Tobias S. Keller (CA Bar No. 151445)
David A. Taylor (CA Bar No. 247433)
Thomas B. Rupp (CA Bar No. 278041)
KELLER BENVENUTTI KIM LLP
101 Montgomery Street, Suite 1950
San Francisco, CA 94104
Telephone: (415) 496-6723
E-mail: tkeller@kbkllp.com
dtaylor@kbkllp.com
trupp@kbkllp.com

Counsel to LeFever Mattson, the Consolidated Debtor

Debra I. Grassgreen (CA Bar No. 169978)
John D. Fiero (CA Bar No. 136557)
Jason H. Rosell (CA Bar No. 269126)
PACHULSKI STANG ZIEHL & JONES LLP
One Sansome Street, Suite 3430
San Francisco, CA 94104
Telephone: (415) 263-7000
E-mail: dgrassgreen@pszjlaw.com
jfiero@pszjlaw.com
jrosell@pszjlaw.com

Counsel to the Official Committee of Unsecured Creditors

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SANTA ROSA DIVISION

In re: LEFEVER MATTSON, Consolidated Debtor.	Case No. 24-10545 (CN) (Substantively Consolidated) Chapter 11 **NOTICE OF FILING OF THIRD AMENDED CHAPTER 11 PLAN OF LIQUIDATION, AS MODIFIED**

PLEASE TAKE NOTICE that, on December 11, 2025, the Plan Proponents filed the solicitation version of the *Third Amended Joint Chapter 11 Plan of Liquidation* [Docket No. 3108] (the "Third Amended Plan").

PLEASE TAKE FURTHER NOTICE that, on April 7, 2026, the Plan Proponents filed the *Third Amended Joint Chapter 11 Plan of Liquidation, as Modified* [Docket No. 4151] (the "Modified Third Amended Plan").

PLEASE TAKE FURTHER NOTICE that attached hereto as **Exhibit A** is a comparison of the Modified Third Amended Plan to the Third Amended Plan.

PLEASE TAKE FURTHER NOTICE that the hearing to consider confirmation of the Modified Third Amended Plan (the "Confirmation Hearing") will be held in person before the Honorable Charles Novack, United States Bankruptcy Court Judge, at the United States

Bankruptcy Court, 1300 Clay Street in Oakland, California, Courtroom 215, on **April 14, 2026 at 10:00 a.m. (Pacific Time)**.

PLEASE TAKE FURTHER NOTICE that copies of all plan-related documents can be obtained at no cost by contacting counsel for the Committee at LMCommittee@pszjlaw.com or by visiting https://www.veritaglobal.net/LM.

Dated: April 7, 2026

KELLER BENVENUTTI KIM LLP

By: */s/ Thomas B. Rupp*
Tobias S. Keller
David A. Taylor
Thomas B. Rupp

Counsel to the Consolidated Debtor

PACHULSKI STANG ZIEHL & JONES LLP

By: */s/ Jason H. Rosell*
Debra I. Grassgreen
John D. Fiero
Jason H. Rosell

Counsel to the Committee

EXHIBIT A

Comparison of Modified Third Amended Plan to Third Amended Plan

~~SOLICITATION VERSION~~

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SANTA ROSA DIVISION

In re LEFEVER MATTSON, ~~a California corporation, *et al.*,~~ Consolidated Debtor~~s.~~	Case No. 24-10545 CN ~~(Lead Case)~~ (~~Jointly Administered~~Substantively Consolidated) Chapter 11 **THIRD AMENDED ~~JOINT~~ CHAPTER 11 PLAN OF LIQUIDATION, AS MODIFIED**
~~In re~~ ~~KS MATTSON PARTNERS, LP,~~ ~~Debtor.~~	

Date: ~~December 11~~April 7, 202~~5~~6

~~JOINT PLAN PROPONENTS~~

CONSOLIDATED DEBTOR
LEFEVER MATTSON ~~DEBTORS~~

KELLER BENVENUTTI KIM LLP
Tobias S. Keller (Cal. Bar No. 151445)
David A. Taylor (Cal. Bar No. 247433)
Dara L. Silveira (Cal. Bar No. 274923)
Thomas B. Rupp (Cal. Bar No. 278041)
101 Montgomery Street, Suite 1950
San Francisco, California 94104
Telephone: (415) 496-6723
E-mail: tkeller@kbkllp.com
dtaylor@kbkllp.com
dsilveira@kbkllp.com
~~trupp@kbkllp.com~~trupp@kbkllp.com

KS MATTSON PARTNERS, LP

HOGAN LOVELLS US LLP
Richard L. Wynne (Cal. Bar No. 120349)
Erin N. Brady (Cal. Bar No. 215038)
Edward J. McNeilly (Cal. Bar No. 314588)
1999 Avenue of the Stars, Suite 1400
Los Angeles, California 90067
Telephone: (310) 785-4600
Email: richard.wynne@hoganlovells.com
erin.brady@hoganlovells.com
edward.mcneilly@hoganlovells.com

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS

PACHULSKI STANG ZIEHL & JONES LLP
Debra I. Grassgreen (Cal Bar. No. 169978)
John D. Fiero (Cal. Bar No. 136557)
Jason H. Rosell (Cal. Bar No. 269126)
Steven W. Golden (admitted *pro hac vice*)
Brooke E. Wilson (Cal. Bar No. 354614)
One Sansome Street, ~~34th Floor,~~ Suite 3430
San Francisco, CA 94104
Telephone: (415) 263-7000
Email: LMCommittee@pszjlaw.com

TABLE OF CONTENTS

ARTICLE I. DEFINED TERMS AND RULES OF INTERPRETATION 2

ARTICLE II. CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS 23

2.1 Summary and Classification of Claims and Equity Interests. 23

ARTICLE III. TREATMENT OF CLAIMS AND EQUITY INTERESTS 4

3.1 Comprehensive Settlement of Claims and Controversies. 4

3.2 Special Provisions Relating to Investor-Specific Claims. 5

3.3 Unclassified Claims 5

3.3.1 Administrative Expense Claims 5

3.3.2 DIP Facility Claims 5

3.3.3 Professional Fee Claims 5

3.3.4 Involuntary Gap Claims 6

3.3.5 Priority Tax Claims 6

3.4 Class 1: Priority Claims 6

3.5 Class 2: Other Secured Claims 7

3.6 Class 3: Secured Lender Claims. 7

3.7 Class 4: Trade Claims 8

3.8 Class 5: Investor Claims 8

3.9 Class 6: Intercompany Claims 9

3.10 Class 7: Equitably Subordinated Claims. 9

3.11 Class 8: Equitably Subordinated Interests 9

ARTICLE IV. ACCEPTANCE OR REJECTION OF THE PLAN 10

4.1 Impaired Classes Entitled to Vote. 10

4.2 Acceptance by an Impaired Class of Claims. 10

4.3 Presumed Acceptances by Unimpaired Classes. 10

4.4 Impaired Classes Deemed to Reject Plan. 10

4.5 Modifications of Votes. 10

4.6 Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code 10
4.7 Elimination of Vacant Classes 11
4.8 Severability of Joint Plan 11
ARTICLE V. IMPLEMENTATION OF THE PLAN 11
5.1 Implementation of the Plan 11
5.2 Streamlining of the Debtors' Corporate Affairs 11
5.2.1 Debtors' Existing Directors, Officers, and Managers 11
5.2.2 Dissolution of the Debtors 11
5.2.3 Corporate Documents and Corporate Authority 12
5.3 Plan Recovery Trust 12
5.3.1 Appointment of Plan Recovery Trustee and Oversight Committee 12
5.3.2 Creation and Governance of the Plan Recovery Trust 12
5.3.3 Vesting of Plan Recovery Trust Assets and Sale of Real Properties 13
5.3.4 Investor Forfeiture Fund 13 14
5.3.5 Purpose of the Plan Recovery Trust 13 14
5.3.6 Authority 14
5.3.7 Director and Chief Executive Officer of the Consolidated Debtor 15
5.3.8 Wind Down Activities 16
5.3.7 9 Limitation of Liability 15 17
5.3.8 10 Indemnification 15 17
5.3.9 11 Insurance 16 18
5.3.10 2 Tax Reporting 16 18
5.3.11 3 Distributions to Plan Recovery Trust Beneficiaries 16 18
5.3.12 4 Cash Investments 17 19
5.3.13 5 Registration and Transfer of the Plan Recovery Trust Units 17 19
5.3.14 6 Exemption 17 20
5.3.15 7 Contribution of Contributed Claims 18 20
5.3.16 8 Pursuit and Resolution of Plan Recovery Trust Actions 18 20

5.3.1~~7~~9 Termination of the Plan Recovery Trust~~.~~ ..... ~~18~~21

5.3.~~18~~20 Control Provision~~.~~ ..... ~~19~~21

5.4 Preservation of Privileges and Defenses~~.~~ ..... ~~19~~21

5.5 Transfer of Privileges to the Plan Recovery Trustee; Preservation of Rights of Action~~.~~ ..... ~~19~~21

5.5.1 Privileges and Maintenance of Avoidance Actions and Causes of Action~~.~~ ~~19~~21

5.5.2 Preservation of All Plan Recovery Trust Actions Not Expressly Settled or Released~~.~~ ..... ~~19~~22

5.6 Cancellation of Instruments~~.~~ ..... ~~20~~22

~~5.7 Substantive Consolidation. ..... 20~~

ARTICLE VI. EXECUTORY CONTRACTS AND UNEXPIRED LEASES ..... ~~21~~23

6.1 Assumption of Certain Executory Contracts and Unexpired Leases~~.~~ ..... ~~21~~23

6.1.1 Assumption of Agreements~~.~~ ..... ~~21~~23

6.1.2 Cure Payments~~.~~ ..... ~~22~~23

6.1.3 Objections to Assumption or Cure Payments~~.~~ ..... ~~22~~24

6.1.4 Resolution of Claims Relating to Assumed Executory Contracts~~.~~ ..... ~~22~~24

6.2 Rejection of Executory Contracts and Unexpired Leases~~.~~ ..... ~~23~~24

6.2.1 Rejected Agreements~~.~~ ..... ~~23~~24

6.2.2 Rejection Claims Bar Date~~.~~ ..... ~~23~~24

ARTICLE VII. PROVISIONS GOVERNING DISTRIBUTIONS ..... ~~23~~25

7.1 Timing of Distributions for Allowed Claims~~.~~ ..... ~~23~~25

7.2 Calculating Distributions and Related Matters~~.~~ ..... ~~24~~25

7.3 Interest and Other Amounts Regarding Claims~~.~~ ..... ~~24~~25

7.4 Means of Cash Payment~~.~~ ..... ~~24~~25

7.5 Form of Currency for Distributions~~.~~ ..... ~~24~~25

7.6 Fractional Distributions~~.~~ ..... ~~24~~26

7.7 No Distributions With Respect to Certain Claims~~.~~ ..... ~~24~~26

7.8 Delivery of Distributions~~.~~ ..... ~~25~~26

7.9 Application of Distribution Record Date and Other Transfer Restrictions 25 27
7.10 Withholding, Payment, and Reporting Requirements Regarding Distributions 25 27
7.11 Defenses and Setoffs 26 27
7.12 Allocation of Distributions 26 27
7.13 Joint Distributions 26 28
7.14 Forfeiture of Distributions 26 28
ARTICLE VIII. PROCEDURES FOR RESOLVING CLAIMS AND EQUITY INTERESTS 27 28
8.1 Resolution of Disputed Claims and Equity Interests 27 28
8.2 Claim and Equity Interest Objections 27 28
8.3 Estimation of Certain Claims 27 28
8.4 Distributions Following Allowance 27 29
8.5 Disposition of Assets in Reserves After Disallowance 28 29
ARTICLE IX. CONDITIONS PRECEDENT TO THE EFFECTIVE DATE 28 29
9.1 Conditions to the Effective Date 28 29
9.2 Waiver of Conditions to the Effective Date 28 30
9.3 Effect of Non-Occurrence of Conditions to the Effective Date 28 30
9.4 Notice of the Effective Date 29 30
ARTICLE X. RETENTION OF JURISDICTION AND POWER 29 30
10.1 Scope of Retained Jurisdiction and Power 29 30
10.2 Reserved Rights to Seek Bankruptcy Court Approval 30 32
10.3 Non-Exercise of Jurisdiction 31 32
ARTICLE XI. RELEASES; INJUNCTION 31 32
11.1 Non-Discharge of the Debtors and Consolidated Debtor 31 32
11.2 Debtors' Releases 31 32
11.3 Exculpation 31 33
11.4 Injunctions Related to Releases and Exculpation 32 33
ARTICLE XII. MISCELLANEOUS PROVISIONS 32 34

12.1 Payment of Statutory Fees 3234
12.2 SEC-Related Provisions 3234
12.3 Post-Effective Date Reporting 3234
12.4 Dissolution of the Committee 3334
12.5 Modifications and Amendments 3335
12.6 Severability of Plan Provisions 3435
12.7 Compromises and Settlements 3435
12.8 Binding Effect of Plan 3436
12.9 Term of Injunctions or Stays 3436
12.10 Revocation, Withdrawal, or Non-Consummation 3436
12.11 Exemption from Transfer Taxes 3536
12.12 Computation of Time 3536
12.13 Transactions on Business Days 3537
12.14 Good Faith 3537
12.15 Governing Law 3537
12.16 Notices 3637
12.17 Final Decree 3637
12.18 Additional Documents 3637
12.19 Conflicts with the Plan 3638
ARTICLE XIII. REQUEST FOR CONFIRMATION AND RECOMMENDATION 3638
13.1 Request for Confirmation 3638
13.2 Recommendation 3638

EXHIBITS

Exhibit A – Defined Terms

Exhibit B – Schedule of Excluded Parties

Exhibit C – LFM Debtors

INTRODUCTION[1]

~~The LFM~~LeFever Mattson, a California corporation (the "Consolidated Debtor~~s, KSMP~~"), and the Committee ~~jointly~~ hereby propose the Plan, which provides for the resolution of the outstanding Claims asserted against, and Equity Interests asserted in, the ~~Debtors~~Consolidated Debtor, which prior to the Substantive Consolidation Order (defined and discussed below) were the legally separate Debtors and KSMP Investment Entities. Provided herewith as a separate enclosure is a brief summary of the Plan (the "Plan Summary"), which all Investors are encouraged to read in its entirety in conjunction with the Plan and other documents referenced herein.[2]

This Plan represents a global settlement (the "Global Settlement") of the complex issues in these Chapter 11 Cases, including (a) ~~substantive consolidation of the Debtors and the KSMP Investment Entities, (b)~~ the Ponzi determination~~,~~ and (~~e~~b) the allowance and treatment of all claims of Investors and other third parties. On March 6, 2026, the Bankruptcy Court entered the Substantive Consolidation Order, which substantively consolidated the Debtors and the KSMP Investment Entities (the "Consolidated Entities") and their estates (the "Consolidated Estate") for all purposes into the Consolidated Debtor, effective as of September 12, 2024.[3]

The Global Settlement, which was negotiated by the LFM Debtors, KSMP, and the Committee, provides for ~~a "single pot," such that all assets and liabilities of all Debtors and the KSMP Investment Entities are pooled and consolidated for distribution purposes, through substantive consolidation under this Plan. Pursuant to applicable law,~~ all Investors and other holders of Investor Claims ~~are~~to be treated the same, as holders of tort claims, regardless of the type of documentation or instrument held. Pursuant to the Global Settlement, each Investor will receive a claim for money (or value of property) it invested in the Debtors and the KSMP Investment Entities over time less any distributions the Investor received over the seven years prior to the Petition Date. This claim will receive a *pro rata* distribution of available assets and, only after such claim is paid in full, will there be any recovery on claims for profits, pursuant to the principles of "netting" in Ponzi scheme cases. However, as part of the Global Settlement, rather than netting from the suspected Ponzi scheme start date, the Plan provides that only payments made to Investors seven years prior to September 12, 2024, will be ~~offset/~~netted in calculating the Investor Claims.[4]

---

[1] A capitalized term used but not defined in this Introduction shall have the meaning ascribed to it in Article I and Exhibit A.

[2] In the event of any inconsistencies between the terms of the Plan and the information and descriptions in the Plan Summary, the terms of the Plan shall control.

[3] As a result of the substantive consolidation of the estates of the Consolidated Entities, pursuant to the Substantive Consolidation Order: (a) all property of the Consolidated Entities vested in, and constitute the property of, the Consolidated Debtor; (b) all guarantees of any Consolidated Entity of the payment, performance, or collection of obligations of another Consolidated Entity were eliminated and cancelled; (c) all joint obligations of the Consolidated Entities and multiple claims against entities on account of such joint obligations will be treated and allowed as a single Claim against the Consolidated Debtor; (d) all intercompany claims between or among the Consolidated Entities are deemed cancelled; and (e) each claim filed or scheduled in the chapter 11 case of any Consolidated Entity is deemed filed against the Consolidated Debtor and a single obligation of the Consolidated Debtor. The substantive consolidation of the Debtors and the KSMP Investment Entities does not impair or otherwise affect any party's defenses, claims, counterclaims, or other rights that may be asserted by such party in connection with any litigation commenced by the Debtors, the Consolidated Debtor, or the Plan Recovery Trustee (or any estate representative or other successor).

[4] Investors will also receive *pro rata* distributions from the Investor Forfeiture Fund ~~in the event that~~if there

The Plan further provides that Trade Claims are separately classified in Class 4. If Class 4 (Trade Claims) votes to accept the Plan, holders of Trade Claims will receive their *pro rata* share of the Trade Claims Settlement Fund (up to 100% of the amount of their Allowed Trade Claim). If Class 4 votes to reject the Plan, the Trade Claims Settlement Fund will not be established and holders of Trade Claims will receive their *pro rata* beneficial interest in the Plan Recovery Trust, which will be treated *pari passu* with Investor Tranche 1 Claims.

Further reference is made to the Disclosure Statement for (i) a discussion of the Debtors' history, businesses, assets, results of operations, and other financial information; (ii) a summary and analysis of the Plan; and (iii) certain related matters, including risk factors relating to the consummation of the Plan and Distributions to be made under the Plan.

The Debtors and the Committee are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code, Bankruptcy Rule 3019, and Section 4.6, Section 4.8, and Section 12.5 of the Plan, the Plan Proponents reserve the right to alter, amend, modify, revoke, or withdraw the Plan prior to its substantial consummation.

No solicitation materials, other than the Disclosure Statement and related materials transmitted therewith, have been approved for use in soliciting acceptances of the Plan. Nothing in the Plan should be construed as constituting a solicitation of acceptances of the Plan unless and until the Disclosure Statement has been approved and distributed to Holders of Claims and Equity Interests to the extent required by section 1125 of the Bankruptcy Code.

ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO CAREFULLY READ THE PLAN AND THE DISCLOSURE STATEMENT (INCLUDING ALL EXHIBITS AND SCHEDULES THERETO), EACH IN ITS ENTIRETY, BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

ARTICLE I.
DEFINED TERMS AND RULES OF INTERPRETATION

For purposes of the Plan, except as expressly provided or unless the context otherwise requires: (i) capitalized terms used herein shall have the meanings ascribed to them on Exhibit A annexed hereto; (ii) any capitalized term used in this Plan that is not defined herein, but is defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable; (iii) whenever the context requires, each term stated in either the singular or the plural shall include the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter; (iv) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (v) any reference in the Plan to an existing document or exhibit means such document or exhibit as it may be amended, modified, or supplemented from time to time; (vi) unless otherwise specified, all references in the Plan to sections, articles, schedules, and exhibits are references to sections, articles, schedules, and exhibits of or to the Plan; (vii) the words "herein," "hereof," "hereto," "hereunder," and other words of similar import refer to the Plan in its entirety rather than to any particular paragraph, subparagraph, or clause contained in the Plan; (viii) captions and headings to articles and sections are inserted for convenience of reference only and shall not limit or otherwise affect the provisions hereof or the interpretation of the Plan; and (ix) the rules of

---

is any Forfeiture Property obtained by the DOJ, the SEC, or another Governmental Unit.

construction set forth in section 102 of the Bankruptcy Code and in the Bankruptcy Rules shall apply.

ARTICLE II.
CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

2.1 Summary and Classification of Claims and Equity Interests~~.~~

This Section classifies Claims – except for Administrative Expense Claims, DIP Facility Claims, Professional Fee Claims, Involuntary Gap Claims, and Priority Tax Claims, which are not classified – for all purposes, including confirmation, Distributions, and voting. A Claim is classified in a particular Class only to the extent that the Claim falls within the Class description. To the extent that part of a Claim falls within a different Class description, that part of the Claim is classified in that different Class. The following table summarizes the Classes of Claims and Equity Interests under the Plan.

CLASS	DESCRIPTION	IMPAIRED STATUS	VOTING STATUS
Class 1	Priority Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 2	Other Secured Claims	Unimpaired	Not Entitled to Vote (deemed to accept)
Class 3	Secured Lender Claims[5]	Impaired	Entitled to Vote
Class 4	Trade Claims	Impaired	Entitled to Vote
Class 5	Investor Claims	Impaired	Entitled to Vote
Class 6	Intercompany Claims	~~Impaired~~N/A	~~Not Entitled to Vote (~~N/A (class deemed ~~to reject~~deleted)
Class 7	Equitably Subordinated Claims	Impaired	Not Entitled to Vote (deemed to reject)
Class 8	Equitably Subordinated Interests	Impaired	Not Entitled to Vote (deemed to reject)

The classifications set forth on the Ballots: (i) are set forth solely for purposes of voting to accept or reject the Plan; (ii) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of such Claims under the Plan for distribution purposes; (iii) may not be relied upon by any Holder of a Claim as representing the actual classification of such Claim under the Plan for distribution purposes; and (iv) shall not be binding on the Debtors~~, the~~ /Estates~~, the Plan Recovery Trust or the Plan Recovery Trustee~~Parties, except for Plan voting purposes.

---

[5] For voting purposes and to comply with section 1122(a) of the Bankruptcy Code, each Allowed Secured Lender Claim shall be deemed to be in its own subclass. A Schedule of Secured Lender Subclasses is provided in Exhibit E of the Disclosure Statement.

NOTWITHSTANDING ANY OTHER TERM OR PROVISION OF THE PLAN, NO DISTRIBUTIONS WILL BE MADE ON ACCOUNT OF ANY CLAIM THAT IS NOT AN ALLOWED CLAIM, AND NO RIGHTS WILL BE RETAINED ON ACCOUNT OF ANY CLAIM THAT IS A DISALLOWED CLAIM. IN ADDITION, THE PROPOSED CLASSIFICATION AND TREATMENT OF ANY CLAIMS AND EQUITY INTERESTS SET FORTH HEREIN, INCLUDING~~, WITHOUT LIMITATION,~~ THE DESIGNATION OF ANY CLASS AS IMPAIRED OR UNIMPAIRED, SHALL NOT BE DEEMED A WAIVER OR RELEASE OF ANY CAUSE OF ACTION OR AVOIDANCE ACTION AGAINST ANY HOLDER OF A CLAIM OR ANY OTHER PARTY, INCLUDING~~, WITHOUT LIMITATION,~~ THE DEBTORS' OR THE PLAN RECOVERY TRUSTEE'S RIGHT TO SEEK SUBORDINATION OF ANY CLAIM AND RECLASSIFY SUCH CLAIM INTO CLASS 7, AND ALL SUCH CAUSES OF ACTION AND AVOIDANCE ACTIONS ARE HEREBY PRESERVED UNDER THE PLAN.

ARTICLE III.
TREATMENT OF CLAIMS AND EQUITY INTERESTS

3.1 Comprehensive Settlement of Claims and Controversies~~.~~

Pursuant to sections 1123(a)(5), 1123(b)(3), and 1123(b)(6) of the Bankruptcy Code, as well as Bankruptcy Rule 9019, and in consideration for the Distributions and other benefits provided under the Plan, the provisions of the Plan will constitute a good-faith compromise and settlement of all claims and controversies relating to the rights that a Holder of a Claim or an Equity Interest may have against any Debtor, including the Consolidated Debtor, with respect to any Claim, any Equity Interest, or any Distribution on account thereof, as well as ~~of~~ all Causes of Action against any Debtor, including the Consolidated Debtor (it being understood that all potential Intercompany Claims~~,~~ and Intercompany Liens~~, and Causes of Action against any Debtor~~ were eliminated and cancelled by the substantive consolidation of the Debtors and the KSMP Investment Entities effectuated by the Substantive Consolidation Order). The entry of the Confirmation Order will constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise and settlement of all such claims or controversies and the Bankruptcy Court's finding that all such compromises and settlements are (i) in the best interest of the Consolidated Debtor, the Debtors, the Consolidated Estate, the Estates, the KSMP Investment Entities, and their respective stakeholders; and (ii) fair, equitable, and reasonable. This comprehensive compromise and settlement is a critical component of the Plan and is designed to provide a resolution of myriad disputed Claims, Liens, and Causes of Action that otherwise could take years to resolve, which would both delay and reduce the Distributions ultimately available for Creditors.

As discussed above, the Global Settlement embodied in this Plan resolves the complex issues in these Chapter 11 Cases, including (a) ~~substantive consolidation of the Debtors and the KSMP Investment Entities, (b)~~ the Ponzi determination~~,~~ and (~~c~~b) the allowance and treatment of the Investor Claims. The Debtors and the KSMP Investment Entities were previously substantively consolidated pursuant to the Substantive Consolidation Order. The Global Settlement, which was negotiated by the LFM Debtors, KSMP, and the Committee, provides for ~~a "single pot," such that all assets and liabilities of all Debtors and the KSMP Investment Entities are pooled and consolidated for distribution purposes, through substantive consolidation under this Plan. Pursuant to applicable law,~~ all Investors ~~are~~to be treated the same, as holders of tort claims, regardless of the type of documentation or instrument held. Pursuant to the Global Settlement, each Investor will receive a claim for money (or value of property) it invested in the Debtors and the KSMP Investment Entities over time less any distributions the Investor received over the seven years prior to the Petition Date. This claim will receive a *pro rata* distribution of available assets and, only after such claim is paid in full, will there be any recovery on claims for expected profits, pursuant to the principles of ~~"~~netting~~"~~ in Ponzi scheme cases. However, as part of the Global Settlement, rather than netting from the suspected Ponzi scheme start date, the Plan provides that only

payments made to Investors seven years prior to September 12, 2024, will be ~~offset/~~netted in calculating Investor Claims. Further reference is made to the Disclosure Statement for (i) a discussion of the Debtors' history, businesses, assets, results of operations, and other financial information; (ii) a summary and analysis of the Plan; and (iii) certain related matters, including risk factors relating to the consummation of the Plan and Distributions to be made under the Plan.

3.2 Special Provisions Relating to Investor-Specific Claims.

Nothing in the Plan will impair the right of an Investor to independently pursue claims against third parties for which it has independent legal standing that are unique to such Investor and not Contributed Claims ("Investor-Specific Claims"). By way of example, and not limitation, such unique claims include claims based on loss of lien or loss of lien priority, claims against an Investor's own professional advisors, claims against retirement servicers, and similar claims that may be asserted based on such Investor's particular circumstances. The Investor-Specific Claims do not include (i) Claims common to all Investors, (ii) Claims to recover commissions or referral fees paid by the Debtors to third parties in connection with an Investor's investment with the Debtors or the KSMP Investment Entities, or (iii) Contributed Claims.

3.3 Unclassified Claims

3.3.1 Administrative Expense Claims

Except as otherwise provided for herein, and subject to the requirements of the Plan, on or as soon as reasonably practicable after the later of (a) the Effective Date, (b) thirty (30) calendar days following the date on which an Administrative Expense Claim becomes an Allowed Administrative Expense Claim, (c) the date on which such Allowed Administrative Expense Claim is otherwise due and payable, or (d) such other date as may be mutually agreed to by the Plan Recovery Trustee and the Holder of such Allowed Administrative Expense Claim, the Holder of such Allowed Administrative Expense Claim shall receive, in full satisfaction, settlement, and release of and in exchange for such Allowed Administrative Expense Claim, (a) Cash equal to the unpaid portion of such Allowed Administrative Expense Claim or (b) such other less favorable treatment as to which such Holder and the Plan Recovery Trustee shall have agreed upon in writing.

All requests for payment of an Administrative Expense Claim must be Filed with the Bankruptcy Court no later than the Administrative Expense Claims Bar Date. In the event of an objection to Allowance of an Administrative Expense Claim, the Bankruptcy Court shall determine the Allowed amount of such Administrative Expense Claim. Notwithstanding anything to the contrary contained herein, postpetition statutory tax claims shall not be subject to any Administrative Claims Bar Date.

THE FAILURE TO FILE A MOTION REQUESTING ALLOWANCE OF AN ADMINISTRATIVE EXPENSE CLAIM ON OR BEFORE THE ADMINISTRATIVE EXPENSE CLAIMS BAR DATE, OR THE FAILURE TO SERVE SUCH MOTION TIMELY AND PROPERLY, SHALL RESULT IN THE ADMINISTRATIVE EXPENSE CLAIM BEING FOREVER BARRED AND DISALLOWED WITHOUT FURTHER ORDER OF THE BANKRUPTCY COURT.

3.3.2 DIP Facility Claims

~~The DIP Facility Claims shall be deemed to be Allowed Claims in the full amount outstanding under the DIP Credit Agreements as of the Effective Date (including any unpaid accrued interest and unpaid fees, expenses, and other obligations under the DIP Credit Agreements as of the Effective Date). On the Effective Date, in full and complete satisfaction of the DIP~~

~~Facility Claims, the DIP Lender will receive Cash equal to the unpaid portion of the DIP Facility Claims.~~

The DIP Facility Claims ~~shall~~have been fully paid and satisfied in accordance with the DIP Credit Agreements and DIP Orders.

3.3.3 Professional Fee Claims

All final requests for payment of Professional Fee Claims pursuant to sections 327, 328, 330, 331, 363, 503(b), or 1103 of the Bankruptcy Code must be made by application Filed with the Bankruptcy Court no later than forty-five (45) calendar days after the Effective Date. Objections to such applications must be Filed and served on counsel to the Plan Recovery Trustee, counsel to the U.S. Trustee, and the requesting Professional in accordance with the Local Rules. All Professional Fee Claims shall be promptly paid from the Plan Recovery Trust to the extent approved by Final Order of the Bankruptcy Court. On the Effective Date, the Plan Recovery Trust shall establish the Professional Fee Reserve. The Professional Fee Reserve shall vest in the Plan Recovery Trust and shall be maintained by the Plan Recovery Trustee in accordance with the Plan. The Plan Recovery Trust shall fully fund the Professional Fee Reserve on the Effective Date in an amount that is determined by the Plan Proponents prior to the Confirmation Hearing and that approximates the total projected amount of unpaid Professional Fee Claims on the Effective Date. All Professional Fee Claims that have not previously been paid, otherwise satisfied, or withdrawn shall be paid first from the Professional Fee Reserve; *provided*, *however*, that the Professional Fee Reserve is an estimate and shall not be construed as a cap on the rights of a Holder of an Allowed Professional Fee Claim to receive payment in full on account of such Claim from the Plan Recovery Trust. Any excess funds in the Professional Fee Reserve shall be released to the Plan Recovery Trust to be used for other purposes consistent with the Plan.

3.3.4 Involuntary Gap Claims

To be eligible to receive Distributions under the Plan on account of an Involuntary Gap Claim, a proof of claim must be Filed or deemed Filed with the Bankruptcy Court so as to be received on or before the applicable Claims Bar Date. Any Holder of an Involuntary Gap Claim that does not properly assert such Claim shall have its Claim deemed Disallowed under the Plan and be forever barred from asserting such Claim against ~~Debtor~~ KSMP, any of the other Debtors, or any of their respective Estates, assets, or property. Any such Claim shall be Disallowed, and the Holder thereof shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset, recoup, or recover such Claim. Except as otherwise provided for herein, and subject to the requirements of the Plan, on or as soon as reasonably practicable after the later of (i) the Effective Date and (ii) thirty (30) calendar days following the date on which an Involuntary Gap Claim becomes Allowed, the Holder of such Allowed Involuntary Gap Claim shall receive, in full satisfaction, settlement, and release of and in exchange for such Allowed Involuntary Gap Claim, (a) Cash equal to the unpaid portion of such Allowed Involuntary Gap Claim or (b) such other less favorable treatment as to which such Holder and the Plan Recovery Trust shall have agreed upon in writing.

3.3.5 Priority Tax Claims

In full satisfaction, settlement, and release of and in exchange for such Claims, Allowed Priority Tax Claims shall be paid, at the Plan Recovery Trustee's option, as follows: (a) Cash equal to the unpaid portion of such Allowed Priority Tax Claim on the later of the Effective Date and thirty (30) calendar days following the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim; (b) in regular installment payments in Cash over a period not exceeding five (5) years after the Petition Date, plus interest on the unpaid portion thereof at the rate determined under applicable non-bankruptcy law as of the calendar month in which the Effective Date occurs (*provided* that such election shall be without prejudice to the right to prepay any such Allowed

Priority Tax Claim in full or in part without penalty); or (c) such other treatment as to which the Holder of an Allowed Priority Tax Claim and the Plan Recovery Trust shall have agreed upon in writing.

3.4 Class 1: Priority Claims

Classification. Class 1 consists of all Priority Claims.

Treatment. On, or as soon as reasonably practicable after, the later of (i) the Effective Date and (ii) the date on which a Priority Claim becomes payable pursuant to and as specified by an order of the Bankruptcy Court, the Holder of such Allowed Class 1 Claim shall receive, in full satisfaction, settlement, and release of and in exchange for such Allowed Class 1 Claim, either (a) Cash from the Plan Recovery Trust equal to the unpaid portion of such Allowed Class 1 Claim or (b) such other less favorable treatment from the Plan Recovery Trust to which such Holder and the Plan Recovery Trust shall have agreed upon in writing.

Impairment and Voting. Class 1 is Unimpaired. Holders of Class 1 Claims (Priority Claims) are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.

3.5 Class 2: Other Secured Claims

Classification. Class 2 consists of all Other Secured Claims. For voting purposes, and to comply with section 1122(a) of the Bankruptcy Code, each Allowed Other Secured Claim shall be deemed to be in its own subclass.

Treatment. In full and final satisfaction, settlement, release, and discharge of any Allowed Class 2 Claim, except to the extent that the Plan Recovery Trustee and a holder of an Allowed Class 2 Claim agree to a less favorable treatment of such Claim, each holder of an Allowed Class 2 Claim shall, at the option of the Plan Recovery Trustee, (i) retain its Class 2 Claim and the Collateral securing such Claim; (ii) receive Cash in an amount equal to such Allowed Class 2 Claim, including the payment of any interest due and payable under section 506(b) of the Bankruptcy Code, on the Effective Date or as soon as reasonably practicable thereafter, but in no event later than thirty (30) days after the later to occur of (A) the Effective Date and (B) the date such Claim becomes an Allowed Claim; or (iii) receive treatment of such Allowed Class 2 Claim in any other manner that is necessary to satisfy the requirements of section 1124 of the Bankruptcy Code. In the event a Class 2 Claim is treated under clause (ii) of this Section 3.5, the Liens securing such Class 2 Claim shall be deemed released immediately upon payment.

Impairment and Voting. Class 2 is Unimpaired. Holders of Class 2 Claims (Other Secured Claims) are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.

3.6 Class 3: Secured Lender Claims.

Classification. Class 3 consists of all Secured Lender Claims. For voting purposes, and to comply with section 1122(a) of the Bankruptcy Code, each Allowed Secured Lender Claim shall be deemed to be in its own subclass (Class 3-A, 3-B, *etc.*).

Treatment. In full and final satisfaction, settlement, release, and discharge of any Allowed Class 3 Claim, except to the extent that the Plan Recovery Trustee and a holder of an Allowed Class 3 Claim agree to a less favorable treatment of such Claim, each Holder of an Allowed Class 3 Claim shall receive one of the following treatments, as applicable:

(i) *Escrowed Sale Proceeds*: If the Real Property securing the applicable Class 3 Claim has been sold pursuant to an order of the Bankruptcy Court prior to the Effective Date, the Holder of a Class 3 Claim shall receive Cash in an amount equal to such Allowed Class 3 Claim on the Effective Date or as soon as reasonably practicable thereafter. The purpose of this subsection is to address any sale proceeds of sold Real Property that have been escrowed prior to the Effective Date.

(ii) *Retained Real Properties*: If the Real Property securing the applicable Class 3 Claim is Retained Real Property, the Holder of the Class 3 Claim shall receive Cash in an amount equal to such Allowed Secured Lender Claim from the proceeds of the sale of the applicable Retained Real Property as soon as reasonably practicable, but no later than thirty (30) days after the later to occur of (A) the closing of the sale of the Retained Real Property and (B) the date such Claim becomes an Allowed Secured Lender Claim; *provided that* pending and prior to such sale, the Holder will retain its lien in the applicable Retained Real Property after the Effective Date, but after the sale, the Holder will have a lien in only the net sale proceeds with the same validity and priority as it had in the Retained Real Property as of the Petition Date. Notwithstanding any of the foregoing, any Real Property Sale Proceeds from the sale of any Real Property after the Effective Date shall be transferred to and shall automatically vest in the Plan Recovery Trust for administration and distribution by the Plan Recovery Trustee consistent with the Plan, the Confirmation Order and the Plan Recovery Trust Agreement.

(iii) *Settling Secured Lenders*: If the Holder of a Class 3 Claim has entered into a Secured Lender Settlement Agreement prior to the Effective Date, the Holder of the Class 3 Claim shall receive, subject to the terms of this Plan and the applicable Secured Lender Settlement Agreement, the treatment expressly provided for in the Secured Lender Settlement Agreement. To the extent of any inconsistency or conflict between the terms of this Plan and the applicable Secured Lender Settlement Agreement, the Secured Lender Settlement Agreement shall control.

Impairment and Voting. Class 3 is Impaired and entitled to vote to accept or reject the Plan, and the votes of such Holders will be solicited with respect to such Allowed Class 3 Claims; *provided that* the Plan Proponents reserve the right to assert that the treatment provided to the Holders of Class 3 Claims pursuant to this Plan renders such Claims unimpaired, and *provided further*, if a Holder's Class 3 Claim is paid in full between the Voting Record Date and the Confirmation Date, the Holder's Class 3 vote on the Plan will not be counted. A Secured Lender whose asserted Secured Lender Claim was paid in full in the asserted amount at closing of the sale of the Real Property does **not** hold a Class 3 Claim and is not entitled to vote on the Plan.

3.7 Class 4: Trade Claims

Classification. Class 4 consists of all Trade Claims.

Treatment. On the Effective Date, or as soon as practicable thereafter, each Holder of an Allowed Class 4 Claim will receive:

(i) ***If Class 4 votes to accept the Plan***, each Holder of an Allowed Trade Claim shall receive its Pro Rata share of the Trade Claims Settlement Fund, in full and final satisfaction, settlement, and release of and in exchange for such Allowed Trade Claims; or

(ii) ***If Class 4 votes to reject the Plan***, each Holder of an Allowed Trade Claim shall receive from the Plan Recovery Trust on account of its Allowed Class 4 Claim, its Pro Rata distribution of the Class A Plan Recovery Trust Units. The issuance of the Class A Plan Recovery Trust Units is in full and complete satisfaction of Allowed Class 4 Claims in the event Class 4 rejects the Plan.

Impairment and Voting. Class 4 is Impaired under the Plan and entitled to vote to accept or reject the Plan, and the votes of such Holders will be solicited with respect to such Allowed Class 4 Claims.

3.8 Class 5: Investor Claims

Classification. Class 5 consists of all Investor Claims.

Treatment.

(i) Plan Recovery Trust Units. On the Effective Date, or as soon as practicable thereafter, in full satisfaction, settlement, and release of and in exchange for such Investor Claims, each Holder of an Allowed Class 5 Claim will receive its (i) Pro Rata distribution of Class A Plan Recovery Trust Units on account of its Allowed Investor Tranche 1 Claim (Pro Rata with Holders of Allowed Trade Clams if Class 4 votes to reject the Plan) and (ii) Pro Rata distribution of Class B Plan Recovery Trust Units on account of its Allowed Investor Tranche 2 Claim, if any; and

(ii) Investor Forfeiture Fund. The Plan Recovery Trustee shall distribute the Cash proceeds in the Investor Forfeiture Fund to (a) the Holders of Allowed Investor Tranche 1 Claims on account of such Claims on a Pro Rata basis, and (b) after all Allowed Investor Tranche 1 Claims have been paid in full, the Holders of Allowed Investor Tranche 2 Claims on account of such Claims on a Pro Rata basis.

Contributed Claim Election. Each Holder of an Investor Claim that **accepts the Plan and does not opt-out of the Contributed Claim Election** shall (i) be deemed to contribute its Contributed Claims to the Plan Recovery Trust and (ii) on the Effective Date, or as soon as practicable thereafter, receive a Pro Rata Distribution of Class C Plan Recovery Trust Units. The Pro Rata Distribution of Class C Plan Recovery Trust Units shall be the ratio of (a) such Holder's Allowed Investor Claim to (b) the total Allowed Investor Claims of all Holders that make the Contributed Claim Election. By accepting the Plan, the Holder of an Investor Claim agrees that, subject to the occurrence of the Effective Date and the formation of the Plan Recovery Trust, it will be deemed, without further action, (i) to have irrevocably contributed its Contributed Claims to the Plan Recovery Trust and (ii) to have agreed to execute any documents reasonably requested to memorialize such contribution. All Causes of Action identified on the Schedule of Disclaimed Contributed Claims will not be Contributed Claims for purposes of the Plan.

Impairment and Voting. Class 5 is Impaired under the Plan and entitled to vote to accept or reject the Plan.

3.9 Class 6: Intercompany Claims

~~Classification. Class 6~~Class 6, which consists of ~~all~~Intercompany Claims, is now vacant due to the elimination and cancellation of Intercompany Claims~~.~~

pursuant to the Substantive Consolidation Order.~~Treatment.~~ As of the Effective Date, all Intercompany Claims shall be deemed void, cancelled, and of no further force and effect~~., On~~ and ~~after the Effective Date, the Holders of Class 8 Claims shall not be entitled to, and shall not receive or retain, any property or interest in property under the Plan on account of such Allowed Class 8 Claims.~~the claims register may be updated to reflect their expungement without further order of the Bankruptcy Court.

~~Impairment and Voting. Class 6 is Impaired under the Plan, deemed to reject the Plan, and not entitled to vote to accept or reject the Plan.~~

3.10 Class 7: Equitably Subordinated Claims~~.~~

Classification. Class 7 consists of all Equitably Subordinated Claims.

Treatment. The Holders of Allowed Class 7 Claims will retain a residual right to receive Available Cash that remains in the Plan Recovery Trust after the final administration of all Plan Recovery Trust Assets and the complete satisfaction of all senior payment rights within the Plan Recovery Trust Waterfall, including satisfaction of all Investor Claims. Any such recovery will be shared Pro Rata with Holders of Allowed Equitably Subordinated Interests.

Impairment and Voting. Class 7 is Impaired under the Plan, estimated to receive zero recovery under the Plan and therefore deemed to reject the Plan, and not entitled to vote to accept or reject the Plan.

3.11 Class 8: Equitably Subordinated Interests

Classification. Class 8 consists of all Equitably Subordinated Interests in the Debtors.

Treatment. The Holders of Allowed Class 8 Interests will retain a residual right to receive Available Cash that remains in the Plan Recovery Trust after the final administration of all Plan Recovery Trust Assets and the complete satisfaction of all senior payment rights within the Plan Recovery Trust Waterfall, including satisfaction of all Investor Claims. Any such recovery will be shared Pro Rata with Holders of Allowed Equitably Subordinated Claims.

Impairment and Voting. Class 8 is Impaired under the Plan, estimated to receive zero recovery under the Plan and therefore deemed to reject the Plan, and not entitled to vote to accept or reject the Plan.

ARTICLE IV.
ACCEPTANCE OR REJECTION OF THE PLAN

4.1 Impaired Classes Entitled to Vote.

Only the votes of Holders of Allowed Claims in Class 3, Class 4, and Class 5 shall be solicited with respect to the Plan.

4.2 Acceptance by an Impaired Class of Claims.

In accordance with section 1126(c) of the Bankruptcy Code, and except as provided in section 1126(e) of the Bankruptcy Code, the Holders of Claims in any Class of Claims (including any subclass) entitled to vote on the Plan shall have accepted the Plan if the Plan is accepted by the Holders of at least two-thirds (⅔) in dollar amount and more than one-half (½) in number of the Allowed Claims in such Class (or subclass) that have timely and properly voted to accept or reject the Plan.

4.3 Presumed Acceptances by Unimpaired Classes.

Class 1 and Class 2 are Unimpaired under the Plan. Under section 1126(f) of the Bankruptcy Code, the Holders of Claims in such Unimpaired Classes are conclusively presumed to have accepted the Plan, and, therefore, the votes of such Holders shall not be solicited.

4.4 Impaired Classes Deemed to Reject Plan.

Holders of Claims in Class ~~6 (Intercompany Claims) are not entitled to receive or retain any property or interests in property under the Plan. Under section 1126(g) of the Bankruptcy Code, such Holders are deemed to have rejected the Plan, and, therefore, the votes of such Holders shall not be solicited.~~

~~Holders of Claims in Class~~ 7 and Equitably Subordinated Interests in Class 8 are estimated to receive zero recovery under the Plan, deemed to have rejected the Plan, and the votes of such Holders shall not be solicited.

4.5 Modifications of Votes.

Following the Voting Deadline, no Holders of Claims entitled to vote on the Plan will be able to change their votes cast on the Plan or any attendant elections or preferences without the written consent of the Plan Proponents, which consent may be given or withheld in the Plan Proponents' reasonable discretion.

4.6 Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code.

Because at least one Impaired Class is deemed to have rejected the Plan, the Plan Proponents will and hereby do request confirmation of the Plan under section 1129(b) of the Bankruptcy Code. The Plan Proponents reserve the right to alter, amend, modify, revoke, or withdraw the Plan, the Plan Supplement, or any schedule or exhibit, including to amend or modify it to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary.

4.7 Elimination of Vacant Classes.

Any Class of Claims that does not contain, as of the date of the commencement of the Confirmation Hearing, a Holder of an Allowed Claim, or a Holder of a Claim temporarily allowed under Bankruptcy Rule 3018, shall be deemed deleted from the Plan for purposes of determining acceptance of the Plan by such Class under section 1129(a)(8) of the Bankruptcy Code. Class 6 (Intercompany Claims) is a vacant class.

4.8 Severability of Joint Plan.

The Plan represents a joint plan composed of individual plans for each of the Debtors. As further discussed in Section 12.5 of the Plan, the Plan Proponents may alter, amend, or modify the Plan at or before the Confirmation Hearing, including to remove one or more Debtors from the Plan, in the Plan Proponents' reasonable discretion.

ARTICLE V.
IMPLEMENTATION OF THE PLAN

5.1 Implementation of the Plan.

The Plan will be implemented by various acts and transactions as set forth in the Plan, including, among other things, the establishment of the Plan Recovery Trust, the Oversight Committee, ~~and~~ the Plan Recovery Trustee, and the making of Distributions by the Plan Recovery Trustee in accordance with the Plan.

5.2 Streamlining of the Debtors' Corporate Affairs.

5.2.1 Debtors' Existing Directors, Officers, and Managers~~.~~

On the Effective Date, each of the Debtors' existing directors, officers, and managers shall be terminated automatically without the need for any Corporate Action and without the need for any corporate, limited liability company, or limited partnership filings, and shall have no ongoing rights against or obligations to the Debtors or the Estates, including under any applicable prepetition agreements (all of which will be deemed terminated).

On the Effective Date, the Plan Recovery Trustee shall ~~succeed to all such powers as would have been applicable to the Debtors' officers and managers with respect to all Plan Recovery Trust Assets; *provided, however*, that~~ be (a) the sole director of the Consolidated Debtor and (b) the sole officer (Chief Executive Officer) of the Consolidated Debtor. ~~t~~The Plan Recovery Trustee and Consolidated Debtor, as applicable, may continue to consult with or employ the Debtors' or Consolidated Debtor's former directors, officers, employees, and managers to the extent required to comply with applicable law or to implement the Plan or the Plan Recovery Trust~~.~~, in consultation with the Oversight Committee.

Any sale or other disposition of the Retained Real Properties by the Consolidated Debtor shall be made in consultation with the Oversight Committee.

5.2.2 Dissolution of the Debtors~~.~~

On the Effective Date, each of the Debtors and the KSMP Investment Entities, but excluding the Consolidated Debtor, will be dissolved automatically without the need for any Corporate Action, without the need for any corporate, limited liability company, ~~or~~ limited partnership or other filings, and without the need for any other or further actions to be taken by or on behalf of such dissolving Debtor or KSMP Investment Entity or any other Person or any payments to be made in connection therewith; *provided*, *however*, that the Plan Recovery Trustee may in its discretion file any certificates of cancellation or other documents as may be appropriate in connection with dissolution of the Debtors~~. On~~ and ~~as of~~/or the ~~earlier of the Closing Date and the date on which~~KSMP Investment Entities. In its discretion, after the Effective Date, the Plan Recovery Trustee may determine to dissolve the Consolidated Debtor subject to the Plan and the Plan Recovery Trust Agreement. In such case, the Plan Recovery Trustee will File~~s~~ with the Bankruptcy Court a notice of dissolution as to ~~a~~the Consolidated Debtor, ~~such~~and the Consolidated Debtor will be dissolved automatically without the need for any Corporate Action, without the need for any corporate~~, limited liability company, or limited partnership~~ filings, and without the need for any other or further actions to be taken by or on behalf of ~~such dissolving~~the Consolidated Debtor or any other Person or any payments to be made in connection therewith; *provided*, *however*, that the Plan Recovery Trustee may in its discretion file any certificate~~s~~ of cancellation or dissolution as may be appropriate in connection with dissolution of ~~any~~the Consolidated Debtor~~s~~.

5.2.3 Corporate Documents and Corporate Authority~~.~~

On the Effective Date, the certificates of incorporation, bylaws, operating agreements, partnership agreements, and articles of organization, as applicable, of all the Debtors and the Consolidated Debtor shall be deemed amended to the extent necessary to carry out the provisions of the Plan. The entry of the Confirmation Order shall constitute authorization for the Debtors, the Consolidated Debtor, and the Plan Recovery Trustee, as applicable, to take or cause to be taken all actions (including, if applicable, Corporate Actions) necessary or appropriate to implement all provisions of, and to consummate, the Plan prior to, on, and after the Effective Date, and all such actions taken or caused to be taken shall be deemed to have been authorized and approved by the

Bankruptcy Court without further approval, act, or action under any applicable law, order, rule, or regulation.

5.3 Plan Recovery Trust.

5.3.1 Appointment of Plan Recovery Trustee and Oversight Committee.

On and after the Effective Date, the Plan Recovery Trustee shall become and serve as the trustee of the Plan Recovery Trust. The Plan Recovery Trustee's compensation and other related information will be more specifically set forth in the Plan Recovery Trust Agreement. The Plan Recovery Trustee may resign at any time upon thirty (30) days' written notice filed with the Bankruptcy Court, provided that such resignation shall only become effective upon the appointment of a permanent or interim successor Plan Recovery Trustee. The Bankruptcy Court may remove the Plan Recovery Trustee solely for cause, upon motion and after notice and a hearing. In the event of the resignation or removal, death or incapacity of the Plan Recovery Trustee, the Bankruptcy Court shall designate another person to serve as Plan Recovery Trustee and thereupon the successor Plan Recovery Trustee shall become fully vested with all of the rights, powers, duties and obligations of its predecessor.

On and after the Effective Date, the initial Oversight Committee shall begin to serve without further action, consistent with the Plan and the Plan Recovery Trust Agreement, and shall oversee the Plan Recovery Trustee's performance of its duties and otherwise serve the functions described in the Plan and the Plan Recovery Trust Agreement. The Oversight Committee members shall serve on a voluntary basis without compensation, but they shall be reimbursed from the Plan Recovery Trust for any reasonable expenses in accordance with the Plan Recovery Trust Agreement.

5.3.2 Creation and Governance of the Plan Recovery Trust.

On the Effective Date, the Plan Recovery Trustee shall execute the Plan Recovery Trust Agreement and shall take any other action necessary to establish the Plan Recovery Trust in accordance with the Plan and the beneficial interests therein. For federal income tax purposes, it is expected, and this discussion assumes, that (i) the transfer of the assets to the Plan Recovery Trust will be treated as a sale or other taxable disposition of assets (except for the assets transferred to the Disputed Ownership Fund as provided in Section 7.7 7.7 of the Plan) to the Plan Recovery Trust Beneficiaries in exchange for their claims and interests in the Chapter 11 Cases. and (ii) beneficial ownership of the Real Properties will be treated as having been transferred to the Plan Recovery Trust on the Effective Date. Accordingly, Aany income or loss from the transfer of assets to the Plan Recovery Trust shall flow through to the ultimate taxpaying member of each Debtor who will be responsible to pay the tax liability, if any.entity treated as the owner of the assets Ffor US federal income taxes. purposes In addition, under applicable rules governing liquidating trusts, the Plan Recovery Trust Beneficiaries shallwould be treated as the grantors of the Plan Recovery Trust and deemed to be the owners of the assets of the Plan Recovery Trust.have received and then The transferred of the Plan Recovery Trust Assets to the Plan Recovery Trust shall be deemed a transfer to the Plan Recovery Trust Beneficiaries by the Debtors, followed by a deemed transfer by such Plan Recovery Trust Beneficiaries to the Plan Recovery Trust.

The Debtors, the Consolidated Debtor, the Plan Recovery Trust Beneficiaries, and the Plan Recovery Trust, as applicable, will consistently report the valuation of the assets transferred to the Plan Recovery Trust. Such consistent valuations and revised reporting will be used for all federal income tax purposes. Income deductions, gain, or loss from the Plan Recovery Trust shall be reported to the Plan Recovery Trust Beneficiaries in conjunction with the filing of the Plan Recovery Trust's income tax returns. Each Plan Recovery Trust Beneficiary shall report income,

deductions, gain, or loss on such Plan Recovery Trust Beneficiary's income tax returns. The Plan Recovery Trust shall be governed by the Plan Recovery Trust Agreement and administered by the Plan Recovery Trustee. The powers, rights, and responsibilities of the Plan Recovery Trustee shall be specified in the Plan Recovery Trust Agreement. After an objection to a Disputed Claim is resolved or a Contingent Claim or Unliquidated Claim has been determined in whole or in part by a Final Order or by agreement, the Plan Recovery Trust Units or Cash held in the Disputed Ownership Fund shall be transferred as described in the Plan Recovery Trust Agreement. Notwithstanding anything to the contrary in this Section 5.3.2, it is not intended that the provisions of this Section 5.3.2 prevent a Plan Recovery Trust Beneficiary from taking a federal income tax position otherwise permissible under the rules regarding the treatment of Ponzi losses.

5.3.3 Vesting of Plan Recovery Trust Assets~~.~~ and Sale of Real Properties

On the Effective Date, the Plan Recovery Trust Assets shall ~~be~~immediately and automatically vest~~ed with all of the Debtors' and the Estates' respective rights, title, and interest in and to all~~ in the Plan Recovery Trust. For clarity, (a) any Real Property Sale Proceeds shall automatically vest in the Plan Recovery Trust after the consummation of the sale or other disposition of any Retained Real Properties by the Consolidated Debtor after the Effective Date; (b) any economic interest of the Consolidated Debtor in a non-Debtor Entity shall vest in the Plan Recovery Trust upon the Effective Date; and (c) the proceeds of any Excluded Assets on and after the Effective Date shall be and constitute Plan Recovery Trust Assets~~.~~ without need of further Court order or notice.

Except as specifically provided in the Plan or the Confirmation Order, in accordance with section 1141 of the Bankruptcy Code, the Plan Recovery Trust Assets (including the Real Property Sale Proceeds) shall automatically vest in the Plan Recovery Trust free and clear of all Claims, Liens, or interests, subject only to the Plan Recovery Trust Units, and the Plan Recovery Trust Expenses, as provided for in the Plan Recovery Trust Agreement, and such vesting shall be exempt from any stamp, real estate transfer, other transfer, mortgage reporting, sales, use, or other similar tax.

The Plan Recovery Trustee shall be the exclusive trustee of the Plan Recovery Trust Assets for purposes of 31 U.S.C. § 3713(b) and 26 U.S.C. § 6012(b)(3), as well as the representative of the Estates appointed pursuant to section 1123(b)(3) of the Bankruptcy Code regarding all Plan Recovery Trust Assets. The Plan Recovery Trust shall hold and distribute the Plan Recovery Trust Assets in accordance with the provisions of the Plan and the Plan Recovery Trust Agreement.

Legal title to any Real Property not sold, transferred, or disposed of by the Consolidated Debtor prior to the Effective Date shall remain with the Consolidated Debtor, and such legal title shall not be transferred to any other entity, including the Plan Recovery Trust. Upon the consummation of the sale of the applicable Real Property, the resulting Real Property Sale Proceeds will automatically and immediately vest in the Plan Recovery Trust, to be administered and distributed by the Plan Recovery Trustee in accordance with the Plan and the Plan Recovery Trust Agreement. Consistent with the Plan, the Plan Recovery Trust Agreement, and the Substantive Consolidation Order, the Plan Recovery Trustee, in its capacity as the Chief Executive Officer of the Consolidated Debtor, may execute and deliver deeds and other instruments relating to the Real Properties, including, without limitation, any deeds granted to or by the Consolidated Debtor.

5.3.4 Investor Forfeiture Fund~~.~~

~~In the event that~~If any Forfeiture Property obtained by the DOJ, the SEC, or another Governmental Unit is transferred to the Plan Recovery Trust for administration for the benefit of Investors, such Forfeiture Property shall be deposited in, and become property of, the Investor Forfeiture Fund. The Investor Forfeiture Fund shall be free and clear of any and all claims and

liens, and shall not constitute property of the Debtors or the Plan Recovery Trust. All Cash in the Investor Forfeiture Fund shall be distributed solely to Investors on a Pro Rata basis on account of their Allowed Investor Tranche 1 Claims and Investor Tranche 2 Claims, in accordance with the Plan. The Plan Recovery Trustee is authorized to and shall distribute all Cash in the Investor Forfeiture Fund only to Investors who are Holders of Allowed Class A Plan Recovery Trust Units or Class B Plan Recovery Trust Units on account thereof, subject to the Plan and the Plan Recovery Trust Agreement; *provided that* the Plan Recovery Trustee and its agents will be reimbursed from the Investor Forfeiture Fund for reasonable costs and expenses incurred by said parties related to the Plan Recovery Trustee's collection, administration, and distribution of such Cash to the applicable Investors.

5.3.5 Purpose of the Plan Recovery Trust~~.~~

The Plan Recovery Trust shall be established for the purpose of pursuing, collecting, or monetizing the Plan Recovery Trust Assets and making Distributions from the proceeds of such assets to the Plan Recovery Trust Beneficiaries in accordance with Treasury Regulation section 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business.

5.3.6 Authority~~.~~

Subject to the authority and supervision of the Oversight Committee as set forth in the Plan Recovery Trust Agreement, the Plan Recovery Trustee shall have the authority and right on behalf of the Plan Recovery Trust, without the need for Bankruptcy Court approval (in each case, unless otherwise provided in the Plan and the Plan Recovery Trust Agreement), to carry out and implement all applicable provisions of the Plan, including to:

(a) appear on behalf of the Plan Recovery Trust in the Chapter 11 Case~~s~~ and any proceedings related thereto;

(b) review, reconcile, compromise, settle, or object to Claims and Equity Interests and resolve such objections as set forth in the Plan, free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules;

(c) calculate and make Distributions (including~~, without limitation,~~ to Holders of Allowed Class 4 Claims of the Trade Claims Settlement Fund if Class 4 votes to accept the Plan, and to Investors from the Investor Forfeiture Fund) and calculate and establish reserves under and in accordance with the Plan;

(d) retain, compensate, and employ professionals and other Persons to represent the Plan Recovery Trustee with respect to and in connection with its rights and responsibilities;

(e) establish, maintain, and administer documents and accounts of the Debtors as appropriate, which shall be segregated to the extent appropriate in accordance with the Plan;

(f) maintain, conserve, collect, settle, and protect the Plan Recovery Trust Assets, ~~including, without limitation, any Retained Real Properties,~~ whether wholly or jointly owned (subject to the limitations described herein and in the Plan Recovery Trust Agreement);

(g) sell, monetize, transfer, assign, distribute, abandon, or otherwise dispose of the Plan Recovery Trust Assets ~~(including, without limitation, any Retained Real Properties, whether wholly or jointly owned)~~ or any part thereof or interest therein upon such terms as the Plan Recovery Trustee determines to be necessary, appropriate, or

desirable, subject to the provisions of the Plan and the Plan Recovery Trust Agreement;

(h) pursue, prosecute, settle, or abandon any Plan Recovery Trust Actions in the Bankruptcy Court or any other court;

(i) negotiate and enter into litigation or operational funding arrangements upon such terms as the Plan Recovery Trustee determines to be necessary, appropriate, or otherwise desirable and in the best interests of Plan Recovery Trust Beneficiaries, subject to the provisions of the Plan Recovery Trust Agreement;

(j) negotiate, incur, and pay the Plan Recovery Trust Expenses;

(k) prepare and file any and all informational returns, reports, statements, returns, and other documents or disclosures relating to the Debtors, the KSMP Investment Entities, and/or the Consolidated Debtor that are required under the Plan, by any governmental unit, or by applicable law;

(l) compile and maintain the official claims register, including for purposes of making Distributions under the Plan;

(m) comply with the Plan, exercise the Plan Recovery Trustee's rights, and perform the Plan Recovery Trustee's obligations; and

(n) exercise such other powers as deemed by the Plan Recovery Trustee to be necessary and proper to implement the Plan.; and

(o) serve as the Chief Executive Officer and director of the Consolidated Debtor.

~~To~~If and to the extent necessary to give full effect to its administrative rights and duties under the Plan, the Plan Recovery Trustee shall be deemed to be vested with all rights, powers, privileges, and authorities of (i) an appropriate corporate, limited liability company, or limited partnership officer, director or manager (as applicable) of each of the Debtors and the Consolidated Debtor under any applicable non-bankruptcy law and (ii) a "trustee" of each of the Debtors and the Consolidated Debtor under sections 704 and 1106 of the Bankruptcy Code.

5.3.7 Director and Chief Executive Officer of the Consolidated Debtor

On and after the Effective Date, the Plan Recovery Trustee shall be deemed (a) the sole director of the Consolidated Debtor and (b) the sole officer (Chief Executive Officer) of the Consolidated Debtor, to exercise the rights, powers, and authority of the Consolidated Debtor under applicable provisions of this Plan and bankruptcy and non-bankruptcy law. On and after the Effective Date, without the need for further Court order or approval, free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules, other than any restrictions expressly imposed by the Plan or the Confirmation Order, the Plan Recovery Trustee shall administer in its discretion the Wind Down Activities. The Confirmation Order shall act as an order modifying the Consolidated Debtor's organizational documents and operating agreements such that the provisions of this Plan can be effectuated. All corporate governance activities of the Consolidated Debtor shall be exercised by the Plan Recovery Trustee in its discretion, subject to the terms of this Plan.

5.3.8 Wind Down Activities

Upon and after the Effective Date, the Plan Recovery Trustee, in its capacity as the sole officer and director of the Consolidated Debtor, is authorized without the need for Bankruptcy

Court approval, to carry out and implement all applicable provisions of the Plan, including (collectively, the "Wind Down Activities"):

(a) to appear on behalf of the Consolidated Debtor in the Chapter 11 Case and any proceedings related thereto;

(b) to retain, compensate, and employ professionals and other Persons to represent the Consolidated Debtor;

(c) to sell, transfer, abandon, and/or otherwise dispose of the Retained Real Properties and/or the Consolidated Debtor's interests therein, in consultation with the Oversight Committee as provided herein and in the Plan Recovery Trust Agreement; *provided that* (i) the Consolidated Debtor will file a notice with the Court of all sales, transfers, abandonments, or other disposition of the Retained Real Properties after the Effective Date as soon as reasonably practicable after such sales, transfers, abandonments or other disposition (which notice will disclose the property address, sale price, title holder of the property, buyer, any leases and contracts associated with the property, closing payments and treatment of liens and estimated sale proceeds), and (ii) the Consolidated Debtor may request Court approval of any such sales, transfers, or other disposition, and request other relief from the Court (including, without limitation, relief under section 363(h) of the Bankruptcy Code, which all such rights are reserved under the Plan);

(d) (i) to execute any agreements relating to the Retained Real Properties, including, any sale or purchase agreements, and all other documents contemplated thereby, and (ii) to authorize and consummate the transactions contemplated by such agreements;

(e) to pursue, prosecute, settle, or abandon any Real Property Related Actions in the Bankruptcy Court or any other court;

(f) to review, reconcile, compromise, litigate, settle, or object to any Claims related to the Retained Real Properties and resolve such Claims as set forth in the Plan, free of any restrictions of the Bankruptcy Code or Bankruptcy Rules;

(g) to operate, manage, and enter into leases and other contracts related to the Retained Real Properties (all costs and expenses of the Consolidated Debtor related to the Retained Real Properties will be paid from the Plan Recovery Trust Assets);

(h) to negotiate, incur, and pay all costs and expenses for operating and maintaining the Retained Real Properties (including real property taxes and any related litigation and resolution) (all such costs and expenses will be paid from the Plan Recovery Trust Assets);

(i) to purchase and/or maintain "tail" or extended reporting period insurance coverage, which coverage may apply to claims made or reported after the expiration or termination of any directors' and officers' liability insurance policy, including claims arising from acts, errors, or omissions occurring during such person's service as officer and director of the Consolidated Debtor;

(j) to negotiate and resolve all tax matters on behalf of the Debtors and the Estates in any jurisdiction or proceeding (including filing any necessary tax returns); this authority includes, without limitation, the power to address, settle, and compromise any tax liabilities or disputes, and to engage in discussions, negotiations, and settlements with the Internal Revenue Service and any other federal, state, or local

taxing authority as may be necessary or appropriate to carry out the purposes of the Plan;

(k) to liquidate and otherwise dispose of any assets, and administering the wind down, of any non-Debtor affiliates of the Debtors; and

(l) any other actions to wind down the Consolidated Debtor's businesses and operations.

5.3.9 ~~5.3.7~~Limitation of Liability~~.~~

The Plan Recovery Trustee and the Oversight Committee shall enjoy all of the rights, powers, immunities, and privileges applicable to a ~~Bankruptcy Code~~ chapter 7 trustee with respect to limitations of liability, subject to the Plan Recovery Trust Agreement and the Plan. The Plan Recovery Trustee and the Oversight Committee may, in connection with the performance of their respective functions, each in their sole and absolute discretion, consult with their attorneys, accountants, advisors, and agents, and shall not be liable for any act taken, or omitted to be taken, or suggested to be done in accordance with advice or opinions rendered by such Persons, regardless of whether such advice or opinions were in writing. Notwithstanding such authority, ~~neither~~ the Plan Recovery Trustee ~~nor~~and the Oversight Committee shall not be under an obligation to consult with any such attorneys, accountants, advisors, or agents, and their determination not to do so shall not result in the imposition of liability on the Plan Recovery Trustee or the Oversight Committee, as applicable, unless such determination is based on willful misconduct, gross negligence, or intentional fraud. Persons dealing with the Plan Recovery Trustee ~~and~~or the Oversight Committee shall look only to the Plan Recovery Trust Assets to satisfy any liability incurred by the Plan Recovery Trustee or the Oversight Committee to such Person in carrying out the terms of the Plan or the Plan Recovery Trust Agreement, and the Plan Recovery Trustee and the Oversight Committee shall have no personal obligation to satisfy such liability.

5.3.10 ~~5.3.8~~Indemnification~~.~~

The Plan Recovery Trust shall indemnify any Plan Recovery Trust Indemnified Party for, and shall defend and hold it harmless against, any loss, liability, damage, judgment, fine, penalty, claim, demand, settlement, cost, or expense (including the reasonable fees and expenses of the professionals of such Plan Recovery Trust Indemnified Party) incurred without gross negligence, willful misconduct, or intentional fraud on the part of such Plan Recovery Trust Indemnified Party (which gross negligence, willful misconduct, or intentional fraud if any, must be determined by a final, non-appealable order of a court of competent jurisdiction) for any action taken, suffered, or omitted to be taken by such Plan Recovery Trust Indemnified Party in connection with the acceptance, administration, exercise, and performance of its duties under the Plan or the Plan Recovery Trust Agreement, as applicable. An act or omission taken with the approval of the Bankruptcy Court, and not inconsistent therewith, will be conclusively presumed not to constitute gross negligence, willful misconduct, or intentional fraud. In addition, the Plan Recovery Trust shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless the Plan Recovery Trust Indemnified Parties, from and against and with respect to any and all liabilities, losses, damages, claims, costs, and expenses, including attorneys' fees arising out of or due to their actions or omissions, or consequences of such actions or omissions, with respect to the Plan Recovery Trust or the implementation or administration of the Plan if the Plan Recovery Trust Indemnified Party acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interest of the Plan Recovery Trust. To the extent the Plan Recovery Trust indemnifies, defends, and holds harmless any Plan Recovery Trust Indemnified Party as provided above, the legal fees and related costs incurred by counsel to the Plan Recovery Trustee in monitoring or participating in the defense of such claims giving rise to the right of indemnification shall be paid as Plan Recovery Trust Expenses. The costs and expenses incurred in enforcing the right of indemnification in this Section shall be paid from the Plan Recovery Trust.

5.3.11 ~~5.3.9~~Insurance~~.~~

The Plan Recovery Trustee shall be authorized, but not required, to obtain any insurance coverage that it deems necessary, at the Plan Recovery Trust's sole expense, for itself and its agents, and the Oversight Committee, including coverage with respect to the liabilities, duties, and obligations of the Plan Recovery Trustee and the Oversight Committee, which insurance coverage may, at the sole discretion of the Plan Recovery Trustee, be extended for a reasonable period after the termination of the Plan Recovery Trust.

5.3.12 ~~5.3.10~~Tax Reporting~~.~~

(a) The Plan Recovery Trustee shall timely file tax returns for the Plan Recovery Trust treating the Plan Recovery Trust as a grantor trust pursuant to Treasury Regulation section 1.671-4(a).

(b) The Plan Recovery Trustee shall be responsible for timely payment of all taxes (if any) imposed on and payable by the Plan Recovery Trust or any Plan Recovery Trust Assets.

(c) The Plan Recovery Trustee shall distribute such tax-related notices, beneficiary statements, and information returns, as applicable, to the applicable Holders of Allowed Claims as are required by applicable law or that the Plan Recovery Trustee determines are otherwise necessary or desirable.

(d) The Plan Recovery Trustee is authorized to file a request for expedited determination under section 505(b) of the Bankruptcy Code for any tax returns filed with respect to the Debtors.

(e) The Consolidated Debtor shall be responsible for timely payment of all taxes (if any) imposed on and payable by the Consolidated Debtor in connection with the transfer of the Plan Recovery Trust Assets to the Plan Recovery Trust.

5.3.13 ~~5.3.11~~Distributions to Plan Recovery Trust Beneficiaries~~.~~

(a) After the payment of or reserve for (i) all administrative and priority claims (including~~, without limitation,~~ Administrative Expense Claims, Professional Fee Claims, Involuntary Gap Claims, Priority Tax Claims, and Priority Claims) in accordance with the Plan and the Plan Recovery Trust Agreement, and (ii) all Plan Recovery Trust expenses, including any litigation financing expenses, the Plan Recovery Trust will make Distributions of Available Cash to the Plan Recovery Trust Beneficiaries pursuant to the following waterfall and related provisions (the "**Plan Recovery Trust Waterfall**"):

(i) Class A Plan Recovery Trust Units. *First*, the Plan Recovery Trust shall distribute the proceeds of the Plan Recovery Trust Assets to each Holder of Class A Plan Recovery Trust Units on a Pro Rata basis until all Allowed Trade Claims (if applicable) and Investor Tranche 1 Claims have been paid in full;

(ii) Class B Plan Recovery Trust Units. *Second*, the Plan Recovery Trust shall distribute the proceeds of the Plan Recovery Trust Assets to each Holder of Class B Plan Recovery Trust Units on a Pro Rata basis until all Investor Tranche 2 Claims have been paid in full;

(iii) Class C Plan Recovery Trust Units. Notwithstanding anything to the contrary contained herein or in the Confirmation Order, the Plan Recovery Trust shall distribute the net proceeds of any Contributed Claims solely to Holders of Class C Plan Recovery Trust Units on a Pro Rata basis.

(b) The Plan Recovery Trust, in the Plan Recovery Trustee's discretion, may make periodic Distributions to the Plan Recovery Trust Beneficiaries at any time following the Effective Date, provided that such Distributions are otherwise permitted under, and not inconsistent with, the Plan Recovery Trust Waterfall, the other terms of the Plan, the Plan Recovery Trust Agreement, and applicable law.

(c) No later than (i) the first Business Day that is at least 180 calendar days after the Effective Date and (ii) the last Business Day of each subsequent 180-calendar-day period after the Effective Date until the Closing Date, the Plan Recovery Trustee shall calculate the Distributions that could potentially be made to the Plan Recovery Trust Beneficiaries based on the amount of Available Cash as of such date and, based on such calculation, promptly thereafter may make Distributions, if any, of the amount so determined.

5.3.14 ~~5.3.12~~Cash Investments.

Except as may be otherwise provided in the Plan Recovery Trust Agreement, the Plan Recovery Trustee may invest Cash of the Plan Recovery Trust, including any earnings thereon or proceeds therefrom and any Cash realized from the monetization of the Plan Recovery Trust Assets, which investments will not be required to comply with section 345(b) of the Bankruptcy Code; *provided, however*, that such investments must be investments that are permitted to be made by a "liquidating trust" within the meaning of Treasury Regulation section 301.7701-4(d), as reflected therein, or under applicable guidelines, rulings, or other controlling authorities, except as may be otherwise provided in the Plan Recovery Trust Agreement.

5.3.15 ~~5.3.13~~Registration and Transfer of the Plan Recovery Trust Units.

(a) The record holders of the Plan Recovery Trust Units shall be recorded and set forth in a registry maintained by, or at the direction of, the Plan Recovery Trustee expressly for such purpose.

(b) Upon their issuance as of the Effective Date, and thereafter, the Plan Recovery Trust Units will be subject to restrictions on transfer under the Plan Recovery Trust Agreement, which restrictions shall prohibit the Plan Recovery Trust Units from being certificated or transferable except by operation of law or by will or the laws of descent and distribution, in each case following written notice to the Plan Recovery Trustee.

5.3.16 ~~5.3.14~~Exemption.

To the extent the Plan Recovery Trust Units are deemed to be "securities," the issuance of such interests under the Plan are exempt, pursuant to section 1145 of the Bankruptcy Code, from registration under the Securities Act and any applicable state and local laws requiring registration of securities.

5.3.17 ~~5.3.15~~Contribution of Contributed Claims~~.~~

On the Effective Date, all Contributed Claims will be irrevocably contributed to the Plan Recovery Trust. No Person may rely on the absence of a specific reference in the Plan, the Confirmation Order, the Plan Recovery Trust Agreement, or the Disclosure Statement to any Contributed Claims against such Person as any indication that the Plan Recovery Trust will not pursue any and all available Contributed Claims against such Person. The objection to the Allowance of any Claims will not in any way limit the ability or the right of the Plan Recovery Trust to assert, commence, or prosecute any Contributed Claims. Nothing contained in the Plan, the Confirmation Order, the Plan Recovery Trust Agreement, or the Disclosure Statement will be deemed to be a waiver, release, or relinquishment of any Contributed Claims that the Contributing Claimants had immediately prior to the Effective Date. The Plan Recovery Trust shall have, retain, reserve, and be entitled to assert all Contributed Claims fully as if the Contributed Claims had not been contributed to the Plan Recovery Trust in accordance with the Plan and the Plan Recovery Trust Agreement. Contributed Claims shall not include the rights of a Contributing Claimant to receive the Distributions, if any, to which it is entitled under the Plan. In the exercise of its reasonable discretion and in accordance with the Plan Recovery Trust Agreement, the Plan Recovery Trustee shall not be obligated to pursue any Contributed Claim.

A Cause of Action identified on the Schedule of Disclaimed Contributed Claims will not be a Contributed Claim for purposes of the Plan.

5.3.18 ~~5.3.16~~Pursuit and Resolution of Plan Recovery Trust Actions~~.~~

The Plan Recovery Trust, as a successor in interest to the Consolidated Debtor, Consolidated Estate, Debtors, the Estates, the KSMP Investment Entities, and the Contributing Claimants (solely with respect to Contributed Claims), may and will have the exclusive right, power, and interest on behalf of itself, the Consolidated Debtor, Consolidated Estate, Debtors, the Estates, the KSMP Investment Entities, and the Contributing Claimants (solely with respect to Contributed Claims), subject to the Plan Recovery Trust Agreement, to institute, commence, file, pursue, prosecute, enforce, abandon, settle, compromise, release, waive, dismiss, or withdraw, as appropriate, any and all Plan Recovery Trust Actions without any further order of the Bankruptcy Court, except as otherwise provided in the Plan Recovery Trust Agreement. From and after the Effective Date, the Plan Recovery Trust, in accordance with section 1123(b)(3) of the Bankruptcy Code, shall serve as a representative of the Consolidated Estate~~s~~ with respect to any and all Plan Recovery Trust Actions that were Estate Assets and shall retain and possess the right to institute, commence, file, pursue, prosecute, enforce, abandon, settle, compromise, release, waive, dismiss, or withdraw, as appropriate, any and all Plan Recovery Trust Actions in any court or other tribunal. To the extent any litigation of Avoidance Actions or Causes of Action of the Debtors, the Estates, the Consolidated Debtor, the Consolidated Estate, the KSMP Investment Entities, or any litigation in which the foregoing are a defendant, is pending on the Effective Date, the Plan Recovery Trustee, as successor to such parties (in any derivative capacity or as an intervening party) as applicable, will continue the prosecution or defense of such litigation in the Plan Recovery Trustee's discretion and shall be substituted as plaintiff, defendant, or in any other capacity for such party pursuant to the Plan and the Confirmation Order on the Effective Date, without the need for any further motion practice or notice in any case, action, or matter.

5.3.19 ~~5.3.17~~Termination of the Plan Recovery Trust~~.~~

The Plan Recovery Trustee and the Plan Recovery Trust shall be discharged or terminated, as the case may be, at such time as: (a) the Plan Recovery Trustee determines that the pursuit of

additional Plan Recovery Trust Actions is not likely to yield sufficient additional proceeds to justify further pursuit of such Plan Recovery Trust Actions; and (b) all Distributions required to be made from the Plan Recovery Trust to the Holders of Allowed Claims and to the Plan Recovery Trust Beneficiaries under the Plan and the Plan Recovery Trust Agreement have been made, but in no event shall the Plan Recovery Trust be terminated later than five (5) years from the Effective Date unless the Bankruptcy Court, upon motion made within the six-month period before such fifth anniversary (and, in the event of further extension, by order of the Bankruptcy Court, upon motion made within the six-month period before the end of the preceding extension), determines that a fixed-period extension (subject to the terms of the Plan Recovery Trust Agreement) is necessary to facilitate or complete the recovery on, and monetization of, the Plan Recovery Trust Assets. Notwithstanding the foregoing, and without further order of the Bankruptcy Court, upon the fifth anniversary of the Plan Recovery Trust, and continuing each year thereafter, the termination date of the Plan Recovery Trust shall automatically extend by 1-year if any Plan Recovery Trust Actions are pending as of such anniversary date. Upon termination of the Plan Recovery Trust, any remaining Plan Recovery Trust Assets that exceed the amounts required to be paid under the Plan may be transferred by the Plan Recovery Trustee to a non-profit organization of its choosing.

5.3.20 ~~5.3.18~~Control Provision~~.~~

To the extent there is any inconsistency between the Plan as it relates to the Plan Recovery Trust and the Plan Recovery Trust Agreement, the ~~specific~~ provisions in the Plan ~~Recovery Trust Agreement~~ shall control.

5.4 Preservation of Privileges and Defenses~~.~~

The actions taken by the Debtors, the Consolidated Debtor, the Plan Recovery Trust, or any of their respective Related Parties in connection with the Plan shall not be (or be deemed to be) a waiver of any privilege or defense of the Debtor~~s, the KSMP Investment Entities, or the Plan Recovery Trust~~/Estate Parties, as applicable, including any attorney-client privilege or work-product doctrine. Notwithstanding any Debtors or the Consolidated Debtor providing any privileged information related to any Plan Recovery Trust Actions to the Plan Recovery Trustee, the Plan Recovery Trust, or any Person associated with any of the foregoing, the provision of such privileged information shall be without waiver in recognition of the joint, common, or successor interest in prosecuting the Plan Recovery Trust Actions and shall remain privileged. The Plan Recovery Trust shall retain the right to waive its own privileges. Only the Plan Recovery Trustee shall have the right to waive the attorney-client privilege, work-product doctrine, or other protections as to the Debtor~~s, the KSMP Investment Entities, and~~/Estate Parties. ~~the Plan Recovery Trust.~~

5.5 Transfer of Privileges to the Plan Recovery Trustee; Preservation of Rights of Action~~.~~

5.5.1 Privileges and Maintenance of Avoidance Actions and Causes of Action~~.~~

Except as otherwise provided in the Plan or the Confirmation Order, from and after the Effective Date, the Plan Recovery Trust will retain all rights to institute, commence, file, pursue, prosecute, enforce, abandon, settle, compromise, release, waive, dismiss, or withdraw, as appropriate, any and all of the Debtors', Consolidated Debtor's, Estates', or KSMP Investment Entities' Causes of Action and Causes of Action that are Contributed Claims (whether existing as of the Petition Date or thereafter arising), and all Avoidance Actions, all as Plan Recovery Trust Actions, in each case in any court or other tribunal, including in an adversary proceeding Filed in

the Chapter 11 Cases, subject to the requirements set forth in the Plan and the Plan Recovery Trust Agreement. The Plan Recovery Trust shall have the exclusive right, power, and interest on behalf of itself, the Debtors, the Consolidated Debtor, the Estates, the KSMP Investment Entities, and the Contributing Claimants to enforce, sue on, settle, compromise, transfer, or assign (or decline to do any of the foregoing) any or all of the Plan Recovery Trust Actions without notice to or approval from the Bankruptcy Court, subject to the Plan Recovery Trust Agreement. In accordance with the Plan, and pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, from and after the Effective Date, the Plan Recovery Trust may compromise and settle Plan Recovery Trust Actions, subject to the Plan Recovery Trust Agreement.

On the Effective Date, and except as otherwise provided herein, the Debtors' rights, title, and interests in and to all of the respective books and records, including all attorney-client privileged communications and attorney work-product created before, on, or after the Petition Date, shall be transferred to, and vested in, the Plan Recovery Trust. The Plan Recovery Trustee, as the successor to the Debtors, the Consolidated Debtor, and the KSMP Investment Entities and the representative of the Estates, shall have the exclusive authority to assert, waive, or otherwise manage any and all such privileges or protections. Pursuant to Federal Rule of Evidence 502(d) and (e), the transfer or disclosure of any documents or communications to the Plan Recovery Trustee in connection with the Plan and administration of the Plan Recovery Trust and/or any Causes of Action shall not constitute a waiver of any attorney-client privilege, work-product protection, or any other applicable privilege. The Plan Proponents intend this provision to provide the maximum protection allowed under Federal Rule of Evidence 502(d) against waiver in this Chapter 11 Case and in any other federal or state proceeding.

The Debtor/Estate Parties shall be entitled to the tolling and extension of time periods provided under section 108 of the Bankruptcy Code for any and all Causes of Action retained under the Plan. The Plan Recovery Trustee shall succeed to the rights of the Debtor/Estate Parties with respect to the periods in which any Causes of Action retained under the Plan may be brought under section 546 of the Bankruptcy Code. The Plan Recovery Trustee shall have the power and authority to exercise the rights of the Debtors, the Consolidated Debtor and Estates to conduct examinations under Federal Rule of Bankruptcy Procedure 2004.

5.5.2 Preservation of All Plan Recovery Trust Actions Not Expressly Settled or Released.

The failure to specifically identify in the Disclosure Statement (including the exhibits and schedules thereto) or the Plan any potential or existing Avoidance Action or Cause of Action as a Plan Recovery Trust Action is not intended to and shall not limit the rights of the Plan Recovery Trust to pursue any such Avoidance Action or Cause of Action. Unless a Plan Recovery Trust Action is expressly waived, relinquished, released, compromised, or settled in the Plan or any Final Order (including the Confirmation Order), the Debtors and Consolidated Debtor expressly reserve such Plan Recovery Trust Action for later resolution by the Plan Recovery Trustee (including any Avoidance Action or Cause of Action not specifically identified or of which the Debtors or Consolidated Debtor may presently be unaware or that may arise or exist by reason of additional facts or circumstances unknown to the Debtors or Consolidated Debtor at this time or facts or circumstances that may change or be different from those the Debtors or Consolidated Debtor now believe to exist). As such, no preclusion doctrine, including the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable, or otherwise), or laches will apply to any such Avoidance Action or Cause of Action upon or after Confirmation of the Plan based on the Disclosure Statement, the Plan, or the Confirmation Order, except when such Avoidance Action or Cause of Action has been expressly released. In addition, the right to pursue or adopt any claims alleged in any lawsuit in which any Debtor, the Consolidated Debtor or the

Plan Recovery Trust is a plaintiff, defendant, or interested party is fully reserved as against any Person or Entity, including the plaintiffs or co-defendants in such lawsuits.

5.6 Cancellation of Instruments.

Except as otherwise provided in the Plan, and except with respect to any executory contracts and unexpired leases that are assumed and assigned pursuant to a Final Order, any agreement, bond, certificate, contract, indenture, lease, note, security, warrant, or other instrument or document evidencing or creating any indebtedness or obligation of the Debtors shall be deemed cancelled on the Effective Date, and all Liens, mortgages, pledges, grants, trusts, and other interests relating thereto shall be automatically cancelled, and all obligations of the Debtors thereunder or in any way related thereto shall be discharged.

~~**5.7 Substantive Consolidation.**~~

~~(a) On the Effective Date, all Debtors and the KSMP Investment Entities (collectively, the "**Consolidated Estates**") shall be substantively consolidated pursuant to sections 105(a), 541, 1123, and 1129 of the Bankruptcy Code into debtor LeFever Mattson, a California corporation. As a result of the substantive consolidation, on the Effective Date, all property, rights, and claims of the Consolidated Estates and all Claims against the Consolidated Estates shall be deemed to be pooled for purposes of distributions under the Plan. Further, as a result of this substantive consolidation, all claims between and among the Consolidated Estates shall be cancelled. Holders of Allowed Claims shall be entitled to only one satisfaction on account of such Claims, and any contingent or otherwise duplicative Claims against one or more of the Consolidated Estates based upon claims for which one or more of the Consolidated Estates are also liable shall be disallowed.~~

~~(b) Entry of the Confirmation Order shall constitute the approval, pursuant to sections 105(a), 541, 1123, and 1129 of the Bankruptcy Code, of the substantive consolidation of all of the Debtors and the KSMP Investment Entities and in the manner set forth in this Section; *provided, however*, that (i) while all Debtors and the KSMP Investment Entities shall be substantively consolidated for purposes of Distribution to creditors, such that all Investors shall have claims against a single pool of the Debtors' and the KSMP Investment Entities' consolidated assets, the actual substantive consolidation of entities, particularly for tax purposes, shall be at the option of the Debtors or the Plan Recovery Trustee and (ii) any and all TIC Interests in the Real Properties that are held by any Debtor shall not be substantively consolidated.~~ Notwithstanding the ~~substantive consolidation to be implemented under the Plan, fees payable pursuant to 28 U.S.C. § 1930 shall be due and payable by each individual Debtor through the Effective Date.~~foregoing, to the extent this provision conflicts with any settlement agreement between the Debtors and a Secured Lender, which has been

~~(c) The substantive consolidation effected pursuant to the Plan shall not affect, without limitation, (i) the Debtors', the KSMP Investment Entities', or the Plan Recovery Trust's defenses to any Claim, Avoidance Action, or other Cause of Action, including the ability to assert any counterclaim; (ii) the Debtors', the KSMP Investment Entities', or the Plan Recovery Trust's setoff or recoupment rights; (iii) requirements for any third party to establish mutuality prior to substantive consolidation in order to assert a right of setoff against the Debtors, the KSMP Investment Entities, or the Plan Recovery Trust; or (iv) distributions to the Debtors, the Estates, the KSMP Investment Entities, or the Plan Recovery Trust out of any insurance policies or proceeds of such policies.~~

~~(d) Notwithstanding anything to the contrary contained herein, the substantive consolidation of the Debtors and the KSMP Investment Entities shall not: (i) affect~~

~~the separate legal existence of the Debtors and the KSMP Investment Entities for purposes other than implementation of the Plan pursuant to its terms, including the ability of the Plan Recovery Trustee to bring any Plan Recovery Trust Action in the name of an individual Debtor or KSMP Investment Entity; (ii) impair, prejudice, or otherwise affect any individual Debtor's or KSMP Investment Entity's Causes of Action, including Avoidance Actions, against any Person that vest in the Plan Recovery Trust; (iii) constitute or give rise to any defense, counterclaim, or right of netting or setoff with respect to any Cause of Action vesting in the Plan Recovery Trust that could not have been asserted against the consolidated Debtors and KSMP Investment Entities; or (iii) give rise to any right under any executory contract, insurance contract, or other contract to which a consolidated Debtor or KSMP Investment Entity is party, except to the extent required by section 365 of the Bankruptcy Code in connection with the assumption of such contract by the applicable Debtors. The substantive consolidation of the Debtors and the KSMP Investment Entities shall also not impair or otherwise affect any Person's defenses, claims, counterclaims, or other rights that may be asserted by such Person in connection with any litigation commenced by the Debtors or the Plan Recovery Trustee (or any estate representative or other successor).~~

~~(e) The Disclosure Statement and the Plan shall be deemed to be a motion requesting that the Bankruptcy Court approve the substantive consolidation contemplated by the Plan. Unless an objection to the proposed substantive consolidation is made in writing by any Creditor purportedly affected by such substantive consolidation on or before the deadline to object to Confirmation of the Plan, or such other date as may be fixed by the Bankruptcy Court, the substantive consolidation contemplated by the Plan may be~~ approved by the Bankruptcy Court, ~~at~~then the ~~Confirmation Hearing~~terms of such settlement agreement shall govern.

ARTICLE VI.
EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6.1 Assumption of Certain Executory Contracts and Unexpired Leases~~.~~

6.1.1 Assumption of Agreements~~.~~

On the Effective Date, the ~~Debtors~~Consolidated Debtor (and any applicable Debtor) shall assume all executory contracts and unexpired leases that are listed on the Schedule of Assumed Agreements and shall assign such contracts and leases to the ~~Plan Recovery Trust~~Consolidated Debtor or its designee. The Confirmation Order will constitute a Bankruptcy Court order approving the assumption and assignment or rejection, as applicable, of executory contracts and unexpired leases consistent with the foregoing.

The Plan Proponents reserve the right to amend the Schedule of Assumed Agreements at any time prior to the Effective Date (i) to delete any executory contract or unexpired lease and provide for its rejection under the Plan or otherwise, or (ii) to add any executory contract or unexpired lease and provide for its assumption and assignment under the Plan. The Plan Proponents will provide notice of any amendment to the Schedule of Assumed Agreements to the party or parties to those agreements affected by such amendment.

Unless otherwise specified on the Schedule of Assumed Agreements, each executory contract and unexpired lease listed or to be listed therein shall include any and all modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such executory contract or unexpired lease, without regard to whether such agreement, instrument, or other document is also listed on the Schedule of Assumed Agreements.

6.1.2 Cure Payments.

Any amount that must be paid under section 365(b)(1) of the Bankruptcy Code to cure a default under and compensate the non-debtor party to an executory contract or unexpired lease to be assumed under the Plan is identified as the "Cure Payment" on the Schedule of Assumed Agreements. Unless the parties mutually agree to a different date, such payment shall be made in Cash within thirty (30) days following the later of: (i) the Effective Date and (ii) entry of a Final Order resolving any disputes regarding (A) the amount of any Cure Payment, (B) the ability of the Consolidated Debtors ~~or the Plan Recovery Trustee~~ to provide "adequate assurance of future performance" within the meaning of section 365 of the Bankruptcy Code with respect to a contract or lease to be assumed, to the extent required, or (C) any other matter pertaining to assumption and assignment.

Pending the Bankruptcy Court's ruling on any such dispute, the executory contract or unexpired lease at issue shall be deemed assumed by the Consolidated Debtors, unless otherwise agreed by the parties or ordered by the Bankruptcy Court.

6.1.3 Objections to Assumption or Cure Payments.

Any party to an executory contract or unexpired lease that is proposed to be assumed, or assumed and assigned, under the Plan that objects to such assumption, or assumption and assignment (including the proposed Cure Payment), must File with the Bankruptcy Court and serve on parties entitled to notice a written objection with any factual contentions therein supported by declarations or references to the record. Such objection must be Filed and served on or before the deadline established by the Solicitation Procedures Order. Any Person that fails to timely File and serve such objection shall be deemed to waive any and all objections to the proposed assumption, or assumption and assignment (including the proposed Cure Payment), of its contract or lease.

In the absence of a timely objection by a party to an executory contract or unexpired lease, the Confirmation Order shall constitute a conclusive determination regarding the amount of any Cure Payment and compensation due under the applicable executory contract or unexpired lease, as well as a conclusive finding that adequate assurance of future performance with respect to such executory contract or unexpired lease has been demonstrated, to the extent required.

6.1.4 Resolution of Claims Relating to Assumed Executory Contracts.

Payment of the Cure Payment established under the Plan, by the Confirmation Order, or by any other order of the Bankruptcy Court, with respect to an assumed, or assumed and assigned, executory contract or unexpired lease, shall be deemed to satisfy, in full, any prepetition or post-petition arrearage or other Claim (including any Claim asserted in a Filed proof of claim or listed on the Schedules) with respect to such contract or lease (irrespective of whether the Cure Payment is less than the amount set forth in such proof of claim or the Schedules). Upon the tendering of the Cure Payment, any such Filed or Scheduled Claim shall be disallowed with prejudice, without further order of the Bankruptcy Court or action by any Person.

6.2 Rejection of Executory Contracts and Unexpired Leases.

6.2.1 Rejected Agreements.

On the Effective Date, all executory contracts and unexpired leases of the ~~Debtors~~Consolidated Debtor (and any applicable Debtor) shall be rejected except for (i) executory contracts and unexpired leases that have been previously assumed or rejected by the ~~Debtors~~Consolidated Debtor (or any applicable Debtor), (ii) all executory contracts and unexpired leases specified as to be assumed in Section 6.1.1 above (including all contracts and leases set forth in the Schedule of Assumed Agreements, as may be amended), and (iii) any agreement,

obligation, security interest, transaction, or similar undertaking that the Consolidated Debtors believe is not executory or a lease, but that is later determined by the Bankruptcy Court to be an executory contract or unexpired lease that is subject to assumption or rejection under section 365 of the Bankruptcy Code. Executory contracts and unexpired leases that have been previously assumed, or assumed and assigned, pursuant to an order of the Bankruptcy Court shall not be affected by the Plan. The Confirmation Order will constitute a Bankruptcy Court order approving the rejection, on the Effective Date, of the executory contracts and unexpired leases to be rejected under the Plan.

6.2.2 Rejection Claims Bar Date.

Any Rejection Claim or other Claim for damages arising from the rejection under the Plan of an executory contract or unexpired lease must be Filed and served no later than the Rejection Claims Bar Date. Any such Rejection Claim that is not timely Filed and served will be forever disallowed, barred, and unenforceable, and the Holder of such Claim will not receive and be barred from receiving any Distributions on account of such untimely Claim. The Plan Recovery Trustee may object to any Rejection Claim by the Claim Objection Deadline. The Rejection Claims Bar Date established by the Plan does not alter any rejection claims bar date established by an order of the Bankruptcy Court with respect to any executory contract or unexpired lease that was previously rejected in the Chapter 11 Cases.

ARTICLE VII.
PROVISIONS GOVERNING DISTRIBUTIONS

7.1 Timing of Distributions for Allowed Claims.

Except as otherwise provided herein or as ordered by the Bankruptcy Court, all Distributions to Holders of Allowed Claims and Plan Recovery Trust Units as of the applicable Distribution Date shall be made on or as soon as practicable after the applicable Distribution Date; *provided*, *however*, that the Plan Recovery Trustee, in its discretion, may defer Distributions to a Holder of Plan Recovery Trust Units (other than the final Distribution) if the amount available for Distribution to such Holder is not at least $100. Notwithstanding anything else to the contrary in the Plan, and as provided in section 502(d) of the Bankruptcy Code, the Plan Recovery Trustee is not required to make any Distributions on account of Allowed Claims or Equity Interests, and no such Claims or Equity Interests shall be deemed Allowed, unless and until such Holder has paid the Net Prepetition Investor Recovery, or such portion thereof as agreed to as a compromise and settlement, to the Plan Recovery Trust or until any Plan Recovery Trust Action seeking recovery of the Net Prepetition Investor Recovery is disallowed in its entirety by a Final Order. Distributions on account of Claims or Equity Interests that first become Allowed Claims or Equity Interests after the applicable Distribution Date shall be made pursuant to Section 7.3 of the Plan and on the day selected by the Plan Recovery Trustee. Distributions made as soon as reasonably practicable after the Effective Date or such other date set forth herein shall be deemed to have been made on such date.

7.2 Calculating Distributions and Related Matters.

The Plan Recovery Trust shall hold back from Distributions reasonable reserves when calculating Distributions (and amounts to hold in Distribution Reserves).

7.3 Interest and Other Amounts Regarding Claims.

Except to the extent provided (i) in section 506(b) of the Bankruptcy Code and Allowed by a Final Order or otherwise agreed, (ii) in the Plan, or (iii) in the Confirmation Order,

postpetition interest shall not accrue or be paid on any Claims, and no Holder of an Allowed Claim shall be entitled to interest, penalties, including~~, without limitation,~~ prepayment penalties, fees, or late charges accruing or chargeable on any Claim from and after the Petition Date.

7.4 Means of Cash Payment~~.~~

Cash payments under the Plan shall be made, in the sole discretion of the Plan Recovery Trustee, by check, wire transfer, electronic funds transfer, or ACH from a domestic bank. Cash payments to foreign Holders of Allowed Claims or Plan Recovery Trust Units may be made, in the sole discretion of the Plan Recovery Trustee, by such means as are necessary or customary in a particular foreign jurisdiction. Cash payments made pursuant to the Plan in the form of checks shall be null and void if not cashed within 180 calendar days of the date of issuance. Requests for reissuance of any check within 180 calendar days of the date of issuance shall be made in writing to the Plan Recovery Trustee.

7.5 Form of Currency for Distributions~~.~~

All Distributions under the Plan shall be made in U.S. Dollars. Where a Claim has been denominated in foreign currency on a proof of claim, the Allowed amount of such Claim shall be calculated in U.S. Dollars based upon the currency conversion rate in place as of the Petition Date and in accordance with section 502(b) of the Bankruptcy Code.

7.6 Fractional Distributions~~.~~

Notwithstanding anything in the Plan to the contrary, no payment of fractional cents shall be made pursuant to the Plan. Whenever any payment of a fraction of a cent under the Plan would otherwise be required, the actual Distribution made shall reflect a rounding of such fraction to the nearest whole penny (up or down), with half cents or more being rounded up and fractions less than half of a cent being rounded down.

7.7 No Distributions With Respect to Certain Claims~~.~~ Notwithstanding anything in the Plan to the contrary, no Distribution or other consideration of any kind shall be made on account of any Contingent Claim, Unliquidated Claim, Disputed Claim, or Disputed Equity Interest unless and until such Claim or Equity Interest becomes an Allowed Claim or Allowed Equity Interest, and then only to the extent that such Claim or Equity Interest becomes an Allowed Claim or Allowed Equity Interest and as provided under the Plan for such Allowed Claim or Allowed Equity Interest. Nonetheless, in undertaking the calculations concerning Allowed Claims or Allowed Equity Interests under the Plan, including the determination of Distributions due to the Holders of Allowed Claims or Allowed Equity Interests, each Contingent Claim, Unliquidated Claim, Disputed Claim, or Disputed Equity Interest shall be treated as if it were an Allowed Claim or Allowed Equity Interest (which, for Unliquidated Claims, shall mean that they shall be treated as if Allowed in such amounts as determined in the reasonable discretion of the Plan Recovery Trustee), except that if the Bankruptcy Court estimates the likely portion of such a Claim or Equity Interest to be Allowed or authorized or the Holder of such Claim or Equity Interest and the Plan Recovery Trustee otherwise determine the amount that would constitute a sufficient reserve for such a Claim or Equity Interest, such amount as determined by the Bankruptcy Court or by agreement of the Holder of such Claim or Equity Interest and the Plan Recovery Trustee shall be used with respect to such Claim or Equity Interest. A Distribution due on account of a Contingent Claim, Unliquidated Claim, Disputed Claim, or Disputed Equity Interest shall be held in reserve by the Plan Recovery Trustee in one or more Distribution Reserves. The Plan Recovery Trust will elect to treat any Distribution Reserve as a "Disputed Ownership Fund," pursuant to Treasury Regulation section 1.468B-9(c)(2)(ii). As outlined in this Section, Holders of such Claims or Equity Interests are not treated as transferors of the money or property transferred to the "Disputed Ownership Fund." For federal income tax purposes, a "Disputed Ownership Fund" is treated as the owner of all assets that it holds. A "Disputed Ownership Fund" is treated as a C corporation

for purposes of the Internal Revenue Code. A "Disputed Ownership Fund" must file all required income and information tax returns and make all tax payments.

7.8 Delivery of Distributions.

Distributions on account of Plan Recovery Trust Units shall be made to Holders of Plan Recovery Trust Units as of the record date set for such Distribution. Distributions to a Holder of Plan Recovery Trust Units or an Allowed Claim that has not been converted to Plan Recovery Trust Units shall be made (a) at the address for distributions set forth in the proof of claim Filed by such Holder, (b) at the address stated in the Schedules if no proof of claim has been Filed, or (c) at the address set forth in the most recent written notice of address change delivered to the Claims Agent or the Plan Recovery Trustee. If any Distribution to a Holder of Plan Recovery Trust Units or an Allowed Claim is returned as undeliverable, no further Distribution to such Holder shall be made unless and until the Plan Recovery Trustee is notified of such Holder's then-current address. The responsibility to provide the Claims Agent or the Plan Recovery Trustee with a current address of a Holder of a Plan Recovery Trust Unit or Claim shall always be the responsibility of such Holder. Amounts on account of undeliverable Distributions shall be held in trust by the Plan Recovery Trustee on behalf of the Holder of the Plan Recovery Trust Unit or Claim to which they are payable until the earlier of (i) the date that such undeliverable Distributions are claimed by such Holder and (ii) 180 calendar days after the date that the undeliverable Distributions were made.

7.9 Application of Distribution Record Date and Other Transfer Restrictions.

At the close of business on the Distribution Record Date, the claims registers for all Claims and Equity Interests shall be closed, and there shall be no further changes in the record holders of any Claims or Equity Interests. Except as provided herein, the Plan Recovery Trust shall have no obligation to recognize any putative transfer of a Claim or Equity Interest or portion thereof occurring after the Distribution Record Date and shall be entitled instead to recognize and deal for all purposes hereunder with only those record holders stated on the claims registers as of the close of business on the Distribution Record Date irrespective of the number of Distributions to be made under the Plan to such Persons or the date of such Distributions.

7.10 Withholding, Payment, and Reporting Requirements Regarding Distributions.

All Distributions under the Plan shall, to the extent applicable, comply with all tax withholding, payment, and reporting requirements imposed by any federal, state, provincial, local, or foreign taxing authority, and all Distributions shall be subject to any such withholding, payment, and reporting requirements. The Plan Recovery Trust shall be authorized to take any and all actions that may be necessary or appropriate to comply with such tax withholding, payment, and reporting requirements, including, to the extent such information is not already available to the Plan Recovery Trust, requiring each Holder of a Plan Recovery Trust Unit or Claim to provide an executed current Form W-9, Form W-8, or similar tax form as a prerequisite to receiving a Distribution. Notwithstanding any other provision of the Plan, (a) each Holder of a Plan Recovery Trust Unit or an Allowed Claim that is to receive a Distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding, and other tax obligations, on account of such Distribution, and including, in the case of any Holder of a Disputed Claim that has become an Allowed Claim, any tax obligation that would be imposed on the Plan Recovery Trust in connection with such Distribution; and (b) no Distribution shall be made to or on behalf of such Holder pursuant to the Plan unless and until such Holder has made arrangements reasonably satisfactory to the Plan Recovery Trust for the payment and satisfaction of such withholding tax obligations or such tax obligation that would be imposed in connection with such Distribution.

7.11 Defenses and Setoffs.

On and after the Effective Date, the Plan Recovery Trust shall have all of the Debtors' and the Estates' rights and defenses under section 558 of the Bankruptcy Code. Nothing under the Plan shall affect the rights and defenses of the Debtors~~, the~~ /Estates~~, or the Plan Recovery Trust~~Parties on account of any Claim or Equity Interest, including all rights with respect to legal and equitable objections, defenses, setoffs, or recoupment against such Claims and Equity Interests. Accordingly, the Plan Recovery Trust may, but shall not be required to, set off against any Claim or Equity Interest or any Allowed Claim or Equity Interest, and the payments or other Distributions to be made pursuant to the Plan on account of such Claim or Equity Interest, claims, rights, or defenses of any nature whatsoever that the Debtors~~, the~~ /Estates~~, or the Plan Recovery Trust~~Parties, as applicable, may have against the Holder of such Claim or Equity Interest; *provided, however*, that neither the failure to do so nor the allowance of any Claim or Equity Interest hereunder shall constitute a waiver or release of any such claims, rights, or defenses that may exist against such Holder.

7.12 Allocation of Distributions.

A Distribution received under the Plan by a Holder of a Claim or Plan Recovery Trust Units shall be deemed to be allocated first to the principal amount of such Claim, or the Claim to which the applicable Plan Recovery Trust Unit relates, as determined for United States federal income tax purposes, and then to accrued interest, if any, with respect to such Claim.

7.13 Joint Distributions.

The Plan Recovery Trustee may, in its sole discretion, make Distributions jointly to a Holder of a Claim or Plan Recovery Trust Unit and any other Person or Entity that the Plan Recovery Trustee has determined to have an interest in such Claim or Plan Recovery Trust Unit.

7.14 Forfeiture of Distributions.

If the Holder of a Claim or Plan Recovery Trust Unit fails to cash a check payable to it within the time period set forth in Section 7.4, fails to claim an undeliverable Distribution within the time limit set forth in Section 7.8, or fails to complete and return to the Plan Recovery Trustee the appropriate Form W-8 or Form W-9 within 180 calendar days after a request for the completion and return of the appropriate form pursuant to Section 7.10 (or such later time as approved by a Bankruptcy Court order), then such Holder shall be deemed to have forfeited its right to any reserved and future Distributions under the Plan. Any such forfeited Distributions shall be deemed Available Cash for all purposes, notwithstanding any federal or state escheat laws to the contrary.

ARTICLE VIII.
PROCEDURES FOR RESOLVING CLAIMS AND EQUITY INTERESTS

8.1 Resolution of Disputed Claims and Equity Interests.

From and after the Effective Date, the Plan Recovery Trustee shall have the exclusive authority to compromise, resolve, and Allow any Disputed Claim or Disputed Equity Interest without the need to obtain approval from the Bankruptcy Court, except as otherwise provided in the Plan Recovery Trust Agreement, and an agreement entered into by the Plan Recovery Trustee with respect to the Allowance of a Claim or Equity Interest shall be conclusive evidence and a final determination of the Allowance of such Claim or Equity Interest; *provided*, *however*, that, under the Plan, a Claim or Equity Interest asserted by an Excluded Party is a Disputed Claim or Disputed Equity Interest, as applicable, in its entirety and will have no right to receive a Distribution under the Plan unless and until such Claim or Equity Interest is affirmatively Allowed by a Final Order.

8.2 Claim and Equity Interest Objections.

All objections to Claims or Equity Interests (other than Professional Fee Claims, which shall be governed by Section 3.3.3 of the Plan) shall be Filed by the Plan Recovery Trustee on or before the Claim Objection Deadline, which date may be extended on presentment of an order to the Bankruptcy Court by the Plan Recovery Trustee prior to the expiration of such period and without need for notice or hearing. If a timely objection has not been Filed to a proof of claim or proof of interest or the Schedules have not been amended with respect to a Claim or Equity Interest that was Scheduled by the Debtors but was not Scheduled as contingent, unliquidated, or disputed, then the Claim to which the proof of claim or Scheduled Claim relates will be treated as an Allowed Claim and the Equity Interest to which the proof of interest or Scheduled Equity Interest will be treated as an Allowed Equity Interest, as applicable.

8.3 Estimation of Certain Claims.

The Plan Recovery Trustee may, at any time, move for a Bankruptcy Court order estimating any Contingent Claim, Disputed Claim, or Unliquidated Claim pursuant to section 502(c) of the Bankruptcy Code, regardless of whether the Debtors or Consolidated Debtor have previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction and power to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection.

8.4 Distributions Following Allowance.

Once a Contingent Claim, Unliquidated Claim, or a Disputed Claim or Equity Interest becomes an Allowed Claim or Equity Interest, in whole or in part, including pursuant to the Plan, the Plan Recovery Trust shall distribute from the applicable Distribution Reserves to the Holder of such Allowed Claim or Equity Interest the Distributions, if any, to which such Holder is then entitled to under the Plan. Such Distributions, if any, shall be made on the next Distribution Date after the date on which the order or judgment allowing any such Claim or Equity Interest becomes a Final Order or on which the Claim or Equity Interest otherwise becomes an Allowed Claim or Equity Interest, or, if there is no applicable Distribution Date, then within ninety (90) calendar days after the date on which the Claim becomes an Allowed Claim or Equity Interest. Unless otherwise specifically provided in the Plan or allowed by a Final Order, no interest shall be paid on Contingent Claims Unliquidated Claims, or Disputed Claims or Equity Interests that later become Allowed Claims or Equity Interests.

8.5 Disposition of Assets in Reserves After Disallowance.

After an objection to a Disputed Claim or Equity Interest is sustained or a Contingent or Unliquidated Claim has been determined in whole or in part by a Final Order or by agreement, such that the Contingent Claim, Unliquidated Claim, or Disputed Claim or Equity Interest is a Disallowed Claim or Equity Interest in whole or in part, any Cash held in an applicable Distribution Reserve on account of the particular Claim or Equity Interest in excess of the Distributions due on account of any resulting Allowed Claim or Equity Interest shall be used or distributed in a manner consistent with the Plan and any reserved Plan Recovery Trust Units shall be cancelled.

ARTICLE IX.
CONDITIONS PRECEDENT TO THE EFFECTIVE DATE

9.1 Conditions to the Effective Date~~.~~

The Effective Date shall not occur and the Plan shall not be consummated unless and until each of the following conditions has been satisfied or duly waived pursuant to Section 9.2 of the Plan:

(a) the Bankruptcy Court shall have entered the Confirmation Order in a form reasonably acceptable to the Plan Proponents;

(b) the Confirmation Order shall not be subject to any stay;

(c) the Confirmation Order shall contain a finding in a form reasonably acceptable to the Plan Proponents that the Debtors and the KSMP Investment Entities were operated as a Ponzi scheme (subject to Section 3.1 of the Plan);

(d) all governmental and material third-party approvals and consents necessary in connection with the transactions contemplated by the Plan, if any, shall have been obtained and be in full force and effect;

(e) all actions and all agreements, instruments, or other documents necessary to implement the terms and provisions of the Plan shall have been effected or executed and delivered, as applicable;

(f) the Professional Fee Reserve shall have been funded pursuant to Section 3.3.3 of the Plan; and

(g) the Committee shall have chosen the members of the Oversight Committee.

9.2 Waiver of Conditions to the Effective Date~~.~~

The conditions to the Effective Date set forth in Section 9.1 of the Plan may be waived in writing by agreement of each of the Plan Proponents in their reasonable discretion, at any time without further order.

9.3 Effect of Non-Occurrence of Conditions to the Effective Date~~.~~

If any condition to the Effective Date is not satisfied or duly waived in accordance with Section 9.1 and Section 9.2 of the Plan, upon notification Filed by the Debtors or Consolidated Debtor with the Bankruptcy Court, (i) the Confirmation Order shall be vacated; (ii) no Distributions shall be made; (iii) the Debtors, the Consolidated Debtor, the Estates, the Committee and all Creditors shall be restored to the *status quo* as of the day immediately preceding the Confirmation Hearing as though the Confirmation Order was not entered; and (iv) all of the Debtors', the Consolidated Debtor's and the Estates' obligations with respect to Claims or Equity Interests shall remain unchanged and nothing contained in the Plan shall constitute a waiver or release of any Causes of Action by or against the Debtor~~s, the~~ /Estate~~s, the KSMP Investment Entities~~Parties, or any other Person or prejudice in any manner the rights, claims, or defenses of the Debtor~~s, the~~ /Estate~~s, the KSMP Investment Entities~~Parties, or any other Person.

9.4 Notice of the Effective Date~~.~~

Promptly after the occurrence of the Effective Date, the Plan Recovery Trustee or its agents shall mail or cause to be mailed to all Creditors a notice that informs such Creditors of (i) entry of

the Confirmation Order and the resulting confirmation of the Plan; (ii) the occurrence of the Effective Date; (iii) the assumption, assignment, and rejection of executory contracts and unexpired leases pursuant to the Plan, as well as the deadline for the filing of resulting Rejection Claims; (iv) the deadline established under the Plan for the filing of Administrative Expense Claims; and (v) such other matters as the Plan Recovery Trustee finds appropriate.

ARTICLE X.
RETENTION OF JURISDICTION AND POWER

10.1 Scope of Retained Jurisdiction and Power.

Under sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding entry of the Confirmation Order and occurrence of the Effective Date, and except as otherwise ordered by the Bankruptcy Court, the Bankruptcy Court shall retain jurisdiction and power over all matters arising in, arising under, or related to the Chapter 11 Cases and the Plan to the fullest extent permitted by law, including jurisdiction and power to do the following:

(a) except as otherwise Allowed pursuant to the Plan or in the Confirmation Order, Allow, classify, determine, disallow, establish the priority or secured or unsecured status of, estimate, limit, liquidate, or subordinate any Claim or Equity Interest, in whole or in part, including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the allowance or priority of Claims or Equity Interests;

(b) hear and determine all applications for compensation and reimbursement of expenses of Professionals under the Plan or under sections 327, 328, 330, 331, 363, 503(b), 1103, and 1129(a)(4) of the Bankruptcy Code;

(c) hear and determine all matters with respect to the assumption or rejection of any executory contract or unexpired lease to which a Debtor or the Consolidated Debtor is a party or with respect to which a Debtor or the Consolidated Debtor may be liable, including, if necessary, the nature or amount of any required cure or the liquidation or allowance of any Claims arising therefrom;

(d) effectuate performance of and payments under the provisions of the Plan and enforce remedies on any default under the Plan;

(e) hear and determine any and all adversary proceedings, motions, applications, and contested or litigated matters arising out of, under, or related to, the Chapter 11 Cases, including the Plan Recovery Trust Actions and the Wind Down Activities, and with respect to the Plan;

(f) enter such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents created, executed, or contemplated in connection with the Plan, the Plan Supplement, the Disclosure Statement, or the Confirmation Order, including any sale, transfer, assignment, abandonment, or other disposition of Plan Recovery Trust Assets (whether consisting of wholly or partially owned and Retained Real Properties or otherwise), that the Plan Recovery Trustee may, in its sole discretion, bring before the Bankruptcy Court for approval;

(g) hear and determine disputes arising in connection with the interpretation, implementation, consummation, or enforcement of the Plan, including disputes arising under agreements (including, without limitation, the Plan Recovery Trust

Agreement), documents, or instruments executed in connection with the Plan, or to maintain the integrity of the Plan following consummation;

(h) consider any modifications of the Plan, cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order;

(i) issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Person with the implementation, consummation, or enforcement of the Plan or the Confirmation Order;

(j) enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason reversed, stayed, revoked, modified, or vacated;

(k) hear and determine any matters arising in connection with or relating to the Plan, the Plan Supplement, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created, executed, or contemplated in connection with any of the foregoing documents and orders;

(l) enforce, interpret, and determine any disputes arising in connection with any stipulations, orders, judgments, injunctions, releases, exculpations, indemnifications, and rulings associated with the Plan or otherwise entered in connection with the Chapter 11 Cases (whether or not any or all of the Chapter 11 Cases have been closed);

(m) except as otherwise limited herein, recover all Estate Assets, wherever located;

(n) hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

(o) hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under, or not inconsistent with, the Bankruptcy Code and title 28 of the United States Code;

(p) resolve any cases, controversies, suits, or disputes related to the Plan Recovery Trust, the Oversight Committee, ~~or~~ the Plan Recovery Trustee, or the Consolidated Debtor; and

(q) enter a Final Decree closing the Chapter 11 Case~~s of the Debtors~~.

10.2 Reserved Rights to Seek Bankruptcy Court Approval~~.~~

Even if the Plan allows an action to be taken without Bankruptcy Court approval, the Plan Recovery Trustee may seek explicit approval from the Bankruptcy Court for such an action, including (i) in the case of the Plan Recovery Trustee, the administration, distribution, or proposed sale of any of the Plan Recovery Trust Assets and (ii) in the case of the Consolidated Debtor, the sale, transfer, disposition or abandonment of the Retained Real Properties and the conduct of the Wind Down Activities. The Bankruptcy Court shall retain jurisdiction and power for such purposes and shall approve or disapprove any such proposed action upon motion Filed by the Plan Recovery Trustee or the Consolidated Debtor, as applicable.

10.3 Non-Exercise of Jurisdiction~~.~~

If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Chapter 11 Cases, including the matters set forth in Section 10.1 of the Plan, the provisions of this Article X shall have no effect on, and shall not control, limit, or prohibit the exercise of jurisdiction by any other court having competent jurisdiction with respect to, such matter.

ARTICLE XI.
RELEASES; INJUNCTION

11.1 Non-Discharge of the Debtors~~.~~ and Consolidated Debtor

In accordance with section 1141(d)(3)(A) of the Bankruptcy Code, the Plan does not discharge the Debtors or Consolidated Debtor. Section 1141(c) of the Bankruptcy Code nevertheless provides, among other things, that the property dealt with by the Plan, including~~, without limitation,~~ the Retained Real Properties, is free and clear of all claims and interests of creditors, equity security holders, and of general partners in the Debtors. Accordingly, as of the Effective Date, all Entities are precluded and barred from asserting against any property to be distributed under the Plan any Claims, rights, Causes of Action, liabilities, Equity Interests, or other action or remedy based on any act, omission, transaction, or other activity that occurred before the Effective Date, except as expressly provided in the Plan or the Confirmation Order.

11.2 Debtors' Releases~~.~~

(a) **On the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, each of the Debtors and the Consolidated Debtor shall be deemed to have forever released, waived, and discharged each of the other Debtors from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, and liabilities whatsoever, whether known or unknown, whether foreseen or unforeseen, whether liquidated or unliquidated, whether fixed or contingent, whether matured or unmatured, existing or hereafter arising, at law, in equity, or otherwise, that are based in whole or in part on any act, omission, transaction, event, or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the conduct of the Debtors' businesses, the Chapter 11 Cases, or the Plan.**

(b) **Entry of the Confirmation Order shall constitute (i) the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases set forth in this Section 11.2; and (ii) the Bankruptcy Court's findings that such releases are (1) in exchange for good and valuable consideration provided by the Debtors (including performance of the terms of the Plan), and a good-faith settlement and compromise of the released claims, (2) in the best interests of the Debtors and their Estates, (3) fair, equitable, and reasonable, and (4) given and made after due notice and opportunity for hearing.**

11.3 Exculpation~~.~~

On the Effective Date, to the maximum extent permitted by law, no Exculpated Party shall have or incur, and each Exculpated Party is hereby exculpated from, any Claim, interest, obligation, suit, judgment, damage, demand, debt, right, Cause of Action, loss, remedy, or liability to any Person or Entity, including to any Holder of a Claim or Equity Interest, for any claim (including, but not limited to, any claim for breach of any fiduciary duty or any similar duty), for any act or omission in connection with, relating to, or arising out of the Chapter 11 Cases, including the formulation, negotiation, preparation,

dissemination, solicitation of acceptances, implementation, confirmation, or consummation of the Plan, the Disclosure Statement, or any contract, instrument, release, or other agreement or document created, executed, or contemplated in connection with the Plan, or the administration of the Plan, or the administration of the Chapter 11 ~~c~~Cases, or the operation of the Debtors' businesses during the Chapter 11 Cases, or the disposition of property and cash to be distributed during the Chapter 11 Cases or to be distributed under the Plan; *provided*, *however*, that the exculpation provisions of this Section 11.3 shall only apply, with respect to the Responsible Individual and its Professionals, to acts or omissions occurring after the Order for Relief Date; *provided*, *further*, that the exculpation provisions of this Section 11.3 shall not apply to acts or omissions constituting gross negligence, intentional fraud, or willful misconduct by such Exculpated Party as determined by a Final Order. For purposes of the foregoing, it is expressly understood that any act or omission effected with the approval of the Bankruptcy Court will be conclusively presumed not to constitute intentional fraud or willful misconduct unless the approval of the Bankruptcy Court was obtained by intentional fraud or intentional misrepresentation, and the Exculpated Parties shall be entitled in all respects to rely on the written advice of counsel with respect to their duties and responsibilities under, or in connection with, the Chapter 11 Cases, the Plan, and administration thereof. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations, and any other applicable law or rules protecting such Exculpated Parties from liability.

11.4 Injunctions Related to Releases and Exculpation~~.~~

All Persons and Entities are permanently enjoined from: commencing or prosecuting, whether directly, derivatively, or otherwise, any Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, losses, or liabilities released or exculpated pursuant to this Plan. Prior to commencing an action against an Exculpated Party in any way related to or connected with the Chapter 11 Cases, any Person or Entity must first seek a determination that the claims asserted in such action are excluded from the exculpation provisions herein and permission from the Bankruptcy Court to prosecute such action. The Bankruptcy Court shall retain exclusive jurisdiction to determine the scope and effect of any release or exculpation provided herein.

ARTICLE XII.
MISCELLANEOUS PROVISIONS

12.1 Payment of Statutory Fees~~.~~

All fees payable pursuant to 28 U.S.C. § 1930, ~~as determined by the Bankruptcy Court at the Confirmation Hearing~~due and payable before the Effective Date, shall be paid by the Consolidated Debtor~~s~~ on or before the Effective Date. All such fees that arise after the Effective Date shall be paid ~~from~~by the Plan Recovery Trustee from Plan Recovery Trust Assets.

12.2 SEC-Related Provisions~~.~~

Notwithstanding any provision herein to the contrary or an abstention from voting on the Plan, no provision of the Plan, or any order confirming the Plan: (i) releases any non-debtor Person or Entity from any claim or cause of action of the SEC; or (ii) enjoins, limits, impairs, or delays the SEC from commencing or continuing any claims, causes of action, proceedings, or investigations against any non-debtor person or entity in any forum.

12.3 Post-Effective- Date Reporting~~.~~

(a) Beginning the first quarter-end following the Effective Date and continuing on each quarter-end thereafter until the Closing Date, within thirty (30) calendar days after

the end of such period, the Plan Recovery Trustee shall File quarterly reports with the Bankruptcy Court. Each quarterly report shall contain financial, Distributions, settlement, sale, and such other information as provided for in the Plan Recovery Trust Agreement.

(b) The Plan Recovery Trustee shall, as soon as practicable after the end of each calendar year and upon termination of the Plan Recovery Trust, provide or make available a written report and account to the Plan Recovery Trust Beneficiaries which report and account sets forth (i) the assets and liabilities of the Plan Recovery Trust at the end of such calendar year or upon termination, (ii) the receipts and disbursements of the Plan Recovery Trust for such calendar year or period, and (iii) changes in the Plan Recovery Trust Assets and actions taken by the Plan Recovery Trustee in the performance of its duties under the Plan or the Plan Recovery Trust Agreement that the Plan Recovery Trustee determines in its discretion may be relevant to Plan Recovery Trust Beneficiaries, such as material changes or actions that, in the opinion of the Plan Recovery Trustee, may have a material effect on the Plan Recovery Trust Assets that were not previously reported. Such reports may be provided or made available to the Plan Recovery Trust Beneficiaries, in the discretion of the Plan Recovery Trustee, by any reasonable means, including U.S. mail, electronic transmission, or a virtual data room to which Plan Recovery Trust Beneficiaries shall have access, or publication to a publicly-available website or by press release distributed via a generally recognized business news service. The Plan Recovery Trustee may provide or make available to the Plan Recovery Trust Beneficiaries similar reports for such interim periods during the calendar year as the Plan Recovery Trustee deems advisable.

12.4 Dissolution of the Committee.

The Committee shall be automatically dissolved on the Effective Date and, on the Effective Date, each member thereof and each Professional retained by the Committee shall be released and discharged from all rights, duties, responsibilities, and obligations arising from, or related to, the Debtors, their membership on the Committee, the Plan, or the Chapter 11 Cases, except with respect to the rights (if any) of former members of the Committee to select successor designees on the Oversight Committee in accordance with the terms of the Plan Recovery Trust Agreement.

12.5 Modifications and Amendments.

(a) In the Plan Proponents' reasonable discretion, the Plan Proponents may alter, amend, or modify the Plan under section 1127(a) of the Bankruptcy Code at any time at or prior to the conclusion of the Confirmation Hearing, provided that the Schedule of Assumed Contracts may be altered, amended, or modified up until the Effective Date or by further order of the Bankruptcy Court. All alterations, amendments, or modifications to the Plan must comply with section 1127 of the Bankruptcy Code. The Consolidated Debtors shall provide parties in interest with notice of such alterations, amendments, or modifications as may be required by the Bankruptcy Rules or order of the Bankruptcy Court. A Creditor that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, or modified, if the proposed alteration, amendment, or modification does not materially and adversely change the treatment of the Claim or Equity Interest of such Creditor.

(b) After entry of the Confirmation Order and prior to substantial consummation of the Plan (as defined in section 1101(2) of the Bankruptcy Code), the Plan Proponents or the Plan Recovery Trust, as applicable, may, under section 1127(b) of the Bankruptcy Code, institute proceedings in the Bankruptcy Court to remedy any

defect or omission or to reconcile any inconsistencies in the Plan, the Disclosure Statement approved with respect to the Plan, or the Confirmation Order, and such matters as may be necessary to carry out the purpose and effect of the Plan so long as such proceedings do not adversely affect the treatment of Holders of Claims or Equity Interests under the Plan. Such proceedings must comply with section 1127 of the Bankruptcy Code. To the extent required, notice of such proceedings shall be served in accordance with the Bankruptcy Rules or an order of the Bankruptcy Court. A Creditor that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, or modified, if the proposed alteration, amendment, or modification does not materially and adversely change the treatment of the Claim or Equity Interests of such Creditor.

12.6 Severability of Plan Provisions.

If, at or before the Confirmation Hearing, the Bankruptcy Court holds that any Plan term or provision is invalid, void, or unenforceable, the Bankruptcy Court may alter or interpret that term or provision so that it is valid and enforceable to the maximum extent possible consistent with the original purpose of that term or provision. That term or provision will then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the Plan's remaining terms and provisions will remain in full force and effect and will in no way be affected, impaired, or invalidated. The Confirmation Order will constitute a judicial determination providing that each Plan term and provision, as it may have been altered or interpreted in accordance with this Section, is valid and enforceable under its terms.

12.7 Compromises and Settlements.

From and after the Effective Date, the Plan Recovery Trustee, subject to the terms of the Plan Recovery Trust Agreement, may compromise and settle disputes with respect to any Claim or Equity Interest or any Plan Recovery Trust Action without any further approval by the Bankruptcy Court. Until the Effective Date, the Consolidated Debtors expressly reserve the right to compromise and settle, subject to the approval of the Bankruptcy Court, any Claim against them, any Equity Interest asserted in them, or any Avoidance Action or Cause of Action belonging to the Estates.

12.8 Binding Effect of Plan.

Upon the Effective Date, section 1141 of the Bankruptcy Code shall become applicable with respect to the Plan, and the Plan shall be binding on all Entities to the fullest extent permitted by section 1141(a) of the Bankruptcy Code. Confirmation of the Plan binds each Holder of a Claim or Equity Interest to all the terms and conditions of the Plan, whether or not such Holder's Claim or Equity Interest is Allowed, whether or not such Holder holds a Claim or Equity Interest that is in a Class that is Impaired under the Plan, and whether or not such Holder has accepted the Plan.

12.9 Term of Injunctions or Stays.

Unless otherwise provided herein or in the Confirmation Order, all injunctions or stays in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code or otherwise, and extant as of the Confirmation Hearing (excluding any injunctions or stays contained in or arising from the Plan or the Confirmation Order), shall remain in full force and effect through the Effective Date.

12.10 Revocation, Withdrawal, or Non-Consummation.

The Plan Proponents reserve the right to revoke or withdraw the Plan at any time prior to the Confirmation Hearing and to File subsequent plans. If the Plan Proponents revoke or withdraw

the Plan prior to the Confirmation Hearing, or if the Effective Date does not occur, then (a) the Plan shall be null and void in all respects; and (b) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims against, or any Equity Interests in, any Debtor, or any Causes of Action by or against any Debtor or any other Entity, (ii) prejudice in any manner the rights of any Debtor or any other Entity in any further proceedings involving a Debtor, or (iii) constitute an admission of any sort by any Debtor or any other Entity.

12.11 Exemption from Transfer Taxes.

Pursuant to section 1146 of the Bankruptcy Code, the vesting of the Plan Recovery Trust Assets in the Plan Recovery Trust~~,~~; the issuance, transfer, or exchange of notes or equity securities under the Plan; the creation of any mortgage, deed of trust, lien, pledge, or other security interest~~,~~; or the making or assignment of any lease or sublease~~,~~; or making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan or Substantive Consolidation Order (including, without limitation, any deeds transferred to or by the Consolidated Debtor), shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax.

12.12 Computation of Time.

In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

12.13 Transactions on Business Days.

If the Effective Date or any other date on which a transaction may occur under the Plan shall occur on a date that is not a Business Day, any transactions or other actions contemplated by the Plan to occur on such date shall instead occur on the next Business Day.

12.14 Good Faith.

Confirmation of the Plan shall constitute a conclusive determination that: (a) the Plan, and all the transactions and settlements contemplated thereby, have been proposed in good faith and in compliance with all applicable provisions of the Bankruptcy Code and the Bankruptcy Rules; and (b) the solicitation of acceptances or rejections of the Plan has been in good faith and in compliance with all applicable provisions of the Bankruptcy Code and the Bankruptcy Rules, and, in each case, that the Plan Proponents and their respective Related Parties have acted in good faith in connection therewith.

12.15 Governing Law.

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules), (a) the laws of the State of California shall govern the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan (except as may be provided otherwise in any such agreements, documents, or instruments) and (b) the laws of the state of incorporation or formation of each Debtor shall govern corporate, limited liability company, or limited partnership governance matters with respect to such Debtor; in each case without giving effect to the principles of conflicts of law thereof. Any applicable non-bankruptcy law that would prohibit, limit, or otherwise restrict implementation of the Plan based on (i) the commencement of the Chapter 11 Cases, (ii) the appointment of the Plan Recovery Trustee, (iii) the wind down of the Debtors, (iv) the monetization of some or all of the Plan Recovery Trust Assets, or (v) any other act or action to be

done pursuant to or contemplated by the Plan is superseded and rendered inoperative by the Plan and federal bankruptcy law.

12.16 Notices.

Following the Effective Date, all pleadings and notices Filed in the Chapter 11 Cases shall be served solely on (a) the Plan Recovery Trust and its counsel, (b) the U.S. Trustee, (c) any Person whose rights are affected by the applicable pleading or notice, and (d) any Person Filing a specific request for notices and papers on and after the Effective Date.

12.17 Final Decree.

Upon the Plan Recovery Trustee's determination that all Claims and Equity Interests have been Allowed, disallowed, expunged, or withdrawn and that all Plan Recovery Trust Assets have been monetized, abandoned, or otherwise administered, the Plan Recovery Trust shall move for the entry of the Final Decree. On entry of the Final Decree, the Plan Recovery Trustee and the Oversight Committee shall be deemed discharged and have no further duties or obligations to the Plan Recovery Trust or any other Entity.

12.18 Additional Documents.

On or before the Effective Date, the Plan Proponents may File with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtors, the Consolidated Debtor and the Plan Recovery Trust, as applicable, and all Holders receiving Distributions pursuant to the Plan and all other parties in interest may, from time to time, prepare, execute, and deliver any agreements or documents and take any other acts as may be necessary or advisable to effectuate the provisions and intent of the Plan.

12.19 Conflicts with the Plan.

In the event and to the extent that any provision of the Plan is inconsistent with the provisions of the Disclosure Statement, any other order entered in the Chapter 11 Cases, or any other agreement to be executed by any Person pursuant to the Plan, the provisions of the Plan shall control and take precedence; *provided, however*, that if there is any inconsistency between the Plan, the provisions of the Disclosure Statement, and any other order entered in the Chapter 11 Cases, on the one hand, and the Plan Recovery Trust Agreement regarding the protocols, authority and decision-making power of the Oversight Committee, on the other hand, the specific provisions in the Plan Recovery Trust Agreement regarding the Oversight Committee shall control; *provided, further*, that the Confirmation Order shall control and take precedence in the event of any inconsistency between the Confirmation Order, any provision of the Plan, and any of the foregoing documents.

ARTICLE XIII.
REQUEST FOR CONFIRMATION AND RECOMMENDATION

13.1 Request for Confirmation.

The Plan Proponents request confirmation of the Plan in accordance with section 1129 of the Bankruptcy Code.

13.2 Recommendation.

The Plan Proponents believe that confirmation and implementation of the Plan are the best alternative under the circumstances and urge all Holders of Claims and Equity Interests entitled to vote on the Plan to vote in favor of and support confirmation of the Plan.

Respectfully submitted,

LEFEVER MATTSON,
~~**A CALIFORNIA CORPORATION, ET AL.**~~**CONSOLIDATED DEBTOR**

By: */s/ Bradley Sharp*
Name: Bradley Sharp
Title: Chief Restructuring Officer

~~**KS MATTSON PARTNERS, LP**~~

~~By: */s/ Robbin Itkin*~~
~~Name: Robbin Itkin~~
~~Title: Responsible Individual~~

OFFICIAL COMMITTEE OF UNSECURED CREDITORS

By: */s/ Kevin Katari*
Name: Kevin Katari
Title: Chairperson

EXHIBIT A

Defined Terms

1. "**Administrative Expense Claim**" means a Claim, to the extent not previously paid, otherwise satisfied, or withdrawn, for costs and expenses of administration of the Chapter 11 Cases pursuant to sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred on or after the Petition Date or the Order for Relief Date, as applicable, until and including the Effective Date, of preserving the Estates and operating the Debtors' businesses; (b) all fees and charges assessed against the Estates under chapter 123 of Title 28 of the United States Code; and (c) all Section 503(b)(9) Claims.

2. "**Administrative Expense Claims Bar Date**" means the last date by which any Person must File a request for payment of an Administrative Expense Claim other than a Professional Fee Claim, which date shall be the first Business Day that is at least thirty (30) calendar days after the Effective Date. Post-petition statutory tax Claims shall not be subject to the Administrative Expense Claims Bar Date. In the case of the LFM Debtors, the Claims Bar Date for Section 503(b)(9) Claims is the LFM General Claims Bar Date. In the case of KSMP, the Claims Bar Date for Section 503(b)(9) Claims is the Administrative Expense Claims Bar Date.

3. "**Allowed, Allowed Claim, or Allowed [ ] Claim**" means:

(a) with respect to a Claim arising prior to the Petition Date (including, in the case of the LFM Debtors, a Section 503(b)(9) Claim):

(i) either (A) a proof of claim was timely Filed by the applicable Claims Bar Date, or (B) a proof of claim is deemed timely Filed either as a result of such Claim being Scheduled or by a Final Order; and

(ii) either (A) the Claim is not a Contingent Claim, a Disputed Claim, an Unliquidated Claim, or a Disallowed Claim; or (B) the Claim is expressly allowed by a Final Order or under the Plan;

(b) with respect to a Claim arising on or after the Petition Date (excluding, in the case of the LFM Debtors, a Section 503(b)(9) Claim), a Claim that has been allowed by a Final Order or under the Plan.

4. "**Allowed Equity Interest**" means an Equity Interest that is not a Disputed Equity Interest or Disallowed Equity Interest.

5. "**Available Cash**" means all Cash held by the Debtors and the KSMP Investment Entities on the Effective Date or by the Plan Recovery Trust from the Effective Date; in each case, after payments, allocations, or reserves in accordance with the Plan and the Plan Recovery Trust Agreement.

6. "**Avoidance Actions**" means any and all causes of action, claims, remedies, or rights that may be brought by or on behalf of the Debtors or the Estates under sections 506(c), 510, 542, 544, 545, 547, 548, 549, 550, 551, 552(b) or 553 of the Bankruptcy Code, or under related state or federal statutes, or pursuant to any theory or cause of action under common law, regardless whether such action has been commenced prior to the Effective Date.

7. "**Ballot**" means the ballot form distributed to each Holder of a Claim or Equity Interest entitled to vote to accept or reject the Plan.

8. "**Bankruptcy Code**" means Title 11 of the United States Code, 11 U.S.C. §§ 101–

1532, as the same may be amended from time to time to the extent applicable to the Chapter 11 Cases.

9. "**Bankruptcy Court**" means the United States Bankruptcy Court for the Northern District of California, or in the event such court ceases to exercise jurisdiction over any Chapter 11 Case, such other court or adjunct thereof that exercises jurisdiction over such Chapter 11 Case in lieu of the United States Bankruptcy Court for the Northern District of California.

10. "**Bankruptcy Rules**" means the Federal Rules of Bankruptcy Procedure promulgated by the Supreme Court of the United States under 28 U.S.C. § 2075, as the same may be amended from time to time to the extent applicable to the Chapter 11 Cases.

11. "**Business Day**" means any day other than a Saturday, a Sunday, a "legal holiday" (as defined in Bankruptcy Rule 9006(a)), or any other day on which commercial banks in New York, New York are required or authorized to close by law or executive order.

12. "**Cash**" means cash and cash equivalents, including bank deposits, wire transfers, checks representing good funds, and legal tender of the United States of America or instrumentalities thereof.

13. "**Causes of Action**" means any and all claims, rights, actions, causes of action, liabilities, obligations, suits, debts, remedies, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, rights of setoff, third-party claims, subordination claims, subrogation claims, contribution claims, reimbursement claims, indemnity claims, counterclaims, and cross claims, damages, or judgments whatsoever, whether known or unknown, reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, foreseen or unforeseen, asserted or unasserted, existing or hereafter arising, in law, at equity, by statute, whether for tort, fraud, contract, or otherwise.

14. "**Chapter 11 Cases**" means the chapter 11 bankruptcy cases commenced by the Debtors, which ~~are being jointly administered~~have been substantively consolidated under the case caption *In re LeFever Mattson~~, et al.~~*, Case No. 24-10545 (Bankr. N.D. Cal.).

15. "**Claim**" means any "claim," as defined in section 101(5) of the Bankruptcy Code, against any of the Debtors or against property of any of the Debtors.

16. "**Claim Objection Deadline**" means subject to extension as set forth in Section 8.2 of the Plan, the date that is the first Business Day that is at least 180 calendar days after the Effective Date. The Claim Objection Deadline may be extended by order of the Bankruptcy Court.

17. "**Claims Agent**" means Kurtzman Carson Consultants, LLC dba Verita Global, the Debtors' court-appointed claims, noticing, and balloting agent.

18. "**Claims Bar Date**" means, as applicable, the Administrative Expense Claims Bar Date, the Governmental Claims Bar Date, the KSMP Bar Date, the LFM General Claims Bar Date, or the Rejection Claims Bar Date.

19. "**Class**" means a category of Claims or Equity Interests designated pursuant to the Plan, or any subclass thereof.

20. "**Class A Plan Recovery Trust Units**" means the Plan Recovery Trust Units to be distributed on a Pro Rata basis to Holders of (i) Allowed Trade Claims (if Class 4 votes to reject the Plan) on account of their Allowed Trade Claims, and (ii) Allowed Investor Claims on account of their Investor Tranche 1 Claims, pursuant to the Plan and the Plan Recovery Trust Agreement.

21. "**Class B Plan Recovery Trust Units**" means the Plan Recovery Trust Units to be distributed to Investors under the Plan and the Plan Recovery Trust Agreement on account of their Investor Tranche 2 Claims.

22. "**Class C Plan Recovery Trust Units**" means the Plan Recovery Trust Units to be distributed to Investors under the Plan and the Plan Recovery Trust Agreement on account of their Contributed Claims.

23. "**Closing Date**" means the date on which all of the Chapter 11 Cases have been closed in accordance with Section 12.17 of the Plan.

24. "**Collateral**" means any Estate Asset that is subject to a Lien to secure the payment or performance of a Claim, which Lien is perfected and not subject to avoidance under the Bankruptcy Code or otherwise invalid or unenforceable under the Bankruptcy Code or applicable non-bankruptcy law.

25. "**Committee**" means the official committee of unsecured creditors, as provided for under section 1102 of the Bankruptcy Code, which was appointed in the Chapter 11 Cases, as it may be reconstituted from time to time.

26. "**Confirmation**" means entry by the Bankruptcy Court of the Confirmation Order.

27. "**Confirmation Hearing**" means the hearing or hearings held by the Bankruptcy Court to consider Confirmation of the Plan as required by section 1128(a) of the Bankruptcy Code, as such hearing may be continued from time to time.

28. "**Confirmation Order**" means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code in a form reasonably acceptable to the Plan Proponents.

29. "**Consolidated Debtor**" is as defined in the Introduction to the Plan.

30. "**Consolidated Entities**" is as defined in the Introduction to the Plan.

31. "**Consolidated Estate**" is as defined in the Introduction to the Plan.

32. ~~29.~~"**Contingent Claim**" means any Claim that is Scheduled or Filed as contingent.

33. ~~30.~~"**Contributed Claim Election**" means an election by an Investor, as indicated on an Investor Ballot, to contribute its Contributed Claims to the Plan Recovery Trust pursuant to the terms of this Plan.

34. ~~31.~~"**Contributed Claims**" means all Causes of Action of a Contributing Claimant that are legally assignable (including Causes of Action that are legally assignable solely because of the preemptive effect of the Plan) that an Investor has against any Person that is not a Debtor and that are related in any way to the Debtors, their predecessors, their respective affiliates, or any Excluded Parties, including (a) all Causes of Action based on, arising out of, or related to the marketing, sale, and issuance of any investments related to the Debtors; (b) all Causes of Action for unlawful dividend, fraudulent conveyance, fraudulent transfer, voidable transaction, or other avoidance claims under state or federal law; (c) all Causes of Action based on, arising out of, or related to the misrepresentation of any of the Debtors' financial information, business operations, or related internal controls; (d) all Causes of Action based on, arising out of, or related to any failure to disclose, or actual or attempted cover up or obfuscation of, any of the wrongful conduct described in the Disclosure Statement, including with respect to any alleged fraud related thereto; and (e) all Causes of Action based on aiding or abetting, entering into a conspiracy with, or

otherwise supporting torts committed by the Debtors or their agents; *provided that* if a particular Cause of Action is identified on the Schedule of Disclaimed Contributed Claims by (a) the Plan Proponents prior to the Effective Date or (b) the Plan Recovery Trustee on and after the Effective Date, then such Cause of Action will not be a Contributed Claim.

35. ~~32.~~"**Contributing Claimants**" means any and all Holders of Investor Claims that (i) affirmatively cast a Ballot on account of an Investor Claim to **accept** the Plan and (ii) **did not opt-out** of the Contributed Claim Election.

36. ~~33.~~"**Corporate Action**" means any action, approval, authorization, decision, or other act of any kind that would be necessary on the part of any Person for any corporation, limited liability company, limited partnership, or other Person to in turn act.

37. ~~34.~~"**Creditor**" means any Holder of a Claim.

38. ~~35.~~"**Cure Payment**" means the payment of Cash or the distribution of other property (as the parties may agree or the Bankruptcy Court may order) that is necessary to cure any and all defaults under an executory contract or unexpired lease so that such contract or lease may be assumed, or assumed and assigned, pursuant to section 1123(b)(2) of the Bankruptcy Code.

39. ~~36.~~"**Debtor**" or "**Debtors**" means, individually and collectively, each of the LFM Debtors and KSMP.

40. "**Debtor/Estate Parties**" means the Debtors, KSMP, KSMP Investment Entities, Consolidated Debtor, Consolidated Estate, Estates, Plan Recovery Trust and Plan Recovery Trustee.

41. ~~37.~~"**Defined Term**" means any capitalized term that is defined in this Exhibit A of the Plan.

42. ~~38.~~"**DIP Credit Agreements**" means, collectively, the definitive form of loan and security agreements entered into by the applicable Debtors in accordance with the DIP Orders.

43. ~~39.~~"**DIP Facility Claims**" means a Claim arising under, relating to, derived from, based upon, or secured pursuant to the DIP Facilities, including, Claims for all principal amounts outstanding, interest, fees, expenses, costs, indemnification obligations, reimbursement obligations, and any other charges arising thereunder, in each case, with respect to the DIP Facilities.

44. ~~40.~~"**DIP Facilities**" means the debtor-in-possession credit facilities provided to the Debtors on the terms and conditions set forth in the DIP Credit Agreements and the DIP Orders.

45. ~~41.~~"**DIP Lender**" means Serene Investment Management LLC.

46. ~~42.~~"**DIP Orders**" means (a) the ~~f~~Final ~~o~~Order entered by the Bankruptcy Court on January 23, 2025 [Docket No. 643] and (b) the ~~f~~Final ~~ordered~~Order entered by the Bankruptcy Court on September 25, 2025 [Docket No. 2414].

47. ~~43.~~"**Disallowed Claim**" means any Claim that (a) is not Scheduled, or is listed on the Schedules as contingent, unliquidated, disputed, or in an amount equal to zero, unknown, undetermined, or similar, and whose Holder failed to timely File a proof of claim by the applicable Claims Bar Date (unless the late filing was permitted by a Bankruptcy Court order), but excluding any Claim that is expressly Allowed by a Final Order or under the Plan; or (b) has been disallowed pursuant to an order of the Bankruptcy Court.

48. ~~44.~~"**Disallowed Equity Interest**" means any Equity Interest that (a) is not listed on the *Omnibus List of Equity Security Holders* [Docket No. 353] and whose Holder failed to timely File a proof of interest by the applicable Claims Bar Date (unless the late filing was permitted by a Bankruptcy Court order), but excluding any Equity Interest that is expressly Allowed by a Final Order or under the Plan; or (b) has been disallowed pursuant to an order of the Bankruptcy Court.

49. ~~45.~~"**Disclosure Statement**" means that certain disclosure statement relating to the Plan, including all exhibits and schedules thereto, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code, as it subsequently may be amended, modified, or supplemented by the Plan Proponents.

50. ~~46.~~"**Disputed**" means, as to a Claim or an Equity Interest, any Claim or Equity Interest (or portion thereof): (a) that is not Allowed; (b) that is not disallowed by the Plan, the Bankruptcy Code, or a Final Order, as applicable; and (c) with respect to which a party in interest has Filed a Proof of Claim or Proof of Interest or otherwise made a written request to a Debtor for payment, without any further notice to or action, order, or approval of the Bankruptcy Court.

51. ~~47.~~"**Distribution**" means any issuance, payment, or transfer of consideration made under the Plan or the Plan Recovery Trust Agreement.

52. ~~48.~~"**Distribution Agent**" means (i) the Plan Recovery Trustee solely in its capacity as distribution agent under the Plan with respect to Distributions to Holders of Allowed Administrative Expense Claims (including Professional Fee Claims), Involuntary Gap Claims, Priority Tax Claims, and Claims in Classes 1, 2, 3, 4 and 5 on account of such Allowed Claims, or (ii) any party designated by the Plan Recovery Trustee to serve in such capacity.

53. ~~49.~~"**Distribution Date**" means any date on which a Distribution is made.

54. ~~50.~~"**Distribution Record Date**" means the record date for determining entitlement of Holders of Claims to receive Distributions under the Plan, which date shall be the Effective Date.

55. ~~51.~~"**Distribution Reserve**" means one or more reserves established by the Plan Recovery Trustee on account of Contingent Claims, Disputed Claims, or Unliquidated Claims.

56. ~~52.~~"**DOJ**" means the U.S. Department of Justice.

57. ~~53.~~"**Effective Date**" means the ~~date~~Business Day that is ~~the first Business Day on which~~selected by the Plan Proponents after each condition set forth in Article IX of the Plan has been satisfied or waived as set forth therein.

58. ~~54.~~"**Entity**" means any "entity," as defined in section 101(15) of the Bankruptcy Code.

59. ~~55.~~"**Equitably Subordinated Claim**" means any claim of any kind or nature whatsoever held by any Entity against any of the Debtors and the KSMP Investment Entities that the Bankruptcy Court has determined to be equitably subordinated pursuant to section 510(c) of the Bankruptcy Code.

60. ~~56.~~"**Equitably Subordinated Interest**" means any interest of any kind or nature whatsoever held by any Entity in any of the Debtors and the KSMP Investment Entities that the Bankruptcy Court has determined to be equitably subordinated pursuant to section 510(c) of the Bankruptcy Code.

61. ~~57.~~"**Equity Interests**" means all previously issued and outstanding stock,

membership, partnership, or other ownership interests in any of the Debtors or the KSMP Investment Entities outstanding immediately prior to the Effective Date, including agreements of any character to convert, exchange, exercise for, or otherwise receive any such stock, membership, partnership, or other ownership interests.

62. ~~58.~~"**Estate Assets**" means, collectively, (a) ~~any and all right, title, and interest~~all tangible and intangible assets of every kind and nature of the Consolidated Debtor~~s,~~ and the ~~Estates, and the KSMP Investment Entities in and to property of whatever type or nature~~Consolidated Estate within the meaning of section 541 of the Bankruptcy Code, including books and records, the Real Properties, and all Avoidance Actions and Causes of Action as of the Effective Date; (b) all insurance policies of any kind, whether current or historical, issued at any time to or for the benefit of the Consolidated Debtor, the Debtors, or the KSMP Investment Entities, including but not limited to director and officer liability policies, casualty insurance, property insurance, malpractice insurance, errors and omissions insurance, and any similar or related insurance policies, together with all rights, claims, and proceeds arising therefrom; and (~~b~~c) any assets contributed to or recovered by the Plan Recovery Trust on or after the Effective Date~~.~~, including Contributed Claims.

63. ~~59.~~"**Estates**" means the chapter 11 estates of the Debtors created by section 541(a) of the Bankruptcy Code.

64. "**Excluded Assets**" means (i) the Retained Real Properties; (ii) any personal property associated with the Retained Real Properties; (iii) the Real Property Related Actions; (iv) any non-Debtor affiliates of the Consolidated Debtor and their respective assets; and (v) the Non-Debtor Equity Interests; *provided that* any proceeds of the Excluded Assets shall immediately and automatically, without need for further Bankruptcy Court order or notice, be and constitute Plan Recovery Trust Assets.

65. ~~60.~~"**Excluded Parties**" means, collectively, the Persons and Entities identified on the Schedule of Excluded Parties.

66. ~~61.~~"**Exculpated Parties**" means, collectively, and in each case in its capacity as such: (a) the Debtors; (b) the Committee, including its current and former members; (c) Professionals for (a) and (b); (d) the Responsible Individual; (e) all officers and directors of any of the Debtors serving in such capacity on or after the Petition Date and before the Effective Date; and (f) persons who acted as agents for (a) and (b) and, in doing so, assumed fiduciary obligations of the principal. The definition of Exculpated Parties excludes all Excluded Parties.

67. ~~62.~~"**File**," "**Filed**," or "**Filing**" means duly and properly filed with the Bankruptcy Court and reflected on the docket of the Chapter 11 Cases, except with respect to proofs of claim that may be filed with the Claims Agent, in which case "File" or "Filed" means duly and properly filed with the Claims Agent or the Bankruptcy Court and reflected on the official claims register maintained by the Claims Agent.

68. ~~63.~~"**Final Decree**" means an order entered pursuant to section 350 of the Bankruptcy Code, Bankruptcy Rule 3022, and Local Rule 3022-1 closing the Chapter 11 Cases.

69. ~~64.~~"**Final Order**" means an order or judgment of the Bankruptcy Court entered on the docket of the Chapter 11 Cases:

(a) that has not been reversed, rescinded, stayed, modified, vacated, or amended;

(b) that is in full force and effect; and

(c) with respect to which (i) the time to appeal or to seek review, rehearing, remand, or a writ of certiorari has expired and as to which no timely filed appeal or petition for review, rehearing, remand, or writ of certiorari is pending; or (ii) any such appeal or petition has been dismissed or resolved by the highest court to which the order or judgment was appealed or from which review, rehearing, remand, or a writ of certiorari was sought.

No order shall fail to be a Final Order solely because of the possibility that a motion pursuant to section 502(j) of the Bankruptcy Code, Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or Bankruptcy Rules 9023 or 9024 may be or has been filed with respect to such order.

70. ~~65.~~"**Forfeiture Property**" means any property and proceeds recovered or to be recovered, and claimed by, the DOJ, the SEC, or any other Governmental Unit, to be subject to forfeiture in connection with any civil forfeiture proceedings or criminal actions against (i) Kenneth W. Mattson (including *United States v. Kenneth W. Mattson*, Case No. 25-cr-00126-CRB (N.D. Cal.), and *SEC v. Kenneth Mattson and Relief Defendant KS Mattson Partners LP*, No. 3:25-cv-04387 (N.D. Cal.)) or (ii) any other Excluded Parties to the extent relating to the Debtors, Investor Claims, and the KSMP Investment Entities, or any Investments.

71. "**Global Settlement**" is as defined in the Introduction to the Plan.

72. ~~66.~~"**Governmental Claims Bar Date**" means, with respect to each applicable Debtor, the date that is 180 days after the applicable Order for Relief Date, as calculated pursuant to Bankruptcy Rule 9006.

73. ~~67.~~"**Governmental Unit**" means any "governmental unit," as defined in section 101(27) of the Bankruptcy Code.

74. ~~68.~~"**Holder**" means the Person that is the owner of record of a Claim, Equity Interest, or Plan Recovery Trust Unit, as applicable.

75. ~~69.~~"**Impaired**" means any Class of Claims or Equity Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code.

76. ~~70.~~"**Insider**" means any "insider," as defined in section 101(31) of the Bankruptcy Code, and with respect to a limited liability company or limited partnership, any director, officer, person in control or relative of any of the foregoing.

77. ~~71.~~"**Intercompany Claim**" means any Claim of one Debtor against another Debtor, which Claims were eliminated and cancelled by the substantive consolidation of the Consolidated Entities effectuated pursuant to the Substantive Consolidation Order.

78. ~~72.~~"**Intercompany Lien**" means any Lien securing an Intercompany Claim.

79. ~~73.~~"**Investment**" means any investment or investment product offered by any Debtor (whether directly or through an agent), including~~, without limitation,~~ any investments, interests, or other rights with respect to any Debtor that were styled, marketed, or sold as, among others, partnership interests in limited partnerships, TIC Interests, or other interests in any real property (including the purchase or sale of a real property).

80. ~~74.~~"**Investor**" means a Person or Entity that holds an Investor Claim.

81. ~~75.~~"**Investor Claim**" means any Claim arising from or relating to an Investment, including~~, without limitation,~~ (a) all Claims (including any contract or related Claims) based on, arising out of, or related to any Investments including the validity, marketing, sale, and issuance

thereof; (b) all Claims for fraud, unlawful dividend, fraudulent conveyance, fraudulent transfer, voidable transaction, or other avoidance claims under state or federal law; (c) all Claims arising from or related to the preparation or filing of the Debtors' and/or their affiliates' (including the KSMP Investment Entities') federal, state, local, or other tax returns, forms, and other filings; (d) all Claims based on, arising out of, or related to the misrepresentation of any of the Debtors' or the KSMP Investment Entities' financial information, assets and properties, business operations, or related internal controls; (e) all Claims based on, arising out of, or related to any failure to disclose, or actual or attempted cover up or obfuscation of, any of the wrongful conduct described in the Disclosure Statement, including with respect to any alleged fraud related thereto and undisclosed loans; (f) all Claims based on aiding or abetting, entering into a conspiracy with, or otherwise supporting Investment-related torts committed by the Debtors, the KSMP Investment Entities, or their agents; and (g) any Claims arising from or relating to TIC Interests; *provided that* any and all Equity Interests asserted by a Person or Entity in the Debtors via a Proof of Interest shall be deemed to be an Investor Claim for purposes of classification and distributions under the Plan, without any further notice, motion, complaint, objection, or other action or order of the Court.

82. ~~76.~~"**Investor Ballot**" means the ballot form distributed to each Holder of an Investor Claim entitled to vote to accept or reject the Plan.

84. ~~78.~~"**Investor Forfeiture Fund**" means a fund to be held in a separate account and administered by the Plan Recovery Trustee for the sole benefit of Investors, comprised of any and all Forfeiture Property and any proceeds thereof, which shall be free and clear of any and all claims and liens. The Investor Forfeiture Fund shall not constitute property of the Debtors, the KSMP Investment Entities, or the Plan Recovery Trust. All Cash in the Investor Forfeiture Fund shall be distributed solely to Investors on a Pro Rata basis on account of their Allowed Investor Tranche 1 Claims and Investor Tranche 2 Claims, in accordance with the Plan.

85. ~~79.~~"**Investor Lookback Period**" means the prepetition period commencing on the Ponzi Start Date.

86. ~~80.~~"**Investor-Specific Claims**" is as defined in Section 3.2 of the Plan.

87. ~~81.~~"**Investor Tranche 1 Claim**" means:

(a) the actual amount of money contributed by or on behalf of an Investor, including the value of any initial contributions made through a 1031 exchange intermediary, retirement rollover contributions from another financial institution, or direct cash contributions (via check, wire, ACH);

(b) ***less*** all transfers to an Investor before September 12, 2024 that represent a return of principal, including (i) proceeds from cash-out refinancings, (ii) proceeds from property sales, and (iii) other substantial one-time payments;

(c) ***less*** Prepetition Ponzi Distributions.

88. ~~82.~~"**Investor Tranche 2 Claim**" means the amount of Prepetition Ponzi Distributions.

89. ~~83.~~"**Involuntary Gap Claim**" means a Claim specified in section 502(f) of the Bankruptcy Code and entitled to priority against ~~Debtor~~ KSMP and its Estate under section 507(a)(3) of the Bankruptcy Code.

90. ~~84.~~"**KSMP**" means KS Mattson Partners, LP.

91. ~~85.~~"**KSMP Bar Date**" means October 3, 2025.

92. ~~86.~~"**KSMP Investment Entities**" means, individually and collectively, (i) Specialty Properties Partners, LP; (ii) Treehouse Investments, LP; and (iii) Perris Freeway Plaza, LP.

93. ~~87.~~"**LFM Bar Date Order**" means the order [Docket No. 459] of the Bankruptcy Court setting and establishing, among other things, the LFM General Claims Bar Date.

94. ~~88.~~"**LFM Debtor**" or "**LFM Debtors**" means, individually and collectively, each of the entities listed on **Exhibit C** hereto, as the same may be amended from time to time.

95. ~~89.~~"**LFM General Claims Bar Date**" means February 14, 2025.

96. ~~90.~~"**Lien**" means any "lien," as defined in section 101(37) of the Bankruptcy Code.

97. ~~91.~~"**Local Rules**" means the Bankruptcy Local Rules for the Northern District of California, as amended from time to time.

98. ~~92.~~"**Net Prepetition Investor Recovery**" means, if applicable, with respect to a specific Investor, (a) the total Cash value remitted to the Investor during the Investor Lookback Period (whether the payment was considered a return on the investment, a referral fee, or a repayment of principal) minus (b) the total Cash value invested prepetition as principal by the Investor, provided that the value of (a) is greater than the value of (b).

99. "**Non-Debtor Equity Interests**" means any ownership interest of the Consolidated Debtor in a non-Debtor Entity.

100. ~~93.~~"**Order for Relief Date**" means June 9, 2025, when used in reference to KSMP. For any other Debtor, the Order for Relief Date is the same date as the Petition Date for such Debtor.

101. ~~94.~~"**Other Secured Claim**" means any Secured Claim of an Entity that is not a Secured Lender Claim.

102. ~~95.~~"**Oversight Committee**" means a board for the Plan Recovery Trust, whose initial, volunteer members shall be chosen by the Committee and identified in the Plan Supplement.

103. ~~96.~~"**Person**" means any "person," as defined in section 101(41) of the Bankruptcy Code.

104. ~~97.~~"**Petition Date**" means (a) August 6, 2024, when used in reference to Windscape Apartments, LLC; (b) October 2, 2024, when used in reference to Pinewood Condominiums, LP and Ponderosa Pines, LP; (c) November 22, 2024, when used in reference to K S Mattson Partners, LP; and (d) September 12, 2024, when used in reference to all other Debtors.

105. ~~98.~~"**Plan**" means this Plan and all exhibits thereto, including the Plan Supplement, as the same may be amended, modified, or supplemented in the Plan Proponents' reasonable discretion.

106. ~~99.~~"**Plan Proponents**" means the Debtors and the Committee, as proponents of the Plan.

107. ~~100.~~"**Plan Recovery Trust**" means a trust established on the Effective Date for the

benefit of the Plan Recovery Trust Beneficiaries in accordance with the terms of the Plan and the Plan Recovery Trust Agreement.

108. ~~101.~~"**Plan Recovery Trust Actions**" means, collectively, all Avoidance Actions and Causes of Action held by the Debtors, the KSMP Investment Entities, or the Estates and any Causes of Action that are contributed to the Plan Recovery Trust as Contributed Claims, in each case as against any Entity that is not a Debtor.

109. ~~102.~~"**Plan Recovery Trust Agreement**" means the agreement substantially in the form Filed with the Plan Supplement establishing and delineating the terms and conditions of the Plan Recovery Trust, including the rights and duties of the Plan Recovery Trustee and the Oversight Committee.

110. ~~103.~~"**Plan Recovery Trust Assets**" ~~means, collectively, (a) the Plan Recovery Trust Actions, (b) Available Cash as of the Effective Date and Available Cash that is possessed by or turned over to the Plan Recovery Trust after the Effective Date, (c) the Retained Real Properties (which shall be subject to the terms and provisions of the applicable Secured Lender Settlement Agreement in relation to the applicable Settled Secured Lender Claim), and (d) other assets that may be transferred or otherwise provided, directly or indirectly, to or for the benefit of the Plan Recovery Trust (on or after the Effective Date) by any Person. The Investor Forfeiture Fund is not a Plan Recovery Trust Asset.~~

means all Estate Assets other than Excluded Assets.

111. ~~104.~~"**Plan Recovery Trust Beneficiary**" means each Holder of a Plan Recovery Trust Unit.

112. ~~105.~~"**Plan Recovery Trust Expenses**" means any and all reasonable fees, costs, and expenses incurred by the Plan Recovery Trustee in managing and operating the Plan Recovery Trust not inconsistent with the Plan or the Plan Recovery Trust Agreement, including the maintenance or disposition of the Plan Recovery Trust Assets (including the Plan Recovery Trustee's fees, indemnity reserves, attorneys' fees, the fees of professionals and other Persons retained by the Plan Recovery Trustee, personnel-related expenses, and any taxes imposed on the Plan Recovery Trust with respect to the Plan Recovery Trust Assets), and any other expenses incurred or otherwise payable in accordance with the Plan Recovery Trust Agreement.

113. ~~106.~~"**Plan Recovery Trust Indemnified Parties**" means the Plan Recovery Trustee, the members of the Oversight Committee ~~members~~, and their respective Related Parties, each in their respective capacity as such.

114. ~~107.~~"**Plan Recovery Trust Units**" means (a) any Class A Plan Recovery Trust Units distributed to Holders of Allowed Trade Claims and Holders of Allowed Investor Tranche 1 Claims; (b) any Class B Plan Recovery Trust Units distributed to Holders of Allowed Investor Tranche 2 Claims; and (c) any Class C Plan Recovery Trust Units distributed to Investors on account of Contributed Claims, in each case in accordance with the Plan and the Plan Recovery Trust Agreement.

116. ~~109.~~"**Plan Recovery Trust Waterfall**" is as defined in Section 5.3.1~~0~~3 of the Plan.

117. ~~110.~~"**Plan Recovery Trustee**" means the initial Plan Recovery Trustee, who was chosen by the Committee, and any successor thereto appointed pursuant to the Plan Recovery Trust Agreement, in each case acting in the capacity as trustee of the Plan Recovery Trust.

118. ~~111.~~"**Plan Supplement**" means the ancillary documents regarding the implementation and effectuation of the Plan, which will be Filed on or before the date that is

fourteen (14) calendar days prior to the Voting Deadline, as such documents may be amended and supplemented prior to the Confirmation Hearing in the Plan Proponents' reasonable discretion. The Plan Supplement includes~~, without limitation,~~ the form of the Plan Recovery Trust Agreement, the Schedule of Assumed Agreements, and additional information relating to tax matters.

119. ~~112.~~"**Ponzi Start Date**" means September 12, 2017.

120. ~~113.~~"**Prepetition Ponzi Distributions**" means payments made to an Investor between the Ponzi Start Date and September 12, 2024, which represent distributions and/or other regular payments, including: (a) monthly distributions received, (b) periodic distributions posted to an IRA account, and (c) any regularly scheduled payments between the Ponzi Start Date and September 12, 2024.

121. ~~114.~~"**Priority Claim**" means a Claim that is entitled to priority under section 507(a) of the Bankruptcy Code, other than Administrative Expense Claims, Professional Fee Claims, Involuntary Gap Claims, and Priority Tax Claims.

122. ~~115.~~"**Priority Tax Claim**" means a Claim that is entitled to priority under section 507(a)(8) of the Bankruptcy Code.

123. ~~116.~~"**Pro Rata**" means proportionately, so that the ratio of (a) the amount of consideration distributed on account of a particular Allowed Claim or Plan Recovery Trust Unit to (b) the amount or number of that Allowed Claim or Plan Recovery Trust Unit, is the same as the ratio of (x) the amount of consideration available for Distribution on account of, as applicable, all Allowed Claims in the Class in which the particular Allowed Claim is included or all applicable Plan Recovery Trust Units to (y), as applicable, the amount of all Allowed Claims of that Class or the number of applicable Plan Recovery Trust Units, as adjusted to take into account any applicable Distribution Reserves.

124. ~~117.~~"**Professional**" means any professional employed in the Chapter 11 Cases pursuant to sections 327, 328, 363, 1103, or 1104 of the Bankruptcy Code.

125. ~~118.~~"**Professional Fee Claim**" means a Claim of a Professional for compensation or reimbursement of costs and expenses (or of members of the Committees for reimbursement of expenses) relating to services provided during the period from the applicable Petition Date through and including the Effective Date.

126. ~~119.~~"**Professional Fee Reserve**" means the reserve established and funded from the Plan Recovery Trust pursuant to Section 3.3.3 of the Plan to provide sufficient funds to satisfy in full all unpaid Allowed Professional Fee Claims.

127. ~~120.~~"**Real Property(ies)**" means any and all real property in which a Debtor holds a direct or indirect ownership interest.

128. "**Real Property Related Actions**" means all Causes of Action of the Consolidated Debtor relating to (i) any interest of the Debtors or Consolidated Debtor in the Retained Real Properties (including ordinary course landlord-tenant litigation and any pending adversary proceedings with respect to a Retained Real Property), (ii) 1716 Ocean Front, Del Mar, California 92014, or (iii) 1817-1819 Coast Blvd, Del Mar, California 92014, in each case the net proceeds of which vest in, and be transferred to and administered by the Plan Recovery Trust after the Effective Date.

129. "**Real Property Sale Proceeds**" means the cash or other proceeds from the sale of any Real Property after the Effective Date.

130. ~~121.~~"**Rejection Claim**" means any Claim for monetary damages as a result of the rejection of any prepetition executory contract or unexpired lease, whether rejected pursuant to the Confirmation Order or otherwise.

131. ~~122.~~"**Rejection Claims Bar Date**" means, to the extent not previously established by prior order of the Bankruptcy Court, the first Business Day that is at least thirty (30) calendar days after the Effective Date.

132. ~~123.~~"**Related Parties**" means, collectively, all of the respective accountants, agents, assigns, attorneys, bankers, consultants, directors, employees, executors, financial advisors, investment bankers, managers, members, officers, partners, predecessors, principals, professional persons, representatives, and successors of the referenced Person; *provided*, *however*, that the Debtors' Related Parties will be limited to the following Persons: the independent directors, officers, attorneys, accountants, consultants, and professionals who are employed by the Debtors on the Effective Date pursuant to an order of the Bankruptcy Court.

133. ~~124.~~"**Responsible Individual**" means Robbin L. Itkin, the appointed responsible individual of KSMP pursuant to Local Rule 4002-1.

134. ~~125.~~"**Retained Property Secured Lender**" means a lender to a Debtor or an affiliate of a Debtor (including~~, without limitation,~~ a retail or commercial bank) that is not an Investor and that purportedly holds a Secured Claim on account of a deed of trust or Lien against one or more of the Real Properties that are Estate Assets as of the Effective Date.

135. ~~126.~~"**Retained Real Properties**" means the ~~unsold~~ Real Properties unsold as of the Effective Date, th~~at~~e ~~will be~~ sale or other disposition of which will be managed and administered by the Consolidated Debtor after the Effective Date, and the net proceeds of which vest in, and be transferred to and administered by the Plan Recovery Trust ~~upon~~after the Effective Date.

136. ~~127.~~"**Schedule of Assumed Agreements**" means the schedule of those certain executory contracts and unexpired leases that the Plan Proponents have determined that the Debtors may assume and assign to the Plan Recovery Trust on the Effective Date. The initial Schedule of Assumed Agreements will be Filed as part of the Plan Supplement, but remains subject to any modifications that may be made prior to the Effective Date pursuant to Section 6.1 of the Plan.

137. ~~128.~~"**Schedule of Disclaimed Contributed Claims**" means the schedule of Causes of Action that will be disclaimed as not Contributed Claims by the Plan Proponents prior to the Effective Date, or the Plan Recovery Trustee after the Effective Date. All Causes of Action identified on the Schedule of Disclaimed Contributed Claims will not be Contributed Claims for purposes of the Plan.

138. ~~129.~~"**Schedule of Excluded Parties**" means the list of Excluded Parties identified on **Exhibit B** to the Plan.

139. ~~130.~~"**Scheduled**" means set forth in the Schedules.

140. ~~131.~~"**Schedules**" means the respective Schedules of Assets and Liabilities and Statements of Financial Affairs Filed by the Debtors, as such Schedules may be amended from time to time in accordance with Bankruptcy Rule 1009.

141. ~~132.~~"**SEC**" means the U.S. Securities and Exchange Commission.

142. ~~133.~~"**Section 503(b)(9) Claim**" means a Claim arising under Bankruptcy Code section 503(b)(9) for the value of any goods that were received by the Debtors within twenty (20)

calendar days before the applicable Petition Date and that were sold to the Debtors in the ordinary course of their business.

143. ~~134.~~"**Secured Claim**" means a Claim that is secured by a valid, perfected, and enforceable Lien on property in which the Debtors or the Estates have an interest, which Lien is valid, perfected, and enforceable under applicable law and not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law. A Claim is a Secured Claim only to the extent of the value of the Holder's interest in the Debtors' interest in the Collateral or to the extent of the amount subject to setoff against a Cause of Action held by the Debtors, whichever is applicable, and as determined under section 506(a) of the Bankruptcy Code. No Investor Claim shall be defined, classified, or treated as a Secured Claim under the Plan.

144. ~~135.~~"**Secured Lender Claims**" means the Secured Claims of Retained Property Secured Lenders, Sold Real Property Secured Lenders, and Settling Secured Lenders.

145. ~~136.~~"**Secured Lender Settlement Agreement**" means any and all settlement agreements between the Plan Proponents and a Settling Secured Lender resolving the treatment of the Settling Secured Lender's Secured Claim. The Socotra Settlement Agreement is a Secured Lender Settlement Agreement.

146. ~~137.~~"**Secured Lenders**" means the Retained Property Secured Lenders, the Settling Secured Lenders, and the Sold Real Property Secured Lenders. A Schedule of Secured Lender Subclasses is provided in Exhibit E to the Disclosure Statement.

147. ~~138.~~"**Securities Act**" means the Securities Act of 1933, as amended.

148. ~~139.~~"**Settling Secured Lender**" means any Holder of a Secured Claim that enters into a Secured Lender Settlement Agreement prior to the Effective Date. Socotra is a Settling Secured Lender.

149. ~~140.~~"**Socotra**" means Socotra Capital, Inc. and its affiliates identified in the Socotra Settlement Agreement.

150. ~~141.~~"**Socotra Claims**" means all Claims of Socotra identified in the Socotra Settlement Agreement.

151. ~~142.~~"**Socotra Settlement Agreement**" means that certain *Settlement Agreement* dated as of October 14, 2025 by and among the Debtors, the Committee and Socotra [Docket No. 2556], approved by and subject to the Socotra Settlement Order.

152. ~~143.~~"**Socotra Settlement Order**" means the Court's Order entered on November 14, 2025 [Docket No. 2852], approving the Socotra Settlement Agreement and granting related relief.

153. ~~144.~~"**Sold Real Properties**" means the Real Properties that are not identified in the Plan Supplement as Real Properties to be retained by the Consolidated Debtor~~s~~ and ~~transferred to the Plan Recovery Trust upon~~sold after the Effective Date, or that otherwise have been sold or transferred by the Debtors to a third party prior to the Effective Date.

154. ~~145.~~"**Sold Real Property Secured Lender**" means a lender to a Debtor or an affiliate of a Debtor (including~~, without limitation,~~ a retail or commercial bank) that is not an Investor and that purportedly held a Secured Claim on account of a deed of trust or Lien against one or more of the Real Properties sold by the Debtors prior to the Effective Date.

155. ~~146.~~"**Solicitation Procedures Order**" means the order approving the Disclosure

Statement, authorizing the Plan Proponents to solicit acceptances of the Plan, and establishing certain related procedures and deadlines.

156. "**Substantive Consolidation Motion**" means the *Amended Motion of the Official Committee of Unsecured Creditors for Substantive Consolidation of the Debtors and KSMP Investment Entities and for Related Relief* [Docket No. 2943].

157. "**Substantive Consolidation Order**" means the *Order Substantively Consolidating Debtors and KSMP Investment Entities and Granting Related Relief* [Docket No. 3914], dated March 6, 2026.

158. ~~147.~~"**TIC Interest**" means respective tenant-in-common interests of non-debtor parties in Real Properties owned in part by the Debtors.

159. ~~148.~~"**Trade Claims**" means all non-priority unsecured Claims that are not Investor Claims, including~~, without limitation,~~ (i) all such Claims owed to the Debtors' and the KSMP Investment Entities' vendors, suppliers and providers of goods and services received by the Debtors and the KSMP Investment Entities during the ordinary course of business prepetition on account of or relating to such goods and services, (ii) Rejection Claims, and (iii) any such unsecured claims of Secured Lenders, including those arising from or related to Avoidance Actions (or other litigation with the Plan Proponents, the Estates, the Plan Recovery Trust, or the Plan Recovery Trustee), to the extent such claims are not secured claims and whether or not such claims arise before or after the Effective Date, for: (a) attorney's fees, costs, expenses, other charges, or similar amounts ("Fee Claims"), and (b) claims that may arise under ~~§~~section 502(h) of the Bankruptcy Code ("502(h) Claims" and together with Fee Claims, "Secured Lender Unsecured Claims").

160. ~~149.~~"**Trade Claims Settlement Fund**" means $4,000,000 in Cash, free and clear of all claims and interests, funded from Available Cash of the Debtors on the Effective Date, which will fund a payment of Cash on a Pro Rata basis to Holders of Allowed Class 4 Claims in accordance with the Plan if Class 4 votes to accept the Plan; *provided that* if Class 4 votes to reject the Plan, there will be no Trade Claims Settlement Fund. The Trade Claims Settlement Fund will be administered by the Plan Recovery Trustee.

161. ~~150.~~"**Treasury Rate**" means the yield to maturity of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to the Effective Date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the Effective Date to the Maturity Date; *provided*, *that* if no published maturity exactly corresponds with such period, then the Treasury Rate shall be interpolated or extrapolated on a straight-line basis from the arithmetic mean of the yields for the next shortest and next longest published maturities.

162. ~~151.~~"**Unimpaired**" means any Class of Claims that is not impaired within the meaning of section 1124 of the Bankruptcy Code.

163. ~~152.~~"**Unliquidated Claim**" means any Claim that is Scheduled as unliquidated or that was Filed in an unliquidated amount.

164. ~~153.~~"**U.S. Trustee**" The United States Trustee for Region 17.

165. ~~154.~~"**Voting Deadline**" means the date and time by which all Ballots to accept or reject the Plan must be received in order to be counted under the Solicitation Procedures Order.

166. "**Wind Down Activities**" means each of the activities set forth in Section 5.3.8.

EXHIBIT B

Schedule of Excluded Parties

[~~To be~~ Ffiled with Plan Supplement]

EXHIBIT C

LFM 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, a California corporation	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
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
Ponderosa Pines, LP	10/2/2024	81-2078820	24-10599
Red Cedar Tree, LP	9/12/2024	88-3572519	24-10517
Red Mulberry Tree, LP	9/12/2024	88-3572594	24-10518

Debtor Name	Petition Date	Tax ID	Case No.
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