought to be compromised. *See e.g., In re Walsh Constr., Inc.*, 669 F.2d

1 1325, 1328 (9th Cir. 1982). And a “mini-trial” on the merits of the underlying cause of action is
2 also not required. *Burton v. Ulrich (In re Schmitt)*, 215 B.R. 417, 423 (B.A.P. 9th Cir. 1997).
3 Instead, it is sufficient that a court “only canvass[es] the issues” (*In re Schmitt*, 215 B.R. at 423)
4 and determines that a settlement was negotiated in good faith and is reasonable, fair, and equitable.
5 *In re A & C Props.*, 784 F.2d at 1380–81.

6 The Ninth Circuit has identified four factors that should be considered in determining
7 whether a proposed settlement agreement is reasonable, fair, and equitable: (i) the probability of
8 success in litigation; (ii) the difficulties, if any, to be encountered in the matter of collection; (iii)
9 the complexity of litigation involved, and the expense, inconvenience, and delay in necessarily
10 attending to it; and (iv) the paramount interests of creditors. *See In re A & C Props.*, 784 F.2d at
11 1381 (citing *In re Flight Transp. Corp. Sec. Litig.*, 730 F.2d 1128, 1135 (8th Cir. 1984), *cert.*
12 *denied*, 469 U.S. 1207 (1985)). “Each factor need not be treated in a vacuum; rather, the factors
13 should be considered as a whole to determine whether the settlement compares favorably with the
14 expected rewards of litigation.” *Grief & Co. v. Shapiro (In re W. Funding Inc.)*, 550 B.R. 841, 851
15 (9th Cir. BAP 2016), *aff’d* 705 F. App’x 600 (9th Cir. 2017).

16 As set forth below, after applying the *A&C Properties* factors, the Settlement Agreement
17 is reasonable, fair and equitable, and is in the best interests of the estate and creditors.

18 ***I. The Probability of Success in Litigation***

19 KSMP’s probability of success in litigation with the Nielsens supports approval of the
20 Settlement Agreement. As outlined above, litigation would require the Court to resolve three core
21 issues: (1) whether an enforceable co-ownership agreement exists; (2) if so, the nature and extent
22 of any co-ownership interest the Nielsens may hold; and (3) whether any such interest would be
23 encumbered by the Socotra Loan and the Socotra Deed of Trust. While KSMP believes it has
24 strong arguments on each point, these issues present real factual and legal uncertainties that carry
25 meaningful litigation risk.

26 (a) ***Whether there exists legally enforceable co-ownership interest in***
27 ***the Property***

28 A central dispute between the Parties concerns whether the Nielsens hold any legally

1 enforceable co-ownership interest in the Property. This question encompasses several related
2 issues, beginning with whether any agreement—either the written co-ownership agreement for the
3 King Property or the alleged 2012 oral amendment regarding the Pacific Property—could give rise
4 to an enforceable ownership interest. Under California law, the statute of frauds requires
5 agreements creating or transferring an ownership interest in real property to be in writing. Cal.
6 Civ. Code § 1624(a)(3); Cal. Civ. Proc. Code § 1971. In the absence of a written agreement or
7 conveyance specific to the Property, KSMP would argue that the alleged oral agreement regarding
8 the Property is unenforceable. Resolving this threshold issue would require substantial discovery
9 into events spanning more than a decade, including the parties’ discussions in 2009 and 2012, the
10 reasons for the Nielsens’ move to the Property, and whether the parties intended to alter the original
11 written agreement or enter into a new oral agreement regarding the Property. The factual record
12 on these points is complicated, under-documented, and heavily dependent on witness testimony
13 (including from witnesses who ultimately may be unavailable), creating uncertainty as to how a
14 factfinder would ultimately resolve the issue.

15 The analysis then turns to whether an exception to the statute of frauds could apply.
16 California recognizes the doctrine of part performance, under which “an oral agreement for the
17 transfer of an interest in real property is enforced when the buyer has taken possession of the
18 property and either makes a full or partial payment of the purchase price, or makes valuable and
19 substantial improvements on the property, in reliance on the oral agreement. The performance by
20 the buyer must clearly relate to, and it must be pursuant to, the terms of the oral agreement.” Miller
21 and Starr Cal. Real Est. § 1:76 (4th ed.). *See Sutton v. Warner*, 12 Cal. App. 4th 415, 422, 15 Cal.
22 Rptr. 2d 632, 636 (1993) (same). In litigation, KSMP would maintain the Nielsens’ alleged
23 payments and improvements do not “clearly relate” to the terms of an oral ownership agreement
24 but were instead made pursuant to an oral, month-to-month rental agreement. The Nielsens,
25 however, will present evidence – including long-term occupancy (from 2012 through 2024) and
26 payment of several hundred thousand dollars in expenses for improvements and mortgage
27 payments, that if credited, could support an argument for part performance. Because the
28 applicability of this exception is highly fact-dependent, requires evaluation of conduct occurring

1 over many years, and would involve disputed testimony from multiple witnesses (some of whom
2 may be unavailable), its outcome is uncertain.

3 Finally, KSMP evaluated whether it could avoid the Nielsens' unrecorded interest under
4 section 544(a)(3) of the Bankruptcy Code, which grants a debtor in possession the status of a
5 hypothetical bona fide purchaser as of the petition date. 11 U.S.C. § 544(a)(3). The status of a bona
6 fide purchaser will depend on state law. *In re Hilde*, 120 F.3d 950, 952 (9th Cir. 1997) ("Section
7 544 of the Bankruptcy Code makes the avoidance powers of the trustee contingent upon state
8 law."). Here, because the Nielsens filed the Lis Pendens prior to the Petition Date, California law
9 would impute constructive notice of the Alameda Action to any subsequent purchaser. Cal. Civ.
10 Proc. Code § 405.24 ("From the time of recording the notice of pendency of action, a purchaser,
11 encumbrancer, or other transferee of the real property described in the notice shall be deemed to
12 have constructive notice of the pendency of the noticed action as it relates to the real property.")
13 This significantly limits KSMP's ability to rely on section 544(a)(3) in this case.⁶

14 Taken together, these uncertainties regarding the existence and enforceability of the
15 Nielsens' alleged interest, and the likely difficulty for KSMP in seeking to avoid it under section
16 544(a)(3) of the Bankruptcy Code, weigh in favor of resolving the dispute through the Settlement
17 Agreement.

18 (b) *The extent of the Nielsens' asserted co-ownership interest in the*
19 *Property*

20 A second, related dispute concerns the extent of any ownership interest the Nielsens could
21 assert even if an enforceable agreement existed. KSMP would contend that, based on the parties'
22 interactions and the value of the Property, the Nielsens could not have acquired a full 25 percent
23 interest because they never paid anything close to 25 percent of the Property's fair market value.
24 From KSMP's perspective, there was no meeting of the minds and no mutual assent as to the
25 percentage ownership in the Property, and the consideration the Nielsens provided was insufficient
26 to support the 25 percent interest they now claim. The Nielsens, by contrast, would argue that the

27 _____
28 ⁶ Similarly, because the Nielsens' alleged purchase occurred more than 13 years ago, KSMP is barred from
bringing a claim for actual or constructive fraudulent transfer.

1 agreement—both originally for the King Property and as amended to substitute the Property—
2 reflected a clear understanding that they would have a 25 percent co-ownership interest in
3 whichever property they invested in. Resolving this issue would require substantial discovery into
4 communications and conduct from more than a decade ago, including testimony about
5 conversations and informal arrangements for which there are few contemporaneous records. Many
6 key witnesses (including those involved in the King Property arrangement and individuals with
7 knowledge of the circumstances surrounding the Nielsens’ 2012 move) may no longer be
8 available, memories will have faded, and KSMP lacks documentation that might otherwise clarify
9 the parties’ intent. These practical obstacles make it difficult to predict how a factfinder would
10 resolve the dispute and add further litigation risk that supports settlement.

11 (c) ***Whether the Nielsens’ co-ownership interest, if it does exist, is***
12 ***encumbered by the Socotra Loan and the Socotra Deed of Trust***

13 A further disputed issue concerns whether any co-ownership interest the Nielsens may hold
14 would be subordinate to, or take free and clear of, the Socotra Loan and the Socotra Deed of Trust.
15 California’s recording statute provides that unrecorded interests are generally invalid as against a
16 subsequent purchaser or mortgagee for value. Cal. Civ. Code § 1214. As an exception, however,
17 a purchaser or lender with actual or constructive notice of a prior unrecorded interest will take
18 subject to that interest. See Miller & Starr 4 Cal. Real Est. § 10:52 (4th ed.). Under California law,
19 possession of real property by someone other than the record owner may give rise to “inquiry
20 notice,” obligating a prospective purchaser or lender to investigate the rights of the party in
21 possession. See, e.g., *Claremont Terrace Homeowners’ Assn. v. United States*, 146 Cal. App. 3d
22 398, 408, 194 Cal. Rptr. 216, 222 (Ct. App. 1983) (“It is a general rule that possession of real
23 property is constructive notice to any intending purchaser or encumbrancer of the property of all
24 the rights and claims of the person in possession which would be disclosed by inquiry.”) (citing
25 *Asisten v. Underwood*, 183 Cal. App. 2d 304, 309, 7 Cal. Rptr. 84, 87 (Ct. App. 1960)).

26 The Nielsens assert that their open and continuous possession of the Property at the time
27 of the Socotra Loan placed Socotra on inquiry notice of their alleged 25 percent co-ownership
28 interest. Under their theory, Socotra was obligated to investigate the basis for their possession and,

1 having failed to do so, took its security interest subject to the Nielsens' claimed interest. If correct,
2 the Nielsens' asserted interest would take free and clear of the Socotra Loan, and their share of
3 sale proceeds would not be reduced by the secured debt.

4 KSMP (and Socotra) would contend that the Nielsens' possession was not the type of
5 possession that triggers an inquiry obligation. They would argue that the Nielsens resided at the
6 Property as rental occupants, that nothing about their possession was inconsistent with KSMP's
7 record ownership, and that no facts would have led a reasonable lender to suspect an unrecorded
8 ownership claim. KSMP would further argue that the absence of any recorded instrument, any
9 written claim of title, or any communication to Socotra asserting ownership—particularly where
10 the Nielsens were aware of the intended Socotra Loan—supports the conclusion that Socotra acted
11 as a good-faith encumbrancer for value.

12 Litigation of this issue would be highly fact-intensive. It would require extensive discovery
13 into the circumstances of the Nielsens' occupancy, Socotra's underwriting and diligence, and the
14 outward indicia of ownership or non-ownership at the time the loan was originated. Reconstructing
15 these conditions—without comprehensive records and with the potential unavailability of key
16 witnesses—creates significant uncertainty as to how a factfinder would resolve the issue.
17 Moreover, if the Nielsens were to prevail, they would take their asserted interest free and clear of
18 the Socotra Loan, substantially reducing KSMP's share of sale proceeds. This risk is especially
19 acute in light of the Socotra Settlement Agreement, under which KSMP has guaranteed a recovery
20 to Socotra and would therefore have to satisfy any amount allocable to the Nielsens' interest
21 directly out of its own share of sale proceeds, further diminishing the estate's recovery.

22 Each of the above issues is highly fact intensive. By contrast, the Settlement Agreement
23 provides an expedient, final resolution to the issues between the Nielsens and KSMP.

24 ***2. The Difficulties, if any, to be Encountered in the Matter of Collection***

25 Potential difficulties in collection do not weigh heavily in the present analysis because
26 KSMP is the defendant and would not face traditional collection risk if it prevailed in litigation.
27 However, continued litigation poses a different form of practical collection risk for the estate. If
28 the dispute is not resolved, KSMP may be unable to sell the Property for full value—or at all—

1 while the litigation remains pending and the Lis Pendens remains of record. Any such delay would
2 require KSMP to bear ongoing carrying costs associated with the Property, including taxes,
3 insurance, and maintenance, and could materially impair the recoverable value of the asset for the
4 benefit of creditors. The Settlement Agreement eliminates these risks by clearing the path for a
5 timely sale and protecting the estate's ability to realize value from the Property.

6 **3. *The Complexity of the Litigation Involved, and the Expense,***
7 ***Inconvenience, and Delay Necessarily Attending It.***

8 The expense, inconvenience, and delay that would result if the Court were to reject the
9 Settlement Agreement strongly favor approval. As outlined herein, the underlying disputes are
10 legally and factually complex. They span more than a decade, involve two different properties,
11 require reconstruction of conversations and informal arrangements for which little
12 contemporaneous documentation exists, and turn on credibility determinations that will require
13 extensive testimony. Discovery would likely include depositions of the Nielsens, Mattson,
14 individuals involved in the King Property transaction, Socotra underwriting personnel, and
15 possibly Nielsen or Mattson family members, many of whom may no longer be available or may
16 have limited recollection of events that occurred years ago. Obtaining historical records—nearly
17 all of which KSMP does not possess and will not have absent extensive discovery—would add
18 further difficulty and cost.

19 Litigation would also involve multiple legal issues, including disputes concerning
20 enforceability of the alleged co-ownership agreement, applicability of the statute of frauds, the
21 part-performance exception, the scope and valuation of any asserted interest, and the relative
22 priority of that interest vis-à-vis the Socotra Deed of Trust. The priority dispute alone would
23 require discovery into Socotra's underwriting process, due-diligence practices, and its
24 knowledge—or alleged duty to investigate—the Nielsens' occupancy, adding to the overall
25 complexity and cost. All of these complexities would result in very significant legal fees—possibly
26 exceeding the value of the Nielsen's asserted interest altogether.

27 The complexities also carry practical consequences for the estate. While the Property is
28 currently listed for \$5,500,000, the existence of the Nielsens' claims and the Lis Pendens would
severely impede KSMP's ability to consummate a sale, obtain title insurance, or deliver marketable

1 title. Even if KSMP were ultimately able to sell the Property following litigation, the delay would
2 impose ongoing carrying costs and reduce net recoveries. In the worst-case scenario, prolonged
3 litigation could result in the estate losing the opportunity to sell the Property altogether, as the
4 Socotra Settlement Agreement allows Socotra to exercise its state law remedies, including
5 foreclosure, eighteen months after the settlement's effective date.

6 Given the complexity of the issues, the number of parties involved, the anticipated cost and
7 duration of litigation, and the practical difficulties of preserving and realizing value from the
8 Property while these disputes remain unresolved, the Settlement Agreement offers a fair, efficient,
9 and beneficial resolution for all Parties.

10 **4. The Paramount Interest of Creditors**

11 The Settlement Agreement is also in the best interests of creditors and represents a fair,
12 reasonable, and pragmatic compromise given the risks and constraints facing the estate.

13 **First**, the settlement enables KSMP to move forward with a sale of the Property and realize
14 value for creditors. Although KMSP might attempt to sell the Property free and clear under section
15 363(f)(4) on the basis that the Nielsens' interest is in bona fide dispute, such a sale would face
16 significant practical obstacles. Title insurers are reluctant to insure title where co-ownership claims
17 are unresolved, and marketing a property clouded by litigation typically depresses value and deters
18 prospective buyers. Even if a sale could be completed, the sale proceeds would likely need to
19 remain in escrow pending resolution of the litigation, leaving the estate unable to access the
20 proceeds for an extended period. The Settlement Agreement eliminates these obstacles by
21 removing the Lis Pendens, securing the Nielsens' advance consent to any sale, and ensuring that
22 proceeds can be distributed promptly.

23 **Second**, the settlement appropriately balances the Parties' competing claims without
24 providing a windfall to the Nielsens or imposing the full downside risk on KSMP. The settlement
25 ties the Nielsens' recovery to a percentage of KSMP's share of sale proceeds, rather than a fixed
26 amount, thereby protecting the estate against depressed sale values and ensuring that the Nielsens'
27 recovery aligns proportionally with KSMP's. Conversely, if the Nielsens were to prevail in
28 litigation—particularly if their interest were deemed unencumbered by the Socotra Deed of

Trust—the estate could be left with little or no recovery after accounting for the Nielsens’ interest and satisfying its obligations under the Socotra Settlement Agreement. The settlement avoids this meaningful downside risk and secures a predictable outcome for creditors.

Third, the settlement yields an immediate and concrete benefit by eliminating the Nielsens’ claims against the estate. The Nielsens have asserted more than \$900,000 in claims. Their withdrawal of those claims, which could otherwise receive a recovery of between approximately \$180,000 and \$360,000, reduces the pool of unsecured liabilities and enhances potential distributions to remaining creditors.⁷

Overall, the settlement allows KSMP to unlock value from a significant asset, mitigates substantial litigation risk, avoids scenarios in which the estate could be left with little or possibly no recovery at all, and removes more than \$900,000 in asserted claims from the claims pool. These considerations strongly support a finding that the settlement is fair, equitable, and in the paramount interests of creditors.

B. The Settlement Agreement is Authorized by Section 363 as a Sound Exercise of KSMP’s Business Judgment

Section 363(b) of the Bankruptcy Code states that “after notice and a hearing,” a debtor in possession “may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b). *See, e.g., Walter v. Sunwest Bank (In re Walter)*, 83 B.R. 14, 17 (B.A.P. 9th Cir. 1988) (“The bankruptcy court has considerable discretion in deciding whether to approve or disapprove the use of estate property by a debtor in possession, in the light of sound business justification.”); *In re 240 North Brand Partners*, 200 B.R. 653, 659 (B.A.P. 9th Cir. 1996) (citing *In re Lionel Corp.*, 722 F.2d 1063, 1070 (2d Cir. 1983)).

Additionally, section 105(a) of the Bankruptcy Code, which codifies a bankruptcy court’s inherent equitable powers to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions in this title,” provides this Court with the power to grant the relief

⁷ The Liquidation Analysis set forth at Exhibit C of the Amended Disclosure Statement in Support of First Amended Joint Chapter 11 Plan of Liquidation [Dkt. No. 2567] estimates investor recoveries in the range of 21.1% to 40.6%.

1 requested herein. *See also United States v. Energy Resources Co.*, 495 U.S. 545, 549 (1990);
2 *Rosson v. Fitzgerald (In re Rosson)*, 545 F.3d 764 (9th Cir. 2008); *Martin v. United States (In re*
3 *Martin)*, 150 B.R. 43, 47 (Bankr. S.D. Cal. 1993) (noting the Court’s “broad” powers under Section
4 105).

5 The Settlement Agreement reflects a sound and well-reasoned exercise of KSMP’s
6 business judgment. As detailed above, litigation with the Nielsens would require resolving
7 multiple fact-intensive disputes—some reaching back more than a decade—and would necessitate
8 extensive discovery, depositions, and reconstruction of events for which KSMP has no
9 contemporaneous records and for which key witnesses may no longer be available. The outcome
10 of such litigation is uncertain, and the risks are materially heightened by the possibility that the
11 Nielsens’ alleged interest could be unencumbered by the Socotra Loan based on inquiry-notice
12 principles.

13 Moreover, prolonged litigation would jeopardize KSMP’s ability to sell the Property for
14 fair value. The Property is currently listed for \$5,500,000, yet KSMP likely cannot consummate a
15 sale for that value (or possibly any value) while the co-ownership dispute persists, as title insurance
16 may be unavailable in the absence of resolution. In addition, under the Socotra Settlement
17 Agreement, KSMP must complete a sale within 18 months to avoid the risk of foreclosure—such
18 that if litigation dragged on, the estate could be left with no proceeds at all. The Settlement
19 Agreement therefore directly mitigates a substantial risk of value erosion and protects the estate’s
20 ability to monetize a valuable asset.

21 Courts within this Circuit have repeatedly held that the business-judgment standard “is a
22 deferential standard.” *In re Claar Cellars LLC*, 2020 Bankr. LEXIS 682, at *9 (quotations
23 omitted); *see also In re Mickey Thompson Entm’t Grp., Inc.*, 292 B.R. at 420 (“a court generally
24 gives deference to a trustee’s business judgment in deciding whether to settle a matter...”). Here,
25 KSMP has carefully evaluated the Settlement Agreement with the assistance of experienced
26 professionals, considered the risks and costs of litigation, analyzed the impact of the Socotra
27 Settlement Agreement, and concluded that the proposed compromise maximizes value for the
28 estate and its creditors—most of whom are victims of Mattson’s fraud.

1 Based on the foregoing, the Settlement Agreement readily satisfies the deferential business-
2 judgment standard, and KSMP respectfully requests that the Court authorize its entry into, and
3 performance under, the Settlement Agreement.

4 **C. Bankruptcy Rule 6004 Should Be Waived**

5 With respect to any aspect of the relief sought herein that constitutes a use of property
6 under section 363(b) of the Bankruptcy Code, KSMP seeks a waiver of the fourteen-day stay under
7 Bankruptcy Rule 6004(h). As described above, the relief that KSMP seeks is immediately
8 necessary for **it** to administer the Chapter 11 Cases and maximize the value of its estate. KSMP
9 thus submits that the requested waiver of the fourteen-day stay imposed by Bankruptcy Rule
10 6004(h) is appropriate, as the exigent nature of the relief sought herein justifies immediate
11 unstayed relief.

12 **VI. RESERVATION OF RIGHTS**

13 Nothing contained herein is intended to be or shall be construed as (i) an admission as to
14 the validity of any claim against KSMP or any collateral, (ii) a waiver of KSMP's or any
15 appropriate party in interest's rights to dispute any claim or any collateral, or (iii) an approval or
16 assumption of any agreement, contract, program, policy, or lease under section 365 of the
17 Bankruptcy Code.

18 **VII. NOTICE**

19 Notice of this Motion will be provided to (i) the United States Trustee; (ii) the Committee,
20 (iii) Serene Investment Management, LLC, the DIP Lender, (iv) Socotra and (v) those persons who
21 have formally appeared in these Chapter 11 Cases and requested service pursuant to Bankruptcy
22 Rule 2002. Based on the nature of the relief requested herein, KSMP respectfully submits that no
23 further notice is required.

24 **WHEREFORE**, KSMP respectfully requests that the Court enter an order, substantially
25 in the form attached hereto as **Exhibit A**, granting the relief requested herein.

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Dated: November 26, 2025

/s/ Erin N. Brady

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Exhibit A
(Proposed Order)

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

In re:

LEFEVER MATTSON, a California
corporation, *et al.*,¹

Debtors.

Lead Case No. 24-10545 (CN)
(Jointly Administered)
Chapter 11

**[PROPOSED] ORDER GRANTING
MOTION OF DEBTOR KSMP TO
APPROVE ENTRY INTO AND
PERFORMANCE UNDER
SETTLEMENT AGREEMENT**

In re:

KS MATTSON PARTNERS, LP,

Debtor.

Date: December 17, 2025
Time: 11:00 a.m.
Place: Via Zoom or In Person
United States Bankruptcy Court
1300 Clay Street, Courtroom 215
Oakland, CA 94612

Upon consideration of the *Motion of Debtor KSMP to Approve Entry Into and Performance Under the Settlement Agreement* (the “Motion”),² filed by debtor and debtor in possession, KS Mattson Partners, LP (“KSMP”), pursuant to sections 105(a) and 363(b) of title 11 of the United States Code (the “Bankruptcy Code”) and Rules 6004 and 9019 and of the Federal Rules of

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

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

1 Bankruptcy Procedure (the “Bankruptcy Rules”), for the entry of an order approving the
2 Settlement Agreement, dated as of November 14, 2025 (the “Settlement Agreement”), by and
3 among KSMP and the Nielsens, and the Court having reviewed the Motion, and the Itkin
4 Declaration, and having considered the statements of counsel and the evidence adduced with
5 respect to the Motion at a hearing before the Court (the “Hearing”); and the Court having found
6 that (i) the Court has jurisdiction to consider the Motion and the relief requested therein pursuant
7 to 28 U.S.C. §§ 157 and 1334, and the *Order Referring Bankruptcy Cases and Proceedings to*
8 *Bankruptcy Judges*, General Order 24 and Rule 5011-1(a) of the Bankruptcy Local Rules for the
9 United States District Court for the Northern District of California; (ii) venue is proper in this
10 district pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28
11 U.S.C. § 157(b); (iv) notice of the Motion and the Hearing was sufficient under the circumstances;
12 and after due deliberation the Court having determined that the relief requested in the Motion is in
13 the best interests of the Debtors, their estates, and their creditors; and good and sufficient cause
14 having been shown;

15 **IT IS HEREBY ORDERED THAT:**

- 16 1. The Motion is granted.
 - 17 2. The Settlement Agreement attached hereto as **Exhibit 1** and the terms therein are
18 hereby approved.
 - 19 3. The Parties are authorized to enter into and perform under the Settlement
20 Agreement and may take any steps necessary to enter into and perform under the Settlement
21 Agreement.
 - 22 4. The Settlement Agreement is approved in its entirety and, once effective, shall be
23 binding and enforceable on the parties thereto in accordance with its terms.
 - 24 5. Notwithstanding any provisions in the Bankruptcy Code, the Bankruptcy Rules, or
25 the Local Rules to the contrary, this order shall be immediately effective and enforceable upon its
26 entry.
 - 27 6. The stay imposed pursuant to Bankruptcy Rule 6004(h) is waived.
- 28

1 7. KSMP is authorized to take all actions necessary to effectuate the relief granted in
2 this order in accordance with the Motion.

3 8. This Court shall retain jurisdiction and power to hear and determine all matters
4 arising from or related to the implementation of this order.

5 ** END OF ORDER **
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Exhibit 1

Nielsen Settlement Agreement

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SETTLEMENT AGREEMENT

This Settlement Agreement, dated as of November 19, 2025 (the “Settlement Agreement”), is entered into by and among (a) debtor and debtor in possession, KS Mattson Partners, LP (“KSMP”) and (b) Mark Nielsen and Rebecca Nielsen, husband and wife (the “Nielsens” and, together with KSMP, the “Parties” and each, a “Party”).

RECITALS

A. KSMP is the record title owner of real property located at 415 Pacific Avenue, Piedmont, CA 94611 (the “Property”). The Nielsens assert that they acquired a 25% co-ownership equitable interest in the Property in or about June 2012 pursuant to a co-ownership agreement.

B. In or around April 2023, Socotra Capital, Inc. or one of its affiliates made a loan (the “Socotra Loan”) to KSMP secured by a deed of trust against, dated April 18, 2023 and which was recorded on April 21, 2023 in Alameda County under Instrument Number 2023045176 (the “Socotra Deed of Trust”).

C. On July 2, 2024, the Nielsens filed the *Verified Complaint for Partition of Real Property by Sale and Breach of Contract* in the Superior Court of the State of California County of Alameda (Case No. 24CV092453) (the “Alameda Action”).

D. In the Alameda Action, the Nielsens assert a 25% co-ownership interest in the Property, pursuant to an agreement between the Parties, that is unencumbered by the Socotra Loan or the Socotra Deed of Trust. On September 18, 2024, the Nielsens recorded a lis pendens against the Property within the Alameda County Recorder’s Office, which is recorded under Instrument Number 2024114140 (the “Lis Pendens”).

E. Debtor Windscape Apartments, LLC, filed a voluntary petition for relief under chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) on August 6, 2024 in the United States Bankruptcy Court for the Northern District of California (the “Bankruptcy Court”). LeFever Mattson, a California corporation (“LFM”) and 57 related entities 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. The foregoing entities are collectively referred to as the “LFM Debtors,” and their respective chapter 11 cases are collectively referred to as the “LFM Cases.”

F. On November 22, 2024, LFM and Windtree, LP filed an involuntary chapter 11 petition against KS Mattson Partners, LP (“KSMP”), commencing Case No. 24-10715 (Bankr. N.D. Cal.) (the “KSMP Chapter 11 Case,” and together with the LFM Cases, the “Chapter 11 Cases”). On June 9, 2025, the Bankruptcy Court entered an order for relief in the KSMP Chapter 11 Case.

G. The Alameda Action was stayed by commencement of the KSMP Chapter 11 Case.

H. As part of its efforts to monetize assets, KSMP desires to sell the Property free and clear of the Nielsens' asserted co-ownership interest and related Lis Pendens under Bankruptcy Court supervision. The Nielsens assert that because of their ownership interest, which is not part of KSMP's bankruptcy estate, KSMP may not sell the Property without their consent or unless they receive relief under Section 363(h) of the Bankruptcy Code.

I. KSMP disputes (1) that there exists a legally enforceable agreement between the Parties, (2) the Nielsens' asserted co-ownership interest in the Property, and (3) that any such co-ownership interest, if it did exist, is not encumbered by the Socotra Loan and the Socotra Deed of Trust.

J. As an alternative to, and because KSMP disputes, their asserted prepetition co-ownership interest, the Nielsens filed the following proofs of claim against KSMP in the KSMP Chapter 11 Case: Claim Nos. 413 and 619 (Mark Nielsen) and 623 (Rebecca Nielsen) (collectively, along with any other claims that the Nielsens have filed in the Chapter 11 Cases, the "Nielsen Proofs of Claim").

K. On November 14, 2025, the Bankruptcy Court approved that that certain Settlement Agreement, dated as of October 14, 2025, by and among (a) the Debtors and the Official Committee of Unsecured Creditors, on the one hand, and (b) Socotra Capital, Inc., on behalf of itself and its affiliates identified on Schedule 2 to such settlement agreement, a copy of which is attached hereto as Exhibit A ("Socotra Settlement Agreement").

L. On November 14, 2025, the Parties participated in a live mediation of the disputes among them before the Honorable Lee Bogdanoff (Ret.) (the "Mediation"). At the conclusion of the Mediation, the Parties reached a global resolution of all outstanding issues among the Parties.

M. Without admitting any wrongdoing or acknowledging any legal or factual allegation asserted by any other Party, both Parties, in the interest of avoiding litigation costs and risk, and the attendant delay associated with litigation, agree (1) that the Nielsens have an unavoidable co-ownership interest in the Property that is not property of the estate (the "Nielsen Interest"); (2) upon a valuation of the Nielsen Interest in light of the asserted co-ownership agreement, the Socotra Loan, the Socotra Deed of Trust, and the Socotra Settlement, and the litigation risks attendant thereto; (3) that KSMP shall sell the Property in the Chapter 11 Cases free and clear of the Nielsen Interest pursuant to 11 U.S.C. § 363(f)(2); and (4) that escrow shall be instructed to pay to the Nielsens an amount equal to the Nielsen Interest directly from the sales proceeds at closing, all upon the terms and conditions set forth below.

AGREEMENT

NOW THEREFORE, in consideration of the agreement to perform the following covenants, promises, and agreements set forth below, including the releases set forth below, as well as other good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Effective Date.** This Settlement Agreement shall be effective and enforceable (the “Effective Date”) upon entry of an order of the Bankruptcy Court approving the Settlement Agreement under Federal Rule of Bankruptcy Procedure 9019.

2. **Consent To Sale of the Property Pursuant to 11 U.S.C. § 363(f)(2); Distribution of Proceeds of Sale.**

To resolve the Nielsens’ asserted prepetition co-ownership interest and any other claims that were or could have been asserted in the Alameda Action, the Parties agree as follows:

a. Subject to identification of a buyer and Bankruptcy Court approval, KSMP will use commercially reasonable and good faith efforts to market and sell the Property. Such sale shall be, to the extent necessary, free and clear of the Nielsen Interest pursuant to 11 U.S.C. § 363(f)(2).

b. The Nielsen Interest shall be thirty-four percent (34%) of the KSMP Share of the Net Sale Proceeds. The Nielsen Interest is not, and shall not be treated as, property of the estate, including pursuant to 11 U.S.C. § 541(d), and this Agreement reflects a resolution of the Nielsens’ disputed co-ownership interest and not satisfaction of a debt owed by KSMP to the Nielsens.

c. Upon the closing, the Nielsens shall receive directly from escrow a sum equivalent to the Nielsen Interest (the “Nielsen Share”). The Nielsen Share is not property of KSMP’s bankruptcy estate. The Parties agree, and shall thereby direct escrow, that distribution to KSMP of its portion of the KSMP Share will only occur if the Nielsen Share is delivered out of escrow to the Nielsens at the same time. The distribution of the Nielsen Share shall not be affected by any future substantive consolidation of the Debtors’ estates. The foregoing distribution of proceeds shall be the Nielsens’ sole and exclusive remedy for the claims alleged or that could have been alleged in the Alameda Action.

d. The Parties agree to the following protocol for closing the sale: (i) At least ten (10) calendar days before the closing (or within two (2) Business Days after accepting an offer if the closing is to occur less than ten (10) calendar days after acceptance), KSMP shall inform the Nielsens in writing of the expected closing date and shall give the Nielsens the escrow agent’s contact information; (ii) KSMP shall provide a copy of this Settlement Agreement to the escrow officer no later than three (3) Business Days after opening escrow, with a copy provided to the Nielsens; (iii) KSMP shall provide to the Nielsens no later than three (3) calendar days prior to closing a copy of the closing statement and an accounting of the KSMP Share and the Nielsen Share; (iv) no later than two (2) calendar days prior to closing, (v) KSMP shall instruct the escrow agent to pay the Nielsen Share to the Nielsens directly from escrow, with copy to the Nielsens; and (vi), the Nielsens shall provide to escrow wire instructions for receipt of the Nielsen Share and such other forms or certifications, including, without limitation, Form W-9 or FIRTPA certifications, as the escrow officer may require. The Nielsens acknowledge and agree that, pursuant to section 5 of the Socotra Settlement Agreement, closing of the sale will not occur until either Socotra consents to the closing statement or the Bankruptcy Court resolves any dispute between Socotra and KSMP regarding the closing statement pursuant to section 5(b) of the Socotra

Settlement Agreement. If the Bankruptcy Court is to resolve such dispute, the Nielsens may also submit a brief for the Bankruptcy Court's consideration.

e. In this Settlement Agreement: (i) "Business Day" means any day, other than a Saturday, Sunday, or other day on which commercial banks in San Francisco, California are required or allowed to close; (ii) "KSMP Share" means KSMP's share of the Net Sale Proceeds as determined by the distribution waterfall set forth in section 5 of the Socotra Settlement Agreement; and (iii) "Net Sale Proceeds" has the meaning ascribed to such term in the Socotra Settlement Agreement.

3. Consent to Marketing and Sale. The Nielsens acknowledge and agree that KSMP shall, subject to its obligation to exercise commercially reasonable and good faith efforts, have the sole right and authority to conduct, direct, and manage all aspects of the marketing and sale process for the Property, including selection of brokers, negotiation of sale terms, and determination of the proposed purchaser and purchase price. The Nielsens consent in advance to any sale of the Property proposed by KSMP and presented to the Bankruptcy Court, and agrees not to object to, interfere with, or impede any such sale. The Nielsens shall have reasonable consultation rights, limited to receiving information, asking questions, and providing non-binding comments, but shall have no approval rights over any aspect of the sale process. The Nielsens further agree that KSMP is not required to seek relief under 11 U.S.C. § 363(h) in connection with any sale of the Property because they have consented to such sale under 363(f)(2). The Nielsens waive any right to further invoke or rely upon §§ 363(f), 363(h) (or any related provision) to oppose, delay, or condition approval or consummation of any such sale.

4. Deemed Satisfaction of the Nielsen Proofs of Claim. The covenants of this Agreement and the Nielsens' recovery on their asserted prepetition co-ownership interest under paragraph 2 render their alternatively submitted Proofs of Claim of no force and effect. Therefore, the Nielsen Proofs of Claim shall be deemed withdrawn upon the Effective Date. The Nielsens shall not file any additional proofs of claim in the Chapter 11 Cases. Verita, the Debtors' claims and noticing agent, may expunge the Nielsen Proofs of Claim from the Debtors' claims register upon the Effective Date. The Nielsens acknowledge and agree that, aside from receiving proceeds of sale in accordance with paragraph 2 of this Settlement Agreement, they have no right to any other recoveries or proceeds in these Chapter 11 Cases.

5. Bankruptcy Court Approval. Within seven (7) calendar days after the Parties' execution of this Settlement Agreement, KSMP shall file a motion with the Bankruptcy Court pursuant to Federal Rule of Bankruptcy Procedure 9019 seeking entry of an order approving this Settlement Agreement, which order shall be binding on all successors and assignees of the Parties, including the Plan Recovery Trustee (as defined in the *First Amended Joint Chapter 11 Plan of Liquidation* [Dkt. No. 2561] or any other later amended or applicable chapter 11 plan submitted by KSMP or any of the other Debtors). If the Bankruptcy Court does not approve of the entry into this Settlement Agreement, this Settlement Agreement shall be null and void.

6. Dismissal of Alameda Action and Removal of Lis Pendens. Within seven (7) calendar days after the Effective Date, the Nielsens shall (a) dismiss (i) KSMP and Socotra from the Alameda Action with prejudice and (ii) KS Mattson Company LLC and Kenneth Mattson from the Alameda Action without prejudice, and (b) shall promptly take all actions necessary to

withdraw and remove the Lis Pendens from the public record and shall execute and deliver any documents reasonably required to effectuate such removal. If the Nielsens fail to timely comply with the foregoing sentence, the Nielsens (1) hereby appoint KSMP as their true and lawful agent, with full power and authority to prepare, sign, execute, deliver, and file any and all documents, statements, applications, notices, forms, or other filings that may be required or appropriate to effectuate the actions set forth in this paragraph 6, and (2) authorize KSMP to submit such documents to any federal, state, or local government agency, court, or other entity, and to take all actions necessary or incidental to effectuate such filings as fully as the Nielsens could do personally. The Nielsens shall cooperate in effectuating the sale of the Property in accordance with the terms of this Settlement Agreement by executing such instruments as may be requested by the escrow officer. If the Nielsens do not so cooperate, the foregoing power of KSMP to act as agent for the Nielsens shall apply to all actions requested by the escrow officer.

7. Mutual Releases.

a. Upon the Effective Date, and except for those obligations and rights arising hereunder, KSMP and its estate, on their own behalf and on behalf of any successors or representatives thereof, including any chapter 7 or 11 trustee, plan administrator, or post-confirmation estate representative (collectively, the “Estate Releasing Parties”), hereby release and discharge to the fullest extent permitted by applicable law, the Nielsens, and each of their current or former successors, assigns, predecessors, employees, attorneys, financial advisors, agents, members, officers, directors, and managers (in each case in their capacity as current or former successors, assigns, predecessors, employees, attorneys, financial advisors, agents, members, officers, directors, or managers), and all persons acting by, through, under or in concert with any of them or that might be claimed to be jointly or severally liable with them (hereinafter collectively referred to as the “Nielsen Released Parties”) from any and all claims, demands, proceedings, causes of action, rights to avoid, recover, or surcharge under the Bankruptcy Code, including, without limitation, all claims under chapter 5 of the Bankruptcy Code (11 U.S.C. §§ 544, 547, 548, 549, and 550), orders, judgments, obligations, contracts, agreements, costs, expenses (including attorneys’ fees), debts and liabilities whatsoever, whether known or unknown, suspected or unsuspected, both at law and in equity, which the Estate Parties now has, have ever had or may hereafter have against the Nielsen Released Parties arising on or before the Effective Date.

b. Upon the Effective Date, and except for those obligations and rights arising hereunder, the Nielsens, on behalf of themselves and any other person or entity claiming by or through them, including their heirs, successors and assigns (collectively, the “Nielsen Releasing Parties”), hereby release and discharge to the fullest extent permitted by applicable law, KSMP, its estate, and each of its successors, assigns, predecessors, employees, attorneys, financial advisors, agents, members, officers, directors, and managers (in each case in their capacity as current successors, assigns, predecessors, employees, attorneys, financial advisors, agents, members, officers, directors, or managers), and all persons acting by, through, under or in concert with any of them or that might be claimed to be jointly or severally liable with them, including Robbin L. Itkin, the court-appointed Responsible Individual for KSMP and any chapter 7 or 11 trustee, plan administrator, or post-confirmation estate representative (hereinafter collectively referred to as the “Estate Released Parties”), from any and all claims which any of the Nielsen Releasing Parties now has, has ever had, or may hereafter have against the Estate Released Parties arising on or before the Effective Date.

c. The Parties acknowledge that they have carefully read and fully understand the provisions of this section. Each Party further acknowledges that it agrees to this general release knowingly and voluntarily and without duress, coercion, or undue influence. The Parties agree that should they file a lawsuit in court or commence any similar legal proceeding that is found to be barred in whole or part by this general release, or take any position or assert any claim that is inconsistent with this general release, they will pay the legal fees incurred by or on behalf of the applicable Nielsen Released Party or Estate Released Party in defending those claims found to be barred or responding to any such inconsistent position or claim.

d. In connection with the releases contained in this section, the Parties waive any and all rights they have or may have under any applicable state law, statute or ordinance, as well as under any other common law principles of similar effect, which prohibits the waiver of unknown claims, including California Civil Code Section 1542, which provides as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

e. The Parties acknowledge that they have had the opportunity to be advised by their legal counsel with respect to, and are familiar with, the provisions of California Civil Code Section 1542.

f. If KSMP's estate is substantively consolidated with the estates of the LFM Debtors, the definitions of "Estate Releasing Parties" and "Estate Released Parties" shall include the LFM Debtors.

g. The releases set forth in this paragraph 7 shall not include claims to enforce the terms of this Settlement Agreement. Nothing in this Settlement Agreement shall release any claims that any Party may have against Kenneth Mattson, Stacy Mattson or KS Mattson Company LLC.

8. No Objection to Plan. The Nielsens shall not object to any chapter 11 plan solicited by KSMP or any of the other Debtors.

9. Attorneys' Fees. The Parties shall bear their own respective attorneys' fees and costs incurred with respect to this Settlement Agreement and any prior legal matters between them. If, however, legal action is filed to enforce the provisions of this Settlement Agreement, the prevailing party shall be entitled to an award of attorneys' fees and expenses reasonably incurred in the action. For this purpose, attorneys' "fees and expenses" includes, without limitation, the fees and expenses of attorneys, paralegal, or legal assistants and experts and consultants for the prevailing party and all other fees and expenses that counsel for the prevailing party incurs in the course of representation of the prevailing party in anticipation of and/or during the course of the action, whether or not otherwise recoverable as "attorneys' fees" or as "costs" under applicable law.

10. Remedies and Enforcement. In the event of a breach or threatened breach by any Party of any of the provisions of this Settlement Agreement, the other Party shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from the Bankruptcy Court prior to the entry of a final decree in the Chapter 11 Cases, or thereafter, any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. Any equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages, or other available relief. This Settlement Agreement may be specifically enforced in any court of competent jurisdiction and may be cited as evidence in legal proceedings alleging breach of this Settlement Agreement.

11. Notices. Any notice or communication required or permitted to be given hereunder will be in writing (via email) and addressed to counsel of record of the Party, or to such other address as the Party may designate in writing.

12. Further Assurances. Each Party, without further consideration except to the extent party receiving the request incurs out of pocket expenses (in which case the requesting party shall cover such expenses), shall execute and deliver such other documents and take such other action as may be reasonably requested by the other Party to effect the terms of this Settlement Agreement.

13. No Assignment. The Parties hereby represent and warrant that they have full authority to enter into this Settlement Agreement, and that they have not assigned or transferred to any other person any debt, claim, right, demand, obligation, cost, expense, or cause of action, in law or in equity, that any of them may have against the other that is the subject of this Settlement Agreement.

14. Successors. This Settlement Agreement shall be binding upon and inure to the benefit of the successors and assigns of each party hereto, but no rights or obligations hereunder shall be assignable by any party hereto without the prior written consent of the other Parties hereto; *provided, however*, that KSMP may assign this Settlement Agreement to any trustee appointed in the Chapter 11 Cases or any post-confirmation trustee (including the Plan Recovery Trustee) pursuant to a chapter 11 plan without the prior written consent of the Nielsens.

15. Binding Agreement and Incorporation Into Sale Order. This Settlement Agreement shall be binding upon the Parties and their respective heirs, successors, and assigns, including without limitation any trustee appointed in the Chapter 11 Cases or any converted case. This Settlement Agreement and the terms herein shall be incorporated by reference into any order approving the sale of the Property.

16. Entire Agreement. This Settlement Agreement constitutes the entire agreement between and among the Parties concerning the subject matter of this Settlement Agreement and supersedes all prior negotiations and agreements concerning the subject matter of this Settlement Agreement, whether written or oral. This Settlement Agreement may not be altered or amended except by an instrument in writing executed by all Parties.

17. Applicable Law. This Settlement Agreement shall in all respects be governed by and construed in accordance with the laws of the State of California, without giving effect to any

choice of law or conflicts of law provision. The Parties consent to the exclusive jurisdiction of, and venue in, the United States Bankruptcy Court for the Northern District of California with respect to resolution of any dispute arising out of this Settlement Agreement.


18. Authority to Sign. Each Party represents and warrants that it is authorized to enter this Settlement Agreement and that the person signing on behalf of that Party is authorized to do so, and that this Settlement Agreement when executed is a binding obligation of, and enforceable against, such Party in accordance with its terms.

[Signature Pages Follow]

EXECUTION VERSION

Dated: November 19, 2025

DEBTOR KS MATTSON PARTNERS, LP

By:  Signed by:
513DDF959AFE458...
Robbin L. Itkin
Responsible Individual

[Signature Pages to Nielsen Settlement Agreement]

EXECUTION VERSION

Dated: November 19, 2025

MARK NIELSEN

Signed by:
By: Mark Nielsen
136ECA721322482...
Mark Nielsen

REBECCA NIELSEN

Signed by:
By: Rebecca Nielsen
D31AFC51424B4DB...
Rebecca Nielsen

[Signature Pages to Nielsen Settlement Agreement]

Exhibit A

Socotra Settlement Agreement

SETTLEMENT AGREEMENT

This Settlement Agreement, dated October 14, 2025 (the “Settlement Agreement”), is entered into by and among (a) the Debtors¹ and the Official Committee of Unsecured Creditors appointed in the chapter 11 cases jointly administered as Case No. 24-10545 (the “Committee” and together with the Debtors, the “Estate Parties”), on the one hand, and (b) Socotra Capital, Inc., on behalf of itself and its affiliates identified on Schedule 2 as lender and/or servicer (collectively, the “Socotra Entities”), on the other hand.²

RECITALS

A. Debtor Windscape Apartments, LLC, filed a voluntary petition for relief under chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) on August 6, 2024 (the “Petition Date”)³ in the United States Bankruptcy Court for the Northern District of California (the “Bankruptcy Court”). LeFever Mattson, a California corporation (“LFM”) and 57 related entities 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. The foregoing entities are collectively referred to as the “LFM Debtors,” and their respective chapter 11 cases are collectively referred to as the “LFM Cases.”

B. On November 22, 2024, LFM and Windtree, LP filed an involuntary chapter 11 petition against KS Mattson Partners, LP (“KSMP”), commencing Case No. 24-10715 (Bankr. N.D. Cal.) (the “KSMP Case,” and together with the LFM Cases, the “Chapter 11 Cases”). On June 9, 2025, the Bankruptcy Court entered an order for relief in the KSMP Case.

C. On November 22, 2024, LFM filed an involuntary chapter 11 petition against Ken Mattson (“Mattson”), commencing Case No. 24-10714 (Bankr. N.D. Cal.) (the “Mattson Case”). On September 5, 2025, the Bankruptcy Court entered the *Order for Relief in an Involuntary Case* and on September 22, 2025, the Bankruptcy Court entered an order converting the Mattson Case to a case under chapter 7 of the Bankruptcy Code.

D. The Socotra Entities – either as “loan originator,” “lender,” or “loan beneficiaries” – made multiple loans to one of more of the Debtors as “borrower,” “trustor,” or “mortgagor,” which loans shall be referred to herein as the “Socotra Loan(s).” Socotra Capital, Inc. (“Socotra Capital”) is the servicer of the Socotra Loans. The Debtors’ loan obligations under each Socotra Loan are secured by a “Deed of Trust, Assignment of Leases and Rents, Fixture Filing and Security Agreement” (or a security instrument with a substantially similar title) encumbering one or more parcels of real property and duly recorded in the official records of each county where such real property securing a Socotra Loan (collectively, the “Socotra Encumbered Properties,” and individually, each a “Socotra Encumbered Property”) is located (collectively, the “Deed(s) of Trust”). The Socotra Loans were made to the Debtors over a period of years. After a period of time, the applicable Debtor obligors began to default on several Socotra Loans. In response, the

¹ The term “Debtors” refers to the debtors and debtors in possession identified on Schedule 1 annexed hereto.

² Each of the Estate Parties and Socotra Entities are a “Party” and collectively referred to herein as the “Parties.”

³ Not all of the Debtors filed simultaneously. However, August 6, 2024 represents the earliest filing date and is deemed the “Petition Date” for purposes of this Settlement Agreement.

Socotra Entities initiated foreclosure proceedings in 2024 against multiple Socotra Encumbered Properties. Thereafter, but before the Socotra Entities foreclosed on the Socotra Encumbered Properties, the Debtors commenced the Chapter 11 Cases as described in the above Recitals.

E. The Socotra Entities timely filed in the Chapter 11 Cases the proofs of claim identified on Schedule 3 (collectively, the “Socotra Proofs of Claim”).

F. On March 5, 2025, the Bankruptcy Court entered that *Final Order Authorizing Use of Cash Collateral, Granting Adequate Protection (Socotra Capital, Inc.)* [Docket No. 968] (the “Socotra Cash Collateral Order”), which governs the LFM Debtors’ use of Socotra’s Cash Collateral (as defined therein) with respect to the Socotra Encumbered Properties held by the LFM Debtors. Among other things, the Socotra Cash Collateral Order provides that the LFM Debtors shall make monthly adequate protection payments to Socotra in the amount of \$159,585.00 or as otherwise agreed by and between the LFM Debtors and the Socotra Entities (the “Adequate Protection Payments”).

G. In connection with the Socotra Cash Collateral Order, the LFM Debtors and the Socotra Entities agreed to reserve for later resolution their dispute(s) regarding the LFM Debtors’ collection of all prepetition rents, proceeds, and profits generated from the Socotra Encumbered Properties (collectively, the “Prepetition Collections”).

H. On May 1, 2025, the Bankruptcy Court entered that *Order Establishing Omnibus Procedures for Real Property Sales (Socotra Collateral)* [Docket No. 1381] (the “Socotra Sale Procedures Order”), pursuant to which the LFM Debtors are to pay from the proceeds of each sale of a Socotra Encumbered Property, net of “Closing Costs” (as defined in the Socotra Sale Procedures Order), (1) to the Socotra Entities 81.88% of the outstanding principal balance of the Socotra Loan as of the relevant Petition Date of the LFM Debtor holding the Socotra Property, (2) to the LFM Debtors, 4% of the sale proceeds, and (3) to that certain debtor in possession escrow account established at Axos Bank (the “Socotra Escrow Account”), the balance of the sale proceeds. If, after satisfaction of the amounts set forth in this Paragraph H(1) and H(2), the balance of the remaining Net Sale Proceeds is less than 125% of the outstanding balance of that Socotra Loan (as of the closing date) that the Socotra Encumbered Property being sold secures, the LFM Debtors agreed to pay to the Socotra Entities 100% of the outstanding principal balance, with the remainder of the sale proceeds, if any, to be held in the Socotra Escrow Account (collectively, the “Socotra Sale Procedures”).

I. On May 23, 2025, the Bankruptcy Court entered its *Order Granting the Stipulation Granting the Official Committee of Unsecured Creditors Standing to Pursue Estate Causes of Action Against Socotra Capital, Inc. and Its Affiliates* [Docket No. 1515].

J. On July 10, 2025, the Bankruptcy Court entered its *Order Granting the First Amended Stipulation Granting the Official Committee of Unsecured Creditors Standing to Pursue Estate Causes of Action Against Socotra Capital, Inc. and Its Affiliates* [Docket No. 1706].

K. The Committee conducted a thorough investigation of the Socotra Loans and the interactions among the Socotra Entities, Mattson, and the Debtors. Among other things, on December 2, 2025, the Bankruptcy Court entered its *Order Authorizing Service of a Subpoena for Examination and Production of Documents By Socotra Capital, Inc. and Adham Sbeih Pursuant*

to Bankruptcy Rules 2004 and 7030(b)(6) [Docket 396]. In response to the Committee's subpoena, Socotra made two significant document productions of Socotra records and communications involving Mattson. The first production was made on January 24, 2025 and the second on May 19, 2025. On June 24, 2025, the Committee took the deposition of Adham Sbeih, in both his individual capacity and as the representative of Socotra. On July 15, 2025, the Committee took the deposition of Socotra employee Kerati Apilakvanichakit.

L. The Estate Parties contend that the Socotra Entities and/or their agents and/or their affiliates, in extending real estate secured loans to the Debtors in the Socotra Entities' ordinary course of business, relied upon instruments that transferred real property interests to the mortgagor where the signatures of the grantors of such real property interests were obtained by or on behalf of the mortgagor through false pretenses or fraud. The Estate Parties contend that even if the Socotra Entities (and/or their agents and/or their affiliates) relied on such instruments in good faith, their reliance on such instruments was in error and the Socotra Entities, and/or their agents and/or their affiliates, in the exercise of ordinary care, neglected to detect the false pretenses or fraud through which such instruments were obtained on behalf of the mortgagor. The Estate Parties further contend that the Debtors, including LFM and KSMP, were operated as "Ponzi Schemes" and that, as a result, payments made to the Socotra Entities are fraudulent conveyances. The Socotra Entities deny these and all other allegations and contentions made by the Estate Parties.

M. On September 24 and 25, 2025, the Parties participated in a live mediation of the disputes among them before the Honorable Lee Bogdanoff (Ret.) (the "Mediation"). At the conclusion of the Mediation, the Parties reached a global resolution of all outstanding issues among the Parties. This Settlement Agreement memorializes the settlement reached at the conclusion of the Mediation.

N. For the avoidance of doubt, by entering into this Settlement Agreement, neither the Estate Parties nor the Socotra Entities admit, concede, or acknowledge any allegations, claims, or liabilities asserted by the other Party, and each expressly denies and disputes any such allegations or liabilities. This Settlement Agreement is entered into solely for the purpose of resolving the disputes between the Parties and shall not be construed as an admission of fault, liability, or wrongdoing by any Party.

AGREEMENT

NOW THEREFORE, in consideration of the agreement to perform the following covenants, promises, and agreements set forth below, including the releases set forth below, as well as other good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Effective Date.** This Settlement Agreement shall be effective and enforceable (the "Effective Date") upon entry of an order of the Bankruptcy Court (the "Settlement Order") approving the Settlement Agreement under Federal Rule of Bankruptcy Procedure 9019.

2. **Maintenance of the Status Quo.** Notwithstanding the proposed treatment of Socotra Encumbered Properties and the claims the Parties have asserted or may hold against each other under this Settlement Agreement, until the Effective Date, the Debtors shall continue to (a) market for sale any Socotra Encumbered Property that they previously have listed for sale; and (b)

manage and operate the Socotra Encumbered Properties as the Debtors have been doing since the Petition Date in the ordinary course of business.

3. **Relief from Stay as to Certain Socotra Encumbered Properties.** Upon the Effective Date, the automatic stay imposed under section 362(a) of the Bankruptcy Code shall be terminated as to the Debtors' and their estates' interests in those Socotra Encumbered Properties identified on Schedule 4 appended to this Settlement Agreement (collectively, the "Stay Relief Properties"). Upon termination of the stay, the applicable Socotra Entities shall be authorized and permitted to exercise all rights and remedies available to them under the laws of the State of California and by the terms and conditions of any applicable loan documents and Deeds of Trust, including, but not limited to, foreclosure proceedings.

a. **Abandonment of Stay Relief Properties.** On the applicable Termination Date (defined below), the Debtors shall be deemed to have abandoned, pursuant to section 554(a) of the Bankruptcy Code, all of their respective interests in the Stay Relief Properties to the applicable Socotra Entities.

b. **Maintenance and Management of Stay Relief Properties.** Until the earliest of (i) the applicable Socotra Entity completing a non-judicial foreclosure sale of the applicable Stay Relief Property, (ii) 145 calendar days after the Effective Date, or (iii) the entry of an order confirming the Debtors' chapter 11 plan (the "Termination Date"), the Debtors shall continue to manage and operate the Stay Relief Properties in the ordinary course of business through and including the Termination Date.

- i. For each applicable Stay Relief Property, from and after the Effective Date and through the applicable Termination Date, the LFM Debtors shall continue to be authorized to use Cash Collateral in accordance with the Socotra Cash Collateral Order; *provided, however*, the LFM Debtors shall not be required to make any further Monthly Adequate Protection Payments (as defined therein) and paragraph 3(c) of the Socotra Cash Collateral Order shall no longer be applicable. In the event that LFM Debtors do not have sufficient funds to pay reasonable, ordinary, and necessary operating expenses from the operations of the respective Stay Relief Property, the Socotra Entities shall fund any shortfall.
- ii. For each applicable Stay Relief Property, from and after the Effective Date and through the applicable Termination Date, KSMP shall operate such Stay Relief Properties it owns or otherwise controls pursuant to mutually agreed upon budgets, which shall provide for the use of Cash Collateral to pay taxes, insurance premiums, landscaping, garbage collection/sanitation, other ordinary course property-related expenses, and to address life-safety issues. KSMP shall not be required to make any adequate protection payments. In the event that KSMP does not have sufficient funds to pay reasonable, ordinary, and necessary operating expenses from the operations of the respective Stay Relief Property, the Socotra Entities shall fund any shortfall.

- iii. In the event the use of Cash Collateral for such Stay Relief Property is terminated because Socotra does not fund shortfalls, such Stay Relief Property shall be (a) deemed abandoned to the applicable Socotra Entity upon seven (7) calendar days' notice, which notice shall be filed with the Bankruptcy Court, and (b) the Debtors' obligation to manage and operate such Stay Relief Property shall terminate upon abandonment.
 - iv. In the event the Parties cannot mutually agree upon budgets, the Parties shall submit their dispute to the Bankruptcy Court for prompt resolution. Subject to approval of the Bankruptcy Court, the Parties shall each submit a letter brief, of no more than two pages, to the Bankruptcy Court regarding the budget dispute. The Parties consent to the Bankruptcy Court holding a hearing on the Closing Statement (if necessary) on 48-hours' notice.
 - v. For each Stay Relief Property, within seven (7) calendar days after the Termination Date, the Debtors shall turn over to the Socotra Entities all remaining Cash Collateral as of the Termination Date.
- c. Effective Date of Stay Relief. Termination of the automatic stay imposed under section 362(a) of the Bankruptcy Code shall be effective as of the Effective Date without any further notice or action required of the Socotra Entities. The Debtors and the Committee further agree to waive any stay of order granting relief from the automatic stay under Bankruptcy Rule 4001(a)(4).
- i. As soon as possible after, but no later than seven (7) calendar days after, the applicable Termination Date, the Debtors shall turn over to the Socotra Entities all of the following that are in the Debtors' possession, custody, or control related to or for the Stay Relief Properties: all lease and/or sublease agreements for any of the Stay Relief Properties, rent rolls, service contracts, security deposits, VRBO/short term rental licenses, websites for the Stay Relief Properties, and any other documents, agreements, or information related to the Stay Relief Properties (collectively, the "Property Documents").
 - ii. Debtors shall retain the listings for the Stay Relief Properties until the applicable Terminations Dates, and shall inform the Socotra Entities of any offers.
 - iii. Prior to the applicable Termination Dates, upon no less than three (3) business days prior notice, at no out of pocket expenses to Debtors, Debtors shall make the Property Documents available to the Socotra Entities for inspection. No more than ten (10) business days prior to the applicable Termination Dates, and upon no less than three (3) business days prior notice, at no out of pocket expense to Debtors, Debtors shall make a representative available to answer questions and assist the Socotra Entities in the transition of the Stay Relief Properties.

4. **Sale of Certain Retained Properties.** The Debtors shall retain all of their respective rights, title, and interests in the Socotra Encumbered Properties identified on Schedules 5 and 6 (each a “Retained Property” and collectively, the “Retained Properties”). The Pinyon Properties (defined below and described on Schedule 6) are a subset of the Retained Properties.

a. **Retained Properties Vest in Plan Recovery Trust Subject to Socotra Liens and the Terms of this Agreement.** The Parties agree that upon the occurrence of the effective date of any Conforming Plan (defined herein), notwithstanding anything to the contrary in the Conforming Plan, (i) the Retained Properties shall not vest in any plan recovery trust free and clear of the valid, enforceable liens of the Socotra Entities as secured by the Socotra Encumbered Properties, and (ii) neither the Deeds of Trust and notes they secure nor the obligations thereunder shall be modified. However, the Debtors’ respective rights, title, and interests in the Retained Properties not sold as of the Effective Date shall transfer or vest in a plan recovery trust subject to Socotra’s liens and in such case, the plan recovery trustee shall succeed to the Debtors’ respective rights, title, and interests in the Retained Properties and the obligations under this Settlement Agreement which shall control with respect to disposition of any Retained Property after the Effective Date, regardless of the party in interest acting on behalf of the Debtors. Notwithstanding anything to the contrary herein or in any Conforming Plan, the Stay Relief Properties shall not vest in any plan recovery trust.

b. **Marketing Strategy.** The Debtors shall use commercially reasonable and good faith efforts to market and sell the Retained Properties to maximize value for the benefit of creditors and interest holders, including the Socotra Entities.⁴

- i. In furtherance of the marketing and sale efforts described above, the Debtors agree to market separately all Retained Properties, and to refrain from marketing any Retained Property as part of, or together with, any of the Debtors’ real property interests that do not collateralize a Socotra Loan (*i.e.*, as part of any “bulk” or “portfolio” sales of the Debtors’ real property interests).
- ii. The Debtors may, however, market Retained Properties together as “portfolio” or “bulk” sales if each such Retained Property is collateral for a Single-Collateral Socotra Loan. Debtors may market the Pinyon Properties together as a “portfolio” or “bulk” sale consistent with Section 6 below.
- iii. The Debtors agree to refrain from marketing, as “portfolio” or “bulk” sales, Retained Properties that secure one or more Multi-Collateral Socotra Loans together with Retained Properties that secure Single-Collateral Socotra Loans.

c. **Maintenance of Retained Properties.** In furtherance of the above-described marketing strategy, and to preserve and maximize the value of the Retained Properties for

⁴ For purposes of this Settlement Agreement, (a) “Single-Collateral Socotra Loan” means a Socotra Loan that is secured by collateral in the form of a single Retained Property and (b) “Multi-Collateral Socotra Loan” means a Socotra Loan that is secured by collateral comprised of one or more Retained Properties.

the benefit of the Estate Parties and the Socotra Entities, the Debtors shall maintain each Retained Property in the ordinary course of business and pursuant to the applicable budget and the Socotra Cash Collateral Order (except that Section 3(c) thereof shall no longer apply), and shall not transfer, encumber, lease, or otherwise dispose of any interest in any Retained Property without the prior written consent of the Socotra Entities, except as expressly permitted under this Settlement Agreement.

5. **Distribution of Sale Proceeds**. Subject to the provisions of Section 6 below governing the sale of Pinyon Properties, upon the closing of a sale of a Retained Property, the Net Sale Proceeds⁵ shall be distributed by the Debtors as provided in this Section 5 (the “Distribution Waterfall”). In connection with each sale, and each distribution to the Socotra Entities contemplated under this Settlement Agreement, the Debtors shall provide to the Socotra Entities in advance of closing a copy of the applicable closing statement (a “Closing Statement”) for each anticipated sale of a Retained Property and an accounting of the Distribution Waterfall. The sale shall not close unless Socotra consents to the Closing Statement.

a. **Outstanding Principal Balance**. The outstanding principal balance of each Socotra Loan related to a Retained Property is identified on Schedule 7.

b. **Closing Statement Dispute Resolution**. In the event the Parties cannot mutually agree upon a Closing Statement, the Parties shall submit their dispute to the Bankruptcy Court for prompt resolution. Subject to approval of the Bankruptcy Court, the Parties shall each submit a letter brief, of no more than two pages, to the Bankruptcy Court regarding the Closing Statement. The Parties consent to the Bankruptcy Court holding a hearing on the Closing Statement (if necessary) on 48-hours’ notice.

c. **Single-Collateral Socotra Loan Closing**. Upon the closing of a sale of a Retained Property securing a Single-Collateral Socotra Loan, each dollar of Net Sale Proceeds of such sale shall be distributed seventy-five cents (\$.75) to the Socotra Entities and twenty-five cents (\$.25) to the Debtors until such time that the outstanding principal balance due and owing to the Socotra Entities on the Socotra Loan secured by such Retained Property has been fully satisfied. If, after satisfaction of the outstanding principal balance of the Socotra Loan secured by the applicable Retained Property, additional Net Sale Proceeds remain, the balance of such Net Sale Proceeds shall be shared equally between the Socotra Entities and the Debtors.

i. **Example 1**: If the applicable Socotra Loan is secured by only one Retained Property, with a principal loan balance of \$1,000,000.00, and the Net Sale Proceeds amount to \$1,200,000.00,⁶ the Debtors shall pay to the Socotra Entities \$900,000 and retain for the estates \$300,000.

⁵ “Net Sale Proceeds” means the gross sale price of each Retained Property *minus* (i) property taxes, (ii) other uncontested liens, if any, senior in priority to that of any Socotra Entity’s lien, (iii) seller broker commissions, (iv) buyer broker commissions, (v) FTI Consulting’s 1.5% Advisory and Transaction Fee, and (vi) other closing costs, all to be set forth in a closing statement approved in writing by the Socotra Entities prior to closing.

⁶ If the total amount of Net Sale Proceeds is equal to, or less than, the total amount of Net Sale Proceeds required for 75% of such amount to satisfy 100% of the outstanding principal balance (*X* in the below example calculation),

- ii. **Example 2:** If the applicable Socotra Loan is secured by only one Retained Property, with a principal loan balance of \$1,000,000.00, and the Net Sale Proceeds amount to \$1,600,000.00,⁷ the Debtors shall pay to the Socotra Entities \$1,133,333 and retain for the estates \$466,667.

d. Multi-Collateral Socotra Loan Closing. Upon the closing of a sale of a Retained Property securing a Multi-Collateral Socotra Loan, each dollar of Net Sale Proceeds of such sale shall be distributed seventy-five cents (\$.75) to the Socotra Entities and twenty-five cents (\$.25) to the Debtors until such time that the outstanding principal balance due and owing to the Socotra Entities on the Socotra Loan secured by such Retained Property has been fully satisfied through distributions, at the time of the sale(s), of the applicable Retained Property(ies) securing the Multi-Collateral Socotra Loan. The outstanding principal balance due and owing under each Multi-Collateral Socotra Loan shall be, initially, the outstanding principal balance due under the applicable Multi-Collateral Socotra Loan prior to the sale of the first Retained Property securing such Multi-Collateral Loan, and thereafter, the remaining outstanding principal balance due thereunder after applying, as a credit, the total Net Sales Proceeds distributed to the Socotra Entities from each sale of a Retained Property securing the applicable Multi-Collateral Socotra Loan. If, after distribution of the Net Sales Proceeds for the Retained Properties securing a Multi-Collateral Socotra Loan at the above-described ratio of seventy-five cents (\$.75) to the Socotra Entities and twenty-five cents (\$.25) to the Debtors until such time that the outstanding principal balance due and owing to the Socotra Entities on the Socotra Loan secured by such Retained Property has been fully satisfied and additional Net Sale Proceeds

75% of the Net Sale Proceeds shall be paid to the Socotra Entities and 25% of the Net Sale Proceeds shall be paid to the Debtors.

$$X * 0.75 = \$1,000,000$$

$$X = \frac{\$1,000,000}{0.75}$$

$$X = \$1,333,333.33$$

$$\text{Net Sale Proceeds } (\$1,200,000) < X$$

$$\text{Socotra Entities} = 0.75 * \$1,200,000 = \$900,000$$

$$\text{Debtors} = .25 * \$1,200,000 = \$300,000$$

⁷ If the total amount of Net Sale Proceeds is greater than the total amount of Net Sale Proceeds required for 75% of such amount to satisfy the outstanding principal balance (X in the below example calculation), the first \$X of Net Sale Proceeds shall be shared at a ratio of 75:25, and the remaining Net Sale Proceeds shall be shared equally.

$$X * 0.75 = \$1,000,000$$

$$X = \frac{\$1,000,000}{0.75}$$

$$X = \$1,333,333.33$$

$$\text{Net Sale Proceeds } (\$1,600,000) > X(\$1,333,333.33)$$

$$\text{Socotra Entities} = \text{Outstanding Principal Balance} + ((\text{Net Sale Proceeds} - X) * 0.5) = \$1,133,333.33$$

$$\text{Debtors} = (X * 0.25) + ((\text{Net Sale Proceeds} - X) * 0.5) = \$466,666.67$$

remain, the balance of such Net Sale Proceeds shall be shared equally between the Socotra Entities and the Debtors.

- i. **Example 3:** If the applicable Socotra Loan is secured by three (3) Retained Properties (“Retained Property 1,” “Retained Property 2,” and “Retained Property 3”) with an aggregate principal loan balance of \$2,500,000.00, and the Net Sale Proceeds from the sale of Retained Property 1 amounts to \$900,000.00, the Socotra Entities shall receive \$675,000.00 and the Debtors shall receive \$225,000 from the sale of Retained Property 1, leaving an outstanding aggregate principal loan balance of \$1,825,000.00. Thereafter, if the Net Sale Proceeds from the sale of Retained Property 2 amounts to \$1,000,000.00, the Socotra Entities shall receive \$750,000.00 and the Debtors shall receive \$250,000.00, leaving an outstanding aggregate principal loan balance of \$1,075,000.00. Thereafter, if the Net Sale Proceeds from the sale of Retained Property 3 amounts to \$875,000.00, the Socotra Entities Shall receive \$656,250.00 and the Debtors shall receive \$218,750.00, leaving an outstanding principal balance of \$418,750.00. In this example, the Socotra Entities shall have recovered \$2,081,250.00 of the aggregate outstanding principal balance of \$2,500,000, while the Debtors will have been paid \$693,750.00.
- ii. **Example 4:** If the applicable Socotra Loan is secured by three (3) Retained Properties (“Retained Property 1,” “Retained Property 2,” and “Retained Property 3”) with an aggregate principal loan balance \$2,500,000.00, and the Net Sale Proceeds from the sale of Retained Property 1 amounts to \$1,250,000.00, the Socotra Entities shall receive \$937,500.00 and the Debtors shall receive \$312,500 from the sale of Retained Property 1, leaving an outstanding aggregate principal loan balance of \$1,562,500.00. Thereafter, if the Net Sale Proceeds from the sale of Retained Property 2 amounts to \$1,150,000.00, the Socotra Entities shall receive \$862,500.00 and the Debtors shall receive \$287,500.00, leaving an outstanding aggregate principal loan balance of \$700,000.00. Thereafter, if the Net Sale Proceeds from the sale of Retained Property 3 amounts to \$1,000,000.00, the Socotra Entities shall receive \$733,333.33 and the Debtors shall receive \$266,666.67. In this example, the Socotra Entities shall have recovered \$2,533,333.33, while the Debtors will have been paid \$866,666.67.

e. Disposition of Multiple Retained Properties in a Single Transaction. Upon the closing of a sale transaction in which multiple Retained Properties securing multiple Single-Collateral Socotra Loans are disposed of in such transaction, the outstanding principal loan balance related to each Retained Property the Debtors are selling shall be added together to determine the applicable outstanding principal loan balance to calculate the Distribution Waterfall.

- i. **Example 5:** Retained Property (“Retained Property 1”) is the collateral for a Single-Collateral Socotra Loan (“Socotra Loan 1”) with an

outstanding principal balance of \$1,000,000.00 and is sold together with another Retained Property (“Retained Property 2”), which is the collateral for another Single-Collateral Socotra Loan (“Socotra Loan 2”) with an outstanding principal balance of \$750,000.00. The applicable combined outstanding principal balance in this scenario is \$1,750,000.00. If the Net Sale Proceeds of such packaged sale amounts to \$2,250,000.00, the Socotra Entities will be unable to recover the full outstanding principal loan balances due under Socotra Loan 1 and Socotra Loan 2 as the total amount of Net Sale Proceeds required for 75% of such amount to satisfy the outstanding principal balance is \$2,333,333.33. In this example, the Socotra Entities shall recover \$1,687,500.00 and the Debtors will have been paid \$562,500.

f. Disposition of Castle Road Property. The Parties acknowledge that the Stay Relief Property located at 8340/8350 Auburn Boulevard, Citrus Heights, California (the “Comstock Property”) is encumbered by Socotra Loan No. 23-74 (the “Castle Road Loan”), which loan is cross-collateralized with the Retained Property located at 3003 Castle Road, Sonoma, California (the “Castle Road Property”). Notwithstanding anything to the contrary contained herein, the Parties agree that the principal balance of the Castle Road Loan, for purposes of the Distribution Waterfall with respect to the Castle Road Property, shall be reduced by \$1,012,500.00.

6. Sale of Pinyon Properties. The real properties identified on Schedule 6 of this Settlement Agreement are Socotra Encumbered Properties located within a certain common interest development in the County of Placer, Town of Truckee, known as “Pinyon Creek II” (collectively, the “Pinyon Properties”). Notwithstanding anything to the contrary in this Settlement Agreement, the Debtors shall retain all of their rights, title, and interests in the Pinyon Properties. The Debtors shall use commercially reasonable and good faith efforts to sell the Pinyon Properties to third party purchasers to maximize value. Upon the closing of a sale of all the Pinyon Properties as a “packaged” or “bulk” sale, the Debtors shall pay to Socotra 100% of the outstanding principal balance due and owing under the applicable Socotra Loans and retain all excess proceeds. If the Pinyon Properties are sold individually, the Distribution Waterfall described in Section 5 of this Settlement Agreement shall apply. Notwithstanding the foregoing, if the Net Sale Proceeds resulting from any sale of the Pinyon Properties, either as a packaged/bulk or individual sale(s) are insufficient to pay 100% of the principal balance of the applicable Socotra Loan(s), Socotra, in its sole and absolute discretion, shall have the option of (i) consenting to the sale, with all Net Sale Proceeds being distributed to the applicable Socotra Entity in full and final satisfaction of the Debtors’ obligations under the applicable Socotra Loan, or (ii) not consenting to the sale and obtaining relief from the automatic stay with respect to the applicable Pinyon Properties.

7. Sale Deadline. The Debtors shall have eighteen (18) months from the Effective Date (the “Outside Sale Deadline”) to sell the Retained Properties (including the Pinyon Properties). Upon the occurrence of the Outside Sale Deadline, the Socotra Entities shall be authorized and permitted, without further order of the Bankruptcy Court, to exercise all of their respective rights and remedies under the laws of the State of California and by the terms and conditions of any applicable documents and Deeds of Trust related to the applicable Socotra Loans for the remaining/unsold Retained Properties, including, but not limited to, foreclosure. For the

avoidance of doubt, if there is any stay or injunction in effect as of the Outside Sale Deadline, such stay or injunction shall not apply to the remaining/unsold Retained Properties.

8. **Turnover of Prepetition Collections.** Within fourteen (14) calendar days of the Effective Date, the Debtors shall turn over and pay to Socotra all Prepetition Collections on Stay Relief Properties. Prepetition Collections on Retained Properties shall be distributed as part of the Distribution Waterfall.

9. **Allowability of Socotra Proofs of Claim; Acknowledgment of Validity and Perfection of Deeds of Trust; Deemed Satisfaction of Socotra Proofs of Claim.** Socotra's claims as reflected in the Socotra Proofs of Claim are allowed, subject to the terms of this Settlement Agreement. The Deeds of Trust are valid, enforceable and properly perfected, subject to the terms of this Settlement Agreement. The applicable Socotra Proof of Claim shall be deemed satisfied in full upon, as applicable, (a) the Termination Date or foreclosure of the applicable Stay Relief Property, (b) the sale of a Retained Property, or (c) the foreclosure of a Retained Property after the Outside Sale Deadline; provided that for each Multi-Collateral Socotra Loan, the corresponding Socotra Proof of Claim shall not be deemed satisfied until all the Socotra Encumbered Properties securing such Multi-Collateral Socotra Loan have been abandoned or otherwise disposed of under (a), (b), or (c) in this Section 9.

10. **Covenant to Vote for and Not Object to the Plan.** Upon the Effective Date, the Socotra Entities shall neither object to, nor, directly or indirectly, seek, solicit, support, encourage, propose, or assist any other person or entity to object, to any chapter 11 plan proposed by the Estate Parties in the Chapter 11 Cases; *provided, however*, that such plan is consistent with, and incorporates, the terms and conditions of this Settlement Agreement, including without limitation with respect to the treatment of Socotra's secured claims, including the Socotra Proofs of Claim (an "Conforming Plan"). The Socotra Entities further agree to vote to accept a Conforming Plan. By voting to accept a Conforming Plan, the Socotra Entities shall not be deemed to have admitted, agreed with, or consented, and do not admit, agree with, or consent, to any factual findings or legal conclusions in connection with confirmation of the Conforming Plan.

11. **Distribution Waterfall Supersedes Sale Procedures.** Notwithstanding anything to the contrary contained in the Socotra Sale Procedures Order or any other similar order entered with respect to KSMP, the distribution of Net Sale Proceeds related to the sale of any Socotra Encumbered Property shall be governed by, and subject to, the terms of this Settlement Agreement and this Settlement Agreement and the order approving this Settlement Agreement shall control in the event of any inconsistency between this Settlement Agreement and the Socotra Sale Procedures Order.

12. **Reconciliation of Amounts Paid or Escrowed.**

a. **Reconciliation of Previous Sale Proceeds.** The Parties acknowledge and agree that the terms and conditions of this Settlement Agreement are intended to apply, as applicable, to all Retained Properties sold after the Petition Date and that any proceeds from sales of Retained Properties after the Petition Date previously paid to Socotra shall be subject to a "true-up" to the Distribution Waterfall. As a result, the Parties shall meet and confer in good faith to reconcile all Net Sales Proceeds paid to Socotra Entities or otherwise escrowed between the Petition Date and the Effective Date with respect to any

Retained Property sold after the Petition Date and if there is a dispute with respect to the calculation of the “true-up” such dispute shall be submitted to the Bankruptcy Court in accordance with the procedures in section 5.a above.

b. Adequate Protection Payments. To the extent of Adequate Protection Payments on Socotra Encumbered Properties previously made to Socotra, there shall be no reconciliation or “true-up” of Adequate Protection Payments through July 31, 2025. No Adequate Protection Payments shall be made for the period after September, 2025. Upon the Effective Date, (i) the Adequate Protection Payment for August 2025 shall be released from the segregated deposit account held by Socotra Capital under the Socotra Cash Collateral Order (the “Segregated Account”) to the applicable Socotra Entity(ies), and (ii) the Adequate Protection Payment for September 2025 shall be released from the Segregated Account to the applicable Estate Party(ies) as specified by the Estate Parties.

c. Cash Collateral. Upon the applicable Termination Date with respect to a Stay Relief Property, all Cash Collateral held by the Debtors (or escrowed) on account of the applicable Socotra Loan shall be released or otherwise turned over to the applicable Socotra Entity. Upon the sale of a Retained Property or the occurrence of a Termination Date with respect to a Retained Property, all Cash Collateral held by the Debtors (or escrowed) on account of the applicable Socotra Loan shall be distributed through the Distribution Waterfall.

13. Waiver of Unpaid Mortgage Claims. All mortgage payments, due and owing to any Socotra Entity shall be waived and all go-forward mortgage payments with respect to the Socotra Loans shall be waived and shall not be due or owing.

14. Waiver of Deficiency Claims. Notwithstanding anything to the contrary contained herein, the Socotra Entities waive all deficiency claims against the Debtors arising from or in connection with any Socotra Loan, Retained Property, or Stay Relief Property.

15. Claims Against Ken Mattson. In the event any Socotra Entity receives any payments, distributions, or proceeds (the “Mattson Proceeds”) from Ken Mattson or from or in connection with the Mattson Case, whether by settlement, judgment, enforcement, or otherwise, such Socotra Entity shall promptly, and in any event within seven (7) calendar days of receipt, turnover and remit 50% of all such Mattson Proceeds to the Estate Parties.

16. Socotra Representations. The Socotra Entities represent and warrant that either by assignment, principles of agency, or otherwise, they have full legal authority to bargain for the Socotra Co-Lenders identified in Schedule 2A hereto and bind them herein with their signature below. In the event such representation is breached or a breach is threatened by a person or entity challenging such legal authority, the Socotra Entities agree, jointly and severally, to indemnify and hold the Estate Parties harmless from all claims, demand, losses or costs occasioned thereby, including reasonable attorneys’ fees. The Socotra Entities further represent and warrant that, to the best of their knowledge, all real property owned by the Debtors and encumbered by a Socotra Entity loan is set forth on Schedule 4, Schedule 5, and Schedule 6.

17. Bankruptcy Court Approval. Within three (3) calendar days of the Parties’ execution of this Settlement Agreement, the Estate Parties shall file a motion with the Bankruptcy

Court pursuant to Federal Rule of Bankruptcy Procedure 9019 seeking entry of the Settlement Order approving this Settlement Agreement, which Settlement Order shall be binding on all successors and assignees of the Parties, including the Plan Recovery Trustee (as defined in any Conforming Plan). If the Bankruptcy Court does not approve of the entry into this Settlement Agreement, this Settlement Agreement shall be null and void.

18. **Mutual Releases.**⁸

a. Upon the Effective Date, the Debtors, their estates, and the Committee hereby release and discharge to the fullest extent permitted by applicable law, the Socotra Entities, the Socotra Co-Lenders, all current or former lenders/beneficiaries under the Deeds of Trust or the loans secured thereby (in their capacity as current or former beneficiaries under the Deeds of Trust or the loans secured thereby), all lenders/beneficiaries under any loan/deed of trust originated by a Socotra Entity that was fully paid/reconveyed prior to the Petition Date (in their capacity as lenders/beneficiaries under any loan/deed of trust originated by a Socotra Entity that was fully paid/reconveyed prior to the Petition Date), and each of their current or former successors, assigns, predecessors, employees, attorneys, financial advisors, agents, members, officers, directors, and managers (in each case in their capacity as current or former successors, assigns, predecessors, employees, attorneys, financial advisors, agents, members, officers, directors, or managers), and all persons acting by, through, under or in concert with any of them or that might be claimed to be jointly or severally liable with them (hereinafter collectively referred to as the “Socotra Released Parties”) from any and all claims, demands, proceedings, causes of action, rights to surcharge under the Bankruptcy Code, orders, judgments, obligations, contracts, agreements, costs, expenses (including attorneys’ fees), debts and liabilities whatsoever, whether known or unknown, suspected or unsuspected, both at law and in equity, which any of the Debtors, their estates, or the Committee now have, have ever had or may hereafter have against the Socotra Released Parties arising contemporaneously with or prior to the Effective Date. This release shall not include claims to enforce the terms of this Settlement Agreement.

b. Upon the Effective Date, the Socotra Entities, on behalf of themselves and any other person or entity claiming by or through them (collectively, the “Socotra Releasing Parties”), hereby release and discharge to the fullest extent permitted by applicable law, the Debtors, their estates, and the Committee, and each of their current attorneys, financial advisors, officers, directors, members, and managers (in each case in their capacity as current attorneys, financial advisors, officers, directors, members, or managers), and all persons acting by, through, under or in concert with any of them or that might be claimed to be jointly or severally liable with them including the Bankruptcy Court appointed Responsible Individual for KSMP by order dated June 24, 2025 Docket Number 172 (hereinafter collectively referred to as the “Debtor Released Parties”) from any and all claims which any of the Socotra Releasing Parties now has, has ever had, or may hereafter have against the Debtor Released Parties arising contemporaneously with or

⁸ Notwithstanding anything to the contrary contained herein, (i) the members of the Committee are not giving or receiving any releases hereunder in their individual capacity, and (ii) the releases hereunder do not apply to KSMP’s or the Socotra Entities’ asserted interests in the properties located at 5200, 5202, 5210, 5218, and 5234 Gateway Plaza, Benecia, California (the “Gateway Properties”), and KSMP, the Socotra Entities, and the Committee reserve their claims and defenses with respect to their asserted interests in the Gateway Properties.

prior to the Effective Date. This release shall not include claims to enforce the terms of this Settlement Agreement.

c. Each Party acknowledges that it has carefully read and fully understands the provisions of this section. Each Party further acknowledges that it agrees to this general release knowingly and voluntarily and without duress, coercion, or undue influence. Each Party agrees that should it file a lawsuit in court or commence any similar legal proceeding that is found to be barred in whole or part by this general release, or take any position or assert any claim that is inconsistent with this general release, it will pay the legal fees incurred by or on behalf of the applicable released Party in defending those claims found to be barred or responding to any such inconsistent position or claim.

d. In connection with the releases contained in this section, each Party waives all rights it has or may have under any applicable state law, statute or ordinance, as well as under any other common law principles of similar effect, which prohibits the waiver of unknown claims, including California Civil Code Section 1542, which provides as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

e. Each Party acknowledges that it has had the opportunity to be advised by its legal counsel with respect to, and is familiar with, the provisions of California Civil Code Section 1542.

19. **Attorneys' Fees.** The Parties shall bear their own respective attorneys' fees and costs incurred with respect to this Settlement Agreement and any prior legal matters between them. In the event, however, that legal action is filed to enforce the provisions of this Settlement Agreement, the prevailing party shall be entitled to an award of attorneys' fees and expenses reasonably incurred in the action. For this purpose, attorneys' "fees and expenses" includes, without limitation, the fees and expenses of attorneys, paralegal, or legal assistants and experts and consultants for the prevailing party and all other fees and expenses that counsel for the prevailing party incurs in the course of representation of the prevailing party in anticipation of and/or during the course of the action, whether or not otherwise recoverable as "attorneys' fees" or as "costs" under applicable law.

20. **Non-Disparagement.** Each Party hereto agrees and covenants that each Party shall not at any time make, publish, or communicate to any person or entity or in any public forum any defamatory, or maliciously false, or disparaging remarks, comments, or statements concerning any of the other Parties or its respective businesses, or any of its respective officers, or directors, and its existing and prospective customers, suppliers, investors, and other associated third parties, now or in the future. This paragraph does not, in any way, restrict or impede the Parties from exercising protected rights, to the extent that these rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by

the law, regulation, or order. The disclosing Party agrees to use best efforts to promptly provide written notice of any such order to the other Parties hereto.

21. **Remedies and Enforcement.** In the event of a breach or threatened breach by any Party hereto of any of the provisions of this Settlement Agreement, the other Parties hereto shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from the Bankruptcy Court prior to the entry of a final decree in the Chapter 11 Cases, or thereafter, any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. Any equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages, or other available relief. Any claims made against the Estate Parties by the Socotra Entities shall be entitled to administrative priority under section 503(b)(9) of the Bankruptcy Code.

The Parties mutually agree that this Settlement Agreement may be specifically enforced in any court of competent jurisdiction and may be cited as evidence in legal proceedings alleging breach of this Settlement Agreement.

22. **Notices.** Any notice or communication required or permitted to be given hereunder will be in writing (via email) and addressed to counsel of record of the Party, or to such other address as the Party may designate in writing.

23. **Further Assurances.** Each of the Parties to this Settlement Agreement, without further consideration except to the extent party receiving the request incurs out of pocket expenses (in which case the requesting party shall cover such expenses), shall execute and deliver such other documents and take such other action as may be reasonably requested by the other party hereto to effect the terms of this Settlement Agreement.

24. **No Assignment.** The Parties hereby represent and warrant that they have full authority to enter into this Settlement Agreement, and that they have not assigned or transferred to any other person any debt, claim, right, demand, obligation, cost, expense, or cause of action, in law or in equity, that any of them may have against the other that is the subject of this Settlement Agreement.

25. **Successors.** This Settlement Agreement shall be binding upon and inure to the benefit of the successors and assigns of each party hereto, but no rights or obligations hereunder shall be assignable by any party hereto without the prior written consent of the other Parties hereto; *provided, however*, that the Estate Parties may assign this Agreement to any trustee appointed in the Chapter 11 Cases or pursuant to a chapter 11 plan without the prior written consent of the Socotra Entities.

26. **Binding Agreement.** This Settlement Agreement shall be binding upon the Parties and their respective heirs, successors, and assigns, including without limitation any trustee appointed in the Chapter 11 Cases or any converted case.

27. **Entire Agreement and Incorporation Into Any Conforming Plan.** This Settlement Agreement constitutes the entire agreement between and among the Parties concerning the subject matter of this Settlement Agreement and supersedes all prior negotiations and

agreements concerning the subject matter of this Settlement Agreement, whether written or oral. This Settlement Agreement may not be altered or amended except by an instrument in writing executed by all Parties. This Settlement Agreement and the terms herein shall be incorporated into any Conforming Plan.

28. **Applicable Law; Jurisdiction and Venue.** This Settlement Agreement shall in all respects be governed by and construed in accordance with the laws of the State of California, without giving effect to any choice of law or conflicts of law provision. The Parties consent to the exclusive jurisdiction of, and venue in, the United States Bankruptcy Court for the Northern District of California with respect to resolution of any dispute arising out of this Settlement Agreement.

29. **Conflict.** If the terms of any Conforming Plan and this Settlement Agreement conflict, the terms of this Settlement Agreement shall control in all respects.

30. **Authority to Sign.** Each Party expressly and severally represents and warrants that it is authorized to enter this Settlement Agreement and that the person signing on behalf of that Party is authorized to do so, and that this Settlement Term Sheet when executed is a binding obligation of, and enforceable against, such Party in accordance with its terms.

[Signature Page(s) to Follow]


Dated: October 14, 2025

DEBTOR LEFEVER MATTSON, A CALIFORNIA CORPORATION, AND THE OTHER DEBTORS LISTED ON SCHEDULE 1 (EXCEPT LIVE OAK INVESTMENTS, LP AND KS MATTSON PARTNERS, LP)

By: 


Bradley D. Sharp
Chief Restructuring Officer

DEBTOR KS MATTSON PARTNERS, LP

By: 

Robbin Itkin (Oct 15, 2025 15:23:52 GMT+1)
Robbin L. Itkin
Responsible Individual

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS

By: 

Kevin Katari (Oct 14, 2025 19:45:20 PDT)
Kevin Katari
Chairperson

SOCOTRA CAPITAL, INC.

By: _____
Adham Sbeih
Its Chief Executive Officer

SOCOTRA MANAGEMENT, INC.

By: _____
Adham Sbeih
Its Chief Executive Officer

SIGNATURE PAGE TO SETTLEMENT AGREEMENT

Dated: October 14, 2025

**DEBTOR LEFEVER MATTSON, A CALIFORNIA
CORPORATION, AND THE OTHER DEBTORS LISTED ON
SCHEDULE 1 (EXCEPT LIVE OAK INVESTMENTS, LP AND
KS MATTSON PARTNERS, LP)**

By: _____
Bradley D. Sharp
Chief Restructuring Officer


DEBTOR KS MATTSON PARTNERS, LP

By: _____
Robbin L. Itkin
Responsible Individual

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS

By: _____
Kevin Katari
Chairperson

SOCOTRA CAPITAL, INC.

Signed by: 
By: _____
63EF870C65804AE...
Adham Sbeih
Its Chief Executive Officer

SOCOTRA MANAGEMENT, INC.

Signed by: 
By: _____
63EF870C65804AE...
Adham Sbeih
Its Chief Executive Officer

SIGNATURE PAGE TO SETTLEMENT AGREEMENT

THE SOCOTRA FUND, LLC

By: Socotra Management, Inc.
Its Manager

By:  Signed by:
63EF870C65804AF...
Adham Sbeih
Its Chief Executive Officer

SOCOTRA REIT I LLC

By: Socotra Management, Inc.
Its Manager

By:  Signed by:
63EF870C65804AF...
Adham Sbeih
Its Chief Executive Officer

THE SOCOTRA OPPORTUNITY FUND, LLC

By: Socotra Management, Inc.
Its Manager

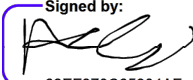
By:  Signed by:
63EF870C65804AF...
Adham Sbeih
Its Chief Executive Officer

SOCOTRA OPPORTUNITY REIT I LLC

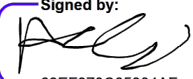
By: Socotra Management, Inc.
Its Manager

By:  Signed by:
63EF870C65804AF...
Adham Sbeih
Its Chief Executive Officer


SOCOTRA HOLDINGS, LLC

Signed by: 
By: _____
63EF870C65804AF...
Adham Sbeih
Its Manager

SOCOTRA CAPITAL, INC., 401(k) PLAN

Signed by: 
By: _____
63EF870C65804AF...
Adham Sbeih
Its Trustee

HERZER FINANCIAL SERVICES, INC.

Signed by: 
By: _____
63EF870C65804AF...
Adham Sbeih
Its Chief Executive Officer

HERZER FINANCIAL MORTGAGE FUND, LLC

By: Socotra Management, Inc.
Its Manager

Signed by: 
By: _____
63EF870C65804AF...
Adham Sbeih
Its Chief Executive Officer

HERZER FINANCIAL MORTGAGE REIT, LLC

By: Socotra Management, Inc.
Its Manager

Signed by: 
By: _____
63EF870C65804AF...
Adham Sbeih
Its Chief Executive Officer

HFS FUND IV, LLC

By: Socotra Management, Inc.
Its Manager

By:  Signed by:
63EE870C65804AE
Adham Sbeih
Its Chief Executive Officer

ACKNOWLEDGED AND AGREED TO BY COUNSEL

Dated: October 14, 2025 **PACHULSKI STANG ZIEHL & JONES LLP**

By: *Debra Grassgreen*
Debra Grassgreen (Oct 14, 2025 23:52:09 EDT)

Debra Grassgreen
John D. Fiero
Jason H. Rosell

Attorneys for the Official Committee of Unsecured Creditors

KELLER BENVENUTTI KIM LLP

By: *Gabrielle Albert*
Gabrielle Albert (Oct 14, 2025 20:35:37 MDT)

Tobias S. Keller
David A. Taylor
Dara L. Silveira

Attorneys for the LFM Debtors

HOGAN LOVELLS US LLP

By: *R Wynne*
Richard Wynne (Oct 15, 2025 07:21:21 PDT)

Richard L. Wynne
Erin N. Brady
Edward J. McNeilly

Attorneys for Debtor KS Mattson Partners, LP

SHEPPARD MULLIN RICHTER & HAMPTON LLP

By: _____
Theodore A. Cohen
Charles Kreindler
Jeannie Kim

Attorneys for Socotra Capital, Inc.

ACKNOWLEDGED AND AGREED TO BY COUNSEL

Dated: October 14, 2025 **PACHULSKI STANG ZIEHL & JONES LLP**

By: _____
Debra Grassgreen
John D. Fiero
Jason H. Rosell

Attorneys for the Official Committee of Unsecured Creditors

KELLER BENVENUTTI KIM LLP

By: _____
Tobias S. Keller
David A. Taylor
Dara L. Silveira


Attorneys for the LFM Debtors

HOGAN LOVELLS US LLP

By: _____
Richard L. Wynne
Erin N. Brady
Edward J. McNeilly

Attorneys for Debtor KS Mattson Partners, LP

SHEPPARD MULLIN RICHTER & HAMPTON LLP

By:  _____
Theodore A. Cohen
Charles Kreindler
Jeannie Kim

Attorneys for Socotra Capital, Inc.

Schedule 1
List of Debtors

Debtor Name	Petition Date	Tax ID	Case No.
Apan Partners LLC	9/12/2024	N/A	24-10487
Autumn Wood I, LP	9/12/2024	20-0164208	24-10488
Bay Tree, LP	9/12/2024	82-1071378	24-10489
Beach Pine, LP	9/12/2024	83-2643272	24-10490
Bishop Pine, LP	9/12/2024	83-2643038	24-10491
Black Walnut, LP	9/12/2024	47-2451858	24-10492
Buck Avenue Apartments, LP	9/12/2024	54-2090323	24-10493
Buckeye Tree, LP	9/12/2024	88-2980108	24-10494
Bur Oak, LP	9/12/2024	87-4699497	24-10495
Butcher Road Partners, LLC	9/12/2024	45-5159521	24-10496
California Investment Properties	9/12/2024	30-0289474	24-10543
Cambria Pine, LP	9/12/2024	83-2644771	24-10497
Chestnut Oak, LP	9/12/2024	87-4702239	24-10498
Country Oaks I, LP	9/12/2024	26-0860694	24-10499
Divi Divi Tree, L.P.	9/12/2024	71-0926806	24-10500
Douglas Fir Investments, LP	9/12/2024	47-4674444	24-10501
Firetree I, LP	9/12/2024	82-3519393	24-10502
Firetree II, LP	9/12/2024	82-3519554	24-10503
Firetree III, LP	9/12/2024	82-3919655	24-10504
Foxtail Pine, LP	9/12/2024	83-2643197	24-10505
Ginko Tree, LP	9/12/2024	88-2960976	24-10506
Golden Tree, LP	9/12/2024	82-1060045	24-10507
Hagar Properties, LP	9/12/2024	04-3598044	24-10508
Heacock Park Apartments, LP	9/12/2024	46-3737509	24-10509
Home Tax Service of America, Inc.	9/12/2024	68-0262554	24-10544
KS Mattson Partners, LP	11/22/2024	94-3335060	24-10715
LeFever Mattson I, LLC	9/12/2024	47-4960075	24-10510
LeFever Mattson, a California corporation	9/12/2024	68-0197537	24-10545
Live Oak Investments, LP	9/12/2024	47-3786181	24-10511
Monterey Pine, LP	9/12/2024	83-2644824	24-10512
Napa Elm, LP	9/12/2024	54-2090332	24-10513
Nut Pine, LP	9/12/2024	83-2661795	24-10514
Pinecone, LP	9/12/2024	84-2395880	24-10515
Pinewood Condominiums, LP	10/2/2024	54-2090329	24-10598

Debtor Name	Petition Date	Tax ID	Case No.
Ponderosa Pines, LP	10/2/2024	N/A	24-10599
Red Cedar Tree, LP	9/12/2024	88-3572519	24-10517
Red Mulberry Tree, LP	9/12/2024	88-3572594	24-10518
Red Oak Tree, LP	9/12/2024	92-1008382	24-10520
Red Oak, LP	9/12/2024	61-2022650	24-10519
Red Spruce Tree, LP	9/12/2024	92-0780568	24-10521
Redbud Tree, LP	9/12/2024	88-2961999	24-10516
River Birch, LP	9/12/2024	86-3020630	24-10522
River Tree Partners, LP	9/12/2024	81-3671554	24-10523
River View Shopping Center 1, LLC	9/12/2024	47-4186147	24-10524
River View Shopping Center 2, LLC	9/12/2024	47-4186476	24-10525
RT Capitol Mall, LP	9/12/2024	81-3775896	24-10526
RT Golden Hills, LP	9/12/2024	81-3708073	24-10527
Scotch Pine, LP	9/12/2024	86-3043628	24-10528
Sequoia Investment Properties, LP	9/12/2024	32-0136044	24-10529
Sienna Pointe, LLC	9/12/2024	47-4712579	24-10530
Spruce Pine, LP	9/12/2024	84-2396399	24-10532
Tradewinds Apartments, LP	9/12/2024	54-2090326	24-10533
Vaca Villa Apartments, LP	9/12/2024	54-2090327	24-10534
Valley Oak Investments, LP	9/12/2024	47-3383417	24-10535
Watertree I, LP	9/12/2024	82-3519819	24-10536
Willow Oak, LP	9/12/2024	87-4700495	24-10537
Windscape Apartments I, LP	9/12/2024	26-0860477	24-10538
Windscape Apartments II, LP	9/12/2024	26-0860509	24-10539
Windscape Apartments, LLC	8/6/2024	83-1597353	24-10417
Windscape Holdings, LLC	9/12/2024	83-1608759	24-10540
Windtree, LP	9/12/2024	82-4974654	24-10541
Yellow Poplar, LP	9/12/2024	86-3043392	24-10542

Schedule 1

Schedule 2

Socotra Entities

No.	Entity Name
1	Socotra Capital, Inc.
2	Socotra Management, Inc.
3	The Socotra Fund, LLC
4	Socotra REIT I LLC
5	The Socotra Opportunity Fund, LLC
6	Socotra Opportunity REIT I LLC
7	Socotra Holdings, LLC
8	Socotra Capital, Inc., 401(k) Plan
9	Herzer Financial Services, Inc.
10	Herzer Financial Mortgage Fund, LLC
11	Herzer Financial Mortgage REIT LLC
12	HFS Fund IV, LLC

Schedule 2

Schedule 2A

Socotra Co-Lenders

No.	Name
1	Fulton Square LLC
2	19340 7th Street East LLC
3	First Street East LLC
4	Arnold Napa LLC
5	1st Gateway LLC
6	19450 Old Winery, LLC
7	18701 Gehricke, LLC
8	424 West 2nd Street LLC
9	Badger 2133 LLC
10	Badger 2134 LLC
11	Badger 2135 LLC
12	Badger 2136 LLC
13	Badger 2232 LLC
14	151 East Napa, LLC
15	171 West Spain LLC
16	Arnold & Meadowlark, LLC
17	24160 Turkey, LLC
18	377 West Spain, LLC
19	414 West Napa LLC
20	201 Meadowlark, LLC
21	230 East Napa LLC
22	24120 Arnold, LLC
23	Maffei Road LLC
24	1045 Bart Road LLC
25	WE Alliance Secured Income Fund, LLC
26	Community Loans & Investments, LLC
27	Robert Bass, LLC

Schedule 2A

Schedule 3

Socotra Proofs of Claim

Claim No.	Date Filed	Creditor Name	Debtor Name	Case No.
LFM 324	01/30/2025	Socotra Capital, Inc.	Windtree, LP	24-10541
LFM 343	01/30/2025	Socotra Capital, Inc.	Firetree I, LP	24-10502
LFM 387	01/30/2025	Socotra Capital, Inc.	River Birch, LP	24-10522
LFM 388	01/30/2025	Socotra Capital, Inc.	Beach Pine, LP	24-10490
LFM 389	01/30/2025	Socotra Capital, Inc.	Windscape Apartments, LLC	24-10417
LFM 390	01/30/2025	Socotra Capital, Inc.	Buckeye Tree, LP	24-10494
LFM 392	01/30/2025	Socotra Capital, Inc.	RT Capitol Mall, LP	24-10526
LFM 394	01/30/2025	Socotra Capital, Inc.	Firetree III, LP	24-10504
LFM 396	01/30/2025	Socotra Capital, Inc.	Sienna Pointe, LLC	24-10530
LFM 398	01/30/2025	Socotra Capital, Inc.	Ginko Tree, LP	24-10506
LFM 399	01/30/2025	Socotra Capital, Inc.	Black Walnut, LP	24-10492
LFM 401	01/30/2025	Socotra Capital, Inc.	Red Spruce Tree, LP	24-10521
LFM 404	01/30/2025	Socotra Capital, Inc.	LeFever Mattson, a California corporation	24-10545
LFM 1217	02/13/2025	Socotra Capital, Inc.	Firetree I, LP	24-10502
LFM 1219	02/13/2025	Socotra Capital, Inc.	Golden Tree, LP	24-10507
KSMP 247	09/26/2025	Socotra Capital, Inc.	KS Mattson Partners, LP	24-10715

Schedule 3

Schedule 4
Stay Relief Properties

No.	Debtor	Common Name	Address	APN(s)
1.	RT Capitol Mall LP	Coco Planet	921 Broadway Sonoma, CA	128-082-011-000
2.	Sienna Pointe, LLC	Sojourn Tasting Room	141-145 East Napa Street Sonoma, CA	018-261-006-000
3.	Sienna Pointe, LLC	Tank House Farms Meat Processing	23250 Maffei Road Sonoma, CA	128-461-009-000 128-471-012-000
4.	Windscape Apartments, LLC		446 West Napa Street Sonoma, CA	018-193-041-000
5.	Windscape Apartments, LLC		454 West Napa Street Sonoma, CA	018-193-040-000
6.	Windscape Apartments, LLC ¹		462 West Napa Street Sonoma, CA	018-193-039-000
7.	Windscape Apartments, LLC	The Post (Fly Fishing Venue)	24120 Arnold Drive Sonoma, CA	128-461-029-000
8.	Sienna Pointe, LLC	Fruit Basket	24101 Arnold Drive Sonoma, CA	128-484-003-000
9.	Sienna Pointe, LLC	Meadowlark/Arnold	24151 Arnold Drive Sonoma, CA	128-484-024-000
10.	Windscape Apartments, LLC	Ravenswood Winery	18701 Gehricke Road Sonoma, CA	127-051-073-000 127-051-074-000
11.	Firetree III, LP	Meadowlark/Arnold	201 Meadowlark Lane Sonoma, CA	128-484-033-000 128-484-034-000
12.	Sienna Pointe, LLC	Meadowlark/Arnold	101 Meadowlark Lane Sonoma, CA	128-484-013-000
13.	Sienna Pointe, LLC	Meadowlark/Arnold	310 Meadowlark Lane Sonoma, CA	128-484-014-000

¹ Windscape Apartments, LLC (94%) is a tenant in common with Risa J. Meyer (6%).

No.	Debtor	Common Name	Address	APN(s)
14.	Buckeye Tree LP	Pool Mart	16721 Sonoma Highway Sonoma, CA	056-562-020-000
15.	Windscape Apartments, LLC ²	Sonoma Chalet B&B	18935 5th Street West Sonoma, CA	127-101-018-000
16.	Windscape Apartments, LLC		24160 Turkey Road and 24237 Arnold Drive Sonoma, CA	128-484-066-000 128-484-067-000
17.	KS Mattson Partners, LP ³⁴	Comstock	8340/8350 Auburn Blvd. Citrus Heights, CA	204-0461-042-0000
18.	KS Mattson Partners, LP ⁵		22666 Broadway Sonoma, CA	128-422-040-000
19.	KS Mattson Partners, LP ⁶		414 W Napa Street Sonoma, CA	018-193-047-000
20.	KS Mattson Partners, LP		450 1st Street East, Unit G Sonoma, CA	018-790-016-000

² Windscape Apartments, LLC (94.75%) is a tenant in common with Risa J. Meyer (5.25%).

³ KS Mattson Partners, LP owns 2.391% as a tenant in common with Farideh Afrakhteh and the Farideh Afrakhteh Living Trust (4.251%), Christopher A. Krive and Aimay Chang Krive (4.055%), Michael Niezelski and Susan Niezelski (4.690%), William J. Reese (5.710%), James Mattson and Rachel Mattson (5.703%), Darryl E. Hayes, Jill D Hayes, Trustees of the Hayes Family Trust (4.788%), Luis U. Martinez and Elizabeth N. Martinez (4.878%), Kenneth George Dow and Pauline Louise, Trustees (5.327%), Graham Michael Anderson and Trisha Susan Anderson, Trustees of the Anderson 2001 Revocable Trust (7.612%), Thomas J. Mack and Edyth Hyaashi Maack, Trustees of the Mack Living Trust (7.964%), Dale Everett Pollock and Joanna Elizabeth Pollock, Trustees of the Pollock Revocable Trust (3.853%), Ronald W. Deborah A. Dennison, Trustees of the Dennison Living Trust (8.997%), Howard I. Goodwin, Trustee of the Howard I. Goodwin Living Trust (3.65%), Patrick McMullen, Trustee of The Patrick McMullen Living Trust (8.594%), Joseph A. Giacinto Jr. and Rebecca A. Giacinto as Trustees of the Giacinto Revocable Trust (4.847%), and M.C. Mueller, Trustee of the M.C. Mueller Living Trust (12.73%).

⁴ Pursuant to the Settlement Agreement, \$1,012,500 is being credited to Socotra Loan No. 23-74 on account of the Estate Parties' agreement to modify the automatic stay with respect to this Socotra Property, which serves as additional collateral for such Socotra Loan.

⁵ KS Mattson Partners, LP (42%) is a tenant in common with Fazale Rahman Rana and Amy Donna Pinnow Rana, Trustees of the Fazale Rahman Rana and Amy Donna Pinnow Rana Family Living Trust DTD 6/3/2014 (18%); Charles Richard Davis (33%); and Sheridan K. Haley and Samuel R. Haley (7%).

⁶ KS Mattson Partners, LP (31.813%) is a tenant in common with David Figueiredo and Valerie Figueiredo (12.5%); Jeffrey Lee Barnes and Rhonda Michelle Barnes, Trustees of the Barnes Family Living Trust dated May 30, 2018 (4.687%); John L. Chase and Susan Goodwin Chase, Trustees of the Chase 1992 Family Trust (25.5%); Stanford Capital LLC (19.0%); Cheryl Ann Reese (6.5%).

Schedule 4

No.	Debtor	Common Name	Address	APN(s)
21.	KS Mattson Partners, LP ⁷		450 1st Street East, Units A, B, and K Sonoma, CA	018-790-020-000
22.	KS Mattson Partners, LP ⁸		450 1st Street East, Unit J Sonoma, CA	018-790-018-000

⁷ KS Mattson Partners, LP (44%) is a tenant in common with Luis U. Martinez and Elizabeth N. Martinez, Trustee of the Luis Urbano Martinez and Elizabeth Naomi Martinez Revocable Intervivos Trust dated July 6, 1998 (31%); William H. Weber and Pamela A. Weber (25%).

⁸ KS Mattson Partners, LP (60%) is a tenant in common with Brad D. Driver (40%).

Schedule 5

Retained Properties (Except Pinyon Properties)

No.	Debtor	Common Name	Address	APN(s)
1.	Sienna Pointe, LLC	Cottage Inn & Spa	302, 304, 310 1st Street East Sonoma CA	018-171-019-000 018-171-031-000
2.	RT Capitol Mall LP	Thornsberry Single Family	1870 Thornsberry Road Sonoma, CA	127-192-056-000
3.	Ginko Tree LP (50%); Buckeye Tree LP (50%)	Broadway Maple	635 Broadway Sonoma, CA	018-301-010-000
4.	Ginko Tree LP (50%); Buckeye Tree LP (50%)	Broadway Maple	645-651 Broadway 10 Maple Street Sonoma, CA	018-301-009-000
5.	Ginko Tree LP (50%); Buckeye Tree LP (50%)		1161-1167 Broadway Sonoma, CA	128-181-029-000
6.	Ginko Tree LP (50%); Buckeye Tree LP (50%)	Broadway Office	1151 Broadway Sonoma, CA	128-181-028-000
7.	Red Spruce Tree LP	Sonoma Farmhouse	446 3rd Street West Sonoma, CA	018-201-003-000
8.	Red Spruce Tree LP	Sonoma Farmhouse	454 3rd Street West Sonoma, CA	018-201-004-000
9.	RT Capitol Mall LP		19450 Old Winery Road Sonoma, CA	127-242-049-000
10.	Firetree III, LP		17700 Sonoma Highway Sonoma, CA	056-303-025-000
11.	Beach Pine, LP		377 West Spain Street Sonoma, CA	018-192-028-000

No.	Debtor	Common Name	Address	APN(s)
12.	Black Walnut, LP		391-455 Oak Street and 19173 Railroad Avenue Sonoma, CA	052-402-022-000
13.	Sienna Pointe, LLC		925-927 Broadway Sonoma, CA	128-082-015-000
14.	Windscape Apartments, LLC		900 East Napa Street Sonoma, CA	127-231-040-000
15.	Golden Tree, LP		19340 7th Street East Sonoma, CA	127-242-025-000
16.	Firetree I, LP		786 Broadway Sonoma, CA	018-352-043-000
17.	Firetree I, LP		790 Broadway Sonoma, CA	018-352-044-000
18.	KS Mattson Partners, LP		1014 1st St West Sonoma, CA	128-083-012
19.	KS Mattson Partners, LP		856 4th St E Sonoma, CA	018-381-050
20.	Windscape Apartments, LLC	Ravenswood Winery	1045 Bart Road Sonoma, CA	127-051-059-000
21.	Sienna Pointe, LLC	An Inn to Remember	171 West Spain Street Sonoma, CA	018-202-051-000
22.	Ginko Tree LP		596 3rd Street East Sonoma. CA	018-271-037-000
23.	Windtree LP	Perris Properties	333 Wilkerson Avenue Perris, CA	310-061-023

No.	Debtor	Common Name	Address	APN(s)
24.	Windtree LP	Perris Properties on Wilkerson	371 Wilkerson Avenue Perris, CA	310-070-078
25.	Windtree LP	Perris Properties on Wilkerson	411 Wilkerson Avenue Perris, CA	310-081-012
26.	Black Walnut, LP		789 Cordilleras Drive Sonoma, CA	023-010-069-000
27.	RT Capitol Mall LP		222-226 West Spain Street Sonoma, CA	018-151-005-000
28.	Black Walnut, LP		20564 Broadway Sonoma, CA	128-321-008-000
29.	Black Walnut, LP		653 3rd Street West Sonoma, CA	018-283-005-000
30.	River Birch, LP ¹	Auberge Sonoma	151-155 East Napa Street Sonoma, CA	018-261-023-000
31.	Windscape Apartments, LLC	Fence Post	1025 Napa Road Sonoma, CA	126-032-037-000
32.	Windscape Apartments, LLC		424 2nd Street West Sonoma, CA	018-202-002-000
33.	KS Mattson Partners, LP		1549 E Napa St Sonoma, CA	127-312-059-000
34.	Firetree I, LP	The Circus House	24265 Arnold Drive Sonoma, CA	128-484-009-000

¹ KS Mattson Partners, LP (93.143%) is a tenant in common with Risa J. Meyer (6.857%).

No.	Debtor	Common Name	Address	APN(s)
35.	Firetree I, LP	The Water Tower House	24321 Arnold Drive Sonoma, CA	128-484-010-000
36.	KS Mattson Partners, LP		18275 Sonoma Highway Sonoma, CA	056-415-017
37.	KS Mattson Partners, LP ²		18590 Hwy 12 Sonoma, CA	056-501-061
38.	KS Mattson Partners, LP ³		19357 Hwy 12 Sonoma, CA	127-141-006
39.	KS Mattson Partners, LP		230 E Napa St Sonoma, CA	128-222-009
40.	KS Mattson Partners, LP		3003 Castle Rd Sonoma, CA	127-790-004
41.	KS Mattson Partners, LP		415 Pacific Ave Piedmont, CA	051-4700-012 051-4700-013

² KS Mattson Partners, LP (40%) is a tenant in common with Gary R. Fox and Katherine E. Fox, Trustees of The Fox Family Trust dated May 24, 2002 (20%); and John Dale Horton, Trustee of The John Dale Horton Revocable Living Trust dated January 6, 2015 (40%).

³ KS Mattson Partners, LP (40%) is a tenant in common with Keith A. Holmlund and Phyllis I. Holmlund (20%); and John Dale Horton, Trustee of The John Dale Horton Revocable Living Trust dated January 6, 2015 (40%).

Schedule 5

Schedule 6

Retained Pinyon Properties

No.	Debtor	Common Name	Address	APN(s)
1.	LeFever Mattson	Pinyon Creek II	10328 Badger Lane Truckee, CA	107-170-008-000
2.	LeFever Mattson	Pinyon Creek II	10326 Badger Lane Truckee, CA	107-170-007-000
3.	LeFever Mattson	Pinyon Creek II	10306 Badger Lane Truckee, CA	107-170-003-000
4.	LeFever Mattson	Pinyon Creek II	10308 Badger Lane Truckee, CA	107-170-004-000
5.	LeFever Mattson	Pinyon Creek II	107 Quail Court Truckee, CA	107-170-035-000
6.	LeFever Mattson	Pinyon Creek II	109 Quail Court Truckee, CA	107-170-036-000
7.	LeFever Mattson	Pinyon Creek II	10344 Badger Lane Truckee, CA	107-170-012-000
8.	LeFever Mattson	Pinyon Creek II	10334 Badger Lane Truckee, CA	107-170-009-000
9.	LeFever Mattson	Pinyon Creek II	10336 Badger Lane Truckee, CA	107-170-010-000
10.	LeFever Mattson	Pinyon Creek II	10342 Badger Lane Truckee, CA	107-170-011-000
11.	LeFever Mattson	Pinyon Creek II	10393 Badger Lane Truckee, CA	107-170-026-000
12.	LeFever Mattson	Pinyon Creek II	10395 Badger Lane Truckee, CA	107-170-025-000

Schedule 6

Schedule 7

Outstanding Principal Balance as of the Petition Date(s)

No.	Debtor	Common Name	Address	Loan No.	Outstanding Principal
1.	Sienna Pointe, LLC	Cottage Inn & Spa	302, 304, 310 1st Street East Sonoma CA	23-62CF	\$2,375,000.00
2.	RT Capitol Mall LP	Thornsberry Single Family	1870 Thornsberry Road Sonoma, CA	22-162CF	\$1,745,867.00
3.	Ginko Tree LP (50%); Buckeye Tree LP (50%)	Broadway Maple	635 Broadway Sonoma, CA	22-203CF	\$5,737,500.00
4.	Ginko Tree LP (50%); Buckeye Tree LP (50%)	Broadway Maple	645-651 Broadway 10 Maple Street Sonoma, CA		
5.	Ginko Tree LP (50%); Buckeye Tree LP (50%)	Broadway Office	11151 Broadway Sonoma, CA		
6.	Ginko Tree LP (50%); Buckeye Tree LP (50%)		1161-1167 Broadway Sonoma, CA ¹		

¹ Sale of collateral closed on or about September 22, 2025. \$1,272,816.02 payoff to The Socotra Opportunity Fund, LLC. Pursuant to the Settlement Agreement, the Parties shall distribute or re-distribute the amount paid to them as set forth in Sections 5 and 12 of the Settlement Agreement.

Schedule 7

No.	Debtor	Common Name	Address	Loan No.	Outstanding Principal
7.	Red Spruce Tree LP	Sonoma Farmhouse	446 3rd Street West Sonoma, CA	22-248CF	\$2,700,000.00
8.	Red Spruce Tree LP	Sonoma Farmhouse	454 3rd Street West Sonoma, CA		
9.	RT Capitol Mall LP		19450 Old Winery Road Sonoma, CA	21-02CF	\$1,925,000.00
10.	Firetree III, LP		17700 Sonoma Highway Sonoma, CA	22-58CF	\$810,000.00
11.	Beach Pine, LP		377 West Spain Street Sonoma, CA	22-61CF	\$825,000.00
12.	Black Walnut, LP		391-455 Oak Street and 19173 Railroad Avenue Sonoma, CA	22-240CF	\$475,000.00
13.	Sienna Pointe, LLC		925-927 Broadway Sonoma, CA	22-179CF	\$2,210,000.00
14.	Windscape Apartments, LLC		900 East Napa Street Sonoma, CA		

Schedule 7

No.	Debtor	Common Name	Address	Loan No.	Outstanding Principal
15.	Golden Tree, LP		19340 7th Street East Sonoma, CA	18-186	\$1,650,000.00
16.	Firetree I, LP		786 Broadway Sonoma, CA	22-73CF	\$3,565,000.00
17.	Firetree I, LP		790 Broadway Sonoma, CA		
18.	KS Mattson Partners, LP		1014 1st St West Sonoma, CA		
19.	KS Mattson Partners, LP		856 4th St E Sonoma, CA		
20.	Windscape Apartments, LLC		1045 Bart Road Sonoma, CA	22-103CF	\$800,000.00
21.	Sienna Pointe, LLC	An Inn to Remember	171 West Spain Street Sonoma, CA	21-100CF	\$1,320,000.00

Schedule 7

No.	Debtor	Common Name	Address	Loan No.	Outstanding Principal
22.	Ginko Tree LP		596 3rd Street East Sonoma, CA ²	22-242CF	\$700,625.00
23.	Windtree LP	Perris Properties	333 Wilkerson Avenue Perris, CA	LM23-36	\$4,300,000.00
24.	Windtree LP	Perris Properties on Wilkerson	371 Wilkerson Avenue Perris, CA		
25.	Windtree LP	Perris Properties on Wilkerson	371 Wilkerson Avenue Perris, CA (APN 310-070-077)		
26.	Windtree LP	Perris Properties on Wilkerson	411 Wilkerson Avenue Perris, CA		
27.	Black Walnut, LP		789 Cordilleras Drive Sonoma, CA ³	22-238CF	\$997,500.00

² Sale of collateral closed on or about August 18, 2025, resulting in payoff of \$700,625.00 payoff to Socotra Capital, Inc., and escrowed sale proceeds of \$257,987.90 per previously agreed upon sale procedures. Pursuant to the Settlement Agreement, the Parties shall distribute or re-distribute the amount paid to them as set forth in Sections 5 and 12 of the Settlement Agreement.

³ Sale of collateral closed on or about June 30, 2025, resulting in payoff to The Socotra Opportunity Fund, LLC in the amount of \$816,753.00, and escrowed sale proceeds of \$786,018.00 per previously agreed upon sale procedures. Pursuant to the Settlement Agreement, the Parties shall distribute or re-distribute the amount paid to them as set forth in Sections 5 and 12 of the Settlement Agreement.

Schedule 7

No.	Debtor	Common Name	Address	Loan No.	Outstanding Principal
28.	RT Capitol Mall LP		222-226 West Spain Street Sonoma, CA	22-174CF ⁴	\$1,180,000.00
29.	Black Walnut, LP		20564 Broadway Sonoma, CA	22-239CF	\$831,250.00
30.	Black Walnut, LP		653 3rd Street West Sonoma, CA ⁵	22-243CF	\$783,750.00
31.	River Birch, LP ⁶	Auberge Sonoma	151-155 East Napa Street Sonoma, CA	21-68CF	\$1,740,000.00
32.	Windscape Apartments, LLC	Fence Post	1025 Napa Road Sonoma, CA	23-59CF	\$600,000.00
33.	Windscape Apartments, LLC		424 2nd Street West Sonoma, CA	21-15CF	\$600,000.00

⁴ This loan was secured by real property located at 222-226 West Spain Street, Sonoma, California and 282 Patten Street, Sonoma, California (the “Patten Property”). The LFM Debtor holding the Patten Property sold such collateral prepetition.

⁵ Sale of collateral closed on or about June 30, 2025, resulting in payoff to The Socotra Opportunity Fund, LLC in the amount of \$783,750.00, and escrowed sale proceeds of \$356,069.88 per previously agreed upon sale procedures. Pursuant to the Settlement Agreement, the Parties shall distribute or re-distribute the amount paid to them as set forth in Sections 5 and 12 of the Settlement Agreement.

⁶ KS Mattson Partners, LP (93.143%) is a tenant in common with Risa J. Meyer (6.857%).

Schedule 7

No.	Debtor	Common Name	Address	Loan No.	Outstanding Principal
34.	KS Mattson Partners, LP		1549 E Napa St Sonoma, CA	LM20-15CF	\$2,942,500.00
35.	Firetree I, LP	The Circus House	24265 Arnold Drive Sonoma, CA		
36.	Firetree I, LP	The Water Tower House	24321 Arnold Drive Sonoma, CA		
37.	KS Mattson Partners, LP		18285 Sonoma Highway Sonoma, CA (4 APNs related to this loan)	23-89CF	\$1,981,000.00
38.	KS Mattson Partners, LP ⁷		18590 Hwy 12 Sonoma, CA	23-12CF	\$997,500.00
39.	KS Mattson Partners, LP ⁸		19357 Hwy 12 Sonoma, CA	23-18CF	\$1,187,500.00

⁷ KS Mattson Partners, LP (40%) is a tenant in common with Gary R. Fox and Katherine E. Fox, Trustees of The Fox Family Trust dated May 24, 2002 (20%); and John Dale Horton, Trustee of The John Dale Horton Revocable Living Trust dated January 6, 2015 (40%).

⁸ KS Mattson Partners, LP (40%) is a tenant in common with Keith A. Holmlund and Phyllis I. Holmlund (20%); and John Dale Horton, Trustee of The John Dale Horton Revocable Living Trust dated January 6, 2015 (40%).

Schedule 7

No.	Debtor	Common Name	Address	Loan No.	Outstanding Principal
40.	KS Mattson Partners, LP		230 E Napa St Sonoma, CA	22-182CF	\$1,500,000.00
41.	KS Mattson Partners, LP		3003 Castle Rd ⁹ Sonoma, CA	23-74	\$4,700,000.00
42.	KS Mattson Partners, LP		415 Pacific Ave Piedmont, CA	23-57CF	\$2,865,000.00
43.	LeFever Mattson	Pinyon Creek II	10328 Badger Lane Truckee, CA	21-33CF	\$750,000.00
44.	LeFever Mattson	Pinyon Creek II	10326 Badger Lane Truckee, CA	21-34CF	\$750,000.00
45.	LeFever Mattson	Pinyon Creek II	10306 Badger Lane Truckee, CA	21-35CF	\$750,000.00
46.	LeFever Mattson	Pinyon Creek II	10308 Badger Lane Truckee, CA	21-36CF	\$750,000.00

⁹ Pursuant to the Settlement Agreement, \$1,012,500 is being credited to this loan on account of the disposition of collateral located at 8340-8350 Auburn Blvd.

Schedule 7

No.	Debtor	Common Name	Address	Loan No.	Outstanding Principal
47.	LeFever Mattson	Pinyon Creek II	107 Quail Court Truckee, CA	22-27CF	\$990,000.00
48.	LeFever Mattson	Pinyon Creek II	109 Quail Court Truckee, CA	22-28CF	\$990,000.00
49.	LeFever Mattson	Pinyon Creek II	10344 Badger Lane Truckee, CA	22-32CF	\$990,000.00
50.	LeFever Mattson	Pinyon Creek II	10334 Badger Lane Truckee, CA	23-124CF	\$1,050,000.00
51.	LeFever Mattson	Pinyon Creek II	10336 Badger Lane Truckee, CA	23-125CF	\$1,043,000.00
52.	LeFever Mattson	Pinyon Creek II	10342 Badger Lane Truckee, CA	23-126CF	\$1,043,000.00
53.	LeFever Mattson	Pinyon Creek II	10393 Badger Lane Truckee, CA	23-149	\$750,000.00
54.	LeFever Mattson	Pinyon Creek II	10395 Badger Lane Truckee, CA	23-150	\$750,000.00

Schedule 7