

NOTICE OF PLAN OF LIQUIDATION RELATED TO DERIVATIVE CLAIMS

TO: ALL CURRENT BENEFICIAL INTEREST HOLDERS IN NP SKYLOFT, DST (THE “TRUST”)

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS NOTICE RELATES TO A PROPOSED PLAN OF LIQUIDATION AND DISMISSAL WITH PREJUDICE OF DERIVATIVE LITIGATION AND CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHTS.

IF THE COURT APPROVES THE PLAN OF LIQUIDATION TO RESOLVE THE DERIVATIVE ACTION, CURRENT HOLDERS OF INTERESTS IN NP SKYLOFT, DST (THE “INVESTORS”) WILL BE FOREVER BARRED FROM CONTESTING THE APPROVAL OF THE PROPOSED SETTLEMENT AND DISMISSAL WITH PREJUDICE, AND FROM PURSUING THE NELSON PARTIES ON THE RELEASED CLAIMS.

PLEASE TAKE NOTICE that this action is being resolved on the terms set forth in a Stipulation and Plan of Liquidation, dated April 19, 2022 (the “Stipulation and Plan of Liquidation”), attached hereto. The purpose of this Notice is to inform you of:

- the existence of the above-captioned derivative action captioned *Stacy R. Schiffman, et al v. Nelson Partners, LLC, et al*, Cause No. D-1-GN-22-001980, Before the 98th Judicial Court of Travis County, Texas (“Derivative Action”), severed from Cause No. D-1-GN-21-000097,
- the proposed settlement between Intervenor¹ and the Nelson Parties reached in the Derivative Action (the “Settlement”),
- the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, and
- Intervenor¹ Counsel¹ application for fees and expenses.

This Notice describes what steps you may take in relation to the Settlement. This Notice is not an expression of any opinion by the Court about the truth or merits of Intervenor¹ claims or the Nelson Parties’ defenses. This Notice is solely to advise you of the proposed Settlement of the Derivative Action and of your rights in connection with the proposed Settlement.

Summary

On April 19, 2022, Intervenor¹ and the Nelson Parties entered into the Stipulation and Plan of Liquidation in the Derivative Action. The Derivative Action was severed from a previous case filed derivatively on behalf of NP Skyloft, DST, in the 261st Judicial District Court of Travis County, Texas (the “Court”), styled *NP Skyloft, DST, et al v. Burgundy 523 Offshore Fund, Ltd, et al*, Cause No. D-1-GN-21-000097 in which certain Investors intervened (the “Intervenor¹”) to assert claims against the Nelson Parties and Axonic Parties.

The Stipulation and Plan of Liquidation involves the sale of certain real estate aimed to achieve Liquidation Proceeds of \$50,000,000 sufficient to fulfill the obligation of the Nelson Parties with respect to NP Skyloft, DST and its Investors. The Stipulation and Plan of Liquidation and the proposed Settlement contemplated therein, subject to the approval of the Court, are intended by the Intervenor¹ to fully, finally, and forever compromise, resolve, discharge, and settle all claims on behalf of NP Skyloft, DST against the Nelson Parties and to result in the complete dismissal of the Derivative Action with prejudice upon fulfillment of the Plan of Liquidation and payment of the amounts due thereunder, upon the terms and subject to the conditions set forth in the Stipulation and Plan of Liquidation.

¹ All capitalized terms used herein shall have the definition assigned in the Stipulation and Plan of Liquidation, unless otherwise defined.

What is the Lawsuit About?

The Derivative Action is brought derivatively on behalf of nominal party NP Skyloft, DST and alleges that the Nelson Parties, among other things, breached their fiduciary duties by diverting funds from the Trust for purposes unrelated to Skyloft. The Intervenor's petitions in the Derivative Action allege counts for breach of fiduciary duty, breach of the Trust Agreement of NP Skyloft, DST, breach of the covenant of good faith and fair dealing, fraud, conversion and misappropriation against the Nelson Parties.

Why is there a Proposed Settlement of the Derivative Action?

The Court has not decided in favor of Intervenor's or the Nelson Parties in the Derivative Action. Instead, the Intervenor's and Nelson Parties have agreed to the proposed Settlement to avoid the distraction, costs, and risks of further litigation. As part of the Stipulation and Plan of Liquidation, the Nelson Parties deny allegations of wrongdoing or liability arising out of or relating in any way to the events, conduct, statements, acts, or omissions alleged in the Derivative Action. Nonetheless, the Nelson Parties have entered into the Stipulation and Plan of Liquidation, without admitting or conceding any fault, liability, wrongdoing, or damage whatsoever, in order to avoid the expense, distraction, and uncertainty of litigation.

What will the Trust and its Investors receive?

If the Plan of Liquidation is fully effectuated, the Trust will receive proceeds from the sale of real estate by the Nelson Parties capped at \$50,000,000, to be deposited into the registry of the Court or other mutually agreed escrow. Upon further approval of the Court, the Administrator appointed by the Court, Gregory S. Milligan ("Administrator"), will distribute the Net Proceeds from the liquidation to the Investors in the Trust on a pro rata basis. The Nelson Parties, their family members, and affiliates will not receive any distribution from the Net Proceeds.

How will the Intervenor's Counsel be Paid?

In light of the substantial benefits conferred upon the Trust and its Investors by Intervenor's Counsel's efforts, the Court has preliminarily approved attorneys' fees in the amount of Twenty Percent (20%) of the Liquidation Proceeds, together with expenses as approved for reimbursement by the Court in addition to the attorneys' fees (the "Fee and Expense Amount").

The Settlement Hearing, and Your Right to Object to the Settlement

On April 25, 2021, the Court entered an order preliminarily approving the proposed Settlement and the Stipulation and Plan of Liquidation contemplated therein (the "Preliminary Approval Order") in Cause No. D-1-GN-21-000097 and providing for notice of the Stipulation and Plan of Liquidation to be made to current Investors in NP Skyloft, DST. The Preliminary Approval Order further provides that the Court will hold a hearing (the "Settlement Hearing") on **July 21, 2021** at 9:00 a.m. (Central Time) before the Honorable Karin Crump, District Judge, at the Heman Marion Sweatt Courthouse, located at 1000 Guadalupe, Austin, Texas 78701, to among other things: (i) determine whether the proposed Settlement as set forth in the Stipulation and Plan of Liquidation, is fair, reasonable and adequate and in the best interests of the Trust and its beneficiaries; (ii) consider any objections to the Settlement submitted in accordance with this Notice; (iii) determine whether the Court should approve the agreed-to Fee and Expense Amount; and (iv) consider any other matters that may properly be brought before the Court in connection with the Settlement.

The Court may, in its discretion, change the date and/or time of the Settlement Hearing without further notice to you. The Court also has reserved the right to hold the Settlement Hearing telephonically or by videoconference without further notice to you. If you intend to attend the Settlement Hearing, please consult the Travis County District Court Administrators' Office (Warren Vavra) at phone number (512) 854-2484 for any change in date, time or format of the Settlement Hearing.

Any current Investor in NP Skyloft, DST who wishes to object to the fairness, reasonableness, or adequacy of the proposed Settlement as set forth in the Stipulation and Plan of Liquidation, or to the Fee and Expense Amount, shall make a written objection no later than **June 21, 2022**, in the following manner: (1) file with the Clerk of the

Court and serve (either by hand delivery or by first class mail) upon the below listed counsel and Administrator a written objection to the Settlement setting forth (a) the nature of the objection, (b) proof of ownership of an interest NP Skyloft, DST as of April 25, 2022 and through the date of the filing of any such objection, including the amount of the interest held and the date of purchase or acquisition, and (c) any and all documentation or evidence in support of such objection; and (2) if intending to appear, and requesting to be heard, at the Settlement Hearing, he, she, or it must, in addition to the requirements of (1) above, file with the Clerk of the Court and serve (either by hand delivery or by first class mail) upon the below listed counsel no later than **July 11, 2022** (a) a written notice of his, her, or its intention to appear at the Settlement Hearing, (b) a statement that indicates the basis for such appearance, (c) the identities of any witnesses he, she, or it intends to call at the Settlement Hearing and a statement as to the subjects of their testimony, and (d) any and all evidence that would be presented at the Settlement Hearing.

Any objector who does not timely file and serve a notice of intention to appear in accordance with this paragraph shall be foreclosed from raising any objection to the Settlement and shall not be permitted to appear at the Settlement Hearing, except for good cause shown.

IF YOU MAKE A WRITTEN OBJECTION, IT MUST BE ON FILE WITH THE CLERK OF THE COURT NO LATER THAN JUNE 21, 2022.

The Clerk's address is:

Travis County District Clerk
Heman Marion Sweatt Travis County Courthouse
1000 Guadalupe Street
Austin, Texas 78701
Mailing Address: P.O. Box 679003, Austin, TX 78767-9003

YOU ALSO MUST DELIVER COPIES OF THE MATERIALS TO THE ADMINISTRATOR, ADMINISTRATOR'S COUNSEL, INTERVENORS' COUNSEL AND NELSON PARTIES' COUNSEL SO THEY ARE RECEIVED NO LATER THAN JUNE 21, 2022.

The Administrator's address is:

Administrator:
Gregory S. Milligan
HARNEY PARTNERS
8911 Capital of Texas Highway, Suite 2120
Austin, Texas 78759
With a copy by email: gmilligan@harneypartners.com

Counsel's addresses are:

Counsel for Administrator:
Jason M. Rudd
WICK PHILLIPS
3131 McKinney Ave, Suite 500
Dallas, Texas 75218
With a copy by email: jason.rudd@wickphillips.com

Robert Brownlie
BROWNLIE HANSEN LLP
10920 Via Frontera, Suite 550
San Diego, California 92127
(858) 357-8001

Counsel for Intervenors:
D. Douglas Brothers
GEORGE BROTHERS KINCAID & HORTON LLP
114 West 7th Street, Ste. 1100
Austin, Texas 78701
(512) 495-1400

Counsel for Nelson Parties:

Greg Noschese and Courtney Sauer
MUNSCH HARDT KOPF & HARR PC
500 N Akard St # 3800
Dallas, TX 75201

An objector may file an objection on his, her, or its own or through an attorney hired at his, her, or its own expense. If an objector hires an attorney to represent him, her, or it for the purposes of making such objection, the attorney must serve (either by hand delivery or by first class mail) a notice of appearance on the counsel listed above and file such notice with the Clerk of the Court no later than twenty-one (21) calendar days before the Settlement Hearing. Any current Investor in NP Skyloft, DST who does not timely file and serve a written objection complying with the above terms shall be deemed to have waived, and shall be foreclosed from raising, any objection to the Settlement, and any untimely objection shall be barred.

Any objector who files and serves a timely, written objection in accordance with the instructions above, may appear at the Settlement Hearing either in person or through counsel retained at the objector's expense. Objectors need not attend the Settlement Hearing, however, in order to have their objections considered by the Court.

If you are a current Investor and do not take steps to appear in this action and object to the proposed Settlement, you will be bound by the Judgment of the Court and will forever be barred from raising an objection to the settlement in this Derivative Action, and from pursuing any of the released claims.

CURRENT INVESTORS WHO HAVE NO OBJECTION TO THE SETTLEMENT DO NOT NEED TO APPEAR AT THE SETTLEMENT HEARING OR TAKE ANY OTHER ACTION.

Interim Stay and Injunction

Pending the Court's determination as to final approval of the proposed Settlement, Intervenor and any current Investors are barred and enjoined from commencing or prosecuting any action against the Nelson Parties in any court or tribunal asserting any of the Released Claims.

Scope of the Notice

This notice is a summary only and does not describe all of the details of the proposed Settlement. For full details of the matters discussed in this summary, please see the attached Stipulation and Plan of Liquidation, the pleadings filed in the Derivative Action available from the Clerk's Office, or contact Intervenor's Counsel at the addresses listed above.

Please Do Not Call the Court or Nelson Parties with Questions About the Proposed Settlement.

NP SKYLOFT DST; NP SKYLOFT ST, §
LLC; NP SKYLOFT JV, LLC; NP §
SKYLOFT EQUITY, LLC; and §
NELSON PARTNERS, LLC, §
Plaintiffs, §

IN THE DISTRICT COURT

v. §

BURGUNDY 523 OFFSHORE FUND, §
LTD.; AXONIC SPECIAL §
OPPORTUNITIES SBL MASTER FUND, §
LP; AXONIC CREDIT OPPORTUNITIES §
MASTER FUND, LP; TCG SKYLOFT §
OWNER, LLC; and DOES 1-10, §
Defendants, §

OF TRAVIS COUNTY, TEXAS

v. §

NELSON PARTNERS, LLC; NP §
SKYLOFT EQUITY, LLC; NELSON §
BROTHERS PROPERTY §
MANAGEMENT, INC d/b/a NELSON §
PARTNERS PROPERTY §
MANAGEMENT, INC. and PATRICK §
NELSON, INDIVIDUALLY, §
Counter-Defendants, §

261st JUDICIAL DISTRICT

and §

STACY R. SCHIFFMAN; ADELAIDA §
MARTINEZ; WILLIAM D. AND SUSAN §
M. MADDEN; A.H. ROOT BUILDING, §
LLC; RYAN AND LISSA ONG LIVING §
TRUST; BLACK TORTUGA GROUP, §
LLC; ALLA INVESTMENTS, LLC; 2M & §
3D LTD, TEXAS LIMITED §
PARTNERSHIP; BUTT RENTALS, LLC; §
HUGH G. DYKES III, TRUSTEE OF THE §
DYKES FAMILY REVOCABLE TRUST §
DATED JULY 7, 2004; SYDNEY CRISP §
AND NICOLA CRISP; DANIEL M. BELL; §
WILLIAM SMITH; PAUL TESSIER, CO- §
TRUSTEE, ANNE T. TESSIER FAMILY §
TRUST; DONNA DEKKER, TRUSTEE OF §

THE DEKKER-ROBERTSON FAMILY §
TRUST; HARRY V. AND JOANNE P. §
HANSEN, TRUSTEES OF THE HANSEN §
FAMILY TRUST, §
LAWRENCE K. SAMUELS AND JANE §
HEIDER, TRUSTEES OF THE HEIDER §
SAMUELS FAMILY TRUST DATED §
JUNE 29, 2007; AND JOHN C. POLK and §
JANICE C. POLK, §
*Intervenors, Individually and §
Derivatively on behalf of §
Nominal Intervenor, §
NP SKYLOFT DST, §*

v. §

NP SKYLOFT IB, LLC §
ACO SKYLOFT MANAGER, LLC; §
AXONIC CAPITAL, LLC, AND AXONIC §
CREDIT OPPORTUNITIES MASTER §
FUND, LP, §
Third Party Defendants, §

v. §

JAMES V. PARZIALE, Trustee of THE §
PARZIALE FAMILY TRUST derivatively §
on behalf of NP SKYLOFT DST, §
Intervenor, §

v. §

CLAYTON DEGIACINTO, §
Third-Party Defendant. §

STIPULATION AND PLAN OF LIQUIDATION

This Stipulation and Plan of Liquidation ("Liquidation Plan") is entered into as of _____ by, between and among:

(a) Stacy R. Schiffman, Adelaida Martinez, William D. and Susan M. Madden, A.H. Root Building, LLC, Ryan and Lissa Ong Living Trust, Black Tortuga Group, LLC, Alla Investments, LLC, 2M & 3D Ltd., Texas Limited Partnership, Butt Rentals, LLC, Hugh G. Dykes III, Trustee of the Dykes Family Revocable Trust Dated July 7, 2004, Sydney Crisp and Nicola Crisp, Daniel M. Bell, William Smith, Paul Tessier, Co-Trustee, Anne T. Tessier Family Trust, Donna Dekker, Trustee of the Dekker-Robertson Family Trust, and Harry V. and Joanne P. Hansen, Trustees of

the Hansen Family Trust, Lawrence K. Samuels and Jane Heider, Trustees of the Heider Samuels Family Trust Dated June 29, 2007, and John C. Polk and Janice C. Polk, individually and derivatively on behalf of NP Skyloft DST, LLC, a Delaware Statutory Trust and James Parziale derivatively on behalf of NP Skyloft DST, LLC, a Delaware Statutory Trust (collectively, the "Intervenors"); and

(b) Nelson Partners, LLC, Nelson Brothers Property Management, Inc d/b/a Nelson Partners Property Management, Inc., NP Skyloft Equity, LLC, and Patrick Nelson (collectively, the "Nelson Parties").

Collectively, the Intervenors and the Nelson Parties shall be referred to as the "**Parties.**"

Whereas the Parties are engaged in litigation styled *NP Skyloft DST et al. v. Burgundy 523 Offshore Fund, Ltd.*, Cause No, D-1-GN-21-000097, before the 261st Judicial District Court of Travis County, Texas ("Litigation" or "Lawsuit");

Whereas trial in the Litigation is scheduled for April 25, 2022;

Whereas the Parties seek to resolve the dispute between them through a Liquidation Plan that involves the sale of certain real estate aimed to achieve liquidation proceeds sufficient to fulfill the obligation of the Nelson Parties with respect to Intervenors;

Now, therefore, for good and valuable consideration, provided for herein, it is agreed by, between and among the Parties that, subject to Court approval, the plan of liquidation shall consist of the following terms and conditions:

1. **Definitions.** For purposes of this Liquidation Plan, in addition to terms defined elsewhere in the Liquidation Plan, the following terms shall have the meanings specified herein:

"Administrator" means Gregory S. Milligan, Executive Vice President, Harney Partners.

"Court" means the 261st Judicial District Court of Travis County or any other Travis County court that may be assigned to a hearing in the Litigation.

"DST" means NP Skyloft DST.

"Intervenors" is defined as indicated above.

"Intervenors' Counsel" means George Brothers, Kincaid & Horton, LLP and Brownlie Hansen LLP.

"Intervenors' Representative" means Intervenors' Counsel.

"Investors" means those persons and entities who own beneficial interests in the DST.

"Agreed Judgment" means the judgment referenced in paragraph 8.

"The Lawsuit" is defined as indicated above.

"**Liquidation Proceeds**" is defined in paragraph 3 below.

"**Liquidation Plan**" means this Stipulation and Plan of Liquidation, including any permitted and executed amendments and exhibits hereto.

"**Liquidation Assets**" means all assets designated for sale in the Liquidation Plan.

"**Nelson Parties**" is defined as indicated above.

"**Nelson Parties' Counsel**" means the law firm of Munsch Hardt Kopf and Harr, P.C., 500 N. Akard, Suite 3800, Dallas, Texas 75201, Attention: Greg Noschese and Courtney Sauer.

"**Nelson Parties' Representative**" means Patrick Nelson.

"**Net Proceeds**" means total sales price minus any outstanding indebtedness, closing costs, commissions, legal fees, reasonable transaction fees, and operating reserves for the Nelson Parties in an amount not to exceed 2.0% of the net amount that would have been distributed to the Nelson Parties upon sale of the Properties absent this agreement.

"**Axonic Parties**" means BURGUNDY 523 OFFSHORE FUND, LTD.; AXONIC SPECIAL OPPORTUNITIES SBL MASTER FUND, LP; AXONIC CREDIT OPPORTUNITIES MASTER FUND, LP; TCG SKYLOFT OWNER, LLC; ACO SKYLOFT MANAGER, LLC; AXONIC CAPITAL, LLC, AND AXONIC and, with respect to conduct occurring on or after May 5, 2020, NP SKYLOFT ST, LLC; and NP SKYLOFT JV, LLC

"**Properties**" means the properties identified in **Exhibit "A"** attached hereto.

2. Purpose of Liquidation Plan. This Liquidation Plan is entered into among the undersigned to, if fully effectuated, resolve certain claims (as described below) that have been or could have been asserted against the among the Parties arising out of or related to any conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Litigation.

3. Liquidation of Assets. The Nelson Parties agree to an orderly liquidation of the Properties such that liquidation yields sufficient proceeds to fulfill the Nelson Parties' obligations under the Liquidation Plan. The liquidation required under this Liquidation Plan shall be capped at \$50,000,000 (fifty million) dollars ("Liquidation Proceeds"). To affect the liquidation, the Nelson Parties shall:

- (a) Use their best efforts to liquidate the Properties in an orderly and expeditious manner.
- (b) Designate listing agent(s) or broker(s) who shall have an obligation of dual reporting to the Nelson Parties' Representative and the Intervenor's Representative.
- (c) Notify all such listing agent(s) or broker(s) of the Intervenor's interest in the liquidation of assets, and the right of Intervenor's Representative's right to request information related to the listing of the Properties or anticipated sale of the Properties.

- (d) Obtain and deliver to Intervenor(s) from the listing agent(s) and broker(s) an acknowledgement of the terms of this Liquidation Plan.
- (e) Ensure the listing agents shall promptly provide Intervenor(s)' Representative with all agreements to sell, transfer, or encumber the Properties, as well as all notices of anticipated real estate closings, and closing statements related to the Properties. The Nelson Parties shall provide all such agreements, notices of closings, and closing statements to Intervenor(s)' Representative within three (3) days of Nelson Parties' receipt and not less than seven (7) days before the closing of any sale or transfer of the Properties.
- (f) Provide to title companies involved in any transaction involving one or more of the Properties instructions that Net Proceeds resulting from the sale of the Properties otherwise payable to any of the Nelson Parties or to any Nelson Entity must be paid to the registry of the Court or to an escrow account designated by the Administrator and ensure that Net Proceeds are paid as required by this Liquidation Plan.
- (g) Provide a written status report to the Court every 30 days from the days of the Court's preliminary approval of the Liquidation Plan, and continuing until further order of the Court.

4. Intervenor(s)' Representative's Control. Neither the Intervenor(s)' Representative nor the Administrator shall have control over the actions of the listing agents, except to require prompt and timely reporting to the Intervenor(s)' Representative of contracts, closings, and closing statements related to the Properties. Intervenor(s)' Representative shall have no obligation to supervise or direct the activities of such listing agents and shall have no liability for any acts or omissions of such listing agents whatsoever.

5. Supervision by the Administrator. The Court shall approve and supervise the Administrator's implementation of this Liquidation Plan. The Administrator shall have all powers and authorities granted to him by the Court. The Administrator's authority shall include, but is not limited to the following:

- (a) Receive and review all documents related to the sale or transfer of any Properties.
- (b) Upon approval of the Court, to promptly distribute Liquidation Proceeds as directed by the Court.
- (c) Maintain records of all communications and transactions of the Liquidation Plan including, but limited to, all documents related to the sale or transfer of the Properties.

6. Funds in Registry of Court or Escrow. Any funds paid into the registry or the Court (or other mutually agreed escrow) pursuant to Section 3 above shall be for the benefit of the DST and derivative claims asserted in the Litigation.

7. Deadlines for Deposit of Liquidation Proceeds. The first \$30 million of Liquidation Proceeds must be received into the Court's registry (or other escrow established by the Administrator) no later than 9 months from the Court's entry of an order granting preliminary approval of the Liquidation Plan and the remaining \$20 million of Liquidation Proceeds must be received into the Court's registry (or other escrow) no later than 18 months from the Court's entry of an order granting preliminary approval of the Liquidation Plan.

8. Final Judgment. As further consideration for this Liquidation Plan, and as security for Nelson Parties' obligations under this Liquidation Plan, the Parties have agreed to the content and form of the Agreed Judgment. The Agreed Judgment is for the total sum of \$50,000,000 (fifty million) dollars. The Parties further agree the Agreed Judgment shall only be presented to the Court if, and only if, the Nelson Parties fail to pay Plaintiff any part of the Liquidation Proceeds from the Properties as required herein. If and when it becomes necessary to have the Agreed Judgment entered as provided herein, the Nelson Parties agree they will not oppose or otherwise interfere with any procedural requisites for the entry and issuance of the Agreed Judgment by the Court and are hereby estopped from opposing or otherwise interfering with any procedural requirements for the entry and issuance of the Agreed Judgment by the Court. Such Agreed Judgment, if ever entered, shall be automatically and unconditionally reduced, if at all, by any funds tendered into the registry of the Court (or other mutually agreed escrow) The Agreed Judgment will contain language to make the judgment non-dischargeable as to all Nelson Parties in the event of bankruptcy.

9. Entry of Temporary Injunction. Simultaneous with the Court's entry of an order granting preliminary approval of the Liquidation Plan, the Court shall enter a temporary injunction prohibiting and enjoining the Nelson Parties from violating any term of this Liquidation Plan or taking any action to transfer or encumber the Properties subject to this Liquidation Plan other than in accordance with this Liquidation Plan. The bond posted for the Court's February 16, 2022 Temporary Restraining Order shall be reduced to \$500 and shall serve as the bond for the Temporary Injunction contemplated by this Liquidation Plan.

10. Distribution of Liquidation Proceeds. Liquidation Proceeds will be distributed by the Administrator only upon order of the Court.

11. Contingency and Settlement Credits. The Parties agree that the Nelson Parties' payment obligations under this Liquidation Plan are contingent upon the sale of the Properties and recognize the uncertainties associated with that contingency; provided, however, that in the event the Nelson Parties fail to satisfy the obligations in Section 7, above, the limitation provided herein shall not apply. The Parties agree that neither the Intervenor nor the Nelson Parties will agree that any remaining party in the Litigation is entitled to a settlement credit for any amount associated with the Liquidation Plan. The Parties agree and understand that this Liquidation Plan does not affect the Intervenor's claims or damages arising out of or connected with the alleged sale of the Skyloft Property in December 2020.

12. Submission of the Liquidation Plan to the Court for Preliminary Approval. The undersigned agree to recommend approval of the Liquidation Plan by the Court as being fair, reasonable, and adequate to the DST and its Investors. In that regard, the Parties agree that, as soon as practicable after execution of the Liquidation Plan, the Parties shall submit the Liquidation Plan,

together with its exhibits (with the Properties being tendered to the Court under seal to protect the marketability and orderly liquidation), to the Court and shall apply for entry of a Preliminary Order of Approval of Liquidation Plan in the form attached as **Exhibit B**, approving the proposed Liquidation Plan. Within 90 days of a Preliminary Order of Approval, Parties shall submit the Liquidation Plan for final Court Approval with notice to all Investors in the subject DST. Such notice to Investors shall be provided by first class mail to the Investors at the last known addresses provided to the Nelson Parties, which notice the Parties agree comply with the requirements of due process. The Nelson Parties will not contact the Investors regarding the subject matter of this Agreement.

13. Intervenors' Attorneys' Fees and Costs. When the Liquidation Plan is submitted to the Court for Preliminary Approval, Intervenors' Counsel simultaneously will apply to the Court for approval of its attorneys' fees of 20% of the Liquidation Proceeds, together with expenses as approved for reimbursement by the Court. The expense reimbursement shall be in addition to the fees approved by the Court. When distribution of the Liquidation Proceeds is sought, Intervenors' Counsel will further seek approval from the Court of the specific amounts to be distributed to Intervenors' Counsel as attorneys' fees and costs. These funds shall be sought to compensate Intervenors' Counsel for fees and expenses incurred in connection with the Litigation.

14. Abatement of Claims. Simultaneously with the entry of a Preliminary Order of Approval, the Parties shall jointly move to sever and abate the claims between them in the Litigation by filing a Motion to Sever and Abate conforming with the form attached as **Exhibit C**. Additionally, within three business days of the entry of a Preliminary Order of Approval, the Nelson Parties shall withdraw the Motion to Compel Arbitration filed in the Litigation and move to dismiss any appeal of the denial of the Motion to Compel Arbitration, including the appeal pending as Case No 03-22-00186-CV before the Third Court of Appeals. Notwithstanding the abatement, the Temporary Restraining Order dated February 16, 2022 and the order extending same shall remain in effect unless the liquidation of Sol y Luna and distribution of proceeds from that liquidation occurs under the terms of this Liquidation Plan.

15. Dismissal of All Claims. Upon execution of this Liquidation Plan, the Nelson Parties shall abandon and dismiss all claims against the Axonic Parties. Upon fulfillment of the payment of the Liquidation Proceeds, Intervenors shall file all pleadings necessary to dismiss all claims and causes of action brought or that could have been brought directly by the Intervenors or derivatively on the DST's behalf with prejudice, taxing all costs against the party incurring same, provided, however, that the Administrators' fees shall be taxed as costs of Court against the Nelson Parties.

16. Preference Avoidance. The Administrator shall not distribute any Liquidation Proceeds sooner than the 91st day after receipt of such proceeds. The Administrator may make distributions thereafter, so long as no proceeding under Title 11 of the United States Code has been commenced by or against the Nelson Parties. Upon distribution: (1) the Intervenors' claims against the Nelson Parties shall be reduced by the total amount of such distributed funds; (2) the Judgment shall be credited by the total amount of such distributed funds; and, (3) the Nelson Parties shall be released of their liability to the Intervenors by the total amount of such distributed funds. The Nelson Parties will remain liable to the Intervenors for the full amount of the Judgment, less any distributed funds above, until the 91st day following receipt by the Intervenors of the full amount

of Liquidation Proceeds provided no proceeding under Title 11 of the United States Code has been commenced by or against the Nelson Parties. All parties agree that the Intervenor, both collectively and individually, are not insiders of the Nelson Parties, as the term "insider" is defined by 11 U.S.C. § 101(31).

17. Effective Date. The "Effective Date" of this Liquidation Plan shall be the date of entry of the Preliminary Order of Approval.

18. No Admission of Wrongdoing. This Liquidation Plan shall not be construed or deemed to be evidence of an admission or concession on the part of any of the Parties with respect to any claim, fault, liability, wrongdoing, or damage whatsoever.

19. No Distribution to the Nelson Parties. The Nelson Parties and their respective affiliates or immediate family members (which shall include children, parents, spouses, and siblings) shall not directly or indirectly receive the proceeds of any payments or distributions made under this Agreement, including any distribution by the DST of funds provided pursuant to this Agreement. Any funds that the Nelson Parties or their respective affiliates or immediate family members would have received from the proceeds of the payments or distributions made under this Agreement shall be distributed to all other Investors in the DST in proportion to their respective holdings in the DST as determined without reference to the holdings of the Nelson Parties and their respective affiliates or immediate family members.

20. Releases.

- (a) 91 days after the Nelson Parties satisfy all obligations of the Judgment entered by the Court, the Intervenor for themselves and for their assigns, agents, representatives, attorneys, heirs, executors, administrators, beneficiaries, and privies, release the Nelson Parties and their respective affiliates, agents, employees, officers, directors, parents, subsidiaries, attorneys, representatives, advisors, administrators, predecessors, successors, insurers, accountants, advisors, or anyone acting on their behalf from any and all causes of action, claims, rights, damages, punitive, or statutory damages, penalties, liabilities, expenses and losses, and issues, that any of the Intervenor have or could have made against the Nelson Parties in the Litigation, which are the result of the Nelson Parties' transfer and use of funds for purposes other than the Skyloft Project.
- (b) Upon execution of this Liquidation Plan, the Nelson Parties and their respective affiliates, agents, employees, officers, directors, parents, subsidiaries, attorneys, representatives, advisors, administrators, predecessors, successors, insurers, accountants, advisors, or anyone acting on their behalf release the Intervenor for themselves and for their assigns, agents, representatives, attorneys, heirs, executors, administrators, beneficiaries, and privies from any and all causes of action, claims, rights, damages, punitive, or statutory damages, penalties, liabilities, expenses and losses, and issues, that any of the Nelson Parties have or could have made against the Intervenor in the Litigation.

- (c) Nothing in this release language nor any other provision of this Liquidation Plan is intended to release any claims or damages arising out of or connected with the sale of the Skyloft Property in December, 2020. Further, nothing in this release language nor any other provision of this Liquidation Plan is intended to release any claims Intervenor have against the Axonic Parties, TCG, any other party to the Lawsuit. Those claims are also expressly and specifically reserved. Except as expressly provided herein, there are no third-party beneficiaries to this Liquidation Plan.

21. Termination. If the Court fails to approve the Liquidation Plan (or any part thereof), the Liquidation Plan will be null and void.

22. Entire Agreement. The recitals set forth at the beginning of this Liquidation Plan are incorporated by reference and made a part of this Liquidation Plan. This Liquidation Plan constitutes the entire agreement and understanding of the Parties and supersedes all prior negotiations and/or agreements, proposed or otherwise, written or oral, concerning the subject matter hereof, except as otherwise indicated herein. Furthermore, no modification of this Liquidation Plan shall be binding unless in writing and signed by each of the parties hereto.

23. Interpretation. Should any court declare or determine any provision of this Liquidation Plan to be illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected thereby and the illegal or invalid part, term, or provision shall be deemed not to be a part of this Liquidation Plan. The headings within this Liquidation Plan are purely for convenience and are not to be used as an aid in interpretation. Moreover, since all parties and their counsel participated in the drafting of this Liquidation Plan and it is a result of lengthy, intensive arm's-length negotiations, the presumption that ambiguities shall be construed against the drafter does not apply. None of the Parties will be deemed the drafter of the Liquidation Plan for purposes of construing its provisions.

24. Governing Law and Choice of Forum. This Liquidation Plan is made and entered into within and shall be governed by, construed, interpreted, and enforced in accordance with the laws of the State of Texas without regard to the principles of conflicts of laws. Any action to enforce this Liquidation Plan shall be brought only in the district courts of Travis County, Texas.

25. Continuing Jurisdiction and Temporary Injunction. The Court shall retain continuing and exclusive jurisdiction over the Parties to this Liquidation Plan for purposes of the administration and enforcement of this Liquidation Plan. The Parties further agree to modify and extend the temporary restraining order previously entered by the Court into a temporary injunction until the date of final judgment entered by the Court, and, in the modification, to prohibit the Nelson Parties from violating any term of this Liquidation Plan or take any action to transfer or encumber the Properties subject to this Liquidation Plan other than in accordance with this Liquidation Plan.

26. Counterparts. This Liquidation Plan may be executed by the Parties in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[SIGNATURE PAGES FOLLOW]

Executed as of this ___ day of _____, 2022.

Stacy R. Schiffman

Adelaida Martinez

William D. Madden

Susan M. Madden

A.H. ROOT BUILDING, LLC

By: _____
Name: _____

RYAN AND LISSA ONG LIVING TRUST

By: _____
Name: _____

BLACK TORTUGA GROUP, LLC

By: _____
Name: _____

ALLA INVESTMENTS, LLC

By: _____
Name: _____

2M & 3D LTD, TEXAS LIMITED PARTNERSHIP

By: _____
Name: _____

BUTT RENTALS, LLC

By: _____
Name: _____

DYKES FAMILY REVOCABLE TRUST DATED JULY 7, 2004

By: _____
Hugh G. Dykes III, Trustee

Sydney Crisp

Nicola Crisp

Daniel M. Bell

William Smith

ANNE T. TESSIER FAMILY TRUST

By: _____
Paul Tessier, Co-Trustee

THE DEKKER-ROBERTSON FAMILY TRUST

By: _____
Donna Dekker, Trustee

HANSEN FAMILY TRUST

By: _____
Harry V. Hansen, Trustee

HANSEN FAMILY TRUST

By: _____
Joanne P. Hansen, Trustees

HEIDER SAMUELS FAMILY TRUST DATED JUNE 29, 2007

By: _____
Lawrence K. Samuels, Trustee

HEIDER SAMUELS FAMILY TRUST DATED JUNE 29, 2007

By: _____
Jane Heider, Trustee

John C. Polk

Janice C. Polk, individually

The Parziale Family Trust

By James V. Parziale, Trustee

Nelson Partners, LLC

By: _____
Name: Patrick Nelson, Manager

Nelson Brothers Property Management, Inc.
d/b/a Nelson Partners Property Management, Inc.

By: _____
Name: Patrick Nelson, authorized officer

NP Skyloft Equity, LLC

By: _____
Name: Patrick Nelson, Manager

Patrick Nelson