

CAUSE NO. D-1-GN-22-001980

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 SKY LOFT DST, LLC, A DELAWARE STATUTORY TRUST AND JAMES PARZIALE DERIVATIVELY ON BEHALF OF NP SKY LOFT DST, LLC, A DELAWARE STATUTORY TRUST,

Plaintiffs,

Vs.

NELSON PARTNERS, LLC, NELSON BROTHERS PROPERTY MANAGEMENT, INC. D/B/A NELSON PARTNERS PROPERTY MANAGEMENT, INC., AND PATRICK NELSON,

Defendants

IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

98th JUDICIAL DISTRICT

**NELSON PARTIES' FIRST REPORT TO THE COURT
PURSUANT TO JOINT STIPULATION AND LIQUIDATION PLAN**

Nelson Partners, LLC, Nelson Brothers Property Management, Inc. d/b/a Nelson Partners Property Management, Inc. and Patrick Nelson (collectively, the "*Nelson Parties*" or "*Defendants*") file this First Report to the Court Pursuant to the Joint Stipulation and Liquidation Plan ("Plan") as follows:

1. On April 25, 2022, the court approved the Plan. The Plan required the Nelson Parties to prepare and submit a monthly report to the court advising of the status and progress the Nelson Parties are making toward fulfilling their obligations under the Plan.

2. Since the Court's preliminary Plan approval, the Nelson Parties engaged a nationally recognized broker and identified several properties for sale. The broker is currently marketing a portion of the properties. Through the Nelson Parties' and the broker's joint efforts, the Nelson Parties, through an affiliated entity under their control, signed and entered into a letter of intent ("LOI") regarding one of the properties and advised the Plan administrator regarding the executed LOI. The Nelson Parties and their broker continue to market other properties while negotiating specific terms to advance the executed LOI to an executed enforceable purchase and sale agreement.

3. Through its counsel, on May 19, 2022, the Nelson Parties met with the Plan administrator's counsel, and Investors' counsel by phone. During the call, the Nelson Parties' counsel outlined the current strategies for the Nelson Parties to fulfill their obligations under the Plan, advised the administrator of the LOI and the status of negotiations regarding the purchase and sale agreement arising from the LOI. The broker's marketing efforts continue as to the additional properties.

4. The Nelson Parties have been directing all investor inquiries it receives to the Plan administrator.

Dated: May 25, 2022

MUNSCH HARDT KOPF & HARR, P.C.

By: /s/ Greg C. Noschese

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ATTORNEYS FOR DEFENDANTS

CERTIFICATE OF SERVICE

The undersigned certifies that, on May 25, 2022, a true and correct copy of this document was served via the court's electronic filing system, on all counsel of record.

By: /s/ Greg C. Noschese

Greg Noschese

Automated Certificate of eService

This automated certificate of service was created by the eFiling system. The filer served this document via email generated by the eFiling system on the date and to the persons listed below. The rules governing certificates of service have not changed. Filers must still provide a certificate of service that complies with all applicable rules.

Sharon Blackstock on behalf of Greg Noschese
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Status as of 5/26/2022 4:43 PM CST

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Associated Case Party: James V. Parziale, Trustee of The Parziale Family Trust

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Associated Case Party: 2M & 3D LTD TEXAS LIMITED PARTNERSHIP

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