

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

98<sup>th</sup> JUDICIAL DISTRICT

**NELSON PARTIES' SECOND 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 Second 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 its brokers' 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 and enforceable purchase and sale agreement.

3. Through their 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 and advised the Plan administrator of the LOI and the status of negotiations regarding the purchase and sale agreement arising from the LOI.

4. On June 17, 2022, the Nelson Parties reached an agreement on the sale of one of the properties identified as part of the Plan. The Contract of Sale ("COS") was effective June 17, 2022 and has an initial closing date of September 15, 2022. The potential buyer under the COS has already begun performing its due diligence. The Nelson Parties advised the Plan Administrator of the COS.

5. Soon after executing the COS, the Nelson Parties, through an affiliated entity under their control, signed and entered into another LOI on an additional property identified as part of the Liquidation Plan. The Parties to that LOI have already begun preparing purchase agreement drafts.

6. Additionally, the Nelson Parties, through affiliated entities under their control, have begun a bid process on some additional properties identified under the Liquidation Plan. While the recent debt markets slowed interest, the Nelson Parties believe they will secure additional LOIs soon.

7. The Nelson Parties continue directing all investor inquiries they receive to the Plan Administrator.

Dated: June 24, 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 June 24, 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

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