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**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.  
Reorganized Debtor.

Chapter 11

Case No. 19-34054-sgj11

THE DUGABOY INVESTMENT TRUST and  
PATRICK DAUGHERTY,

Appellants,

v.

HIGHLAND CAPITAL MANAGEMENT, L.P.  
*et al.*,

Appellees.

Case No. 3:25-cv-01876-K

**DECLARATION OF JAMES P. SEERY, JR. IN SUPPORT OF  
APPELLEES' MOTION TO DISMISS APPEAL AS MOOT**

I, James P. Seery, Jr., pursuant to 28 U.S.C. § 1746, under penalty of perjury, declare as follows:

1. I am the Chief Executive Officer of Highland Capital Management, L.P. (“**Highland**”), the reorganized debtor in the above-referenced bankruptcy



case, and the Claimant Trustee of the Highland Claimant Trust (the “**Claimant Trust**”), and I submit this Declaration in support of the *Appellees’ Motion to Dismiss Appeal as Moot* (the “**Motion**”), being filed concurrently with this Declaration. This Declaration is based on my personal knowledge and my review of the documents listed below.

2. On May 19, 2025, I executed that certain *Settlement Agreement and General Release* (the “**Settlement Agreement**”) as the authorized officer of Highland, the Claimant Trust, and the Highland Indemnity Trust (the “**Indemnity Trust**”), and Marc S. Kirschner executed the Settlement Agreement as the authorized officer of the Highland Litigation Sub-Trust (the “**Litigation Sub-Trust**,” and collectively with Highland, the Claimant Trust, and the Indemnity Trust, the “**Highland Entities**”). The Settlement Agreement counterparties to the Highland Entities are the HMIT Entities. The sole authorized officer of each of the HMIT Entities is Mark Patrick, who executed the Settlement Agreement for each of them.<sup>1</sup>

3. Attached as **Exhibit 1** is a true and correct copy of the Settlement Agreement.

4. On June 30, 2025, following notice and an evidentiary hearing, the United States Bankruptcy Court for the Northern District of Texas, Dallas

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<sup>1</sup> Capitalized terms not defined in this Declaration shall have the meanings ascribed to them in the Motion.

Division, entered an *Order Pursuant to Bankruptcy Rule 9019 and 11 U.S.C. § 363 Approving Settlement Between the Highland Entities and the HMIT Entities and Authorizing Actions Consistent Therewith* [Bankr. Docket No. 4297] (the “**Approval Order**”).

5. Attached as **Exhibit 2** is a true and correct copy of the Approval Order.

6. While The Dugaboy Investment Trust (“**Dugaboy**”) and Patrick Daugherty (“**Daugherty**”) each filed a notice of appeal of the Approval Order (*see* Bankr. Docket Nos. 4311 and 4327, respectively (such notices, as amended, the “**Notices of Appeal**”)), neither moved for a stay pending appeal.<sup>2</sup>

7. Since the Settlement Agreement was signed and the Approval Order was entered—but before the Notices of Appeal were even filed—the Highland Entities and the HMIT Entities consummated the Settlement Agreement, completed the asset transfers required by the agreement, and timely performed all obligations thereunder (except for those expressly tied to future events).

8. Pursuant to Section 1(b) of the Settlement Agreement, the HMIT Entities caused the Pending Litigation to be dismissed with prejudice. *See Exhibits 3 through 5*, respectively.

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<sup>2</sup> On July 21, 2025, Dugaboy did move for a 90-day stay of the Approval Order for the supposed purpose of conducting an “investigation” so it could decide whether to file a motion under Federal Rule of Civil Procedure 60 (Bankr. Docket No. 4326 ¶ 33), but that motion was denied. Bankr. Docket No. 4333.

9. On July 2, 2025, pursuant to Section 2 of the Settlement Agreement, the Litigation Sub-Trust dismissed, with prejudice, HMIT and Rand PE from Counts I, II, III, and XXIV of the Amended Complaint. *See Exhibit 6.*

10. On July 1, 2025, pursuant to Section 3 of the Settlement Agreement, Highland paid \$500,000.00 to HMIT. *See Exhibit 7.*

11. On June 30, 2025, pursuant to Section 4 of the Settlement Agreement, HMIT's Class 10 Interest was allowed by and under the terms of the Approval Order in the amount of \$336,940,230.58. *See Approval Order ¶ 12.*

12. On July 2, 2025, pursuant to Section 5(a) of the Settlement Agreement, the Indemnity Trust paid HMIT its *pro rata* portion of \$10,000,000 in respect of the HMIT Class 10 Interest. **Exhibit 8.**

13. On July 3, 2025, pursuant to Section 5(b) of the Settlement Agreement, the Highland Entities assigned 100% of the portion of the Dugaboy Note held by the Highland Entities to HMIT, and HMIT accepted the assignment so that it is now the sole holder of such portion of the Dugaboy Note. **Exhibit 9.**<sup>3</sup>

14. On July 7, 2025, pursuant to Section 8(a) of the Settlement Agreement, the Litigation Sub-Trust assigned the Kirschner Claims to HMIT, and HMIT accepted the assignment of the Kirschner Claims along with all written

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<sup>3</sup> The Settlement Agreement also required the Highland Entities to pay to HMIT cash in the aggregate amount of all principal and interest payments actually received on the Dugaboy Note by the Highland Entities from the Agreement Date to the Note Assignment Date. Exhibit 1 §5(b). However, there were no such receipts, so this requirement was inapplicable.

discovery related to the Kirschner Claims provided in accordance with Section 8(c) of the Settlement Agreement. **Exhibit 10.**

15. On June 30, 2025, on the entry of the Approval Order, in accordance with Section 9 of the Settlement Agreement, the general releases granted by the HMIT Releasors to each Highland Released Party became fully effective.

16. On June 30, 2025, on the entry of the Approval Order, in accordance with Section 10 of the Settlement Agreement, the general releases granted by the Highland Releasors to each HMIT Released Party became fully effective.

17. I declare under penalty of perjury of the laws of the United States that the foregoing is true and correct.

August 12, 2025

/s/ James P. Seery, Jr.  
James P. Seery, Jr.

**CERTIFICATE OF SERVICE**

I hereby certify that, on August 12, 2025, a true and correct copy of the foregoing Declaration was served electronically via the Court's CM/ECF system upon all parties receiving electronic notice in this case.

/s/ Zachery Z. Annable  
Zachery Z. Annable

**EXHIBIT 1**

## SETTLEMENT AGREEMENT & GENERAL RELEASE

THIS SETTLEMENT AGREEMENT & GENERAL RELEASE (this “**Agreement**”) is entered into as of May 19, 2025 (the “**Agreement Date**”), by and among Highland Capital Management, L.P., a Delaware limited partnership (“**Highland**”), the Highland Claimant Trust, a Delaware statutory trust governed by the Delaware Statutory Trust Act (the “**Claimant Trust**”), the Highland Litigation Sub-Trust, a Delaware statutory trust governed by the Delaware Statutory Trust Act (the “**Litigation Sub-Trust**”), and the Highland Indemnity Trust, a Delaware statutory trust governed by the Delaware Statutory Trust Act (the “**Indemnity Trust**”, and together with Highland, the Claimant Trust and the Litigation Sub-Trust, the “**Highland Entities**”), on the one hand, and Hunter Mountain Investment Trust, a Delaware statutory trust (“**HMIT**”), Beacon Mountain LLC, a Delaware limited liability company (“**Beacon Mountain**”), Rand Advisors, LLC, a Delaware limited liability company (“**Rand Advisors**”), Rand PE Fund I, LP, a Delaware series limited partnership (“**Rand PE Fund**”), Rand PE Fund Management, LLC, a Delaware limited liability company (“**Rand GP**”), Atlas IDF, LP, a Delaware limited partnership (“**Atlas IDF**”), Atlas IDF GP, LLC, a Delaware limited liability company (“**Atlas GP**” and together with HMIT, Beacon Mountain, Rand Advisors, Rand PE Fund, Rand GP and Atlas IDF, the “**HMIT Entities**”), on the other hand. The Highland Entities and the HMIT Entities are collectively referred to as the “**Parties**,” and each individually, as a “**Party**”.

## DEFINITIONS

Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Claimant Trust Agreement or the Plan, as applicable (in each case, as hereinafter defined). For purposes of this Agreement, the following capitalized terms have the following meanings:

“**9019 Motion**” means the motion seeking entry of the Bankruptcy Court Order pursuant to Bankruptcy Rule 9019 and in accordance with Section 18.

“**Action**” means any action, claim, demand, arbitration, hearing, charge, complaint, investigation, examination, indictment, litigation, suit or other civil, criminal, administrative or investigative proceedings, including any petition under Rule 202 of the Texas Rules of Civil Procedure.

“**Affiliate**” means a Person that, directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, a specified Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made. The term “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”), as applied to any Person, means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other ownership interest, by contract or otherwise.

“**Amended Complaint**” means the *Amended Complaint and Objection to Claims*, filed as docket number 158 in *Kirschner v. Dondero*, Adv. Pro. No. 21-03076-sgj (Bankr. N.D. Tex. May 19, 2022).



**“Bankruptcy Case”** means *In re Highland Capital Management, L.P.*, Case No. 19-34054-sgj (Bankr. N.D. Tex.) and its related proceedings.

**“Bankruptcy Code”** means title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended).

**“Bankruptcy Court”** means the U.S. Bankruptcy Court for the Northern District of Texas, Dallas Division.

**“Bankruptcy Court Approval Date”** means the date on which the Bankruptcy Court Order is issued.

**“Bankruptcy Court Order”** means an order of the Bankruptcy Court approving the allowance of the HMIT’s Class 10 Interest as provided in this Agreement pursuant to the 9019 Motion.

**“Bankruptcy Rules”** means the Federal Rules of Bankruptcy Procedure.

**“Business Day”** means any day other than (i) a Saturday or a Sunday, (ii) a day on which the Federal Reserve Bank of New York or the New York Stock Exchange is closed, or (iii) a day on which banks in the States of Texas are required, or authorized by law, to close.

**“Claimant Trust Agreement”** means that certain Claimant Trust Agreement of the Claimant Trust (as may have been or may be amended, supplemented or otherwise modified in accordance with the terms thereof from time to time), effective as of August 11, 2021, by and among Highland, as settlor, James P. Seery, Jr., a Claimant Trustee, and Wilmington Trust, National Association, a national banking association, as Delaware trustee.

**“Claims”** means any claims, debts, liabilities, demands, obligations, breaches of contract, breaches of duty or any relationship, misfeasance, malfeasance, promises, acts, omissions, agreements, liens, losses, costs and expenses (including attorney’s fees and related costs), damages, injuries, suits, Actions, and causes of action of whatever kind or nature, whenever and however, arising, whether known or unknown, suspected or unsuspected, matured or unmatured, liquidated or unliquidated, contingent or fixed, at law or in equity, statutory or otherwise.

**“Class 10”** means the class of Claims or Equity Interests described in Article II. Section H.10. of the Plan.

**“Class 11”** means the class of Claims or Equity Interests described in Article II. Section H.11. of the Plan.

**“Committee”** means the official committee of unsecured creditors appointed in the Bankruptcy Case.

**“Confirmation Order”** means that certain *Order Confirming the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P. (as Modified)* and (ii) *Granting Related Relief* [Docket No. 1943], as conformed in accordance with the Fifth Circuit’s rulings.

**“Dugaboy Note”** means that certain Promissory Note dated May 31, 2017, in the original face amount of \$24,268,621.69, from The Dugaboy Investment Trust, as Maker, and Highland Capital Management, L.P. and The Get Good Non-Exempt Trust, collectively as Payee.

**“Final Court Approval Date”** means the date on which the Bankruptcy Court Order becomes a Final Order.

**“Final Order”** means an order or judgment of the Bankruptcy Court, which is in full force and effect, and as to which the time to appeal, petition for certiorari, or move for a new trial, reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for a new trial, reargument or rehearing shall then be pending or as to which any right to appeal, petition for certiorari, new trial, reargument, or rehearing shall have been waived in writing in form and substance satisfactory to the Highland Entities, as applicable, or, in the event that an appeal, writ of certiorari, new trial, reargument, or rehearing thereof has been sought, such order of the Bankruptcy Court shall have been determined by the highest court to which such order was appealed, or certiorari, new trial, reargument or rehearing shall have been denied and the time to take any further appeal, petition for certiorari, or move for a new trial, reargument or rehearing shall have expired; provided, however, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be Filed with respect to such order shall not preclude such order from being a Final Order.

**“Gatekeeper”** means the gatekeeping provision contained in Article IX. F of the Plan as of August 11, 2021.

**“Governmental Authority”** means any federal, provincial, state, local or foreign government or political subdivision thereof, court of competent jurisdiction, administrative agency, judicial or arbitral body, or commission or other governmental or regulatory authority or instrumentality.

**“Highland Released Parties”** means collectively (i) the Highland Entities, (ii) any Affiliate of any Highland Entity and any Person directly or indirectly majority-owned by any Highland Entity or any of their respective Affiliates, (iii) any Person directly or indirectly managed by any Highland Entity or any of their respective Affiliates, whether by contract or otherwise (the entities described in clauses (i)-(iii), collectively, the **“Highland Parties”**), (iv) each of the Highland Parties’ current and former trustees and administrators (including the trustees of any of the Claimant Trust, the Litigation Sub-Trust, or the Indemnity Trust), officers, executives, agents, directors, advisors, advisory representatives, consultants, administrators, managers, members, partners (including limited and general partners), employees, beneficiaries, shareholders, other equityholders, participants, direct and indirect subsidiaries and parents, Affiliates, successors, designees, and assigns, (v) the current and former members of the Oversight Board of the Claimant Trust in any capacity (including Richard Katz) and their Affiliates, (vi) Farallon Capital Management, LLC, Stonehill Capital Management, LLC, Muck Holdings LLC, and Jessup Holdings LLC, in each case, in any capacity, (vii) the Independent Board and its members John Dubel, James P. Seery, Jr., and Russell Nelms, (viii) James P. Seery, Jr., individually and in all capacities for any Highland Released Party, including as Chief Executive Officer of Highland Capital Management, L.P., Claimant Trustee of the Claimant

Trust, and the Indemnity Trust Administrator of the Indemnity Trust, (ix) Marc S. Kirschner, individually and as Trustee of the Litigation Sub-Trust, (x) the Committee and each of its members, (xi) the professionals (and their respective firms) (a) retained by Highland or the Committee during the Bankruptcy Case or which provided services to Highland or the Committee during the Bankruptcy Case or (b) retained by any Highland Released Party on or after August 11, 2021, (xii) any Person indemnified by any Highland Party (the Persons described in clauses (i)-(xii), collectively, the “**Highland Covered Parties**”), and (xii) each Highland Covered Party’s current and former officers, executives, agents, attorneys (and their respective firms), directors, advisors, consultants, administrators, managers, members, partners (including limited and general partners), employees, beneficiaries, shareholders, other equityholders, participants, direct and indirect subsidiaries and parents, Affiliates, successors, designees, and assigns, if not otherwise included in the defined term “Highland Covered Parties;” provided, however, and for the avoidance of doubt, and without in any way limiting the scope of the foregoing, “Highland Covered Parties” shall include Highland CLO Funding, Ltd., Highland HCF Advisor, Ltd., Highland Multi Strategy Credit Fund, L.P., Highland Multi Strategy Credit Fund GP, L.P., Highland Multi Strategy Credit GP, LLC, Highland Multi Strategy Credit Fund, Ltd., Highland Select Equity Master Fund, L.P., Highland Select Equity Fund GP, L.P., Highland Select Equity Fund, L.P., Highland Restoration Capital Partners Master, L.P., Highland Restoration Capital Partners GP, LLC, Highland Restoration Capital Partners, L.P., Highland Restoration Capital Partners Offshore, L.P., Highland Offshore Director, LLC, Acis CLO Management, LLC, Neutra, Ltd., Pollack, Ltd., Acis CLO Management Holdings, L.P., Acis CLO Management Intermediate Holdings I, LLC, Acis CLO Management Intermediate Holdings II, LLC, Acis CLO Assets Holdings Limited, CHG Houston Holdings, LLC, Penant Management, L.P., Penant Management GP, LLC, Gunwale, LLC, HE Capital, LLC, Gleneagles CLO, Ltd., Aberdeen Loan Funding, Ltd. Highland Argentina Regional Opportunity Fund GP, LLC, Highland Argentina Regional Opportunity Fund, L.P., Highland Argentina Regional Opportunity Fund, Ltd., Highland Argentina Regional Opportunity Master Fund, L.P., Highland Latin America Consulting, Ltd., Highland Capital Management Korea Limited, Highland Capital Management Latin America, L.P., Highland Latin America GP, Ltd., Highland Latin America LP, Ltd., Highland Offshore Partners, L.P. (Diversified), Brentwood CLO, Ltd., Eastland CLO, Ltd., Bristol Bay Funding Ltd., Jasper CLO Ltd., Highland Legacy Limited, Grayson CLO, Ltd., Greenbriar CLO, Ltd., Highland Loan Funding V Ltd., Highland Park CDO I, Ltd., Liberty CLO, Ltd., Valhalla CLO, Ltd., Stratford CLO Ltd., Southfork CLO, Ltd., Pam Capital Funding, L.P., Stonebridge-Highland Healthcare Private Equity Fund, Pamco Cayman Ltd., Red River CLO, Ltd., Rockwall CDO II Ltd., Rockwall CDO, Ltd., Westchester CLO, Ltd. Longhorn Credit Funding, LLC, PensionDanmark Pensionsforsikringsaktieselskab, Highland Dynamic Income Master Fund L.P., Highland Dynamic Income Fund GP, LLC, Highland Dynamic Income Fund, L.P., Highland Dynamic Income Fund, Ltd., Highland JHT Holdings, LLC, Highland Prometheus Master Fund, L.P., Highland Prometheus Feeder Fund I, L.P., Highland Prometheus Feeder Fund II, L.P., Highland Sunbridge GP, LLC, Trussway Holdings, LLC, Trussway Industries, LLC, TW Company, Inc., T-Way Investments, LLC, SSP Holdings, LLC, Highland Flexible Income UCITS Fund, and Acis CLO 2017-7, Ltd. *Notwithstanding the forgoing or anything herein to the contrary*, none of “Highland Released Parties”, “Highland Parties”, nor “Highland Covered Parties” shall include James Dondero, Scott Ellington, Isaac Leventon, or any Person directly or indirectly owned as of the date hereof (in whole or in part) by, and/or Affiliated as of the date hereof with, or claiming

through, under or on behalf of, any of Mr. Dondero, Mr. Ellington, or Mr. Leventon in any manner and none of such Persons are released from any Claim by any Person in connection with this Agreement.

**“HMIT Class 10 Interest”** means the unvested, contingent Class 10 interest in the Claimant Trust (a) to be allowed on account of HMIT’s pre-petition equity interest in Highland, and (b) subject to the terms and conditions, as applicable, of the Plan, the Plan Documents, the Claimant Trust Agreement, and in accordance with this Agreement, and applicable law.

**“HMIT Note”** means that certain Secured Promissory Note dated December 21, 2015, in the original face amount of \$63,000,000 from HMIT, as maker, and Highland, as payee.

**“HMIT Note Claims”** means any Claim related to, in connection with or arising out of the HMIT Note.

**“HMIT Released Parties”** means collectively (i) the HMIT Entities, (ii) any Affiliate of any HMIT Entity and any Person directly or indirectly majority owned by any HMIT Entity or any of their respective Affiliates, (iii) any Person directly or indirectly managed by any HMIT Entity or any of their respective Affiliates, whether by contract or otherwise (the entities described in clauses (i) – (iii), collectively, the **“HMIT Parties”**), (iv) each of the HMIT Parties’ current and former trustees, administrators, officer, executives, agents, directors, advisors, consultants, manager, members, partners (including limited and general partners), employees, beneficiaries, shareholders, other equityholders, participants, direct and indirect subsidiaries and parents, Affiliates, successors, designees, and assigns (v) the professionals (and their respective firms (a) retained by any HMIT Party during the Bankruptcy Case or which provided services to any HMIT Party during the Bankruptcy Case or (b) retained by any HMIT Released Party on or after August 11, 2021, (vi) any Person indemnified by any HMIT Party (the Persons described in clauses (i) – (vi), collectively, the **“HMIT Covered Parties”**), and (vii) each HMIT Covered Party’s current and former officers, executives, agents, directors, advisors, consultants, administrators, managers, members, partners (including limited and general partners), employees, beneficiaries, shareholders, other equityholders, participants, direct and indirect subsidiaries and parents, Affiliates, successors, designees, and assigns, if not otherwise included in the defined term “HMIT Covered Parties.” *Notwithstanding the forgoing*, none of “HMIT Released Parties”, “HMIT Parties”, nor “HMIT Covered Parties” shall include James Dondero, Scott Ellington, Isaac Leventon, or any Person directly or indirectly owned as of the date hereof (in whole or in part) by, and/or Affiliated as of the date hereof with, or claiming through, under or on behalf of, any of Mr. Dondero, Mr. Ellington, or Mr. Leventon in any manner, and none of such Persons are released from any Claims by any Person in connection with this Agreement.

**“Indemnity Trust Administrator”** has the meaning given to it in the Indemnity Trust Agreement.

**“Indemnity Trust Agreement”** means that certain *Second Amended and Restated Indemnity Trust Agreement of the Indemnity Trust* (as may be amended, supplemented or otherwise modified in accordance with the terms thereof from time to time), effective as of [April 28], 2025, by and among the Claimant Trust, as grantor, James P. Seery, Jr., as indemnity

trust administrator, and Wilmington Trust, National Association, a national banking association, as indemnity trustee and Delaware trustee.

**“Indemnity Trust Assets”** has the meaning set forth in the Indemnity Trust Agreement, but excluding Highland, the Claimant Trust, and their respective assets.

**“Independent Board”** means the independent board appointed by the Bankruptcy Court on January 9, 2020, pursuant to that certain *Order Approving Settlement with Official Committee of Unsecured Creditors Regarding Governance of the Debtor and Procedures for Operations in the Ordinary Course* [Docket No. 339].

**“Kirschner Claims”** means all Claims and causes of action that were asserted or could have been asserted by the Litigation Trustee of the Litigation Sub-Trust, in the Amended Complaint.

**“Liability”** means any liability, debt, obligation, loss, damage, claim, cost or expense (including costs of investigation and defense and attorney’s fees, costs and expenses), in each case, whether direct or indirect, whether accrued or contingent, whether or not involving a third-party claim, and including incidental and consequential damages and diminution of value.

**“Litigation Protections”** means, individually and collectively, the rights, duties, and obligations set forth in Sections 1 – 2 and Sections 9 - 16.

**“Litigation Sub-Trust”** means the Highland Litigation Sub-Trust, a Delaware statutory trust governed by the Delaware Statutory Trust Act.

**“Litigation Sub-Trust Agreement”** means that certain Litigation Sub-Trust Agreement of the Litigation Sub-Trust (as may be amended, supplemented or otherwise modified in accordance with the terms thereof from time to time), effective as of August 16, 2021, by and among James P. Seery, Jr., as Claimant Trustee of the Claimant Trust, Wilmington Trust, National Association, a national banking association, as Delaware Trustee, and the Litigation Trustee.

**“Litigation Trustee”** means Marc S. Kirschner, as Litigation Trustee of the Litigation Sub-Trust.

**“LPA”** means that certain *Sixth Amended and Restated Agreement of Limited Partnership of Highland Capital Management, L.P.* (as may be amended, supplemented or otherwise modified in accordance with the terms thereof from time to time), dated as of October 4, 2021.

**“Operating Expenses”** means, except for the expenses of the Indemnity Trust (including any payments to Trust Indemnified Parties or Indemnified Parties (in each case, as defined, and pursuant to the terms and conditions set forth, in the Indemnity Trust Agreement)), the expenses of operating and administering the Highland Entities, including legal expenses, employee compensation, Claimant Trustee/CEO and other trust and trustee related compensation, incentive compensation, and customary general and administrative expenses.



**“Original Plan”** means that certain *Fifth Amended Plan of Reorganization of Highland Capital Management, L.P. (as Modified)* attached as Exhibit A to the Order (A) *Confirming the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P. (as modified)* and (B) *Granting Related Relief*, filed at Docket No. 1943 on the Bankruptcy Court’s docket.

**“Oversight Board”** means the oversight board of the Highland Claimant Trust.

**“Pending Litigation”** means (i) *Hunter Mountain Investment Trust v. Highland Cap. Mgmt., L.P.*, Case No. 3:23-cv-02071-E (N.D. Tex.), on remand to the Bankruptcy Court (including *Hunter Mountain Investment Trust’s Emergency Motion for Leave to File Adversary Proceeding* filed at Bankruptcy Court Docket No. 3699 and all proceedings, decisions, and orders relating there); (ii) *Dugaboy Investment Trust v. Highland Cap. Mgmt., L.P.*, 3:24-cv-01531-X (N.D. Tex.) (only as to HMIT), and (iii) *Hunter Mountain Investment Trust v. Highland Cap. Mgmt., L.P.*, Case No. 3:24-cv-01786-L (N.D. Tex.).

**“Permitted Investments”** has the meaning set forth in the Indemnity Trust Agreement.

**“Person”** means any natural person, partnership, limited liability partnership, corporation, limited liability company, association, joint stock company, trust, estate, joint venture, unincorporated organization or Governmental Authority.

**“Plan”** means that certain *Fifth Amended Plan of Reorganization of Highland Capital Management, L.P. (as Modified)* as conformed in accordance with the Fifth Circuit’s rulings.

**“Plan Documents”** has the meaning given to it in the Plan.

**“Plan Protections”** means, collectively, the provisions of the Plan contained in Article IX thereof.

**“Pro Rata”** means the proportion that (a) the allowed amount of a particular Claim or Equity Interest in Class 10 bears to (b) the aggregate allowed amount of all Claims or Equity Interests in Class 10.

**“Threats”** means any written threats of legal action, legal demands, filed complaints, petitions for pre-suit discovery, suits, litigations, arbitrations, actual or threatened restraining orders or injunctions made in writing, or similar written actions of any kind, or sworn statements evidencing the same, in any forum against any Trust Indemnified Parties or Indemnified Party (both as defined in the Indemnity Trust Agreement), excluding any such action that would otherwise be a Threat except that any applicable statute of limitations that could be applicable to such action has expired.

**“Threats Notice”** means the written notice of any Threats received by the Indemnity Trust with respect to any Trust Indemnified Parties or Indemnified Party (both as defined in the Indemnity Trust Agreement), that is hereby required to be provided by the Indemnity Trust to the HMIT Entities, within five (5) Business Days after receipt of such Threat.

## **RECITALS**

**WHEREAS**, as of the Petition Date, HMIT held Class B and Class C Limited Partnerships Interests in Highland;

**WHEREAS**, on December 21, 2015, HMIT entered into the HMIT Note with Highland, which had a total outstanding principal balance of Fifty-Seven Million Six Hundred Ninety Thousand Six Hundred Forty and 95/100 Dollars (\$57,690,640.95) as of the Petition Date (the **“HMIT Note Balance”**);

**WHEREAS**, HMIT’s Class B and Class C Limited Partnership Interests in Highland were extinguished on August 11, 2021, in accordance with the Plan;

**WHEREAS**, pursuant to the LPA, HMIT’s capital account balance at Highland on account of its Class B and Class C Limited Partnership Interests on the Petition Date was Three Hundred Ninety-Four Million Six Hundred Thirty Thousand Eight Hundred Seventy-One and 53/100 Dollars (\$394,630,871.53) (the **“HMIT Capital Account Balance”**);

**WHEREAS**, some or all of the HMIT Entities have asserted certain Claims against certain Highland Entities and certain other Highland Covered Parties, including those asserted in the Pending Litigation;

**WHEREAS**, certain distributions to be made to the holders of allowed Class 10 Claims or Equity Interests pursuant to the terms and subject to the conditions set forth herein are premised on the consent of certain Highland Covered Parties in their capacity as Holders of Class 9 Interests, and such Persons are only willing to provide such consent in exchange for the releases as set forth in this Agreement;

**WHEREAS**, some or all of the Highland Entities have asserted certain Claims against certain HMIT Entities, including the HMIT Note Claims;

**WHEREAS**, the Parties wish to terminate, extinguish, and release any and all rights, duties, obligations and Claims that (a) any of the Highland Released Parties owed or have, or may have owed or have, to or with respect to any of the HMIT Released Parties, and (b) any of the HMIT Released Parties owed or have, or may have owed or have, to or with respect to any of the Highland Released Parties, as provided in this Agreement (collectively, the **“Rights and Obligations”**);

**WHEREAS**, the Parties agree that the Litigation Protections are intended to enact a permanent cessation of all litigation concerning or related to the Highland Released Parties through and including the Agreement Date; and

**WHEREAS**, the Parties, individually and collectively, wish to (a) resolve all disputes between and/or among any of the Highland Entities and their respective indemnitees, on the one hand, and any of the HMIT Entities, on the other hand, including those asserted or attempted to be asserted in the Pending Litigation, (b) fix and allow HMIT’s Class 10 Interest at the amount and on the terms provided herein; and (c) terminate, extinguish, and release all Rights and Obligations on the terms provided herein.

**NOW THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

**AGREEMENT**

1. Stay and Dismissal of Pending Litigation With Prejudice.

(a) Within five (5) Business Days after the Agreement Date, the HMIT Entities shall take all steps necessary (at their own cost) to stay the Pending Litigation.

(b) Within five (5) Business Days after the Bankruptcy Court Approval Date, the HMIT Entities shall take all steps necessary (at their own cost) to dismiss the Pending Litigation with prejudice.

2. Maintenance of Stay and Dismissal of Certain Defendants from the Amended Complaint.

(a) The Litigation Trustee shall continue to maintain the stay of Adv. Proc. No. 21-03076-sgj and all related proceedings arising therefrom through the Bankruptcy Court Approval Date. Within five (5) Business Days after the Bankruptcy Court Approval Date, the Litigation Sub-Trust shall take all steps necessary (at its own cost) to dismiss, with prejudice, HMIT and Rand PE from Counts I, II, III, and XXIV of the Amended Complaint.

3. Cash Payment to HMIT. Within five (5) Business Days following the Bankruptcy Court Approval Date, Highland shall pay HMIT a one-time, lump sum of Five Hundred Thousand Dollars (US\$500,000.00) (the “**Payment**”) by wire transfer:

Hunter Mountain Investment Trust  
C/o CLO Holdco, LLC  
Hancock Whitney  
Account # - 071173413  
Routing # - 113000968  
(469) 604-0955

4. HMIT Class 10 Interest.

(a) Subject to entry of the Bankruptcy Court Order, and the terms of this Agreement, the HMIT Class 10 Interest shall be deemed allowed in the amount of Three Hundred Thirty-Six Million Nine Hundred Forty Thousand Two Hundred Thirty and 58/100 Dollars (US\$336,940,230.58), which amount represents the HMIT Capital Account Balance, less the HMIT Note Balance.

(b) Notwithstanding anything to the contrary in the Plan or the Claimant Trust Agreement, as an integral part of this Agreement to consent to the allowance of the HMIT Class 10 Interest and the other considerations in this Agreement, HMIT shall not be deemed, and no holder of the HMIT Class 10 Interest shall be, a Claimant Trust Beneficiary or a “Beneficiary” under the Claimant Trust Agreement, and the Highland Released Parties, individually and collectively, shall owe no duty to any HMIT Releasor (whether contractual, fiduciary, equitable,



statutory or otherwise), including with respect to the HMIT Class 10 Interest, in each case, except as expressly set forth in this Agreement. Furthermore, without limiting the foregoing and for the avoidance of doubt, the contractual right of the holder of the HMIT Class 10 Interest to receive or recover any payments or Indemnity Trust Assets from the Indemnity Trust as set forth in this Agreement or the Indemnity Trust Agreement does not make any HMIT Releasor or any other Person a beneficiary of the Indemnity Trust or under the Indemnity Trust Agreement.

(c) Notwithstanding anything to the contrary in the Plan, the Claimant Trust Agreement or the Indemnity Trust Agreement, in no event shall HMIT sell, transfer, assign, pledge, hypothecate, participate or otherwise dispose of or encumber the HMIT Class 10 Interest or any rights (including any right to payment) with respect thereto (collectively, a “**Class 10 Assignment**”), and any attempted Class 10 Assignment shall be null and void.

(d) For the avoidance of doubt, the HMIT Class 10 Interest is and shall remain senior to the not yet allowed, unvested contingent Class 11 Claims of Equity Interests as provided for in the Plan, the Plan Documents, and the Claimant Trust Agreement.

5. **Initial Interim Distributions on the Allowed Class 10 Interests.**

(a) Within five (5) Business Days after the Bankruptcy Court Approval Date, the Indemnity Trust shall distribute (the date on which such distribution is made, the “**Initial Interim Distribution Date**”) Pro Rata to the Holders of allowed Class 10 Claims or Equity Interests cash in the aggregate amount of Ten Million Dollars (US\$10,000,000.00) (the “**Initial Interim Cash Distribution Amount**”), by means of wire transfer with the Pro Rata portion in respect of the HMIT Class 10 Interest sent to the wire instructions contained in Section 3 (“**Wire Transfer**”).

(b) Within five (5) Business Days after the Bankruptcy Court Approval Date (the “**Note Assignment Date**”), the Highland Entities shall cause the portion of the Dugaboy Note held by the Highland Entities to be distributed to HMIT in-kind and take all actions necessary for HMIT to become the holder of such portion of the Dugaboy Note, and shall in addition pay to HMIT cash in the aggregate amount of all principal and interest payments actually received on the Dugaboy Note by the Highland Entities, including the Indemnity Trust, from the Agreement Date to the Note Assignment Date. Prior to the Bankruptcy Court Approval Date, HMIT will engage an independent valuation service provider to value the Dugaboy Note for purposes of determining the magnitude of reduction to the outstanding allowed Class 10 Interests on account of such in-kind distribution, which shall not be less than Fifty percent (50%) of the current balance owed under the Dugaboy Note. The HMIT Entities acknowledge and agree that none of the Highland Entities are representing or warranting that the Dugaboy Note can be sold, or the price, if any, that could be received for the Dugaboy Note and further acknowledge and agree that any such purchase price may be de minimis.

6. **Subsequent Distribution(s) on the Allowed Class 10 Interests.**

(a) On December 1, 2027, the Indemnity Trust shall distribute (such distribution, collectively, the “**First Subsequent Distribution**”, and the date on which such Subsequent Distribution is made, the “**First Subsequent Distribution Date**”) Pro Rata to the

Holders of allowed Class 10 Claims or Equity Interests: cash in the aggregate amount of Six Million Five Hundred Thousand Dollars (US\$6,500,000.00), by Wire Transfer.

(b) On December 1, 2028, the Indemnity Trust shall distribute (such distribution, collectively, the “**Second Subsequent Distribution**”, and the date on which such Subsequent Distribution is made, the “**Second Subsequent Distribution Date**”) Pro Rata to the Holders of allowed Class 10 Claims or Equity Interests cash in the aggregate amount of Six Million Five Hundred Thousand Dollars (US\$6,500,000.00) by Wire Transfer.

(c) Notwithstanding anything herein to the contrary, the obligations of the Indemnity Trust to make the First Subsequent Distribution or Second Subsequent Distribution is subject in all respects to (i) there being no Threats and (ii) a determination in accordance with Article VIII, Section 8.1(c) of the Indemnity Trust Agreement that the Indemnity Trust Assets comprising such distributions are not reasonably necessary to satisfy current or potential Indemnification Obligations (as defined in the Indemnity Trust Agreement) to all persons who are or might become Beneficiaries (as defined in the Indemnity Trust Agreement).

7. Final Distribution on the Allowed Class 10 Interests.

(a) On the later of the Final Court Approval Date and April 1, 2029, the Indemnity Trust will distribute all excess remaining Indemnity Trust Assets in accordance with Article VIII of the Indemnity Trust Agreement; provided, however, that the obligation of the Indemnity Trust to make any such distributions and/or dissolve and wind up the affairs of the Indemnity Trust is subject in all respects to (i) there being no Threats and (ii) a determination in accordance with Article VIII of the Indemnity Trust Agreement that (1) a Final Order(s) (as defined in the Indemnity Trust Agreement) has been entered resolving all litigation, claims or proceedings in any forum of any kind which could give rise to Indemnity Obligations (as defined in the Indemnity Trust Agreement) and payment in full of all such Indemnity Obligations and (2) all applicable statutes of limitations and any applicable tolling of such statutes of limitation have expired.

(b) The Indemnity Trust agrees to not use Indemnity Trust Assets to fund Operating Expenses.

(c) Following the Bankruptcy Court Approval Date, at the request of Mark Patrick, solely in his capacity, and to the extent he remains, as administrator of HMIT, but not more often than quarterly, Highland and the Indemnity Trust Administrator agree to review (i) the status of their respective assets, (ii) the balance of cash held, (iii) the status of any claims made for indemnification and any resolutions thereof, (iv) the status of any litigation, and (v) forecasted operating expenses with Mr. Patrick, and will each work in good faith to reduce operating expenses where reasonably practicable; provided, however, that all such reporting shall be subject to Mr. Patrick’s agreement to maintain confidentiality with respect to any non-public information.

8. Transfer Kirschner Claims; Dismissal of HMIT Note Claims.

(a) Within five (5) Business Days after the Bankruptcy Court Approval Date, but after the dismissal provided for in Section 2, the Litigation Sub-Trust shall execute a short-

form assignment in in favor of the HMIT Entities transferring all of the Litigation Sub-Trust's right, title, and interest in and to the Kirschner Claims (the "**Kirschner Transfer**"). Such assignment shall be in a form mutually acceptable to the Parties and its substance shall be consistent with the terms, conditions and limitations set forth in this Agreement, including Section 8(b) below. Each HMIT Entity acknowledges and agrees that none of the Highland Entities will have any duty or obligation to assist the HMIT Entities in any way with respect to the Kirschner Claims, including the prosecution thereof, except as provided in this Agreement, including the terms of Section 8(c) below.

(b) THE HMIT ENTITIES SPECIFICALLY ACKNOWLEDGE AND AGREE THAT THE LITIGATION SUB-TRUST IS TRANSFERRING THE KIRSCHNER CLAIMS ON AN "AS IS AND WITH ALL FAULTS" BASIS AND THAT THE HMIT ENTITIES ARE NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM THE HIGHLAND ENTITIES OR THEIR REPRESENTATIVES AS TO ANY MATTERS CONCERNING THE KIRSCHNER CLAIMS AND AMENDED COMPLAINT, INCLUDING WITH RESPECT TO THE ENFORCEABILITY, TRANSFERABILITY, VIABILITY, STRENGTH, OR VALUE OF ANY OF THE KIRSCHNER CLAIMS OR THE AMENDED COMPLAINT. The HMIT Entities hereby specifically acknowledge that they have carefully reviewed this Section and have had the opportunity to discuss its import with legal counsel and that the provisions of this Section are a material part of this Agreement. Thus, if for any reason HMIT is precluded from or is otherwise unable to prosecute all or any of the Kirschner Claims, (i) the HMIT Releasors shall have no recourse against any Highland Released Parties whatsoever and shall not be entitled to compensation of any kind, it being agreed that the HMIT Entities are otherwise receiving adequate consideration for the duties and obligations they are undertaking pursuant to this Agreement and (ii) there will be no effect whatsoever on the validity and enforceability of this Agreement or any of the other transactions contemplated hereby.

(c) As promptly as reasonably practicable following the Bankruptcy Court Approval Date, the Highland Entities shall provide to the HMIT Entities electronic copies of written discovery requests and responses thereto, and documents produced in discovery in respect of the Kirschner Claims and the Amended Complaint. The Highland Entities will not provide any other documents regarding the Kirschner Claims including any attorney-client communications and any documents subject to the attorney work-product doctrine or similar privileges or immunities concerning the Kirschner Claims (collectively, the "**Kirschner Privileges**"), it being understood and agreed that the Highland Entities are retaining, and not transferring or waiving, the Kirschner Privileges.

(d) Each Party acknowledges and agrees that if (i) the Kirschner Transfer is found or deemed to be impermissible or invalid, for any reason, or (ii) any HMIT Entity materially breaches this Agreement, the Kirschner Claims and Amended Complaint will revert to, and remain an asset of, the Litigation Sub-Trust.

9. General Release By The HMIT Entities. On the Bankruptcy Court Approval Date, and to the maximum extent permitted by law, each of the HMIT Entities, on behalf of itself and each of its respective Affiliates (including Affiliated and/or managed funds, accounts and other investment vehicles) and its and their respective current and former advisors, consultants,

administrators, trustees, directors, officers, managers, executives, members, partners (including limited and general partners), employees, beneficiaries, direct and indirect shareholders and other equity holders, agents, participants, direct and indirect subsidiaries and parents, successors, predecessors, designees, and assigns (whether by operation of law or otherwise) and all Persons claiming through, under or on their behalf (collectively with the HMIT Entities, the “**HMIT Releasors**”) hereby forever, finally, fully, unconditionally, and completely releases, relieves, acquits, discharges, remises, and exonerates each Highland Released Party from, and waives and relinquishes, any and all Claims, which the HMIT Releasors, or any Person claiming through, under, or on behalf of any of the HMIT Releasors, ever had, now has, or hereafter can, shall, or may have against any of the Highland Released Parties by reason of, arising from, relating to, or in connection with, any fact, matter, or transaction that occurred prior to the Agreement Date, including any fact, matter, transaction, or occurrence asserted by any HMIT Entity in the Pending Litigation or in connection with, relating to, or with respect to the Bankruptcy Case, the management or operation of any of the Highland Released Parties, or the Highland Released Parties’ property and including any defense, affirmative defenses, and right to setoff arising out of, or otherwise related to, any of the foregoing (collectively, the “**HMIT Entity Released Claims**”).

10. General Release By The Highland Entities. On the Bankruptcy Court Approval Date, and to the maximum extent permitted by law, each of the Highland Entities, on behalf of itself and each of its respective Affiliates (including Affiliated and/or managed funds, accounts and other investment vehicles) and its or their respective current and former advisors, consultants, administrators, trustees, directors, officers, managers, executives, members, partners (including limited and general partners), employees, beneficiaries, direct and indirect shareholders and other equity holders, agents, participants, direct and indirect subsidiaries and parents, successors, predecessors, designees, and assigns (whether by operation of law or otherwise) and all Persons claiming through, under or on their behalf (collectively with the Highland Entities, the “**Highland Releasors**”) hereby forever, finally, fully, unconditionally, and completely releases, relieves, acquits, discharges, remises, and exonerates each HMIT Released Party from, and waives and relinquishes, any and all Claims which the Highland Releasors, or any Person claiming through, under, or on behalf of any of the Highland Releasors, ever had, now has, or hereafter can, shall, or may have against any of the HMIT Released Parties by reason of, arising from, relating to, or in connection with, any fact, matter, or transaction that occurred prior to the Bankruptcy Court Approval Date, including any fact, matter, transaction, or occurrence in connection with, relating to, or with respect to the Bankruptcy Case, the management or operation of any of the HMIT Released Parties, or the HMIT Released Parties’ property and including any defense, affirmative defenses, and right to setoff arising out of, or otherwise related to, any of the foregoing (collectively, the “**Highland Released Claims**”).

11. Further Provisions Concerning The General Releases.

(a) **FOR THE AVOIDANCE OF DOUBT, THE FOREGOING RELEASES ARE INTENDED TO BE GENERAL AND INCLUDE A RELEASE OF ALL RELEASED CLAIMS, WHETHER KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING OR EXISTING FROM THE BEGINNING OF TIME THROUGH AND INCLUDING THE AGREEMENT DATE.**

(b) To the maximum extent permitted by law, each of the HMIT Entities and the Highland Entities, on their own behalf and on behalf of the other HMIT Releasors and Highland Releasors, respectively, waives the benefit of any statute or other principle of law or equity that limits the applicability of a release with respect to Claims that the releasing party does not know or suspect to exist in his, her or its favor at the time of executing the release.

(c) Without limiting the scope of the foregoing waiver, in connection with the foregoing release, each of the HMIT Entities and the Highland Entities, on its own behalf and on behalf of the other HMIT Releasors and Highland Releasors, respectively, waives the benefits of Section 1542 of the California Civil Code (to the extent, if any, that Section 1542 might apply to the foregoing release), which provides as follows:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

Each of the HMIT Entities and the Highland Entities, on their own behalf and on behalf of the other HMIT Releasors and Highland Releasors, respectively, hereby agrees that the provisions of Section 1542 of the Civil Code of the State of California and all similar federal or state law, rights, rules or legal principles, legal or equitable, in each case solely to the extent such provisions apply, **ARE HEREBY KNOWINGLY AND VOLUNTARILY WAIVED AND RELINQUISHED BY EACH OF THE HMIT ENTITIES AND THE HIGHLAND ENTITIES, ON THEIR OWN BEHALF AND ON BEHALF OF THE OTHER HMIT RELEASORS AND HIGHLAND RELEASORS, RESPECTIVELY**, in each and every capacity, to the full extent that such rights and benefits pertaining to the matters released herein may be waived, and each of the HMIT Entities and the Highland Entities, on their own behalf and on behalf of the other HMIT Releasors and Highland Releasors, respectively, hereby agrees and acknowledges that this waiver and relinquishment is an essential term of this Agreement, without which the consideration provided would not have been given.

In connection with such waiver and relinquishment, each of the HMIT Entities and Highland Entities acknowledges that it is aware that it may hereafter discover Claims presently unknown or unsuspected, or facts in addition to or different from those which it now knows or believes to be true, with respect to the matters released herein. Nevertheless, it is the intent of each of the HMIT Entities and the Highland Entities, on its own behalf and on behalf of the other HMIT Releasors and Highland Releasors, respectively, in executing this Agreement fully, finally, and forever to settle and release all such matters, and all Claims related thereto, which exist, may exist or might have existed (whether or not previously or currently asserted in any action) which are the subject to the releases granted above.

(d) As an integral component of this Agreement, and notwithstanding the Parties' intent set forth in the preamble hereto and the general nature of the releases in Sections 9 and 10, should:



(i) any HMIT Releasor contend or assert that any Claim of any kind whatsoever held by any HMIT Releasor against any Highland Released Party survives this Agreement and is in any way related to or arising from or in connection with any HMIT Entity Released Claim (such claim or cause of action, a “**HMIT Alleged Claim**”), such HMIT Releasor will be deemed to have irrevocably, fully, and finally assigned such HMIT Alleged Claim to the Highland Entities and the Highland Entities will be deemed to have forever, finally, full, unconditionally, and irrevocably, and completely released such HMIT Alleged Claim.

(ii) any Highland Releasor contend or assert that any Claim of any kind whatsoever held by any Highland Releasor against any HMIT Released Party survives this Agreement and is in any way related to or arising from or in connection with any Highland Entity Released Claim (such claim or cause of action, a “**Highland Alleged Claim**”), such Highland Releasor will be deemed to have irrevocably, fully, and finally assigned such Highland Alleged Claim to the HMIT Entities and the HMIT Entities will be deemed to have forever, finally, full, unconditionally, and irrevocably, and completely released such Highland Alleged Claim.

12. Covenant Not To Sue; Limitation on Standing. Upon the Agreement Date:

(a) Each of the HMIT Releasors covenants and agrees that it will not institute or prosecute any Action, in law, in equity or otherwise, against any of the Highland Released Parties, to recover, enforce, investigate, or collect any HMIT Entity Released Claim and will not (i) induce, encourage or direct any other Person to do so or (ii) act in concert with or assist (financially or otherwise) any other Person in doing so.

(b) Each of the Highland Releasors covenants and agrees that it will not institute or prosecute any Action, in law, in equity or otherwise, against any of the HMIT Released Parties, to recover, enforce, investigate, or collect any Highland Entity Released Claim and will not (i) induce, encourage or direct any other Person to do so or (ii) act in concert with or assist (financially or otherwise) any other Person in doing so.

(c) For the avoidance of doubt, this Agreement shall not operate to give any HMIT Entity standing for any purpose in connection with the Bankruptcy Case (or in connection with any appeal arising from any order entered by the Bankruptcy Court), except for the limited purpose of seeking Court approval of this Agreement (including with respect to any appeal concerning any order entered granting or denying such approval), and except for the limited purpose of enforcing this Agreement, no HMIT Entity shall commence any Action in connection with the HMIT Class 10 Interest.

13. Representations and Warranties.

(a) Each of the HMIT Entities hereby represents and warrants that every HMIT Entity Released Claim has not heretofore been assigned or encumbered and is not the subject of a transfer (as such term is defined in 11 U.S.C. § 101(54)), by any HMIT Releasor.

(b) The HMIT Entities, on their own behalf and on behalf of the other HMIT Releasors, acknowledge and agree that each Plan Provision is lawful, effective, and binding on the HMIT Releasors. The HMIT Entities further agree, on their own behalf and on behalf of the

other HMIT Releasors, that the HMIT Releasors will never, in any way, challenge or seek to modify, nullify, vacate, or revoke, or induce, encourage or direct any other Person to do so or act in concert with or assist (financially or otherwise) any other Person in doing so the Confirmation Order, the Plan, the Plan Protections, or any Plan Document, including the Claimant Trust Agreement, the LPA, the Indemnity Trust Agreement or the Litigation Sub-Trust Agreement, in the Bankruptcy Court, in any other state or federal court, in any other forum or tribunal, or otherwise, including administrative or regulatory tribunals and foreign courts.

(c) Each of the Highland Entities hereby represents and warrants that every Highland Entity Released Claim has not heretofore been assigned or encumbered and is not the subject of a transfer (as such term is defined in 11 U.S.C. § 101(54)), by any Highland Releasor.

(d) Each Party severally represents and warrants as to itself only that: (i) it has taken all necessary action to authorize and approve the execution, delivery and performance of this Agreement; (ii) such Party has full power and authority to execute and deliver this Agreement; and (iii) this Agreement constitutes a valid, legal and binding obligation of such Party, and is enforceable subject to its terms. Each individual signatory hereto individually warrants and represents to all Parties hereto that such individual has full power and authority to act on behalf of and bind the Party for which he or she has executed this Agreement; provided, however that no signatory shall otherwise provide any warranty or representation or otherwise be a party to this Agreement on an individual basis.

14. No Continuing Rights, Duties or Obligations. Except for the rights, duties, and obligations expressly set forth in this Agreement, all Rights and Obligations that existed or may have existed shall be deemed terminated, extinguished, and released upon the Agreement Date. For the avoidance of doubt, from and after the Agreement Date, (a) the Highland Released Parties, individually and collectively, shall owe no duty, past or present, including with respect to the Kirchner Claims, to the HMIT Released Parties, individually and collectively, whether contractual, fiduciary, equitable, statutory or otherwise, except as arising out of this Agreement, and (b) the HMIT Released Parties, individually and collectively, shall owe no duty to the Highland Released Parties, individually and collectively, whether contractual, fiduciary, equitable, statutory or otherwise, except as arising out of this Agreement.

15. Gatekeeper Standard.

(a) The HMIT Entities and the Highland Entities, on their own behalf and on behalf of the other HMIT Releasors and Highland Releasors, respectively, acknowledge and agree that, notwithstanding the United States Court of Appeals for the Fifth Circuit's decision in *Highland Capital Management Fund Advisors, L.P. v. Highland Capital Management, L.P.*, No. 23-10<sup>534</sup> (5th Cir. Mar. 18, 2025), the "Gatekeeper" provisions contained in Highland's Original Plan is forever binding on each of the HMIT Entities and any Persons claiming through, under or on behalf of any of them, and for a claim or cause of action to be "colorable" for purposes of the Gatekeeper, it must be found by final order of the Bankruptcy Court (the "**Gatekeeper Court**"), which order shall be subject to appeal to a court of competent jurisdiction, to have satisfied the "Gatekeeper Colorability Test" as such term is defined in *In re Highland Capital Management, L.P.*, 2023 Bankr. LEXIS 2104 at \*124-36 (Bankr. N.D. Tex. Aug. 24, 2023).

(b) The HMIT Entities and the Highland Entities, on their own behalf and on behalf of the other HMIT Releasors and Highland Releasors, respectively, acknowledge and agree that compliance with the Gatekeeper requires (i) a motion seeking leave to sue an Exculpated Party (as that term is defined in Highland's original Plan) and a finding that the litigant's claims and causes of action are "colorable" attaching a complaint setting forth the basis for such claims or causes of action and (ii), in the Gatekeeper Court's sole discretion, an evidentiary hearing (during which the Gatekeeper Court may, among other things, hear testimony and assess the credibility of any witness(es)) to determine whether a proposed claim or cause of action is "colorable."

(c) The HMIT Entities and the Highland Entities, on their own behalf and on behalf of the other HMIT Releasors and Highland Releasors, respectively, further acknowledge and agree that the moving party under the Gatekeeper has the burden of satisfying the "Gatekeeper Colorability Test," and that the dismissal of the Pending Litigation shall have res judicata effect.

16. Indemnification.

(a) Without in any manner limiting the available remedies for any breach of this Agreement, the HMIT Entities, severally but not jointly, agree to indemnify, defend, and hold the Highland Released Parties harmless from and against any and all Liability, that may arise or result from or on account of, or that are otherwise related or attributable to (x) any breach of this Agreement or of any representation or warranty contained in the Agreement, including the representations and warranties of any HMIT Entity set forth in Section 13 or (y) any Actions brought or prosecuted by or on behalf of, any HMIT Releasor or that are induced, encouraged, assisted or directed by any HMIT Releasor or brought or prosecuted in concert with any HMIT Releasor against any Highland Released Party with respect to or related to any HMIT Entity Released Claims. Without limiting the scope of the foregoing in any manner, any HMIT Entity that breaches Section 12 shall be liable to the Highland Released Party against whom the applicable Action has been brought or prosecuted in violation of Section 12 for the reasonable attorneys' fees and costs incurred by such Highland Released Party in defending against or otherwise responding to such Action. Each HMIT Entity acknowledges and agrees that the HMIT Entities are and shall be severally but not jointly liable for any Liability arising from or out of any breach of this Agreement or of any representation or warranty set forth in this Agreement.

(b) Without in any manner limiting the available remedies for any breach of this Agreement, the Highland Entities, severally but not jointly, agree to indemnify, defend, and hold the HMIT Released Parties harmless from and against any and all Liability, that may arise or result from or on account of, or that are otherwise related or attributable to (x) any breach of this Agreement or of any representation or warranty contained in the Agreement, including the representations and warranties of any Highland Entity set forth in Section 13 or (y) any suits, proceedings, or other actions brought or prosecuted by or on behalf of, any Highland Releasor or that are induced, encouraged, assisted or directed by any Highland Releasor or brought or prosecuted in concert with any Highland Releasor against any HMIT Released Party with respect to or related to any Highland Entity Released Claims. Without in any manner limiting the scope of the foregoing, any Highland Entity that breaches Section 12 shall be liable to the HMIT



Released Party against whom the applicable Action has been brought or prosecuted in violation of Section 12 for the reasonable attorneys' fees and costs incurred by such HMIT Released Party in defending against or otherwise responding to such Action. Each Highland Entity acknowledges and agrees that the Highland Entities are and shall be severally but not jointly liable for any Liability arising from or out of any breach of this Agreement or of any representation or warranty set forth in this Agreement.

17. Execution. This Agreement may be executed by the exchange of signatures by facsimile or by PDF attachment to an email transmittal and in counterparts, and if so executed, shall be fully executed when a counterpart has been executed and delivered by all Parties hereto through counsel. All counterparts taken together shall constitute one and the same agreement and shall be fully enforceable as such.

18. Bankruptcy Court Order. The allowance of the allowed HMIT Class 10 Interest pursuant to Section 4 is subject to the entry of the Bankruptcy Court Order. To that end, the Highland Entities shall file the 9019 Motion no later than five (5) Business Days after the Agreement Date. Each Party shall, and shall cause each of their respective Affiliates to, undertake any and all actions in compliance with applicable law to obtain the Bankruptcy Court Order as promptly as practicable, and without limiting the foregoing, if an Action is threatened or instituted by any Person opposing the 9019 Motion or otherwise challenging the validity or legality, or seeking to restrain the consummation, of the transactions contemplated by this Agreement or the Bankruptcy Court Order, each Party shall, and shall cause its respective Affiliates to, use their commercially reasonable best efforts to avoid, resist, resolve or, if necessary, and defend to effectuate this Agreement and consummate the transactions hereby. If the 9019 Motion is not approved by entry of the Bankruptcy Court Order or if the Bankruptcy Court Approval is precluded from becoming a Final Order, (a) there will be no effect on, adjustment to, or impairment of, in any way, the validity and enforceability of the remainder of this Agreement, and the other transactions contemplated hereby, all of which shall remain in full force and effect and (b) each Party shall, and shall cause its respective Affiliates to, use their best efforts to seek the allowance of the HMIT Class 10 Interest in a substantially similar amount and on substantially similar terms as set forth in Section 4 to the fullest extent possible so as to give effect to the original intent of the Parties as closely as possible.

19. Fees and Expenses. Whether or not the transactions contemplated hereby are consummated or the Bankruptcy Court Order is obtained, and except as otherwise expressly provided in this Agreement, each Party will bear its respective fees, costs and expenses (including legal, accounting and other professional fees) incurred in connection with the preparation, negotiation, execution and performance of this Agreement or the transactions contemplated hereby, including with respect to each Party's respective obligations pursuant to Section 18. Notwithstanding the foregoing, if any Party hereto, any Highland Released Party, or any HMIT Released Party brings an Action to enforce or interpret the terms and provisions of this Agreement, the prevailing Person in that Action shall be entitled to have and recover from the non-prevailing Person all such fees, costs and expenses (including all court costs and reasonable attorneys' fees) as the prevailing Person may suffer or incur in the pursuit or defense of such action or proceeding.

20. Entire Agreement; No Other Representations. **THIS AGREEMENT CONTAINS THE ENTIRE AGREEMENT BETWEEN THE PARTIES, AND NO RIGHTS ARE CREATED IN FAVOR OF ANY PERSON OTHER THAN AS SPECIFIED OR EXPRESSLY SET FORTH IN THIS AGREEMENT. THERE ARE NO REPRESENTATIONS, CONDITIONS, WARRANTIES, STATEMENTS, OR UNDERSTANDINGS (COLLECTIVELY, “REPRESENTATIONS”), EITHER ORAL OR WRITTEN, BETWEEN THE PARTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT. THE PARTIES EXPRESSLY AGREE THAT THEY HAVE NOT BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY ANY REPRESENTATIONS NOT SET FORTH IN THIS AGREEMENT; AND THE PARTIES EXPRESSLY AGREE THAT THEY HAVE NOT RELIED ON ANY REPRESENTATIONS NOT EXPRESSLY SET FORTH IN THIS AGREEMENT. THE PARTIES EXPRESSLY AGREE THAT THEY ARE ENTERING INTO THIS AGREEMENT RELYING SOLELY ON THEIR OWN JUDGMENT AND NOT ON ANY REPRESENTATIONS BY ANY PARTY, EXCEPT FOR THOSE REPRESENTATIONS EXPRESSLY SET FORTH IN THIS AGREEMENT. THE PARTIES AGREE THAT REPRESENTATIONS NOT EXPRESSLY SET FORTH IN THIS AGREEMENT SHALL NOT BE USED IN THE INTERPRETATION OR CONSTRUCTION OF THIS AGREEMENT, AND NEITHER THE HMIT RELEASED PARTIES NOR THE HIGHLAND RELEASED PARTIES SHALL HAVE ANY LIABILITY FOR ANY CONSEQUENCES ARISING AS A RESULT OF ANY REPRESENTATIONS NOT SET FORTH IN THIS AGREEMENT.**

21. Agreement and Release Knowing and Voluntary. The Parties acknowledge that they have considered this Agreement with their respective attorneys and have carefully read this Agreement, that it has been fully explained by their attorneys, and that they have had a reasonable opportunity to consider this Agreement. The Parties further represent that they know and fully understand the contents of this Agreement, that they intend to be legally bound by this Agreement and the releases and covenants contained herein, and that they are signing this Agreement, including the release provisions herein, voluntarily and of their own free will and without coercion, and with the benefit of advice of counsel.

22. Cooperation. The Parties agree to perform any services or actions reasonably necessary to carry out the terms and conditions of this Agreement or the transactions contemplated hereby, including the execution and delivery of reasonable additional documents, instruments, conveyances and/or assurances, in good faith, and to reasonably communicate and cooperate with one another in this regard. For the avoidance of doubt, nothing in this Section shall obligate the Highland Entities to assist the HMIT Entities in any way with respect to the Kirschner Claims, including the prosecution thereof.

23. Governing Law. This Agreement shall be construed pursuant to and governed by the laws of the State of Delaware (substantive and procedural) without reference to principles of conflicts of law that would result in the application of any other State’s laws.

24. Jurisdiction/Venue. The Parties hereby irrevocably submit to the jurisdiction and venue of the Bankruptcy Court with respect to any Action arising out of or related to this Agreement or the subject matter hereof; if (and only if) the Bankruptcy Court lacks personal or

subject matter jurisdiction to adjudicate an Action arising out of or related to this Agreement or the subject matter hereof, then the Parties irrevocably submit to the jurisdiction and venue of the United States District Court for the Northern District of Texas.

25. No Admissions. All Parties acknowledge and agree that the matters set forth in this Agreement constitute the settlement and compromise of disputed Claims and that this Agreement shall not constitute the admission of any fact or liability by any of them regarding any Claim, including the Claims released hereunder, and neither the terms hereof, nor the fact of this Agreement itself, shall be evidence of any kind in any Action, other than an Action to enforce the terms of the Agreement or any instrument executed in connection herewith or any claim for damages or other relief for breach of any representation or warranty contained herein or in any instrument executed in connection herewith.

26. Other Provisions.

(a) No representation, inducement, agreement, promise or understandings altering, modifying, amending, taking from or adding to, the terms and conditions hereof shall have any force or effect unless the same is in writing and validly executed by each of the Parties hereto.

(b) The waiver by any Party of any breach of, or default under, any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach or default; provided, however, that for any such waiver to be enforceable, it shall be in writing and executed by the non-breaching Party.

(c) The headings contained in this Agreement are for convenience only and shall in no way restrict or otherwise affect the construction of the provisions hereof.

(d) The Parties shall each execute all documents and perform all acts necessary and proper to effectuate the terms of this Agreement.

27. Notices. All notices required or permitted to be provided hereunder shall be afforded to the respective parties to and through their counsel, and shall be transmitted simultaneously by electronic mail (with PDF attachments, as necessary) and by telefax, addressed as follows:

To the Highland Entities:

**PACHULSKI STANG ZIEHL AND JONES LLP**

Jeffrey N. Pomerantz

John A. Morris

10100 Santa Monica Boulevard

Los Angeles, California 90067-4003

310.277.6910

jpomerantz@pszjlaw.com

jmorris@pszjlaw.com

To the HMIT Entities:

**KELLY HART PITRE**

Louis M. Phillips  
Amelia Hurt  
301 Main Street, Suite 1600  
225.381.9643  
Louis.Phillips@Kellyhart.com  
Amelia.Hurt@Kellyhart.com

28. Severability. Should any term, provision or paragraph of this Agreement be determined to be illegal or void or of no force and effect, the balance of the Agreement shall survive. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity and enforceability of any other provision of this Agreement.

29. Interpretive Provisions. Unless the express context otherwise requires: (a) the words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement; (b) words defined in the singular shall have a comparable meaning when used in the plural, and vice versa; (c) the words “Dollars” and “\$” mean U.S. dollars; (d) references herein to a specific Section, Subsection, Recital, Schedule or Exhibit shall refer, respectively, to Sections, Subsections, Recitals, Schedules or Exhibits of this Agreement; (e) wherever the word “include,” “includes” or “including” is used in this Agreement, it shall be deemed to be followed by the words “,without limitation,”; (f) references herein to any gender shall include each other gender; (g) references herein to any Person shall include such Person’s heirs, executors, personal representatives, administrators, successors and assigns; provided, however, that nothing contained in this clause (g) is intended to authorize any assignment or transfer not otherwise permitted by this Agreement; (h) with respect to the determination of any period of time, the word “from” means “from and including” and the words “to” and “until” each means “to but excluding”; (i) the word “or” shall be disjunctive but not exclusive; (j) the headings contained in this Agreement are intended solely for convenience and shall not affect the rights of the Parties; and (k) if the last day for the giving of any notice or the performance of any act required or permitted under this Agreement is a day that is not a Business Day, then the time for the giving of such notice or the performance of such action shall be extended to the next succeeding Business Day.

*[Signature page follows]*

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

**HUNTER MOUNTAIN INVESTMENT TRUST**

By /s/ Mark Patrick  
Name: Mark Patrick  
Title: Administrator  
Date: May 19, 2025

**BEACON MOUNTAIN LLC**

By /s/ Mark Patrick  
Name: Mark Patrick  
Title: President  
Date: May 19, 2025

**RAND ADVISORS, LLC**

By /s/ Mark Patrick  
Name: Mark Patrick  
Title: President  
Date: May 19, 2025

**RAND PE FUND I, LP**

By: Rand PE Fund Management, LLC, its General Partner

By /s/ Mark Patrick  
Name: Mark Patrick  
Title: President  
Date: May 19, 2025

**RAND PE FUND MANAGEMENT, LLC**

By /s/ Mark Patrick  
Name: Mark Patrick  
Title: President  
Date: May 19, 2025

**ATLAS IDF, LP**

By: Atlas IDF GP, LLC, its General Partner

By /s/ Mark Patrick  
Name: Mark Patrick  
Title: President  
Date: May 19, 2025

**ATLAS IDF GP, LLC**

By /s/ Mark Patrick  
Name: Mark Patrick  
Title: President  
Date: May 19, 2025

**HIGHLAND CAPITAL MANAGEMENT, L.P.**

By /s/ James P. Seery, Jr.  
Name: James. P. Seery, Jr.  
Title: Chief Executive Officer  
Date: May 19, 2025

**HIGHLAND CLAIMANT TRUST**

By /s/ James P. Seery, Jr.  
Name: James P. Seery, Jr.  
Title: Claimant Trustee  
Date: May 19, 2025

**HIGHLAND LITIGATION SUB-TRUST**

By /s/ Marc S. Kirschner  
Name: Marc S. Kirschner  
Title: Litigation Trustee  
Date: May 19, 2025

**HIGHLAND INDEMNITY TRUST**

By /s/ James P. Seery, Jr.  
Name: James P. Seery, Jr.  
Title: Indemnity Trust Administrator  
Date: May 19, 2025

**EXHIBIT 2**





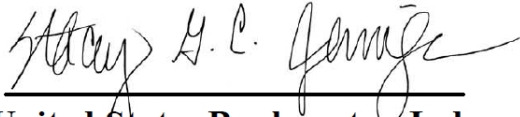
CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**

THE DATE OF ENTRY IS ON  
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed June 30, 2025

  
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

In re:	§	
	§	Chapter 11
HIGHLAND CAPITAL MANAGEMENT, L.P., <sup>1</sup>	§	
	§	Case No. 19-34054-sgj11
	§	
Reorganized Debtor.	§	

**ORDER PURSUANT TO BANKRUPTCY RULE 9019 AND 11 U.S.C. § 363**  
**APPROVING SETTLEMENT BETWEEN THE HIGHLAND ENTITIES AND THE**  
**HMIT ENTITIES AND AUTHORIZING ACTIONS CONSISTENT THEREWITH**

This matter having come before the Court on the *Motion for Entry of an Order Pursuant to Bankruptcy Rule 9019 and 11 U.S.C. § 363 Approving Settlement with the HMIT Entities and Authorizing Actions Consistent Therewith* [Docket No. 4216] (the “Motion”)<sup>2</sup> filed by Highland Capital Management, L.P., the reorganized debtor (the “Debtor” or “Highland”) in the above-captioned chapter 11 case (the “Bankruptcy Case”), the Highland Claimant Trust (the “Claimant”

<sup>1</sup> The last four digits of the Reorganized Debtor’s taxpayer identification number are 8357. The headquarters and service address for the Highland is 100 Crescent Court, Suite 1850, Dallas, TX 75201.

<sup>2</sup> Capitalized terms not otherwise defined herein have the meanings ascribed to such terms in the Motion or the Settlement Agreement, as applicable.



Trust”), and the Highland Litigation Sub-Trust (the “Litigation Sub-Trust,” and together with Highland and the Claimant Trust, the “Movants”); and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 as well as the retention of jurisdiction provisions of the Plan; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue in this District being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having considered (a) the Motion, (b) *Patrick Daugherty’s Objection to Motion for Entry of an Order Pursuant to Bankruptcy Rule 9019 and 11 U.S.C. § 363 Approving Settlement with the HMIT Entities and Authorizing Actions Consistent Therewith* [Docket No. 4229] (the “Daugherty Objection”) filed by Patrick Daugherty, (c) the *Preliminary Objection of the Dugaboy Investment Trust to the Motion for Entry of an Order Pursuant to Bankruptcy Rule 9019 and 11 U.S.C. § 363 Approving Settlement with the HMIT Entities* [Docket No. 4230] (the “Dugaboy Objection,” and together with the Daugherty Objection, the “Objections”), filed by The Dugaboy Investment Trust, (d) the *Objection of the Dallas Foundation and Crown Global Life Insurance Ltd. to Motion for Entry of an Order Pursuant to Bankruptcy Rule 9019 and 11 U.S.C. § 363 Approving Settlement with the HMIT Entities and Authorizing Actions Consistent Therewith* [Docket No. 4231] (the “Charitable Foundation Objection”), filed by The Dallas Foundation (the “Dallas Foundation”) (on behalf of Empower Dallas Foundation (“EDF”) and The Okada Family Foundation (“Okada Family”), and Crown Global Life Insurance, Ltd., not individually, but solely in respect of Segregated Accounts 30218 and 30219 (“Crown”), (e) the evidence admitted into the record during the hearing on the Motion on June 25, 2025 (the “Hearing”) in support of, and in opposition to, the Motion, including the Court’s assessment of the witnesses’ credibility, and (f) all arguments heard at the Hearing in connection therewith; and the Court having found that the legal and factual bases set forth in the Motion establish sufficient

cause for the relief granted herein; and adequate notice of the Motion having been given; and after due deliberation and good cause appearing therefor,

**THE COURT HEREBY FINDS THAT:**

1. The Court's findings of fact and conclusions of law set forth on the record at the conclusion of the Hearing are incorporated by reference except as supplemented in this Order, and as may be further supplemented by the Court.

2. Entry into the Settlement Agreement is an appropriate exercise of the Movants' business judgment.

3. The Settlement Agreement is fair, reasonable, and in the best interests of each of the Highland Entities and their creditors and constituents.

4. The Settlement Agreement was negotiated and entered into by the Highland Entities and the HMIT Entities without collusion or fraud, in good faith, and was the product of arm's-length negotiations.

5. The HMIT Entities are not "insiders" or "affiliates" of Highland as those terms are defined in Bankruptcy Code sections 101(31) and 101(2).

6. The HMIT Entities entered into the Settlement Agreement, are acquiring the Transferred Claims and Dugaboy Note in good faith, and have proceeded with all aspects of the Settlement Agreement in good faith, and have received fair value in consideration of their entry into the Settlement Agreement.

7. The Transferred Claims and Dugaboy Note are property of the estate, and the Highland Entities' sale of those assets free and clear of all liens and encumbrances but otherwise subject to the Settlement Agreement is a proper exercise of their business judgment.

**NOW, THEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED THAT:**

8. The Motion is **GRANTED**.

9. As stated on the record during the Hearing, The Charitable Foundation Objection is withdrawn with prejudice.

10. All other Objections to the Motion are overruled.

11. The Settlement Agreement attached as **Exhibit 1** to the Demo Declaration is approved in all respects pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure and section 363(b) of the Bankruptcy Code.

12. HMIT's Class 10 Interest is Allowed in the amount of \$336,940,230.58.

13. The HMIT Entities, as good faith purchasers of Estate assets in the Settlement, are entitled to the protections contained in section 363(m) of the Bankruptcy Code.

14. The Highland Entities and their agents are authorized to take any and all actions necessary or desirable to implement the Settlement Agreement without further notice or further Court approval.

15. Notwithstanding anything in the Settlement Agreement to the contrary, none of the Dallas Foundation, EDF, Okada Family, or Crown (collectively, the "Foundation Parties") are or will be included in the definitions of "HMIT Releasors" or "Highland Releasors." For the avoidance of doubt, however, any attempt by the Foundation Parties to assert a Claim against a HMIT Released Party by, through, or under, including derivatively, a Highland Entity, or against a Highland Released Party by, through, or under, including derivatively, a HMIT Entity is barred by this Order and the Settlement Agreement.

16. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

**### END OF ORDER ###**

**EXHIBIT 3**



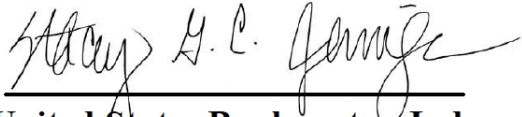
CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**

THE DATE OF ENTRY IS ON  
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed July 3, 2025

  
United States Bankruptcy Judge

THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

In re:

HIGHLAND CAPITAL  
MANAGEMENT, L.P.,

Reorganized Debtor.

Chapter 11

Case No. 19-34054-sgj11

**ORDER DISMISSING PROCEEDING WITH PREJUDICE**

The Court, having considered the *Consent Motion to Dismiss Proceeding* (the "*Dismissal Motion*") filed by Hunter Mountain Investment Trust ("*HMIT*"), and noting that HMIT has withdrawn its underlying *Emergency Motion for Leave to File Adversary Proceeding* [Dkt. 3699] with prejudice and that the Dismissal Motion is unopposed, is of



the opinion that the Dismissal Motion is well taken and should be **GRANTED** in its entirety:

**IT IS THEREFORE ORDERED** that the proceedings defined in the Dismissal Motion as: “*Hunter Mountain Investment Trust v. Highland Cap. Mgmt., L.P.*, Case No. 3:23-cv-02071-E (N.D. Tex.), on remand to the Bankruptcy Court (including *Hunter Mountain Investment Trust’s Emergency Motion for Leave to File Adversary Proceeding* filed at Bankruptcy Court Docket No. 3699 and all proceedings, decisions, and orders relating thereto),” are dismissed with prejudice.

**IT IS FURTHER ORDERED** that that all costs of Court are taxed against the party incurring same, and all parties are responsible for their own attorneys’ fees and expenses.

**### END OF ORDER ###**

**EXHIBIT 4**



UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

In re:

HIGHLAND CAPITAL  
MANAGEMENT, L.P.,

Reorganized Debtor.

Chapter 11

Case No. 19-34054-sgj11

DUGABOY INVESTMENT TRUST  
and  
HUNTER MOUNTAIN  
INVESTMENT  
TRUST,

Appellants,

v.

HIGHLAND CAPITAL  
MANAGEMENT, L.P.; and  
THE HIGHLAND CLAIMANT  
TRUST

Appellees.

Adv. Proc. No. 23-03038-sgj

Civil Case No. 3:24-cv-01531-X

**ORDER PARTIALLY DISMISSING PROCEEDING WITH PREJUDICE**

The Court, having considered the *Motion for Partial Dismissal* (the “*Dismissal Motion*”) (Doc. 29) filed by Hunter Mountain Investment Trust (“*HMIT*”), any response, reply, and arguments of counsel, is of the opinion that the Dismissal Motion is well taken and should be **GRANTED** in its entirety:


**IT IS THEREFORE ORDERED** that the proceedings defined in the Dismissal Motion as: “*Dugaboy Investment Trust v. Highland Cap. Mgmt, L.P., 3:24-cv-01531-X (N.D. Tex.) (only as to HMIT)*” are dismissed with prejudice.



**IT IS FURTHER ORDERED** that this order has no effect on Dugaboy's pending appeal in these proceedings.

**IT IS FURTHER ORDERED** that that all costs of Court are taxed against the party incurring same, and all parties are responsible for their own attorneys' fees and expenses.

**IT IS SO ORDERED** this 10th day of July, 2025.

  
\_\_\_\_\_  
BRANTLEY STARR  
UNITED STATES DISTRICT JUDGE

**EXHIBIT 5**



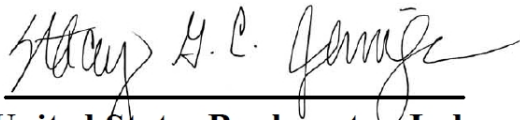
CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**

THE DATE OF ENTRY IS ON  
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed July 3, 2025

  
United States Bankruptcy Judge

THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

In re:

HIGHLAND CAPITAL  
MANAGEMENT, L.P.,

Reorganized Debtor.

Chapter 11

Case No. 19-34054-sgj11

**ORDER DISMISSING PROCEEDING WITH PREJUDICE**

The Court, having considered the *Consent Motion to Dismiss* (the “*Dismissal Motion*”) filed by Hunter Mountain Investment Trust (“*HMIT*”), and noting that HMIT has withdrawn its underlying *Motion for Leave to File a Delaware Complaint* [Dkt. 4000] and



that the Dismissal Motion is unopposed, is of the opinion that the Dismissal Motion is well taken and should be **GRANTED** in its entirety:

**IT IS THEREFORE ORDERED** that the proceedings defined in the Dismissal Motion as: “*Hunter Mountain Investment Trust v. Highland Cap. Mgmt., L.P.*, Case No. 3:24-cv-01786-L (N.D. Tex.)” are dismissed with prejudice.

**IT IS FURTHER ORDERED** that that all costs of Court are taxed against the party incurring same, and all parties are responsible for their own attorneys’ fees and expenses.

**### END OF ORDER ###**

**EXHIBIT 6**

**QUINN EMANUEL URQUHART & SULLIVAN LLP**

Deborah J. Newman (admitted *pro hac vice*)  
Robert S. Loigman (admitted *pro hac vice*)  
295 Fifth Avenue, 9th Floor  
New York, NY 10016  
Telephone: (212) 849-7000

**SIDLEY AUSTIN LLP**

Paige Holden Montgomery  
2021 McKinney Avenue  
Suite 2000  
Dallas, Texas 75201  
Telephone: (214) 981-3300

*Co-Counsel for Marc S. Kirschner, as Litigation  
Trustee of the Highland Litigation Sub-Trust*

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS**

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,<sup>1</sup>  
  
Reorganized Debtor.

Chapter 11

Case No. 19-34054-sgj11

MARC S. KIRSCHNER, AS LITIGATION  
TRUSTEE OF THE LITIGATION SUB-TRUST,

Plaintiff,

v.

JAMES D. DONDERO; MARK A. OKADA;  
SCOTT ELLINGTON; ISAAC LEVENTON;  
GRANT JAMES SCOTT III; STRAND  
ADVISORS, INC.; NEXPOINT ADVISORS,  
L.P.; HIGHLAND CAPITAL MANAGEMENT  
FUND ADVISORS, L.P.; DUGABOY  
INVESTMENT TRUST AND NANCY  
DONDERO, AS TRUSTEE OF DUGABOY  
INVESTMENT TRUST; GET GOOD TRUST  
AND GRANT JAMES SCOTT III, AS  
TRUSTEE OF GET GOOD TRUST; HUNTER  
MOUNTAIN INVESTMENT TRUST; MARK &  
PAMELA OKADA FAMILY TRUST –  
EXEMPT TRUST #1 AND LAWRENCE  
TONOMURA AS TRUSTEE OF MARK &  
PAMELA OKADA FAMILY TRUST –  
EXEMPT TRUST #1; MARK & PAMELA  
OKADA FAMILY TRUST – EXEMPT TRUST  
#2 AND LAWRENCE TONOMURA IN HIS  
CAPACITY AS TRUSTEE OF MARK &

Adv. Pro. No. 21-03076-sgj

---

<sup>1</sup> The last four digits of the Reorganized Debtor's taxpayer identification number are (8357). The Reorganized Debtor is a Delaware limited partnership. The Reorganized Debtor's headquarters and service address are 100 Crescent Court, Suite 1850, Dallas, TX 75201.

PAMELA OKADA FAMILY TRUST –  
EXEMPT TRUST #2; CLO HOLDCO, LTD.;  
CHARITABLE DAF HOLDCO, LTD.;  
CHARITABLE DAF FUND, LP.; HIGHLAND  
DALLAS FOUNDATION; RAND PE FUND I,  
LP, SERIES 1; MASSAND CAPITAL, LLC;  
MASSAND CAPITAL, INC.; AND SAS ASSET  
RECOVERY, LTD.,

Defendants.

**NOTICE OF VOLUNTARY DISMISSAL**

**PLEASE TAKE NOTICE** that Marc S. Kirschner, as Litigation Trustee of the Highland Litigation Sub-Trust established pursuant to the *Fifth Amended Plan of Reorganization of Highland Capital Management L.P. (As Modified)* [Bankruptcy Dkt. No. 1808] (the “Plan”) and Plaintiff in the above-captioned action, hereby gives notice that, pursuant to Rule 41(a)(1)(A)(i) of the Federal Rules of Civil Procedure, made applicable to this action by Rule 7041 of the Federal Rules of Bankruptcy Procedure, Counts I, II, III, and XXIV, as pled in the Amended Complaint [Adversary Dkt. No. 158], are hereby voluntarily dismissed with prejudice as against Hunter Mountain Investment Trust and Rand PE Fund I, LP, Series 1 (together, the “HMIT Parties”), pursuant to a settlement reached between the Highland Parties and the HMIT Parties (each as defined in that agreement) dated May 19, 2025 [Bankruptcy Dkt. No. 4217 (Exhibit 1)]. The HMIT Parties are therefore dismissed as Defendants from the above-captioned action. This dismissal shall apply only to the HMIT Parties and shall not apply to or affect any other defendant in this proceeding.

**PLEASE TAKE FURTHER NOTICE** that, as of the date hereof, neither of the HMIT Parties has filed or served an answer or a motion for summary judgment with respect to the Amended Complaint.



Dated: July 2, 2025

Respectfully submitted,

**QUINN EMANUEL URQUHART &  
SULLIVAN, LLP**

/s/ Robert S. Loigman

Deborah J. Newman (admitted *pro hac vice*)

Robert S. Loigman (admitted *pro hac vice*)

295 Fifth Avenue

Floor 9

New York, NY 10016

Telephone: (212) 849-7000

-and-

**SIDLEY AUSTIN LLP**

Paige Holden Montgomery

2021 McKinney Avenue

Suite 2000

Dallas, Texas 75201

Telephone: (214) 981-3300

Facsimile: (214) 981-3400

*Counsel for the Litigation Trustee*

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the above and foregoing document was sent via electronic mail via the Court's ECF system to parties authorized to receive electronic notice in this case on July 2, 2025.

/s/ Robert S. Loigman

Robert S. Loigman

**EXHIBIT 7**



East West

P.O. Box 927

Alhambra, CA 91802-0927

**HIGHLAND CAPITAL MANAGEMENT LP**

**300 CRESCENT CT SUITE 700**

**DALLAS TX 75201-0000**

DATE:

07/01/25

DIRECT INQUIRIES TO:

ACCOUNT:

#####4686

Dear HIGHLAND CAPITAL MANAGEMENT LP,

In accordance with your instructions, your East West account ending in #####4686 has been debited on 07/01/25 for an Outgoing Wire Transfer as detailed below. Any applicable fees are set forth in the fee schedule associated with your deposit account (available on [www.eastwestbank.com](http://www.eastwestbank.com)) and will be detailed on your account statement.

**Sender Information:**

**USD AMOUNT:** \$500,000.00

**TRANSACTION REFERENCE:** 915039460

**SERVICE REFERENCE:** 20250701MMQFMP27004033

**END-TO-END ID:** ACD32E1P00004191

**BENEFICIARY:** CLO Holdco, LLC

**ID:** #####3413

**BENEFICIARY BANK:** HANCOCK WHITNEY BANK

**ID:** 113000968

**RECEIVING BANK:** HANCOCK WHITNEY BA

**ID:** 113000968

**REFERENCE FOR BENEFICIARY:** ACD32E1P00004191

**PAYMENT DETAIL:** Hunter Mountain Settlement

Should you have any questions regarding this notice, please contact us as listed under 'Help & Support' on [www.eastwestbank.com](http://www.eastwestbank.com).

**EXHIBIT 8**

[My Accounts](#)[Reporting](#)[Documents](#)[My Profile](#)[Sign Out](#)

## Transaction Activity Detail

Search transactions from the last two years

[Filter](#)

Viewing All Transaction Types from Last 30 Days

12 Results

[Export](#)

Date ↓↑	Type ↓↑	Description ↓↑	Asset ↓↑	Quantity ↓↑	Price ↓↑	Principal Cash Value ↓↑	Ca
07/02/2025	Cash Disbursements	CASH DISBURSEMENT DISTRIBUTION BY WIRE PAID TO CLO Holdco, LLC CLO Holdco, LLC HANCOCK WHITNEY BANK 071173413	US DOLLAR CURRENCY	-	-	-\$9,707,830.82	

**EXHIBIT 9**

## CLAIMS ASSIGNMENT AGREEMENT

This CLAIMS ASSIGNMENT AGREEMENT (this “**Agreement**”) is entered into as of July 7, 2025 (the “**Effective Date**”) by and between the Highland Litigation Sub-Trust, a Delaware statutory trust (the “**Litigation Sub-Trust**”), and Hunter Mountain Investment Trust, a Delaware statutory trust (“**HMIT**”). Each of the Litigation Sub-Trust and HMIT are sometimes referred to herein individually as a “**Party**” and collectively as the “**Parties**.”

### RECITALS

WHEREAS, reference is made to that certain Settlement Agreement & General Release dated as of May 19, 2025, by and among Highland Capital Management, L.P., a Delaware limited partnership, the Highland Claimant Trust, a Delaware statutory trust, the Highland Indemnity Trust, a Delaware statutory trust, and the Litigation Sub-Trust, on the one hand, and HMIT, Beacon Mountain LLC, a Delaware limited liability company, Rand Advisors, LLC, a Delaware limited liability company, Rand PE Fund I, LP, a Delaware limited partnership, Rand PE Fund Management, LLC, a Delaware limited liability company, Atlas IDF, LP, a Delaware limited partnership, and Atlas IDF GP, LLC, a Delaware limited liability company, on the other hand (the “**Settlement Agreement**”);

WHEREAS, pursuant to the Settlement Agreement, “**Kirschner Claims**” means all Claims and causes of action that were asserted or could have been asserted by the Litigation Trustee of the Litigation Sub-Trust, in the Amended Complaint;

WHEREAS, capitalized terms used but not otherwise defined in this Agreement shall have the meanings ascribed to such terms in the Settlement Agreement;

WHEREAS, on June 30, 2025 (the “**Bankruptcy Court Approval Date**”), the Bankruptcy Court issued an order approving the allowance of HMIT’s Class 10 Interest as provided in the Settlement Agreement pursuant to the 9019 Motion; and

WHEREAS, pursuant to Section 8(a) of the Settlement Agreement, within five (5) Business Days after the Bankruptcy Court Approval Date, the Litigation Sub-Trust shall transfer the Kirschner Claims to HMIT on the terms and conditions set forth in the Settlement Agreement.

NOW, THEREFORE, for good and valuable consideration, including as set forth in the Settlement Agreement, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

### AGREEMENT

1. Assignment of Kirschner Claims.

(a) The Litigation Sub-Trust hereby transfers, sells, grants, conveys and assigns to HMIT all of the Litigation Sub-Trust’s right, title and interest in and to the Kirschner Claims.



(b) HMIT hereby accepts all such right, title and interest in and to the Kirschner Claims and assumes all obligations and liabilities of the Litigation Sub-Trust with respect to, or in connection with, such right, title and interest in and to the Kirschner Claims arising or occurring on or after the Effective Date; excluding, however, all obligations and liabilities of the Litigation Sub-Trust relating to the Kirschner Claims (i) arising or occurring prior to the Effective Date, (ii) that result from the Litigation Sub-Trust's breach of its representations, warranties, covenants, or agreement under this Agreement, (iii) that result from the Litigation Sub-Trust's bad faith, gross negligence, or willful misconduct or (iv) that are attributable to the Litigation Sub-Trust's actions or obligations in any capacity other than as the holder of the Kirschner Claims.

(c) HMIT acknowledges and agrees that none of the Highland Entities will have any duty or obligation to assist any HMIT Entity in any way with respect to the Kirschner Claims, including the prosecution thereof, except as provided in this Agreement, including the terms of Section 1(e) below.

(d) HMIT SPECIFICALLY ACKNOWLEDGES AND AGREES THAT THE LITIGATION SUB-TRUST IS TRANSFERRING THE KIRSCHNER CLAIMS ON AN "AS IS AND WITH ALL FAULTS" BASIS AND THAT HMIT IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM THE HIGHLAND ENTITIES OR THEIR REPRESENTATIVES AS TO ANY MATTERS CONCERNING THE KIRSCHNER CLAIMS AND AMENDED COMPLAINT, INCLUDING WITH RESPECT TO THE ENFORCEABILITY, TRANSFERABILITY, VIABILITY, STRENGTH, OR VALUE OF ANY OF THE KIRSCHNER CLAIMS OR THE AMENDED COMPLAINT. HMIT hereby specifically acknowledges it has carefully reviewed this Section and have had the opportunity to discuss its import with legal counsel and that the provisions of this Section are a material part of this Agreement. Thus, if for any reason HMIT is precluded from or is otherwise unable to prosecute all or any of the Kirschner Claims, (i) the HMIT Releasors shall have no recourse against any Highland Released Parties whatsoever and shall not be entitled to compensation of any kind, it being agreed that the HMIT Entities are otherwise receiving adequate consideration for the duties and obligations they are undertaking pursuant to this Agreement and the Settlement Agreement and (ii) there will be no effect whatsoever on the validity and enforceability of the Settlement Agreement or any of the other transactions contemplated thereby.

(e) Each Party acknowledges and agrees that if (i) the assignment of the Kirschner Claims pursuant to Section 1(a) is found or deemed to be impermissible or invalid, for any reason, or (ii) any HMIT Entity materially breaches this Agreement or the Settlement Agreement, the Kirschner Claims and Amended Complaint will revert to, and remain an asset of, the Litigation Sub-Trust.

2. Representations and Warranties. Each Party severally represents and warrants as to itself only that: (i) it has taken all necessary action to authorize and approve the execution, delivery and performance of this Agreement; (ii) such Party has full power and authority to execute and deliver this Agreement; and (iii) this Agreement constitutes a valid, legal and binding obligation of such Party, and is enforceable subject to its terms. Each individual signatory hereto individually warrants and represents to all Parties hereto that such individual has full power and

authority to act on behalf of and bind the Party for which he or she has executed this Agreement; provided, however that no signatory shall otherwise provide any warranty or representation or otherwise be a party to this Agreement on an individual basis.

3. Execution. This Agreement may be executed by the exchange of signatures by facsimile or by PDF attachment to an email transmittal and in counterparts, and if so executed, shall be fully executed when a counterpart has been executed and delivered by all Parties hereto through counsel. All counterparts taken together shall constitute one and the same agreement and shall be fully enforceable as such.

4. Fees and Expenses. Each Party will bear its respective fees, costs and expenses (including legal, accounting and other professional fees) incurred in connection with the preparation, negotiation, execution and performance of this Agreement or the transactions contemplated hereby. Notwithstanding the foregoing, if any Party hereto, any Highland Released Party, or any HMIT Released Party brings an Action to enforce or interpret the terms and provisions of this Agreement, the prevailing Person in that Action shall be entitled to have and recover from the non-prevailing Person all such fees, costs and expenses (including all court costs and reasonable attorneys' fees) as the prevailing Person may suffer or incur in the pursuit or defense of such action or proceeding.

5. Entire Agreement; No Other Representations. **THIS AGREEMENT AND THE SETTLEMENT AGREEMENT CONTAIN THE ENTIRE AGREEMENT BETWEEN THE PARTIES, AND NO RIGHTS ARE CREATED IN FAVOR OF ANY PERSON OTHER THAN AS SPECIFIED OR EXPRESSLY SET FORTH IN THIS AGREEMENT OR THE SETTLEMENT AGREEMENT. THERE ARE NO REPRESENTATIONS, CONDITIONS, WARRANTIES, STATEMENTS, OR UNDERSTANDINGS (COLLECTIVELY, “REPRESENTATIONS”), EITHER ORAL OR WRITTEN, BETWEEN THE PARTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT OR THE SETTLEMENT AGREEMENT. THE PARTIES EXPRESSLY AGREE THAT THEY HAVE NOT BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY ANY REPRESENTATIONS NOT SET FORTH IN THIS AGREEMENT OR THE SETTLEMENT AGREEMENT; AND THE PARTIES EXPRESSLY AGREE THAT THEY HAVE NOT RELIED ON ANY REPRESENTATIONS NOT EXPRESSLY SET FORTH IN THIS AGREEMENT OR THE SETTLEMENT AGREEMENT. THE PARTIES EXPRESSLY AGREE THAT THEY ARE ENTERING INTO THIS AGREEMENT RELYING SOLELY ON THEIR OWN JUDGMENT AND NOT ON ANY REPRESENTATIONS BY ANY PARTY, EXCEPT FOR THOSE REPRESENTATIONS EXPRESSLY SET FORTH IN THIS AGREEMENT OR THE SETTLEMENT AGREEMENT. THE PARTIES AGREE THAT REPRESENTATIONS NOT EXPRESSLY SET FORTH IN THIS AGREEMENT OR THE SETTLEMENT AGREEMENT SHALL NOT BE USED IN THE INTERPRETATION OR CONSTRUCTION OF THIS AGREEMENT, AND NEITHER THE HMIT RELEASED PARTIES NOR THE HIGHLAND RELEASED PARTIES SHALL HAVE ANY LIABILITY FOR ANY CONSEQUENCES ARISING AS A RESULT OF ANY REPRESENTATIONS NOT SET FORTH IN THIS AGREEMENT OR THE SETTLEMENT AGREEMENT.**

6. No Further Cooperation. In accordance with Section 8(c) of the Settlement Agreement, following the Bankruptcy Court Approval Date and prior to the Effective Date, the Litigation Sub-Trust provided the HMIT Entities with electronic copies of all written discovery requests and responses thereto, and documents produced in discovery in respect of the Kirschner Claims and the Amended Complaint. Accordingly, the Parties acknowledge and agree that except as expressly set forth herein, the Highland Entities shall have no obligation to perform any services or actions in connection with this Agreement or the transactions contemplated hereby, nor do the Highland Entities have any obligation to execute or deliver additional documents, instruments, conveyances and/or assurances or communicate or cooperate with the HMIT Entities or any other Person with respect to the Kirschner Claims, including the prosecution thereof.

7. Governing Law. This Agreement shall be construed pursuant to and governed by the laws of the State of Delaware without reference to principles of conflicts of law that would result in the application of any other State's laws.

8. Jurisdiction/Venue. The Parties hereby irrevocably submit to the jurisdiction and venue of the Bankruptcy Court with respect to any Action arising out of or related to this Agreement or the subject matter hereof; if (and only if) the Bankruptcy Court lacks personal or subject matter jurisdiction to adjudicate an Action arising out of or related to this Agreement or the subject matter hereof, then the Parties irrevocably submit to the jurisdiction and venue of the United States District Court for the Northern District of Texas.

9. Notices. All notices required or permitted to be provided hereunder shall be afforded to the respective parties to and through their counsel, and shall be transmitted simultaneously by electronic mail (with PDF attachments, as necessary) and by telefax, addressed as follows:

To the Litigation Sub-Trust:

**QUINN EMANUEL URQUHART & SULLIVAN LLP**

Deborah J. Newman  
Robert S. Loigman  
295 5th Avenue, 9th Floor  
New York, New York 10016  
212.849.7000  
deborahnewman@quinnemanuel.com  
robertloigman@quinnemanuel.com

To HMIT:

**KELLY HART PITRE**

Louis M. Phillips  
Amelia Hurt  
301 Main Street, Suite 1600  
Baton Rouge, Louisiana 70801  
225.381.9643  
Louis.Phillips@Kellyhart.com

Amelia.Hurt@Kellyhart.com

10. Other Provisions.

(a) No representation, inducement, agreement, promise or understandings altering, modifying, amending, taking from or adding to, the terms and conditions hereof shall have any force or effect unless the same is in writing and validly executed by each of the Parties hereto.

(b) The waiver by any Party of any breach of, or default under, any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach or default; provided, however, that for any such waiver to be enforceable, it shall be in writing and executed by the non-breaching Party.

(c) The headings contained in this Agreement are for convenience only and shall in no way restrict or otherwise affect the construction of the provisions hereof.

(d) Should any term, provision or paragraph of this Agreement be determined to be illegal or void or of no force and effect, the balance of the Agreement shall survive. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity and enforceability of any other provision of this Agreement.

(e) Unless the express context otherwise requires: (a) the words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement; (b) words defined in the singular shall have a comparable meaning when used in the plural, and vice versa; (c) the words “Dollars” and “\$” mean U.S. dollars; (d) references herein to a specific Section, Subsection, Recital, Schedule or Exhibit shall refer, respectively, to Sections, Subsections, Recitals, Schedules or Exhibits of this Agreement; (e) wherever the word “include,” “includes” or “including” is used in this Agreement, it shall be deemed to be followed by the words “,without limitation,”; (f) references herein to any gender shall include each other gender; (g) references herein to any Person shall include such Person’s heirs, executors, personal representatives, administrators, successors and assigns; provided, however, that nothing contained in this clause (g) is intended to authorize any assignment or transfer not otherwise permitted by this Agreement; (h) with respect to the determination of any period of time, the word “from” means “from and including” and the words “to” and “until” each means “to but excluding”; (i) the word “or” shall be disjunctive but not exclusive; (j) the headings contained in this Agreement are intended solely for convenience and shall not affect the rights of the Parties; and (k) if the last day for the giving of any notice or the performance of any act required or permitted under this Agreement is a day that is not a Business Day, then the time for the giving of such notice or the performance of such action shall be extended to the next succeeding Business Day.

*[Signature Page Follows.]*

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

HIGHLAND LITIGATION SUB-TRUST

By: Marc S. Kirschner  
Name: Marc S. Kirschner  
Title: Litigation Trustee

HUNTER MOUNTAIN INVESTMENT TRUST


By: \_\_\_\_\_  
Name: Mark Patrick  
Title: Administrator

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

HIGHLAND LITIGATION SUB-TRUST

By: \_\_\_\_\_  
Name: Marc S. Kirschner  
Title: Litigation Trustee

HUNTER MOUNTAIN INVESTMENT TRUST

  
By: \_\_\_\_\_  
Name: Mark Patrick  
Title: Administrator

**EXHIBIT 10**

## NOTE ELEVATION AND ASSIGNMENT AGREEMENT

This NOTE ELEVATION AND ASSIGNMENT AGREEMENT (this “**Agreement**”) is entered into as of July 3, 2025 (the “**Effective Date**”) by and among Highland Capital Management, L.P., a Delaware limited partnership (“**Highland**”), the Highland Claimant Trust, a Delaware statutory trust (the “**Claimant Trust**”), the Highland Indemnity Trust, a Delaware statutory (the “**Indemnity Trust**”, and together with Highland the Claimant Trust, the “**Highland Parties**”), and Hunter Mountain Investment Trust, a Delaware statutory trust (“**HMIT**”). Each of Highland, the Claimant Trust, the Indemnity Trust and HMIT are sometimes referred to herein individually as a “**Party**” and collectively as the “**Parties**.”

### RECITALS

WHEREAS, reference is made to (i) that certain Settlement Agreement & General Release dated as of May 19, 2025, by and among Highland, the Claimant Trust, the Indemnity Trust and the Highland Litigation Sub-Trust, a Delaware statutory trust, on the one hand, and HMIT, Beacon Mountain LLC, a Delaware limited liability company, Rand Advisors, LLC, a Delaware limited liability company, Rand PE Fund I, LP, a Delaware limited partnership, Rand PE Fund Management, LLC, a Delaware limited liability company, Atlas IDF, LP, a Delaware limited partnership, and Atlas IDF GP, LLC, a Delaware limited liability company, on the other hand (the “**Settlement Agreement**”), (ii) that certain Promissory Note dated May 31, 2017, in the original face amount of \$24,268,621.69, from The Dugaboy Investment Trust, as Maker, and Highland and The Get Good Non-Exempt Trust, collectively, as Payee (the “**Dugaboy Note**”), a copy of which is attached hereto as Exhibit A; and (iii) that certain Participation Agreement for Par/Near Par Trades dated July 18, 2024 entered into between Highland and the Indemnity Trust (the “**Participation Agreement**”), such agreement consisting of the LSTA Standard Terms and Conditions for Participation for Par/Near Par Trades in the form published by the LSTA as of July 21, 2023 as modified and supplemented by the Transaction Specific Terms with respect thereto and pursuant to which Highland sold, granted and conveyed to the Indemnity Trust an undivided 100% Participation (as defined in the Participation Agreement) in and to Highland’s interest in the Dugaboy Note;

WHEREAS, capitalized terms used but not otherwise defined in this Agreement shall have the meanings ascribed to such terms in the Settlement Agreement;

WHEREAS, on June 30, 2025 (the “**Bankruptcy Court Approval Date**”), the Bankruptcy Court issued an order approving the allowance of HMIT’s Class 10 Interest as provided in the Settlement Agreement pursuant to the 9019 Motion;

WHEREAS, pursuant to Section 5(b) of the Settlement Agreement, within five (5) Business Days after the Bankruptcy Court Approval Date, the Highland Entities shall (i) cause the portion of the Dugaboy Note held by the Highland Entities to be distributed to HMIT in-kind and take all actions necessary for HMIT to become the holder of such portion of the Dugaboy Note, and (ii) pay to HMIT cash in the aggregate amount of all principal and interest payments actually received on the Dugaboy Note by the Highland Entities, including the Indemnity Trust, from May 19, 2025 to the Effective Date (such amount, the “**Interim Note Payments**”);



WHEREAS, the aggregate amount of such Interim Note Payments is Zero Dollars (\$0.00);

WHEREAS, pursuant to Section 5(b) of the Settlement Agreement, HMIT has engaged an independent valuation service provider to value the Dugaboy Note for purposes of determining the magnitude of reduction to the outstanding allowed Class 10 Interests on account of the in-kind distribution of the portion of Dugaboy Note held by the Highland Entities, which shall not be less than fifty percent (50%) of the current balance owed under the Dugaboy Note;

WHEREAS, (i) the current balance owed under the Dugaboy Note to the Highland Entities is Seventeen Million Six Hundred Sixty-Eight Thousand Three Hundred Eighty-Nine and 16/100 Dollars (\$17,668,389.16), (ii) fifty percent (50%) of such current balance is Eight Million Eight Hundred Thirty-Four Thousand One Hundred Ninety-Four and 58/100 Dollars (\$8,834,194.58) (the “**Agreed Value**”), and (iii) on June 24, 2025 Weaver and Tidwell, L.L.P. valued the Dugaboy Note at Eight Million Six Hundred Ten Thousand Dollars (\$8,610,000.00) pursuant to the valuation report attached hereto as Exhibit B.

NOW, THEREFORE, for good and valuable consideration, including as set forth in the Settlement Agreement, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

### **AGREEMENT**

1. Elevation of the Dugaboy Note; Termination of the Participation Agreement.

(a) Highland hereby sells, grants, conveys and assigns to the Indemnity Trust all of Highland’s right, title and interest in, to and under the Dugaboy Note, which shall constitute a complete “Elevation” as defined in the Participation Agreement.

(b) Pursuant to the Participation Agreement and as a result of such Elevation, (i) the Indemnity Trust shall assume all of the Assumed Obligations (as defined in the Participation Agreement) and (ii) the Participation Agreement is hereby terminated.

2. Assignment of the Dugaboy Note; Interim Note Payments.

(a) Effective as of the Effective Date and immediately following the Elevation as provided in Section 1, each of Highland, the Claimant Trust and the Indemnity Trust hereby sell, grant, convey and assign to HMIT any and all right, title and interest in, to and under the Dugaboy Note (the “**Dugaboy Note Assignment**”).

(b) HMIT hereby accepts all such right, title and interest in, to and under the Dugaboy Note and assumes all obligations and liabilities of the Highland Parties with respect to, or in connection with, such right, title and interest in, to and under the Dugaboy Note arising or occurring on or after the Effective Date; excluding, however, all obligations and liabilities of the Highland Parties relating to the Dugaboy Note (i) arising or occurring prior to the Effective Date, (ii) that result from the Highland Parties’ breach of its representations, warranties, covenants, or

agreement under this Agreement or the Dugaboy Note, (iii) that result from the Highland Parties' bad faith, gross negligence, or willful misconduct or (iv) that are attributable to the Highland Parties' actions or obligations in any capacity other than as Payee under the Dugaboy Note.

(c) The Parties acknowledge and agree that there were no Interim Note Payments.

3. Reduction to the Outstanding HMIT Class 10 Interest; Pro Rata Distribution.

(a) In accordance with the Settlement Agreement, the Plan and the Claimant Trust Agreement, the outstanding HMIT Class 10 Interest is hereby reduced by the Agreed Value.

(b) On the Effective Date, the Claimant Trust shall make a Pro Rata cash distribution to the Holders of allowed Class 10 Claims or Equity Interests other than HMIT based on the Agreed Value.

4. Representations and Warranties. Each Party severally represents and warrants as to itself only that: (i) it has taken all necessary action to authorize and approve the execution, delivery and performance of this Agreement; (ii) such Party has full power and authority to execute and deliver this Agreement; and (iii) this Agreement constitutes a valid, legal and binding obligation of such Party, and is enforceable subject to its terms. Each individual signatory hereto individually warrants and represents to all Parties hereto that such individual has full power and authority to act on behalf of and bind the Party for which he or she has executed this Agreement; provided, however that no signatory shall otherwise provide any warranty or representation or otherwise be a party to this Agreement on an individual basis.

5. Execution. This Agreement may be executed by the exchange of signatures by facsimile or by PDF attachment to an email transmittal and in counterparts, and if so executed, shall be fully executed when a counterpart has been executed and delivered by all Parties hereto through counsel. All counterparts taken together shall constitute one and the same agreement and shall be fully enforceable as such.

6. Fees and Expenses. Each Party will bear its respective fees, costs and expenses (including legal, accounting and other professional fees) incurred in connection with the preparation, negotiation, execution and performance of this Agreement or the transactions contemplated hereby. Notwithstanding the foregoing, if any Party hereto, any Highland Released Party, or any HMIT Released Party brings an Action to enforce or interpret the terms and provisions of this Agreement, the prevailing Person in that Action shall be entitled to have and recover from the non-prevailing Person all such fees, costs and expenses (including all court costs and reasonable attorneys' fees) as the prevailing Person may suffer or incur in the pursuit or defense of such action or proceeding.

7. Entire Agreement; No Other Representations. **THIS AGREEMENT AND THE SETTLEMENT AGREEMENT CONTAIN THE ENTIRE AGREEMENT BETWEEN THE PARTIES, AND NO RIGHTS ARE CREATED IN FAVOR OF ANY PERSON OTHER THAN AS SPECIFIED OR EXPRESSLY SET FORTH IN THIS AGREEMENT OR THE**

**SETTLEMENT AGREEMENT. THERE ARE NO REPRESENTATIONS, CONDITIONS, WARRANTIES, STATEMENTS, OR UNDERSTANDINGS (COLLECTIVELY, “REPRESENTATIONS”), EITHER ORAL OR WRITTEN, BETWEEN THE PARTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT OR THE SETTLEMENT AGREEMENT. THE PARTIES EXPRESSLY AGREE THAT THEY HAVE NOT BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY ANY REPRESENTATIONS NOT SET FORTH IN THIS AGREEMENT OR THE SETTLEMENT AGREEMENT; AND THE PARTIES EXPRESSLY AGREE THAT THEY HAVE NOT RELIED ON ANY REPRESENTATIONS NOT EXPRESSLY SET FORTH IN THIS AGREEMENT OR THE SETTLEMENT AGREEMENT. THE PARTIES EXPRESSLY AGREE THAT THEY ARE ENTERING INTO THIS AGREEMENT RELYING SOLELY ON THEIR OWN JUDGMENT AND NOT ON ANY REPRESENTATIONS BY ANY PARTY, EXCEPT FOR THOSE REPRESENTATIONS EXPRESSLY SET FORTH IN THIS AGREEMENT OR THE SETTLEMENT AGREEMENT. THE PARTIES AGREE THAT REPRESENTATIONS NOT EXPRESSLY SET FORTH IN THIS AGREEMENT OR THE SETTLEMENT AGREEMENT SHALL NOT BE USED IN THE INTERPRETATION OR CONSTRUCTION OF THIS AGREEMENT, AND NEITHER THE HMIT RELEASED PARTIES NOR THE HIGHLAND RELEASED PARTIES SHALL HAVE ANY LIABILITY FOR ANY CONSEQUENCES ARISING AS A RESULT OF ANY REPRESENTATIONS NOT SET FORTH IN THIS AGREEMENT OR THE SETTLEMENT AGREEMENT.**

8. Cooperation. The Parties agree to perform any services or actions reasonably necessary to carry out the terms and conditions of this Agreement or the transactions contemplated hereby, including the execution and delivery of reasonable additional documents, instruments, conveyances and/or assurances, in good faith, and to reasonably communicate and cooperate with one another in this regard.

9. Governing Law. This Agreement shall be construed pursuant to and governed by the laws of the State of Delaware (substantive and procedural) without reference to principles of conflicts of law that would result in the application of any other State’s laws.

10. Jurisdiction/Venue. The Parties hereby irrevocably submit to the jurisdiction and venue of the Bankruptcy Court with respect to any Action arising out of or related to this Agreement or the subject matter hereof; if (and only if) the Bankruptcy Court lacks personal or subject matter jurisdiction to adjudicate an Action arising out of or related to this Agreement or the subject matter hereof, then the Parties irrevocably submit to the jurisdiction and venue of the United States District Court for the Northern District of Texas.

11. Notices. All notices required or permitted to be provided hereunder shall be afforded to the respective parties to and through their counsel, and shall be transmitted simultaneously by electronic mail (with PDF attachments, as necessary) and by telefax, addressed as follows:

To Highland, the Claimant Trust or the Indemnity Trust:

**PACHULSKI STANG ZIEHL AND JONES LLP**

Jeffrey N. Pomerantz  
John A. Morris  
10100 Santa Monica Boulevard  
Los Angeles, California 90067-4003  
310.277.6910  
jpomerantz@pszjlaw.com  
jmorris@pszjlaw.com

To HMIT:

**KELLY HART PITRE**

Louis M. Phillips  
Amelia Hurt  
301 Main Street, Suite 1600  
Baton Rouge, LA 70801  
225.381.9643  
Louis.Phillips@Kellyhart.com  
Amelia.Hurt@Kellyhart.com

12. Other Provisions.

(a) No representation, inducement, agreement, promise or understandings altering, modifying, amending, taking from or adding to, the terms and conditions hereof shall have any force or effect unless the same is in writing and validly executed by each of the Parties hereto.

(b) The waiver by any Party of any breach of, or default under, any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach or default; provided, however, that for any such waiver to be enforceable, it shall be in writing and executed by the non-breaching Party.

(c) The headings contained in this Agreement are for convenience only and shall in no way restrict or otherwise affect the construction of the provisions hereof.

(d) Should any term, provision or paragraph of this Agreement be determined to be illegal or void or of no force and effect, the balance of the Agreement shall survive. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity and enforceability of any other provision of this Agreement.


(e) Unless the express context otherwise requires: (a) the words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement; (b) words defined in the singular shall have a comparable meaning when used in the plural, and vice versa; (c) the words “Dollars” and “\$” mean U.S. dollars; (d) references herein to a specific Section, Subsection,

Recital, Schedule or Exhibit shall refer, respectively, to Sections, Subsections, Recitals, Schedules or Exhibits of this Agreement; (e) wherever the word “include,” “includes” or “including” is used in this Agreement, it shall be deemed to be followed by the words “,without limitation,”; (f) references herein to any gender shall include each other gender; (g) references herein to any Person shall include such Person’s heirs, executors, personal representatives, administrators, successors and assigns; provided, however, that nothing contained in this clause (g) is intended to authorize any assignment or transfer not otherwise permitted by this Agreement; (h) with respect to the determination of any period of time, the word “from” means “from and including” and the words “to” and “until” each means “to but excluding”; (i) the word “or” shall be disjunctive but not exclusive; (j) the headings contained in this Agreement are intended solely for convenience and shall not affect the rights of the Parties; and (k) if the last day for the giving of any notice or the performance of any act required or permitted under this Agreement is a day that is not a Business Day, then the time for the giving of such notice or the performance of such action shall be extended to the next succeeding Business Day.


*[Signature Page Follows.]*

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.


HIGHLAND CAPITAL MANAGEMENT, L.P.

By:   
Name: James P. Seery, Jr.  
Title: Chief Executive Officer


HIGHLAND CLAIMANT TRUST

By:   
Name: James P. Seery, Jr.  
Title: Claimant Trustee

HIGHLAND INDEMNITY TRUST

By:   
Name: James P. Seery, Jr.  
Title: Indemnity Trust Administrator

HUNTER MOUNTAIN INVESTMENT TRUST

  
By: \_\_\_\_\_  
Name: Mark Patrick  
Title: Administrator

**EXHIBIT A**

**Dugaboy Note**

*[Attached.]*



**PROMISSORY NOTE****\$24,268,621.69****May 31, 2017**

THIS PROMISSORY NOTE (this “**Note**”) is in substitution for and supersedes in its entirety that certain promissory note dated May 31, 2017, in the original face amount of **\$24,198,069.28** (the “**Amended Note**”), which was in substitution for and superseded in its entirety that certain promissory note dated December 28, 2016, in the original face amount of **\$23,817,639.58** (the “**Original Note**”), from The Dugaboy Investment Trust, as Maker, and The Get Good Non-Exempt Trust as Payee (collectively, the “**Prior Notes**”), together with the aggregate outstanding principal and accrued and unpaid interest represented thereby.

WHEREAS, The Get Good Non-Exempt Trust sold, transferred and assigned 97.6835% of its interest in the Original Note to Highland Capital Management, L.P. pursuant to that Purchase and Sale Agreement dated December 28, 2016 between Highland Capital Management, L.P. and The Get Good Non-Exempt Trust.

FOR VALUE RECEIVED, THE DUGABOY INVESTMENT TRUST (“**Maker**”) promises to pay to the order of HIGHLAND CAPITAL MANAGEMENT, L.P. and THE GET GOOD NON-EXEMPT TRUST (collectively, the “**Payee**”), in legal and lawful tender of the United States of America, the principal sum of TWENTY FOUR MILLION, TWO HUNDRED SIXTY-EIGHT THOUSAND, SIX HUNDRED TWENTY ONE AND 69/100 DOLLARS (\$24,268,621.69), together with interest, on the terms set forth below. All sums hereunder are payable to Payee at 300 Crescent Court, Suite 700, Dallas, Texas 75201, or such other address as Payee may specify to Maker in writing from time to time.

1. **Interest Rate.** The unpaid principal balance of this Note from time to time outstanding shall bear interest at the rate of three and twenty-six hundredths percent (3.26%) per annum from the date hereof until Maturity Date (hereinafter defined), compounded annually on the anniversary of the date of this Note. Interest shall be calculated at a daily rate equal to 1/365th (1/366 in a leap year) of the rate per annum, shall be charged and collected on the actual number of days elapsed, and shall be payable annually.

2. **Payment of Principal and Interest.** Principal and interest under this Note shall be payable as follows:

2.1 **Annual Payment Dates.** During the term of this Note, Borrower shall pay the outstanding principal amount of the Note (and all unpaid accrued interest through the date of each such payment) in thirty (30) equal annual payments (the “**Annual Installment**”) until the Note is paid in full. 97.6835% of each Annual Installment shall be paid to Highland Capital Management, L.P. and the remaining 2.3165% shall be paid to The Get Good Non-Exempt Trust. Borrower shall pay the Annual Installment on the 31<sup>st</sup> day of December of each calendar year during the term of this Note, commencing on the first such date to occur after the date of execution of this Note.

2.2 **Final Payment Date.** The final payment in the aggregate amount of the then outstanding and unpaid Note, together with all accrued and unpaid interest thereon, shall become immediately due and payable in full on December 31, 2047 (the “**Maturity Date**”).



3. Prepayment Allowed; Renegotiation Discretionary. Maker may prepay in whole or in part the unpaid principal or accrued interest of this Note. Any payments on this Note shall be applied first to unpaid accrued interest hereon, and then to unpaid principal hereof.

4. Acceleration Upon Default. Failure to pay this Note or any installment hereunder as it becomes due shall, at the election of the holder hereof, without notice, demand, presentment, notice of intent to accelerate, notice of acceleration, or any other notice of any kind which are hereby waived, mature the principal of this Note and all interest then accrued, if any, and the same shall at once become due and payable and subject to those remedies of the holder hereof. No failure or delay on the part of Payee in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

5. Waiver. Maker hereby waives grace, demand, presentment for payment, notice of nonpayment, protest, notice of protest, notice of intent to accelerate, notice of acceleration and all other notices of any kind hereunder.

6. Attorneys' Fees. If this Note is not paid at maturity (whether by acceleration or otherwise) and is placed in the hands of an attorney for collection, or if it is collected through a bankruptcy court or any other court after maturity, the Maker shall pay, in addition to all other amounts owing hereunder, all actual expenses of collection, all court costs and reasonable attorneys' fees and expenses incurred by the holder hereof.

7. Limitation on Agreements. All agreements between Maker and Payee, whether now existing or hereafter arising, are hereby limited so that in no event shall the amount paid, or agreed to be paid to Payee for the use, forbearance, or detention of money or for the payment or performance of any covenant or obligation contained herein or in any other document evidencing, securing or pertaining to this Note, exceed the maximum interest rate allowed by law. The terms and provisions of this paragraph shall control and supersede every other provision of all agreements between Payee and Maker in conflict herewith.

8. Governing Law. This Note and the rights and obligations of the parties hereunder shall be governed by the laws of the United States of America and by the laws of the State of Texas, and is performable in Dallas County, Texas.

9. Prior Notes. The original of each of the Original Note and the Amended Note superseded hereby shall be marked "VOID" by Payee.

MAKER:

THE DUGABOY INVESTMENT TRUST

By: 

Name: Nancy Dondero

Title: Trustee

**EXHIBIT B**

**Valuation Report**

*[Attached.]*

## PROMISSORY NOTE – DUGABOY INVESTMENT TRUST (MAY 31, 2017 ISSUANCE)

FAIR MARKET VALUE ANALYSIS OF THE PROMISSORY NOTE ISSUED BY THE DUGABOY INVESTMENT TRUST (MAY 31, 2017 ISSUANCE)  
HELD BY HIGHLAND CAPITAL MANAGEMENT, LP AS OF MAY 31, 2025

DISTRIBUTED JUNE 24, 2025



Table of Contents

The primary team members responsible for the preparation of this deliverable are:

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**Andrew Shotwell, ABV**  
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Note: All schedules are presented in actual United States Dollars ("USD Actual") unless specifically noted otherwise.

Schedule Identifiers	Page Number	Schedule Name
PREFACES		
Preface I	Page 1	Cover
Preface II	Page 2	Table of Contents
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Summary I	Page 3	Executive Summary
SUPPORTING SCHEDULES		
Schedule 1	Page 4	Analysis Summary
Schedule 2	Page 5	Promissory Note Analysis - Low Scenario
Schedule 3	Page 6	Promissory Note Analysis - High Scenario
Schedule 4	Page 7	Discount Rate Analysis
APPENDIXES		
Appendix I	Page 8	Documents Considered
Appendix II	Page 9	Terms and Conditions
Appendix III	Page 10	Valuators' Certification

**Executive Summary**

**Description of Engagement**

Weaver and Tidwell, L.L.P. ("Weaver," "our," "us," and "we") performed valuation related services (the "Services") for Hunter Mountain Investment Trust ("you," "your," "HMIT," and "Entity"). The Services, which are advisory in nature, relate to assessing the value of the May 31, 2017 promissory note (the "Subject Interest" or "Note") issued by the Dugaboy Investment Trust (the "Issuer") held by Highland Capital Management, LP ("Highland"). The effective date of the Services was as of May 31, 2025 (the "Valuation Date"). We valued the Subject Interest in accordance with the Statement on Standards for Valuation Services No. 1 and Statement on Standards for Consulting Services No. 1 as established by the American Institute of Certified Public Accountants (the "AICPA").

**Standard of Value**

The standard of value for our analysis is Fair Market Value ("FMV"), which is defined in Revenue Ruling 59-60, 1959-1 C.B. 237 and Section 20.2031-1(b) of the Estate Tax Regulations as "the price at which the property would change hands between a willing buyer and willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having knowledge of the relevant facts."

**Concluded Value of the Promissory Note**

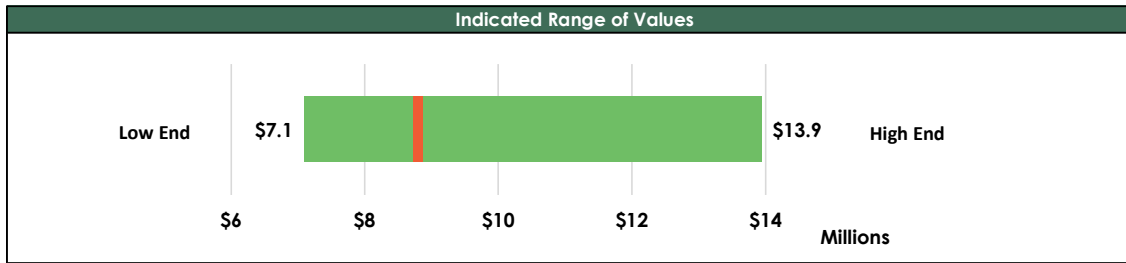
**\$8,610,000**

**Eight Million, Six-Hundred Ten Thousand Dollars**

Analysis Summary

Summary

We valued the Note issued by Dugaboy Investment Trust (the "Issuer") as of March 31, 2025. The management team of HMIT ("Management") indicated that the Note had an outstanding balance of \$17,806,565 as of September 30, 2024, inclusive of principal and accrued interest. In estimating the FMV of the Note, we used a base discount rate consistent with a BBB credit rating, which we believe approximated the Issuer's credit quality at the time of issuance. While we do not have definitive evidence that the Issuer's credit rating has deteriorated, we believe it is highly likely given available financial information and other risk indicators. As such, we also considered a discount rate reflective of a CCC rating to capture the potential downside. Our valuation reflects this high/low analysis, with the selected discount rate informed by both historical context and the elevated credit risk as of the Valuation Date. Schedule 4 discusses the derivation of discount rates in detail.



High/Low Value Conclusion	Low Value (2)	High Value (3)
Discount Rate	18.63%	6.50%
Indicated Note Value	7,099,707	13,938,629
Weighting (4)	75.0%	25.0%
Weighted Value of Note (4)	5,324,781	3,484,657
Sum of Weighted Value		8,809,438
Percentage of Note Held (1)		97.6835%
Indicated FMV of the Note, rounded		8,610,000

Notes:

- (1) The information herein is derived from the "Dugaboy Promissory Note Agreement" dated May 31, 2017 (the "Agreement") and from Management's internal financial statements for the years ended 2016 through 2020.
- (2) Refer to Schedule 2.
- (3) Refer to Schedule 3.
- (4) While there is uncertainty around the Issuer's precise credit standing, we placed more weight on the low (credit deterioration) scenario, since publicly available information suggests a higher likelihood of credit deterioration. Even with these weightings, we acknowledge that we lack definitive financial statements or relevant third-party ratings of the Valuation Date that would confirm a specific downgrade and overall creditworthiness. As such, the full spectrum of valuation indications are within the realm of possibility.

## Promissory Note Analysis - Low Scenario

## Note Attributes

Effective Date (1)	5/31/2017
Principal and Interest as of 9/30/2025 (2)	18,228,836
Interest Rate (1)	3.26%
Market Rate (3)	18.63%

## Principal Calculation

Balance Date (1)	9/30/2025
Principal and Interest (2)	18,228,836
Duration of Accrued Interest (4)	0.75
Principal (4)	17,794,942
Accrued Interest (4)	433,894

Date	Rate	Beginning Balance	Accrued Interest	Principal Payment (5)	Ending Balance	Discount Period (Years)	Discount Factor	Present Value of Payments
5/31/2025	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
12/31/2025	3.26%	17,794,942	580,115	806,907	16,988,035	0.58	0.9052	1,255,474
12/31/2026	3.26%	16,988,035	553,810	808,954	16,179,081	1.58	0.7630	1,039,821
12/31/2027	3.26%	16,179,081	527,438	808,954	15,370,127	2.58	0.6432	859,578
12/31/2028	3.26%	15,370,127	501,066	808,954	14,561,173	3.58	0.5422	710,302
12/31/2029	3.26%	14,561,173	474,694	808,954	13,752,219	4.58	0.4571	586,711
12/31/2030	3.26%	13,752,219	448,322	808,954	12,943,265	5.58	0.3853	484,420
12/31/2031	3.26%	12,943,265	421,950	808,954	12,134,311	6.58	0.3248	399,788
12/31/2032	3.26%	12,134,311	395,579	808,954	11,325,357	7.58	0.2738	329,790
12/31/2033	3.26%	11,325,357	369,207	808,954	10,516,403	8.58	0.2308	271,917
12/31/2034	3.26%	10,516,403	342,835	808,954	9,707,449	9.58	0.1946	224,088
12/31/2035	3.26%	9,707,449	316,463	808,954	8,898,494	10.58	0.1640	184,575
12/31/2036	3.26%	8,898,494	290,091	808,954	8,089,540	11.58	0.1383	151,945
12/31/2037	3.26%	8,089,540	263,719	808,954	7,280,586	12.58	0.1165	125,012
12/31/2038	3.26%	7,280,586	237,347	808,954	6,471,632	13.58	0.0982	102,791
12/31/2039	3.26%	6,471,632	210,975	808,954	5,662,678	14.58	0.0828	84,466
12/31/2040	3.26%	5,662,678	184,603	808,954	4,853,724	15.58	0.0698	69,362
12/31/2041	3.26%	4,853,724	158,231	808,954	4,044,770	16.58	0.0588	56,918
12/31/2042	3.26%	4,044,770	131,860	808,954	3,235,816	17.58	0.0496	46,672
12/31/2043	3.26%	3,235,816	105,488	808,954	2,426,862	18.58	0.0418	38,240
12/31/2044	3.26%	2,426,862	79,116	808,954	1,617,908	19.58	0.0353	31,306
12/31/2045	3.26%	1,617,908	52,744	808,954	808,954	20.58	0.0297	25,606
12/31/2046	3.26%	808,954	26,372	808,954	-	21.58	0.0250	20,925

## Fair Market Value

7,099,707

## Note:

- (1) Refer to the Agreement.
- (2) Per Management, as of September 30, 2025, the outstanding principal and accrued interest balance was \$17,806,565 for their 97.6835% ownership interest.
- (3) Refer to Schedule 4.
- (4) Reflects the calculated principal and accrued interest for the period from December 31, 2024, through September 30, 2025, adjusted to reflect the beginning balance as of December 31, 2025.
- (5) Management indicated that the Issuer overpaid by approximately \$2,000 at the end of 2024. This overpayment was subsequently applied to the principal payment due as of December 31, 2025.

**Note Attributes**

Effective Date (1)	5/31/2017
Principal and Interest as of 9/30/2025 (2)	18,228,836
Interest Rate (1)	3.26%
Market Rate (3)	6.50%

**Principal Calculation**

Balance Date (1)	9/30/2025
Principal and Interest (2)	18,228,836
Duration of Accrued Interest (4)	0.75
Principal (4)	17,794,942
Accrued Interest (4)	433,894

Date	Rate	Beginning Balance	Accrued Interest	Principal Payment (5)	Ending Balance	Discount Period (Years)	Discount Factor	Present Value of Payments
5/31/2025	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
12/31/2025	3.26%	17,794,942	580,115	806,907	16,988,035	0.58	0.9639	1,337,011
12/31/2026	3.26%	16,988,035	553,810	808,954	16,179,081	1.58	0.9051	1,233,481
12/31/2027	3.26%	16,179,081	527,438	808,954	15,370,127	2.58	0.8499	1,135,811
12/31/2028	3.26%	15,370,127	501,066	808,954	14,561,173	3.58	0.7981	1,045,467
12/31/2029	3.26%	14,561,173	474,694	808,954	13,752,219	4.58	0.7494	961,919
12/31/2030	3.26%	13,752,219	448,322	808,954	12,943,265	5.58	0.7036	884,674
12/31/2031	3.26%	12,943,265	421,950	808,954	12,134,311	6.58	0.6607	813,275
12/31/2032	3.26%	12,134,311	395,579	808,954	11,325,357	7.58	0.6204	747,294
12/31/2033	3.26%	11,325,357	369,207	808,954	10,516,403	8.58	0.5825	686,338
12/31/2034	3.26%	10,516,403	342,835	808,954	9,707,449	9.58	0.5470	630,037
12/31/2035	3.26%	9,707,449	316,463	808,954	8,898,494	10.58	0.5136	578,052
12/31/2036	3.26%	8,898,494	290,091	808,954	8,089,540	11.58	0.4823	530,065
12/31/2037	3.26%	8,089,540	263,719	808,954	7,280,586	12.58	0.4529	485,782
12/31/2038	3.26%	7,280,586	237,347	808,954	6,471,632	13.58	0.4252	444,929
12/31/2039	3.26%	6,471,632	210,975	808,954	5,662,678	14.58	0.3993	407,253
12/31/2040	3.26%	5,662,678	184,603	808,954	4,853,724	15.58	0.3749	372,518
12/31/2041	3.26%	4,853,724	158,231	808,954	4,044,770	16.58	0.3521	340,506
12/31/2042	3.26%	4,044,770	131,860	808,954	3,235,816	17.58	0.3306	311,013
12/31/2043	3.26%	3,235,816	105,488	808,954	2,426,862	18.58	0.3104	283,851
12/31/2044	3.26%	2,426,862	79,116	808,954	1,617,908	19.58	0.2915	258,846
12/31/2045	3.26%	1,617,908	52,744	808,954	808,954	20.58	0.2737	235,836
12/31/2046	3.26%	808,954	26,372	808,954	-	21.58	0.2570	214,670

**Fair Market Value****13,938,629****Note:**

- (1) Refer to the Agreement.
- (2) Per Management, as of September 30, 2025, the outstanding principal and accrued interest balance was \$17,806,565 for their 97.6835% ownership interest.
- (3) Refer to Schedule 4.
- (4) Reflects the calculated principal and accrued interest for the period from December 31, 2024, through September 30, 2025, adjusted to reflect the beginning balance as of December 31, 2025.
- (5) Management indicated that the Issuer overpaid by approximately \$2,000 at the end of 2024. This overpayment was subsequently applied to the principal payment due as of December 31, 2025.



Discount Rate Analysis

SOFR Spread - Issuance (1)			
Yield to Maturity	5/31/2017	SOFR	Implied SOFR Spread
All	4.85%	1.07%	3.78%
B	5.23%	1.07%	4.15%
BB	4.06%	1.07%	2.98%
<b>BBB</b>	<b>3.23%</b>	<b>1.07%</b>	<b>2.15%</b>
CCC	10.30%	1.07%	9.23%

SOFR Spread - Valuation Date (1)			
Yield to Maturity	5/30/2025	SOFR	Implied SOFR Spread
All	8.55%	4.31%	4.24%
B	8.61%	4.31%	4.30%
BB	6.97%	4.31%	2.66%
BBB	6.19%	4.31%	1.88%
<b>CCC</b>	<b>18.63%</b>	<b>4.31%</b>	<b>14.32%</b>

Implied Base Rate at Issuance	
Interest Rate (2)	3.26%
SOFR (1)	1.07%
<b>Base Rate as of Issuance</b>	<b>2.19%</b>

High Scenario, Assuming BBB Rating (3)	
Base Rate	2.19%
SOFR as of Valuation Date (1)	4.31%
<b>Adjusted Base Rate as of Valuation Date</b>	<b>6.50%</b>

Low Scenario, Assuming CCC Rating (4)	
<b>CCC Yield as of Valuation Date (1)</b>	<b>18.63%</b>

Note

- (1) Source: PitchBook.
- (2) Refer to the Agreement.
- (3) In developing the high scenario for the discount rate, we assumed that the Issuer's credit quality remained consistent with our estimate at the time of the Note's issuance, which we approximated as BBB-rated. Using market data as of May 31, 2017, we derived an implied base rate of 2.19%, calculated by subtracting the then SOFR rate of 1.07% from the yield to maturity for BBB-rated debt (3.23%). To adjust this rate for current market conditions, we incorporated the SOFR as of the Valuation Date (4.31%), resulting in a high scenario adjusted base rate of 6.50%. This rate reflects the most favorable reasonable view of the Issuer's credit risk, assuming no material deterioration since issuance. However, we had no access to recent underlying financial statements as of the Valuation Date and therefore have no ability to independently assess the current creditworthiness of the underlying entity beyond what is publicly available .
- (4) Building on this, the low scenario reflects a more conservative perspective that accounts for the likelihood of credit deterioration over time. Although we do not have definitive evidence of a downgrade, available information suggests that the Issuer's financial and legal circumstances have likely worsened. Under this scenario, we assumed the Issuer's credit quality had declined to a CCC rating as of the Valuation Date. Based on market data from May 30, 2025, the yield to maturity for CCC-rated debt was 18.63%. This rate captures the elevated risk profile associated with a CCC-rated entity and serves as the downside boundary for our valuation analysis. It is important to note that we had no access to recent underlying financial statements as of the Valuation Date and therefore could not independently assess the Issuer's current financial condition. However, there is public information indicating increased litigious liabilities associated with the Issuer, which further supports the assumption of credit deterioration in this scenario.

**Documents Considered**

Weaver valued the Subject Interest in accordance with generally accepted valuation standards. Additionally, we accepted information obtained from HMIT as fairly reflecting the operating and financial characteristics of the Issuer and made limited investigations as to the accuracy and completeness of the information provided. The documents considered include, but are not limited to:

- > Dugaboy Promissory Note Agreement dated May 31, 2017; and
- > Management provide internal financial statements for the Dugaboy Investment Trust for the years ended 2016 through 2020.

We also conducted such other reviews, analyses and inquires and considered such other economic, industry, market, financial, and other information and data reasonably deemed appropriate by Weaver.

Additionally, we relied on information provided by the following third party sources, which were not independently verified.

- > S&P Capital IQ;
- > PitchBook; and
- > U.S. Department of the Treasury Daily Yield Curve Rates.

Weaver has not audited, reviewed or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.

**Terms and Conditions**

These schedules by Weaver and Tidwell, L.L.P. (the "Deliverable") are subject to and governed by the following terms and conditions.

**Distribution and use of work product limited**

The Client and/or Entity shall not disclose, orally or in writing, any Deliverable or portion, abstract or summary thereof, or make reference to Weaver in any registration statement, prospectus, offering memorandum, sales brochure, other appraisal, loan or other agreement or document for general circulation or publication nor given to any third parties without obtaining the prior written consent of Weaver. To the extent the Client and/or Entity is allowed to disclose any Deliverable as set forth herein, it shall disclose such Deliverable only in the original, complete and unaltered form provided by Weaver, with all restrictive legends and other agreements intact. As required by U.S. Treasury rules, you should be aware that, unless expressly stated otherwise, any U.S. federal tax advice contained in this Deliverable, including attachments, is not intended or written to be used, and cannot be used, by any recipient for the purpose of avoiding any penalties that may be imposed on the recipient by the Internal Revenue Service under the United States

**Deliverable and underlying analysis is not a fairness opinion**

The Deliverable should not be construed in any way as providing our opinion of the fairness of an actual or proposed transaction, a solvency opinion, or an investment recommendation.

**Underlying assumptions for Subject Interest**

Unless stated otherwise, our Deliverable and analysis (i) assumes that, as of the Valuation Date, the assets of the Entity, will continue to operate as configured as a going concern; (ii) is based on the past, present and future projected financial condition of the Entity, and all related assets, as of the Valuation Date; and (iii) assumes the Entity has no undisclosed, real or contingent, assets or liabilities, other than in the ordinary course of business, that would have a material effect on our Deliverable or analysis.

**Management assumed to be competent**

During the period of expected ownership, our Deliverable and corresponding analysis assumes the Entity's management will exhibit competent behavior. We did not undertake any analysis to assess the effectiveness of Management, nor are we responsible for future marketing efforts and other management or ownership actions upon which actual results will depend.

**Not obligated to provide services after completion**

There is no obligation to furnish services after completion of the original assignment. If additional services are required subsequent to the completion of our Deliverable, such as updates, conferences, testimony, preparation for testimony, document production, interrogatory response preparation, or reprint and copy services whether by request of the Client, Entity or by subpoena or other legal process initiated by any party other than the Client or Entity, the Entity agrees to compensate Weaver for its time at its current standard hourly rates plus all expenses incurred in the performance of the additional services required. It is within Weaver's right to make any necessary adjustments to the analysis, opinion and conclusion set forth in the Deliverable by consideration of additional or more reliable data that may become available.

**No opinion is rendered as to legal fee or property title**

No opinion is rendered as to legal fee or property title. No opinion is intended to be expressed for matters that require legal, engineering or other specialized expertise beyond that customarily employed by consultants/appraisers valuing businesses and/or assets.

**Liens and encumbrances**

We will give no consideration to liens or encumbrances except as specifically stated. We will assume that all required licenses and permits are in full force and effect, and we make no independent on-site tests to identify the presence of any potential environmental risks. We assume no responsibility for the acceptability of the valuation approaches used in our Deliverable as legal evidence in any particular court or

**Information relied upon**

Information, estimates and opinions contained in the Deliverable are obtained from sources considered to be reliable; no responsibility, whether legal or otherwise, is assumed for its accuracy and cannot be guaranteed as being certain. All financial data, operating histories and other data relating to income and expenses attributed to the business have been provided by Management or its representatives and have not been independently verified except as specifically stated in the Deliverable.

**Prospective financial information**

The Deliverable may contain prospective financial information, estimates or opinions that represent reasonable expectations at a particular point in time, but such information, estimates or opinions are not offered as forecasts, prospective financial statements or opinions, predictions or as assurances that a particular level of income or profit will be achieved, that events will occur or that a particular price will be offered or accepted. The success or failure in achieving the prospective financial analysis described in our Deliverable depends on a variety of factors, some of which are beyond the Client, Entity and/or the Subject Interest as well as Management's control, such as competition and an economic slow-down. Differences between prospective and actual financials results are often material. Any use of management's projections or forecasts in our analysis will not constitute an examination, review or compilation of prospective financial statements in accordance with standards established by the American Institute of Certified Public Accountants ("AICPA"). We will not express an opinion or any other form of assurance on the reasonableness of the underlying assumptions or whether any of the prospective financial statements, if used, are presented in conformity with AICPA presentation guidelines.

**Valuators' Certification**

We certify that, to the best of our knowledge and belief:

- (1) The statements of fact contained in this analysis are true and correct, subject to the assumptions and conditions stated.
- (2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, unbiased, and professional analyses, opinions, and conclusions.
- (3) Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- (4) The economic and industry data included in the analysis have been obtained from various printed or electronic reference sources that the valuation analyst believes to be reliable. The valuation analyst has not performed any corroborating procedures to substantiate data.
- (5) The use of the valuation report is restricted to those parties identified herein. This valuation report is not intended to be and should not be used by anyone other than such parties.
- (6) We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
- (7) Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- (8) Our analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the American Society of Appraisers and the AICPA's Statement on Standards for Valuation Services No.1.
- (9) We have not performed appraisal services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- (10) This analysis was prepared under the direction of Tyler Ridley, CPA. None of the professionals who worked on this engagement nor the partners of Weaver and Tidwell, LLP have any present or contemplated future interest in HMIT, or any personal interest with respect to the parties involved, or any other interest that might prevent us from performing an unbiased valuation. No one provided significant professional assistance to Tyler Ridley, except Andrew Shotwell, ABV.



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Tyler Ridley, CPA - Partner