

PACHULSKI STANG ZIEHL & JONES LLP
Jeffrey N. Pomerantz (admitted *pro hac vice*)
John A. Morris (admitted *pro hac vice*)
Gregory V. Demo (admitted *pro hac vice*)
Hayley R. Winograd (admitted *pro hac vice*)
10100 Santa Monica Blvd., 13th Floor
Los Angeles, CA 90067
Tel: (310) 277-6910

HAYWARD PLLC
Melissa S. Hayward
Texas Bar No. 24044908
MHayward@HaywardFirm.com
Zachery Z. Annable
Texas Bar No. 24053075
ZAnnable@HaywardFirm.com
10501 N. Central Expy, Ste. 106
Dallas, Texas 75231
Tel: (972) 755-7100

Counsel for Highland Claimant Trust

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

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

**HIGHLAND CLAIMANT TRUST'S *AMENDED*² WITNESS AND EXHIBIT LIST WITH
RESPECT TO HEARING TO BE HELD ON SEPTEMBER 18, 2025**

Highland Capital Trust (the "Claimant Trust") for the above-captioned chapter 11 case (the "Bankruptcy Case"), by and through its undersigned counsel, submits the following amended witness and exhibit list with respect to its *Motion for Order Fixing Allowed Amount of*

¹ Highland's last four digits of its taxpayer identification number are (8357). The headquarters and service address for Highland is 100 Crescent Court, Suite 1850, Dallas, TX 75201.

² For ease of reference, amended items appear in bold font.



Class 11 Interests [Docket No. 4362], which the Court has set for hearing at 2:30 p.m. (Central Time) on September 18, 2025 (the “Hearing”) in the Bankruptcy Case.

A. Witnesses:

1. James P. Seery, Jr.;
2. Any witness identified by or called by any other party; and
3. Any witness necessary for rebuttal.

B. Exhibits:

Number	Exhibit	Offered	Admitted
1.	<i>Fourth Amended and Restated Agreement of Limited Partnership of Highland Capital Management, L.P.</i> [HCMLPHMIT00002641-HCMLPHMIT00002676] [Docket No. 4255-114]		
2.	Excerpts from the <i>Fifth Amended Plan of Reorganization of Highland Capital Management, L.P. (as Modified)</i> [Docket No. 1943, Exhibit A]		
3.	Excerpts from the <i>Claimant Trust Agreement</i> [Docket No. 1811, Exhibit R]		
4.	<i>Highland Capital Management, L.P. Consolidated Financial Statements and Supplemental Information, December 31, 2018</i> [HCMLPHMIT00002548-HCMLPHMIT00002593] [Docket No. 4255-113]		
5.	Excerpts from <i>2018 Tax Return for Highland Capital Management, LP</i> (sig page, p. 1 of return, p. 1 of each partner’s Schedule K-1 (Strand, Okada, MAP 1, MAP 2, Dugaboy, HMIT) [HCMLPHMIT00001332; HCMLPHMIT00001336; HCMLPHMIT00001414; HCMLPHMIT00001419; HCMLPHMIT00001424; HCMLPHMIT00001429; HCMLPHMIT00001434; HCMLPHMIT00001439] [Docket No. 4255-115] ³		

³ Highland Capital Management, L.P.’s complete tax return for 2018 was previously produced to Dugaboy.

Number	Exhibit	Offered	Admitted
6.	Excerpts from <i>2019 Tax Return for Highland Capital Management, LP</i> (sig page, p. 1 of return, p. 1 of each partners' Schedule K-1 (Strand, Okada, MAP 1, MAP 2, Dugaboy, HMIT) [HCMLPHMIT00001726; HCMLPHMIT00001766; HCMLPHMIT00001865; HCMLPHMIT00001870; HCMLPHMIT00001875; HCMLPHMIT00001880; HCMLPHMIT00001885; HCMLPHMIT00001890] [Docket No. 4255-116] ⁴		
7.	<i>Monthly Operating Report – FINAL November 2019</i> [Docket No. 4255-117]		
8.	<i>Stipulated and Agreed Order Resolving (A) HCLOM, Ltd. 's Scheduled Claims 3.65 and 3.66; and (B) Highland Capital Management, L.P. 's (1) Objection and (2) Motion for a Bad Faith Finding and an Award for Attorney's Fees Against HCLOM, Ltd. and James Dondero in Connection Therewith</i> [HCMLPHMIT00003860-HCMLPHMIT00003866] [Docket Nos. 4199, 4255-68]		
9.	<i>Intercreditor and Participation Agreement with HCLOM</i> dated January 10, 2025 [HCMLPHMIT00003868-HCMLPHMIT00003871] [Docket No. 4255-69]		
10.	Email string from July 5, 2025 through September 3, 2025 concerning "Distributions to HCLOM"		
11.	Any document entered or filed in Highland Capital Management, L.P.'s chapter 11 bankruptcy case, including any exhibits thereto		
12.	All exhibits necessary for impeachment and/or rebuttal purposes		
13.	All exhibits identified by or offered by any other party at the Hearing		

⁴ Highland Capital Management, L.P.'s complete tax return for 2019 was previously produced to Dugaboy.

Dated: September 15, 2025.

PACHULSKI STANG ZIEHL & JONES LLP

Jeffrey N. Pomerantz (CA Bar No. 143717)

John A. Morris (NY Bar No. 2405397)

Gregory V. Demo (NY Bar No. 5371992)

Hayley R. Winograd (NY Bar No. 5612569)

10100 Santa Monica Blvd., 13th Floor

Los Angeles, CA 90067

Telephone: (310) 277-6910

Facsimile: (310) 201-0760

Email: jpomerantz@pszjlaw.com

jmorris@pszjlaw.com

gdemo@pszjlaw.com

hwinograd@pszjlaw.com

-and-

HAYWARD PLLC

/s/ Zachery Z. Annable

Melissa S. Hayward

Texas Bar No. 24044908

MHayward@HaywardFirm.com

Zachery Z. Annable

Texas Bar No. 24053075

ZAnnable@HaywardFirm.com

10501 N. Central Expy, Ste. 106

Dallas, Texas 75231

Tel: (972) 755-7100

Fax: (972) 755-7110

Counsel for Highland Claimant Trust

EXHIBIT 1

**FOURTH AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
HIGHLAND CAPITAL MANAGEMENT, L.P.**

THE PARTNERSHIP INTERESTS REPRESENTED BY THIS LIMITED PARTNERSHIP AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR UNDER ANY STATE SECURITIES ACTS IN RELIANCE UPON EXEMPTIONS UNDER THOSE ACTS. THE SALE OR OTHER DISPOSITION OF THE PARTNERSHIP INTERESTS IS PROHIBITED UNLESS THAT SALE OR DISPOSITION IS MADE IN COMPLIANCE WITH ALL SUCH APPLICABLE ACTS. ADDITIONAL RESTRICTIONS ON TRANSFER OF THE PARTNERSHIP INTERESTS ARE SET FORTH IN THIS AGREEMENT.

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Certain terms used in this Agreement are defined in Article 2.

GENERAL

“Class B NAV Ratio Trigger Period” means any period during which the Class B Limited Partner’s aggregate capital contributions, including the original principal balance of the Contribution Note, and reduced by the aggregate amount of distributions to the Class B Limited Partner, exceed 75 percent of the product of the Class B Limited Partner’s Percentage Interest multiplied by the total book value of the Partnership; provided, however, that the General Partner shall only be required to test for a Class B NAV Ratio Trigger Period annually, as of the last day of each calendar year; provided further the General Partner must complete the testing within 180 days of the end of each calendar year; provided further that if the test results in a Class B NAV Ratio Trigger Period, the General Partner may, at its own election, retest at any time to determine the end date of the Class B NAV Ratio Trigger Period.

“*Class C Limited Partnership Interest*” means a Partnership Interest held by a Partner in its capacity as a Class C Limited Partner.”

“Code” means the Internal Revenue Code of 1986, as amended and in effect from time to time.

“*Default Loan*” has the meaning set forth in Section 3.1(c)(i).

“*Delaware Act*” means the Delaware Revised Uniform Limited Partnership Act, Part IV, Title C, Chapter 17 of the Delaware Corporation Law Annotated, as it may be amended, supplemented or restated from time to time, and any successor to that Act.

“*Fiscal Year*” has the meaning set forth in Section 3.11(b).

“**Record Date**” means the date established by the General Partner for determining the identity of Limited Partners entitled to vote or give consent to Partnership action or entitled to exercise rights in respect of any other lawful action of Limited Partners.

“**Second Amended Buy-Sell and Redemption Agreement**” means that certain Second Amended and Restated Buy-Sell and Redemption Agreement, dated December 21, 2015, to be effective as of December 21, 2015 by and between the Partnership and its Partners, as may be amended, supplemented, or restated from time to time.

“**Securities**” means the following: (i) securities of any kind (including, without limitation, “securities” as that term is defined in Section 2(a)(1) of the Securities Act; (ii) commodities of any kind (as that term is defined by the U.S. Securities Laws and the rules and regulations promulgated thereunder); (iii) any contracts for future or forward delivery of any security, commodity or currency; (iv) any contracts based on any securities or group of securities, commodities or currencies; (v) any options on any contracts referred to in clauses (iii) or (iv); or (vi) any evidences of indebtedness (including participations in or assignments of bank loans or trade credit claims). The items set forth in clauses (i) through (vi) herein include, but are not limited to, capital stock, common stock, preferred stock, convertible securities, reorganization certificates, subscriptions, warrants, rights, options, puts, calls, bonds, mutual fund interests, debentures, notes, certificates of deposit, letters of credit, bankers acceptances, trust receipts and other securities of any corporation or other entity, whether readily marketable or not, rights and options, whether granted or written by the Partnership or by others, treasury bills, bonds and notes, any securities or obligations issued or guaranteed by the United States or any foreign country or any state or possession of the United States or any foreign country or any political subdivision or agency or instrumentality of any of the foregoing, and derivatives of any of the foregoing.

“**Securities Act**” means the Securities Act of 1933, as amended, and any successor to such statute.

“**Substitute Limited Partner**” has the meaning set forth in Section 4.6(a).

“**Transfer**” or derivations thereof, of a Partnership Interest means, as a noun, the transfer, sale, assignment, exchange, pledge, hypothecation or other disposition of a Partnership Interest, or any part thereof, directly or indirectly, and as a verb, voluntarily or involuntarily to transfer, sell, assign, exchange, pledge, hypothecate or otherwise dispose of.

“**Treasury Regulations**” means the Department of Treasury Regulations promulgated under the Code, as amended and in effect (including corresponding provisions of succeeding regulations).

2.2. Other Definitions. All terms used in this Agreement that are not defined in this Article 2 have the meanings contained elsewhere in this Agreement.

ARTICLE 3

FINANCIAL MATTERS

3.1. Capital Contributions.

(a) Initial Capital Contributions. The initial Capital Contribution of each Partner shall be set forth in the books and records of the Partnership.

(b) Additional Capital Contributions.

(i) Default Loans. If the Defaulting Partner so elects, the General Partner shall make a loan to the Defaulting Partner in an amount equal to that Defaulting Partner's additional capital contribution (a "**Default Loan**"). A Default Loan shall be deemed advanced on the date actually advanced. Default Loans shall earn interest on the outstanding principal amount thereof at a rate equal to the Applicable Federal Mid-Term Rate (determined by the Internal Revenue Service for the month in which the loan is deemed made) from the date actually advanced until the same is repaid in full. The term of any Default Loan shall be six (6) months, unless otherwise extended by the General Partner in its sole and unfettered discretion. If the General Partner makes a Default Loan, the Defaulting Partner shall not receive any distributions pursuant to Section 3.9(a) or Section 5.3 or any proceeds from the Transfer of all or any part of its Partnership Interest while the Default Loan remains unpaid. Instead, the Defaulting Partner's share of distributions or such other proceeds shall (until all Default Loans and interest thereon shall have been repaid in full) first be paid to the General Partner. Such payments shall be applied first to the payment of interest on such Default Loans and then to the repayment of the principal amounts thereof, but shall be considered, for all other purposes of this Agreement, to have been distributed to the Defaulting Partner. The Defaulting Partner shall be liable for the reasonable fees and expenses incurred by the General Partner (including, without limitation, reasonable attorneys' fees and disbursements) in connection with any enforcement or foreclosure upon any Default Loan and such costs shall, to the extent enforceable under applicable law, be added to the principal amount of the applicable Default Loan. In addition, at any time during the term of such Default Loan, the Defaulting Partner shall have the right to repay, in full, the Default Loan (including interest and any other charges). If the General Partner makes a Default Loan, the Defaulting Partner shall be deemed to have pledged to the General Partner and granted to the General Partner a continuing first priority security interest in, all of the Defaulting Partner's Partnership Interest to secure the payment of the principal of, and interest on, such Default Loan in accordance with the provisions hereof, and for such purpose this Agreement shall constitute a security agreement. The Defaulting Partner shall promptly execute, acknowledge and deliver such financing statements, continuation statements or other documents and take such other actions as the General Partner shall request in writing in order to perfect or continue the perfection of such security interest; and, if the Defaulting Partner shall fail to do so within seven (7) days after the Defaulting Partner's receipt of a notice making demand therefor, the General Partner is hereby appointed the attorney-in-fact of, and is hereby authorized on behalf of, the Defaulting Partner, to execute, acknowledge and deliver all such documents and take all such other actions as may be required to perfect such security interest. Such appointment and authorization are coupled with an interest and shall be irrevocable. The General Partner shall, prior to exercising any right or remedy (whether at law, in equity or pursuant to the terms hereof) available to it in connection with such security interest, provide to the Defaulting Partner a notice, in reasonable detail, of the right or remedy to be exercised and the intended timing of such exercise which shall not be less than five (5) days following the date of such notice.

(f) Partner Nonrecourse Deductions. Notwithstanding anything to the contrary in this Agreement, any Partner Nonrecourse Deductions for any taxable year or other period for which allocations are made will be allocated to the Partner who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which the Partner Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2(i).

(h) Section 481 Adjustments. Any allocable items of income, gain, expense, deduction or credit required to be made by Section 481 of the Code as the result of the sale, transfer, exchange or issuance of a Partnership Interest will be specially allocated to the Partner receiving said Partnership Interest whether such items are positive or negative in amount.

3.6. Code Section 704(c) Allocations. In accordance with Code Section 704(c) and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to property contributed to the capital of the Partnership shall, solely for tax purposes, be allocated among the Partners so as to take account of any variation at the time of the contribution between the tax basis of the property to the Partnership and the fair market value of that property. Except as otherwise provided herein, any elections or other decisions relating to those allocations shall be made by the General Partner in any manner that reasonably reflects the purpose and intent of this Agreement. Allocations of income, gain, loss and deduction pursuant to this Section 3.6 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, the Capital Account of any Partner or the share

(a) General. The General Partner may make such pro rata or non-pro rata distributions as it may determine in its sole and unfettered discretion, without being limited to current or accumulated income or gains, but no such distribution shall be made out of funds required to make current payments on Partnership indebtedness; provided, however, that the General Partner may not make non-pro rata distributions under this Section 3.9(a) during an NAV Ratio Trigger Period without the consent of the Class B Limited Partner (in the case of a Class B NAV Ratio Trigger Period) and/or the Class C Limited Partner (in the case of a Class C NAV Ratio Trigger Period); provided, further this provision should not be interpreted to limit in any way the General Partner's ability to make non-pro rata tax distributions under Section 3.9(c) and Section 3.9(f). The Partnership has entered into one or more credit facilities with financial institutions that may limit the amount and timing of distributions to the Partners. Thus, the Partners acknowledge that distributions from the Partnership may be limited. Any distributions made to the Class B Limited Partner or the Class C Limited Partner pursuant to Section 3.9(b) shall reduce distributions otherwise allocable to such Partners under this Section 3.9(a) until such aggregate reductions are equal to the aggregate distributions made to the Class B Partners and the Class C Partners under Section 3.9(b).

(i) No later than March 31st of each calendar year, commencing March 31, 2017, an amount equal to \$1,600,000.00;

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(a) Compensation. The General Partner and any Affiliate of the General Partner shall receive no compensation from the Partnership for services rendered pursuant to this Agreement or any other agreements unless approved by a Majority Interest; provided, however, that no compensation above five million dollars per year may be approved, even by a Majority Interest, during a NAV Ratio Trigger Period.

3.11. Books, Records, Accounting, and Reports.

(b) Fiscal Year. The fiscal year of the Partnership shall be the calendar year unless otherwise determined by the General Partner in its sole and unfettered discretion.

(d) Distribution Reporting to Class B Limited Partner and Class C Limited Partner. Upon request, the Partnership shall provide the Class B Limited Partner and/or the Class C Limited Partner information on any non-pro rata distributions made under Section 3.9 to Partners other than the Partner requesting the information.

(a) Tax Returns. The General Partner shall arrange for the preparation and timely filing of all returns of Partnership income, gain, loss, deduction, credit and other items necessary for federal, state and local income tax purposes. The General Partner shall deliver to each Partner as copy of his/her/its IRS Form K-1 as soon as practicable after the end of the Fiscal Year, but in no event later than October 1. The classification, realization, and recognition of income, gain, loss, deduction, credit and

other items shall be on the cash or accrual method of accounting for federal income tax purposes, as the General Partner shall determine in its sole and unfettered discretion. The General Partner in its sole and unfettered discretion may pay state and local income taxes attributable to operations of the Partnership and treat such taxes as an expense of the Partnership.

(b) Tax Elections. Except as otherwise provided herein, the General Partner shall, in its sole and unfettered discretion, determine whether to make any available tax election.

(c) Tax Controversies. Subject to the provisions hereof, the General Partner is designated the Tax Matters Partner (as defined in Code Section 6231), and is authorized and required to represent the Partnership, at the Partnership's expense, in connection with all examinations of the Partnership's affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend Partnership funds for professional services and costs associated therewith. Each Partner agrees to cooperate with the General Partner in connection with such proceedings.

(d) Taxation as a Partnership. No election shall be made by the Partnership or any Partner for the Partnership to be excluded from the application of any of the provisions of Subchapter K, Chapter 1 of Subtitle A of the Code or from any similar provisions of any state tax laws.

ARTICLE 4

RIGHTS AND OBLIGATIONS OF PARTNERS

4.1. Rights and Obligations of the General Partner. In addition to the rights and obligations set forth elsewhere in this Agreement, the General Partner shall have the following rights and obligations:

(a) Management. The General Partner shall conduct, direct, and exercise full control of over all activities of the Partnership. Except as otherwise expressly provided in this Agreement, all management powers over the business and affairs of the Partnership shall be exclusively vested in the General Partner, and Limited Partners shall have no right of control over the business and affairs of the Partnership. In addition to the powers now or hereafter granted to a general partner of a limited partnership under applicable law or that are granted to the General Partner under any provision of this Agreement, the General Partner shall have full power and authority to do all things deemed necessary or desirable by it to conduct the business of the Partnership, including, without limitation: (i) the determination of the activities in which the Partnership will participate; (ii) the performance of any and all acts necessary or appropriate to the operation of any business of the Partnership (including, without limitation, purchasing and selling any asset, any debt instruments, any equity interests, any commercial paper, any note receivables and any other obligations); (iii) the procuring and maintaining of such insurance as may be available in such amounts and covering such risks as are deemed appropriate by the General Partner; (iv) the acquisition, disposition, sale, mortgage, pledge, encumbrance, hyphothecation, of exchange of any or all of the assets of the Partnership; (v) the execution and delivery on behalf of, and in the name of the Partnership, deeds, deeds of trust, notes, leases, subleases, mortgages, bills of sale and any and all other contracts or instruments necessary or incidental to the conduct of the Partnership's business; (vi) the making of any expenditures, the borrowing of money, the guaranteeing of indebtedness and other liabilities, the issuance of evidences of indebtedness, and the incurrence of any obligations it deems necessary or advisable for the conduct of the activities of the Partnership, including, without limitation, the payment of compensation and reimbursement to the General Partner and its Affiliates pursuant to Section 3.10; (vii) the use of the assets of the Partnership (including, without limitation, cash on hand) for any Partnership purpose on any terms it sees fit, including, without limitation, the financing of operations of the Partnership, the lending of funds to other Persons, and the repayment of obligations

of the Partnership; (viii) the negotiation, execution, and performance of any contracts that it considers desirable, useful, or necessary to the conduct of the business or operations of the Partnership or the implementation of the General Partner's powers under this Agreement; (ix) the distribution of Partnership cash or other assets; (x) the selection, hiring and dismissal of employees, attorneys, accountants, consultants, contractors, agents and representatives and the determination of their compensation and other terms of employment or hiring; (xi) the formation of any further limited or general partnerships, joint ventures, or other relationships that it deems desirable and the contribution to such partnerships, ventures, or relationships of assets and properties of the Partnership; and (xii) the control of any matters affecting the rights and obligations of the Partnership, including, without limitation, the conduct of any litigation, the incurring of legal expenses, and the settlement of claims and suits.

(b) Certificate of Limited Partnership. The General Partner caused the Certificate of Limited Partnership of the Partnership to be filed with the Secretary of State of Delaware as required by the Delaware Act and shall cause to be filed such other certificates or documents (including, without limitation, copies, amendments, or restatements of this Agreement) as may be determined by the General Partner to be reasonable and necessary or appropriate for the formation, qualification, or registration and operation of a limited partnership (or a partnership in which Limited Partners have limited liability) in the State of Delaware and in any other state where the Partnership may elect to do business.

(c) Reliance by Third Parties. Notwithstanding any other provision of this Agreement to the contrary, no lender or purchaser or other Person, including any purchaser of property from the Partnership or any other Person dealing with the Partnership, shall be required to verify any representation by the General Partner as to its authority to encumber, sell, or otherwise use any assets or properties of the Partnership, and any such lender, purchaser, or other Person shall be entitled to rely exclusively on such representations and shall be entitled to deal with the General Partner as if it were the sole party in interest therein, both legally and beneficially. Each Limited Partner hereby waives any and all defenses or other remedies that may be available against any such lender, purchaser, or other Person to contest, negate, or disaffirm any action of the General Partner in connection with any such sale or financing. In no event shall any Person dealing with the General Partner or the General Partner's representative with respect to any business or property of the Partnership be obligated to ascertain that the terms of this Agreement have been complied with, and each such Person shall be entitled to rely on the assumptions that the Partnership has been duly formed and is validly in existence. In no event shall any such Person be obligated to inquire into the necessity or expedience of any act or action of the General Partner or the General Partner's representative, and every contract, agreement, deed, mortgage, security agreement, promissory note, or other instrument or document executed by the General Partner or the General Partner's representative with respect to any business or property of the Partnership shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (i), at the time of the execution and delivery thereof, this Agreement was in full force and effect; (ii) such instrument or document was duly executed in accordance with the terms and provisions of this Agreement and is binding upon the Partnership; and (iii) the General Partner or the General Partner's representative was duly authorized and empowered to execute and deliver any and every such instrument or document for and on behalf of the Partnership.

(d) Partnership Funds. The funds of the Partnership shall be deposited in such account or accounts as are designated by the General Partner. The General Partner may, in its sole and unfettered discretion, deposit funds of the Partnership in a central disbursing account maintained by or in the name of the General Partner, the Partnership, or any other Person into which funds of the General Partner, the Partnership, or other Persons are also deposited; *provided, however*, at all times books of account are maintained that show the amount of funds of the Partnership on deposit in such account and interest accrued with respect to such funds as credited to the Partnership. The General Partner may use the funds of the Partnership as compensating balances for its benefit; *provided, however*, such funds do

not directly or indirectly secure, and are not otherwise at risk on account of, any indebtedness or other obligation of the General Partner or any director, officer, employee, agent, representative, or Affiliate thereof. Nothing in this Section 4.1(d) shall be deemed to prohibit or limit in any manner the right of the Partnership to lend funds to the General Partner or any Affiliate thereof pursuant to Section 4.1(e)(i). All withdrawals from or charges against such accounts shall be made by the General Partner or by its representatives. Funds of the Partnership may be invested as determined by the General Partner in accordance with the terms and provisions of this Agreement.

(e) Loans to or from General Partner; Contracts with Affiliates; Joint Ventures.

(i) The General Partner or any Affiliate of the General Partner may lend to the Partnership funds needed by the Partnership for such periods of time as the General Partner may determine; *provided, however*, the General Partner or its Affiliate may not charge the Partnership interest at a rate greater than the rate (including points or other financing charges or fees) that would be charged the Partnership (without reference to the General Partner's financial abilities or guaranties) by unrelated lenders on comparable loans. The Partnership shall reimburse the General Partner or its Affiliate, as the case may be, for any costs incurred by the General Partner or that Affiliate in connection with the borrowing of funds obtained by the General Partner or that Affiliate and loaned to the Partnership. The Partnership may loan funds to the General Partner and any member of the Founding Partner Group at the General Partner's sole and exclusive discretion.

(ii) The General Partner or any of its Affiliates may enter into an agreement with the Partnership to render services, including management services, for the Partnership. Any service rendered for the Partnership by the General Partner or any Affiliate thereof shall be on terms that are fair and reasonable to the Partnership.

(iii) The Partnership may Transfer any assets to joint ventures or other partnerships in which it is or thereby becomes a participant upon terms and subject to such conditions consistent with applicable law as the General Partner deems appropriate; *provided, however*, that the Partnership may not transfer any asset to the General Partner or one of its Affiliates during any NAV Ratio Trigger Period for consideration less than such asset's fair market value.

(f) Outside Activities' Conflicts of Interest. The General Partner or any Affiliate thereof and any director, officer, employee, agent, or representative of the General Partner or any Affiliate thereof shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Partnership, including, without limitation, business interests and activities in direct competition with the Partnership. Neither the Partnership nor any of the Partners shall have any rights by virtue of this Agreement or the partnership relationship created hereby in any business ventures of the General Partner, any Affiliate thereof, or any director, officer, employee, agent, or representative of either the General Partner or any Affiliate thereof.

(g) Resolution of Conflicts of Interest. Unless otherwise expressly provided in this Agreement or any other agreement contemplated herein, whenever a conflict of interest exists or arises between the General Partner or any of its Affiliates, on the one hand, and the Partnership or any Limited Partner, on the other hand, any action taken by the General Partner, in the absence of bad faith by the General Partner, shall not constitute a breach of this Agreement or any other agreement contemplated herein or a breach of any standard of care or duty imposed herein or therein or under the Delaware Act or any other applicable law, rule, or regulation.

(h) Indemnification. The Partnership shall indemnify and hold harmless the General Partner and any director, officer, employee, agent, or representative of the General Partner (collectively,

the “*GP Party*”), against all liabilities, losses, and damages incurred by any of them by reason of any act performed or omitted to be performed in the name of or on behalf of the Partnership, or in connection with the Partnership’s business, including, without limitation, attorneys’ fees and any amounts expended in the settlement of any claims or liabilities, losses, or damages, to the fullest extent permitted by the Delaware Act; *provided, however*, the Partnership shall have no obligation to indemnify and hold harmless a GP Party for any action or inaction that constitutes gross negligence or willful or wanton misconduct. The Partnership, in the sole and unfettered discretion of the General Partner, may indemnify and hold harmless any Limited Partner, employee, agent, or representative of the Partnership, any Person who is or was serving at the request of the Partnership acting through the General Partner as a director, officer, partner, trustee, employee, agent, or representative of another corporation, partnership, joint venture, trust, or other enterprise, and any other Person to the extent determined by the General Partner in its sole and unfettered discretion, but in no event shall such indemnification exceed the indemnification permitted by the Delaware Act. Notwithstanding anything to the contrary in this Section 4.1(h) or elsewhere in this Agreement, no amendment to the Delaware Act after the date of this Agreement shall reduce or limit in any manner the indemnification provided for or permitted by this Section 4.1(h) unless such reduction or limitation is mandated by such amendment for limited partnerships formed prior to the enactment of such amendment. In no event shall Limited Partners be subject to personal liability by reason of the indemnification provisions of this Agreement.

(i) Liability of General Partner.

(i) Neither the General Partner nor its directors, officers, employees, agents, or representatives shall be liable to the Partnership or any Limited Partner for errors in judgment or for any acts or omissions that do not constitute gross negligence or willful or wanton misconduct.

(ii) The General Partner may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its directors, officers, employees, agents, or representatives, and the General Partner shall not be responsible for any misconduct or negligence on the part of any agent or representative appointed by the General Partner.

(j) Reliance by General Partner.

(i) The General Partner may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(ii) The General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers, and other consultants and advisers selected by it, and any opinion of any such Person as to matters which the General Partner believes to be within such Person’s professional or expert competence shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by the General Partner hereunder in good faith and in accordance with such opinion.

(k) The General Partner may, from time to time, designate one or more Persons to be officers of the Partnership. No officer need be a Partner. Any officers so designated shall have such authority and perform such duties as the General Partner may, from time to time, delegate to them. The General Partner may assign titles to particular officers, including, without limitation, president, vice president, secretary, assistant secretary, treasurer and assistant treasurer. Each officer shall hold office until such Person’s successor shall be duly designated and shall qualify or until such Person’s death or

until such Person shall resign or shall have been removed in the manner hereinafter provided. Any number of offices may be held by the same Person. The salaries or other compensation, if any, of the officers and agents of the Partnership shall be fixed from time to time by the General Partner. Any officer may be removed as such, either with or without cause, by the General Partner whenever in the General Partner's judgment the best interests of the Partnership will be served thereby. Any vacancy occurring in any office of the Partnership may be filled by the General Partner.

4.2. Rights and Obligations of Limited Partners. In addition to the rights and obligations of Limited Partners set forth elsewhere in this Agreement, Limited Partners shall have the following rights and obligations:

(a) Limitation of Liability. Limited Partners shall have no liability under this Agreement except as provided herein or under the Delaware Act.

(b) Management of Business. No Limited Partner shall take part in the control (within the meaning of the Delaware Act) of the Partnership's business, transact any business in the Partnership's name, or have the power to sign documents for or otherwise bind the Partnership other than as specifically set forth in this Agreement.

(c) Return of Capital. No Limited Partner shall be entitled to the withdrawal or return of its Capital Contribution except to the extent, if any, that distributions made pursuant to this Agreement or upon termination of the Partnership may be considered as such by law and then only to the extent provided for in this Agreement.

(d) Second Amended Buy-Sell and Redemption Agreement. Each Limited Partner shall comply with the terms and conditions of the Second Amended Buy-Sell and Redemption Agreement.

(e) Default on Priority Distributions. If the Partnership fails to timely pay Priority Distributions pursuant to Section 3.9(b), and the Partnership does not subsequently make such Priority Distribution within ninety days of its due date, the Class B Limited Partner or the Class C Limited Partner may require the Partnership to liquidate publicly traded securities held by the Partnership or Highland Select Equity Master Fund, L.P., a Delaware limited partnership controlled by the Partnership; provided, however, that the General Partner may in its sole discretion elect instead to liquidate other non-publicly traded securities owned by the Partnership in order to satisfy the Partnership's obligations under Section 3.9(b) and this Section 4.2(e). In either case, Affiliates of the General Partner shall have the right of first offer to purchase any securities liquidated under this Section 4.2(e).

4.3. Transfer of Partnership Interests.

(a) Transfer. No Partnership Interest shall be Transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Section 4.3 and the Second Amended Buy-Sell and Redemption Agreement. Any Transfer or purported Transfer of any Partnership Interest not made in accordance with this Section 4.3 and the Second Amended Buy-Sell and Redemption Agreement shall be null and void. An alleged transferee shall have no right to require any information or account of the Partnership's transactions or to inspect the Partnership's books. The Partnership shall be entitled to treat the alleged transferor of a Partnership Interest as the absolute owner thereof in all respects, and shall incur no liability to any alleged transferee for distributions to the Partner owning that Partnership Interest of record or for allocations of Profits, Losses, deductions or credits or for transmittal of reports and notices required to be given to holders of Partnership Interests.

(a) Issuance of Partnership Interests to New Limited Partners. The General Partner may admit one or more additional Persons as Limited Partners (“Additional Limited Partners”) to the Partnership at such times and upon such terms as it deems appropriate in its sole and unfettered discretion; provided, however, that the General Partner may only admit additional Persons as Limited Partners in relation to the issuance of equity incentives to key employees of the Partnership; provided, further that the General Partner may not issue such equity incentives to the extent they entitle the holders, in the aggregate, to a Percentage Interest in excess of twenty percent without the consent of the Class B Limited Partner and the Class C Limited Partner. All Class A Limited Partners, the Class B Limited Partner and the Class C Limited Partner shall be diluted proportionately by the issuance of such limited partnership interests. No Person may be admitted to the Partnership as a Limited Partner until he/she/it executes an Addendum to this Agreement in the form attached as Exhibit B (which may be modified by the General Partner in its sole and unfettered discretion) and an addendum to the Second Amended Buy-Sell and Redemption Agreement.

4.5. Withdrawal of General Partner

(b) Conversion. If the successor to a Departing Partner does not exercise the option described in Section 4.5(a), the Partnership Interest of the Departing Partner as the General Partner of the Partnership shall be converted into a Partnership Interest as a Limited Partner.

(a) Admission of Substitute Limited Partners. A transferee (which may be the heir or legatee of a Limited Partner) or assignee of a Limited Partner's Partnership Interest shall be entitled to receive only the distributive share of the Partnership's Profits, Losses, deductions, and credits attributable to that Partnership Interest. To become a substitute Limited Partner (a "*Substitute Limited Partner*"),

(c) Action by General Partner. In connection with the admission of any substitute Limited Partner or successor General Partner or any additional Limited Partner, the General Partner shall have the authority to take all such actions as it deems necessary or advisable in connection therewith, including the amendment of Exhibit A and the execution and filing with appropriate authorities of any necessary documentation.

DISSOLUTION AND WINDING UP

(b) An election to dissolve the Partnership by the General Partner that is approved by the affirmative vote of a Majority Interest; *provided, however*, the General Partner may dissolve the Partnership without the approval of the Limited Partners in order to comply with Section 14 of the Second Amended Buy-Sell and Redemption Agreement; or

For purposes of this Section 5.1, the bankruptcy of the General Partner shall be deemed to have occurred when the General Partner: (i) makes a general assignment for the benefit of creditors; (ii) files a voluntary bankruptcy petition; (iii) becomes the subject of an order for relief or is declared insolvent in any federal or state bankruptcy or insolvency proceeding; (iv) files a petition or answer seeking a reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any law; (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the General Partner in a proceeding of the type described in clauses (i) through (iv) of this paragraph; (vi) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the General Partner or of all or any substantial part of the General Partner's properties; or (vii) one hundred twenty (120) days expire after the date of the commencement of a proceeding against the General Partner seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or

(a) Within that ninety (90)-day period a successor General Partner shall be selected by a Majority Interest;

(c) The interest of the former General Partner shall be converted to an interest as a Limited Partner; and

5.3. Liquidation. Upon dissolution of the Partnership, unless the Partnership is continued under Section 5.2, the General Partner or, in the event the General Partner has been dissolved, becomes bankrupt (as defined in Section 5.1), or withdraws from the Partnership, a liquidator or liquidating committee selected by a Majority Interest, shall be the Liquidator. The Liquidator (if other than the General Partner) shall be entitled to receive such compensation for its services as may be approved by a Majority Interest. The Liquidator shall agree not to resign at any time without fifteen (15) days' prior written notice and (if other than the General Partner) may be removed at any time, with or without cause, by notice of removal approved by a Majority Interest. Upon dissolution, removal, or resignation of the Liquidator, a successor and substitute Liquidator (who shall have and succeed to all rights, powers, and duties of the original Liquidator) shall within thirty (30) days thereafter be selected by a Majority Interest. The right to appoint a successor or substitute Liquidator in the manner provided herein shall be recurring and continuing for so long as the functions and services of the Liquidator are authorized to continue under the provisions hereof, and every reference herein to the Liquidator shall be deemed to refer also to any such successor or substitute Liquidator appointed in the manner provided herein. Except as expressly provided in this Article 5, the Liquidator appointed in the manner provided herein shall have and may exercise, without further authorization or consent of any of the parties hereto, all of the powers conferred upon the General Partner under the terms of this Agreement (but subject to all of the applicable limitations, contractual and otherwise, upon the exercise of such powers) to the extent necessary or desirable in the good faith judgment of the Liquidator to carry out the duties and functions of the Liquidator hereunder for and during such period of time as shall be reasonably required in the good faith judgment of the Liquidator to complete the winding up and liquidation of the Partnership as provided herein. The Liquidator shall liquidate the assets of the Partnership and apply and distribute the proceeds of such liquidation in the following order of priority, unless otherwise required by mandatory provisions of applicable law:

(a) To the payment of the expenses of the terminating transactions including, without limitation, brokerage commission, legal fees, accounting fees and closing costs;

(b) To the payment of creditors of the Partnership, including Partners, in order of priority provided by law;

(c) To the Partners and assignees to the extent of, and in proportion to, the positive balances in their respective Capital Accounts as provided in Treasury Regulations Section 1.704-1(b)(2)(ii)(b)(2); *provided, however*, the Liquidator may place in escrow a reserve of cash or other assets of the Partnership for contingent liabilities in an amount determined by the Liquidator to be appropriate for such purposes; and

(d) To the Partners in proportion to their respective Percentage Interests.

5.4. Distribution in Kind. Notwithstanding the provisions of Section 5.3 that require the liquidation of the assets of the Partnership, but subject to the order of priorities set forth therein, if on dissolution of the Partnership the Liquidator determines that an immediate sale of part or all of the Partnership's assets would be impractical or would cause undue loss to the Partners and assignees, the Liquidator may defer for a reasonable time the liquidation of any assets except those necessary to satisfy liabilities of the Partnership (other than those to Partners) and/or may distribute to the Partners and assignees, in lieu of cash, as tenants in common and in accordance with the provisions of Section 5.3, undivided interests in such Partnership assets as the Liquidator deems not suitable for liquidation. Any such distributions in kind shall be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any joint operating agreements or other agreements governing the operation of such properties at such time. The Liquidator shall determine the fair market value of any property distributed in kind using such reasonable method of valuation as it may adopt.

5.5. Cancellation of Certificate of Limited Partnership. Upon the completion of the distribution of Partnership property as provided in Sections 5.3 and 5.4, the Partnership shall be terminated, and the Liquidator (or the General Partner and Limited Partners if necessary) shall cause the cancellation of the Certificate of Limited Partnership in the State of Delaware and of all qualifications and registrations of the Partnership as a foreign limited partnership in jurisdictions other than the State of Delaware and shall take such other actions as may be necessary to terminate the Partnership.

5.6. Return of Capital. The General Partner shall not be personally liable for the return of the Capital Contributions of Limited Partners, or any portion thereof, it being expressly understood that any such return shall be made solely from Partnership assets.

5.7. Waiver of Partition. Each Partner hereby waives any rights to partition of the Partnership property.

ARTICLE 6

GENERAL PROVISIONS

6.1. Amendments to Agreement. The General Partner may amend this Agreement without the consent of any Partner if the General Partner reasonably determines that such amendment is necessary and appropriate; *provided, however*, any action taken by the General Partner shall be subject to its fiduciary duties to the Limited Partners under the Delaware Act; provided further that any amendments

that adversely affect the Class B Limited Partner or the Class C Limited Partner may only be made with the consent of such Partner adversely affected.

6.2. Addresses and Notices. Any notice, demand, request, or report required or permitted to be given or made to a Partner under this Agreement shall be in writing and shall be deemed given or made when delivered in person or when sent by United States registered or certified mail to the Partner at his/her/its address as shown on the records of the Partnership, regardless of any claim of any Person who may have an interest in any Partnership Interest by reason of an assignment or otherwise.

6.3. Titles and Captions. All article and section titles and captions in the Agreement are for convenience only, shall not be deemed part of this Agreement, and in no way shall define, limit, extend, or describe the scope or intent of any provisions hereof. Except as specifically provided otherwise, references to "Articles," "Sections" and "Exhibits" are to "Articles," "Sections" and "Exhibits" of this Agreement. All Exhibits hereto are incorporated herein by reference.

6.4. Pronouns and Plurals. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine, or neuter forms, and the singular form of nouns, pronouns, and verbs shall include the plural and vice versa.

6.5. Further Action. The parties shall execute all documents, provide all information, and take or refrain from taking all actions as may be necessary or appropriate to achieve the purposes of this Agreement.

6.6. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives, and permitted assigns.

6.7. Integration. This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

6.8. Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Partnership.

6.9. Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement, or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement, or condition.

6.10. Counterparts. This agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart.

6.11. Applicable Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to the principles of conflicts of law.

6.12. Invalidity of Provisions. If any provision of this Agreement is declared or found to be illegal, unenforceable, or void, in whole or in part, then the parties shall be relieved of all obligations arising under that provision, but only to the extent that it is illegal, unenforceable, or void, it being the intent and agreement of the parties that this Agreement shall be deemed amended by modifying that provision to the extent necessary to make it legal and enforceable while preserving its intent or, if that is

Signature Page Follows.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date and year first written above.

GENERAL PARTNER:

STRAND-ADVISORS, INC.,
a Delaware corporation

By: _____

James D. Dondero,
President

LIMITED PARTNERS:

THE DUGABOY INVESTMENT TRUST

By: _____

Name: Nancy M. Dondero
Its: Trustee

THE MARK AND PAMELA OKADA FAMILY
TRUST - EXEMPT TRUST #1

By: _____

Name: Lawrence Tonomura
Its: Trustee

THE MARK AND PAMELA OKADA FAMILY
TRUST - EXEMPT TRUST #2

By: _____

Name: Lawrence Tonomura
Its: Trustee

MARK K. OKADA

Mark K. Okada

*Signature Page to Fourth Amended and Restated
Agreement of Limited Partnership*

HCMLPHMIT00002671

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date and year first written above.

GENERAL PARTNER:

STRAND ADVISORS, INC.,
a Delaware corporation

By: _____

James D. Dondero,
President

LIMITED PARTNERS:

THE DUGABOY INVESTMENT TRUST

By: _____

Name: Nancy M. Dondero
Its: Trustee

**THE MARK AND PAMELA OKADA FAMILY
TRUST – EXEMPT TRUST #1**

By: _____

Name: Lawrence Tonomura
Its: Trustee

**THE MARK AND PAMELA OKADA FAMILY
TRUST – EXEMPT TRUST #2**

By: _____

Name: Lawrence Tonomura
Its: Trustee

MARK K. OKADA

Mark K. Okada

*Signature Page to Fourth Amended and Restated
Agreement of Limited Partnership*

HUNTER MOUNTAIN INVESTMENT TRUST

By: Beacon Mountain LLC, Administrator

By: 

Name: John Honis

Its: President

*Signature Page to Fourth Amended and Restated
Agreement of Limited Partnership*

EXHIBIT B

**ADDENDUM
TO THE**

**FOURTH AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP
OF
HIGHLAND CAPITAL MANAGEMENT, L.P.**

THIS ADDENDUM (this "Addendum") to that certain Fourth Amended and Restated Agreement of Limited Partnership of Highland Capital Management, L.P., dated December 24, 2015, to be effective as of December 24, 2015, as amended from time to time (the "Agreement"), is made and entered into as of the ____ day of _____, 20__, by and between Strand Advisors, Inc., as the sole General Partner (the "General Partner") of Highland Capital Management, L.P. (the "Partnership") and _____ ("____") (except as otherwise provided herein, all capitalized terms used herein shall have the meanings set forth in the Agreement).

RECITALS:

WHEREAS, the General Partner, in its sole and unfettered discretion, and without the consent of any Limited Partner, has the authority under (i) Section 4.4 of the Agreement to admit Additional Limited Partners, (ii) Section 4.6 of the Agreement to admit Substitute Limited Partners and (iii) Section 6.1 of the Agreement to amend the Agreement;

WHEREAS, the General Partner desires to admit _____ as a Class __ Limited Partner holding a __% Percentage Interest in the Partnership as of the date hereof;

WHEREAS, _____ desires to become a Class __ Limited Partner and be bound by the terms and conditions of the Agreement; and

WHEREAS, the General Partner desires to amend the Agreement to add _____ as a party thereto.

AGREEMENT:

RESOLVED, as a condition to receiving a Partnership Interest in the Partnership, _____ acknowledges and agrees that he/she/it (i) has received and read a copy of the Agreement, (ii) shall be bound by the terms and conditions of the Agreement; and (iii) shall promptly execute an addendum to the Second Amended Buy-Sell and Redemption Agreement; and be it

FURTHER RESOLVED, the General Partner hereby amends the Agreement to add _____ as a Limited Partner, and the General Partner shall attach this Addendum to the Agreement and make it a part thereof; and be it

FURTHER RESOLVED, this Addendum may be executed in any number of counterparts, all of which together shall constitute one Addendum binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the day and year above written.

GENERAL PARTNER:

STRAND ADVISORS, INC.

By: _____
Name: _____
Title: _____

NEW LIMITED PARTNER:

[_____]

AGREED AND ACCEPTED:

In consideration of the terms of this Addendum and the Agreement, in consideration of the Partnership's allowing the above signed Person to become a Limited Partner of the Partnership, and for other good and valuable consideration receipt of which is hereby acknowledged, the undersigned shall be bound by the terms and conditions of the Agreement as though a party thereto.

SPOUSE OF NEW LIMITED PARTNER:

[_____]

EXHIBIT 2

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

)
) Chapter 11
)
) Case No. 19-34054-sgj11
)
)
)
)

**FIFTH AMENDED PLAN OF REORGANIZATION OF HIGHLAND
CAPITAL MANAGEMENT, L.P. (AS MODIFIED)**

PACHULSKI STANG ZIEHL & JONES LLP

Jeffrey N. Pomerantz (CA Bar No.143717)
Ira D. Kharasch (CA Bar No. 109084)
Gregory V. Demo (NY Bar No. 5371992)
10100 Santa Monica Boulevard, 13th Floor
Los Angeles, CA 90067
Telephone: (310) 277-6910
Facsimile: (310) 201-0760
Email: jpomerantz@pszjlaw.com
ikharasch@pszjlaw.com
gdemo@pszjlaw.com

HAYWARD & ASSOCIATES PLLC

Melissa S. Hayward (TX Bar No. 24044908)
Zachery Z. Annable (TX Bar No. 24053075)
10501 N. Central Expy, Ste. 106
Dallas, TX 75231
Telephone: (972) 755-7100
Facsimile: (972) 755-7110
Email: MHayward@HaywardFirm.com
ZAnnable@HaywardFirm.com:

Counsel for the Debtor and Debtor-in-Possession

¹ The Debtor's last four digits of its taxpayer identification number are (6725). The headquarters and service address for the above-captioned Debtor is 300 Crescent Court, Suite 700, Dallas, TX 75201.

Plan – Article I.B.44

42. “*Convenience Claim Pool*” means the \$13,150,000 in Cash that shall be available upon the Effective Date for distribution to Holders of Convenience Claims under the Plan as set forth herein. Any Cash remaining in the Convenience Claim Pool after all distributions on account of Convenience Claims have been made will be transferred to the Claimant Trust and administered as a Claimant Trust Asset.

43. “*Convenience Class Election*” means the option provided to each Holder of a General Unsecured Claim that is a liquidated Claim as of the Confirmation Date on their Ballot to elect to reduce their claim to \$1,000,000 and receive the treatment provided to Convenience Claims.

44. “*Contingent Claimant Trust Interests*” means the contingent Claimant Trust Interests to be distributed to Holders of Class A Limited Partnership Interests, Holders of Class B Limited Partnership Interests, and Holders of Class C Limited Partnership Interests in accordance with this Plan, the rights of which shall not vest, and consequently convert to Claimant Trust Interests, unless and until the Claimant Trustee Files a certification that all holders of Allowed General Unsecured Claims have been paid indefeasibly in full, plus, to the extent all Allowed unsecured Claims, excluding Subordinated Claims, have been paid in full, all accrued and unpaid post-petition interest from the Petition Date at the Federal Judgment Rate and all Disputed Claims in Class 8 and Class 9 have been resolved. As set forth in the Claimant Trust Agreement, the Contingent Claimant Trust Interests distributed to the Holders of Class A Limited Partnership Interests will be subordinated to the Contingent Claimant Trust Interests distributed to the Holders of Class B/C Limited Partnership Interests.

45. “*Debtor*” means Highland Capital Management, L.P. in its capacity as debtor and debtor in possession in the Chapter 11 Case.

46. “*Delaware Bankruptcy Court*” means the United States Bankruptcy Court for the District of Delaware.

47. “*Disclosure Statement*” means that certain *Disclosure Statement for Debtor’s Fifth Amended Chapter 11 Plan of Reorganization*, as amended, supplemented, or modified from time to time, which describes this Plan, including all exhibits and schedules thereto and references therein that relate to this Plan.

48. “*Disputed*” means with respect to any Claim or Equity Interest, any Claim or Equity Interest that is not yet Allowed.

49. “*Disputed Claims Reserve*” means the appropriate reserve(s) or account(s) to be established on the Initial Distribution Date and maintained by the Claimant Trustee for distributions on account of Disputed Claims that may subsequently become an Allowed Claim.

50. “*Disputed Claims Reserve Amount*” means, for purposes of determining the Disputed Claims Reserve, the Cash that would have otherwise been distributed to a Holder of a Disputed Claim at the time any distributions of Cash are made to the Holders of Allowed Claims. The amount of the Disputed Claim upon which the Disputed Claims Reserve is calculated shall be: (a) the amount set forth on either the Schedules or the filed Proof of Claim, as applicable; (b) the amount agreed to by the Holder of the Disputed Claim and the Claimant Trustee or Reorganized

Plan – Article I.B.97

and schedules thereto, either in its present form or as the same may be altered, amended, modified or otherwise supplemented from time to time.

93. “*Plan Distribution*” means the payment or distribution of consideration to Holders of Allowed Claims and Allowed Equity Interests under this Plan.

94. “*Plan Documents*” means any of the documents, other than this Plan, but including, without limitation, the documents to be filed with the Plan Supplement, to be executed, delivered, assumed, or performed in connection with the occurrence of the Effective Date, and as may be modified consistent with the terms hereof with the consent of the Committee.

95. “*Plan Supplement*” means the ancillary documents necessary for the implementation and effectuation of the Plan, including, without limitation, (i) the form of Claimant Trust Agreement, (ii) the forms of New GP LLC Documents, (iii) the form of Reorganized Limited Partnership Agreement, (iv) the Sub-Servicer Agreement (if applicable), (v) the identity of the initial members of the Claimant Trust Oversight Committee, (vi) the form of Litigation Sub-Trust Agreement; (vii) the schedule of retained Causes of Action; (viii) the New Frontier Note, (ix) the schedule of Employees; (x) the form of Senior Employee Stipulation,; and (xi) the schedule of Executory Contracts and Unexpired Leases to be assumed pursuant to this Plan, which, in each case, will be in form and substance reasonably acceptable to the Debtor and the Committee.

96. “*Priority Non-Tax Claim*” means a Claim entitled to priority pursuant to section 507(a) of the Bankruptcy Code, including any Claims for paid time-off entitled to priority under section 507(a)(4) of the Bankruptcy Code, other than a Priority Tax Claim or an Administrative Claim.

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

98. “*Professional*” means (a) any Entity employed in the Chapter 11 Case pursuant to section 327, 328 363 or 1103 of the Bankruptcy Code or otherwise and (b) any Entity seeking compensation or reimbursement of expenses in connection with the Chapter 11 Case pursuant to sections 327, 328, 330, 331, 363, 503(b), 503(b)(4) and 1103 of the Bankruptcy Code.

99. “*Professional Fee Claim*” means a Claim under sections 328, 330(a), 331, 363, 503 or 1103 of the Bankruptcy Code, with respect to a particular Professional, for compensation for services rendered or reimbursement of costs, expenses or other charges incurred after the Petition Date and prior to and including the Effective Date.

100. “*Professional Fee Claims Bar Date*” means with respect to Professional Fee Claims, the Business Day which is sixty (60) days after the Effective Date or such other date as approved by order of the Bankruptcy Court.

101. “*Professional Fee Claims Objection Deadline*” means, with respect to any Professional Fee Claim, thirty (30) days after the timely Filing of the applicable request for payment of such Professional Fee Claim.

Plan – Article III H. 10 & 11

9. Class 9 – Subordinated Claims

- *Classification:* Class 9 consists of the Subordinated Claims.

Treatment: On the Effective Date, Holders of Subordinated Claims shall receive either (i) their Pro Rata share of the Subordinated Claimant Trust Interests or, (ii) such other less favorable treatment as to which such Holder and the Claimant Trustee may agree upon in writing.

Notwithstanding anything to the contrary herein, after the Effective Date and subject to the other provisions of this Plan, the Debtor, the Reorganized Debtor, and the Claimant Trust, as applicable, will have and will retain any and all rights and defenses under bankruptcy or nonbankruptcy law that the Debtor had with respect to any Subordinated Claim, except with respect to any Subordinated Claim Allowed by Final Order of the Bankruptcy Court.

- *Impairment and Voting:* Class 9 is Impaired, and the Holders of Class 9 Claims are entitled to vote to accept or reject this Plan.

10. Class 10 – Class B/C Limited Partnership Interests

- *Classification:* Class 10 consists of the Class B/C Limited Partnership Interests.

- *Treatment:* On or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 10 Claim, in full satisfaction, settlement, discharge and release of, and in exchange for, such Claim shall receive (i) its Pro Rata share of the Contingent Claimant Trust Interests or (ii) such other less favorable treatment as to which such Holder and the Claimant Trustee shall have agreed upon in writing.

Notwithstanding anything to the contrary herein, after the Effective Date and subject to the other provisions of this Plan, the Debtor, the Reorganized Debtor, and the Claimant Trust, as applicable, will have and will retain any and all rights and defenses under bankruptcy or nonbankruptcy law that the Debtor had with respect to any Class B/C Limited Partnership Interest Claim, except with respect to any Class B/C Limited Partnership Interest Claim Allowed by Final Order of the Bankruptcy Court.

- *Impairment and Voting:* Class 10 is Impaired, and the Holders of Class 10 Claims are entitled to vote to accept or reject this Plan.

11. Class 11 – Class A Limited Partnership Interests

- *Classification:* Class 11 consists of the Class A Limited Partnership Interests.

- *Treatment:* On or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 11 Claim, in full satisfaction, settlement, discharge and release of, and in exchange for, such Claim shall receive (i) its Pro Rata share of the Contingent Claimant Trust Interests or (ii) such other less favorable treatment as to which such Holder and the Claimant Trustee shall have agreed upon in writing.

Notwithstanding anything to the contrary herein, after the Effective Date and subject to the other provisions of this Plan, the Debtor, the Reorganized Debtor, and the Claimant Trust, as applicable, will have and will retain any and all rights and defenses under bankruptcy or nonbankruptcy law that the Debtor had with respect to any Class A Limited Partnership Interest, except with respect to any Class A Limited Partnership Interest Allowed by Final Order of the Bankruptcy Court.

- *Impairment and Voting:* Class 11 is Impaired, and the Holders of Class 11 Claims are entitled to vote to accept or reject this Plan.

I. Special Provision Governing Unimpaired Claims

Except as otherwise provided in the Plan, nothing under the Plan will affect the Debtor's rights in respect of any Unimpaired Claims, including, without limitation, all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claims.

J. Subordinated Claims

The allowance, classification, and treatment of all Claims under the Plan shall take into account and conform to the contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Upon written notice and hearing, the Debtor the Reorganized Debtor, and the Claimant Trustee reserve the right to seek entry of an order by the Bankruptcy Court to re-classify or to subordinate any Claim in accordance with any contractual, legal, or equitable subordination relating thereto, and the treatment afforded any Claim under the Plan that becomes a subordinated Claim at any time shall be modified to reflect such subordination.

ARTICLE IV. MEANS FOR IMPLEMENTATION OF THIS PLAN

A. Summary

As discussed in the Disclosure Statement, the Plan will be implemented through (i) the Claimant Trust, (ii) the Litigation Sub-Trust, and (iii) the Reorganized Debtor.

On the Effective Date, all Class A Limited Partnership Interests, including the Class A Limited Partnership Interests held by Strand, as general partner, and Class B/C Limited Partnerships in the Debtor will be cancelled, and new Class A Limited Partnership Interests in the Reorganized Debtor will be issued to the Claimant Trust and New GP LLC – a newly-chartered limited liability company wholly-owned by the Claimant Trust. The Claimant Trust, as limited

EXHIBIT 3

CLAIMANT TRUST AGREEMENT

This Claimant Trust Agreement, effective as of _____, 2021 (as may be amended, supplemented, or otherwise modified in accordance with the terms hereof, this “Agreement”), by and among Highland Capital Management, L.P. (as debtor and debtor-in-possession, the “Debtor”), as settlor, and James P. Seery, Jr., as trustee (the “Claimant Trustee”), and [____] as Delaware trustee (the “Delaware Trustee,” and together with the Debtor and the Claimant Trustee, the “Parties”) for the benefit of the Claimant Trust Beneficiaries entitled to the Claimant Trust Assets.

RECITALS

WHEREAS, on October 16, 2019, Highland Capital Management, L.P. filed with the United States Bankruptcy Court for the District of Delaware, a voluntary petition for relief under chapter 11 of the Bankruptcy Code, which case was subsequently transferred to the Bankruptcy Court for the Northern District of Texas, Dallas Division (the “Bankruptcy Court”) and captioned *In re Highland Capital Management, L.P.*, Case No. 19-34054-sgj11 (the “Chapter 11 Case”);

WHEREAS, on November 24, 2020, the Debtor filed the *Fifth Amended Plan of Reorganization of Highland Capital Management, L.P.* [Docket No. 1472] (as may be amended, supplemented, or otherwise modified from time to time, the “Plan”),¹ which was confirmed by the Bankruptcy Court on _____, 2021, pursuant to the Findings of Fact and Order Confirming Plan of Reorganization for the Debtor [Docket No. •] (the “Confirmation Order”);

WHEREAS, this Agreement, including all exhibits hereto, is the “Claimant Trust Agreement” described in the Plan and shall be executed on or before the Effective Date in order to facilitate implementation of the Plan; and

WHEREAS, pursuant to the Plan and Confirmation Order, the Claimant Trust Assets are to be transferred to the Claimant Trust (each as defined herein) created and evidenced by this Agreement so that (i) the Claimant Trust Assets can be held in a trust for the benefit of the Claimant Trust Beneficiaries entitled thereto in accordance with Treasury Regulation Section 301.7701-4(d) for the objectives and purposes set forth herein and in the Plan; (ii) the Claimant Trust Assets can be monetized; (iii) the Claimant Trust will transfer Estate Claims to the Litigation Sub-Trust to be prosecuted, settled, abandoned, or resolved as may be determined by the Litigation Trustee in accordance with the terms of the Litigation Sub-Trust Agreement, for the benefit of the Claimant Trust; (iv) proceeds of the Claimant Trust Assets, including Estate Claims, may be distributed to the Claimant Trust Beneficiaries² in accordance with the Plan; (v) the Claimant Trustee can resolve Disputed Claims as set forth herein and in the Plan; and

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

² For the avoidance of doubt, and as set forth in the Plan, Holders of Class A Limited Partnership Interests and Class B/C Limited Partnership Interests will be Claimant Trust Beneficiaries only upon certification by the Claimant Trustee that the Holders of such Claims have been paid indefeasibly in full plus, to the extent applicable, post-petition interest in accordance with the terms and conditions set forth herein and in the Plan.

(d) “Claimant Trust Agreement” means this Agreement.

(e) “Claimant Trustee” means James P. Seery, Jr., as the initial “Claimant Trustee” hereunder and as defined in the Plan, and any successor Claimant Trustee that may be appointed pursuant to the terms of this Agreement.

(f) “Claimant Trust” means the “Highland Claimant Trust” established in accordance with the Delaware Statutory Trust Act and Treasury Regulation Section 301.7701-4(d) pursuant to this Agreement.

(g) “Claimant Trust Assets” means (i) other than the Reorganized Debtor Assets (which are expressly excluded from this definition), all other Assets of the Estate, including, but not limited to, all Causes of Action, Available Cash, any proceeds realized or received from such Assets, all rights of setoff, recoupment, and other defenses with respect, relating to, or arising from such Assets, (ii) any Assets transferred by the Reorganized Debtor to the Claimant Trust on or after the Effective Date, (iii) the limited partnership interests in the Reorganized Debtor, and (iv) the ownership interests in New GP LLC. For the avoidance of doubt, any Causes of Action that, for any reason, are not capable of being transferred to the Claimant Trust shall constitute Reorganized Debtor Assets.

(h) “Claimant Trust Beneficiaries” means the Holders of Allowed General Unsecured Claims, Holders of Allowed Subordinated Claims, and, only upon certification by the Claimant Trustee that the Holders of such Claims have been paid indefeasibly in full plus, to the extent applicable, post-petition interest at the federal judgment rate in accordance with the terms and conditions set forth herein, Holders of Allowed Class B/C Limited Partnership Interests, and Holders of Allowed Class A Limited Partnership Interests.

(i) “Claimant Trust Expense Cash Reserve” means \$[•] million in Cash to be funded pursuant to the Plan into a bank account of the Claimant Trust on or before the Effective Date for the purpose of paying Claimant Trust Expenses in accordance herewith.

(j) “Claimant Trust Expenses” means the costs, expenses, liabilities and obligations incurred by the Claimant Trust and/or the Claimant Trustee in administering and conducting the affairs of the Claimant Trust, and otherwise carrying out the terms of the Claimant Trust and the Plan on behalf of the Claimant Trust, including without any limitation, any taxes owed by the Claimant Trust, and the fees and expenses of the Claimant Trustee and professional persons retained by the Claimant Trust or Claimant Trustee in accordance with this Agreement.

(k) “Committee Member” means a Member who is/was also a member of the Creditors’ Committee.

(l) “Conflicted Member” has the meaning set forth in Section 4.6(c) hereof.

(m) “Contingent Trust Interests” means the contingent interests in the Claimant Trust to be distributed to Holders of Class A Limited Partnership Interests and Class B/C Limited Partnership Interests in accordance with the Plan.

evidenced by the Claimant Trustee's filing with the Bankruptcy Court (to the extent a final decree has not been entered) and posting on the Claimant Trustee's website a notice of appointment, at the direction of the Oversight Board, which notice will include the name, address, and telephone number of the successor Member.

(b) Immediately upon the appointment of any successor Member, the successor Member shall assume all rights, powers, duties, authority, and privileges of a Member hereunder and such rights and privileges will be vested in and undertaken by the successor Member without any further act. A successor Member will not be liable personally for any act or omission of a predecessor Member.

(c) Every successor Member appointed hereunder shall execute, acknowledge, and deliver to the Claimant Trustee and other Members an instrument accepting the appointment under this Agreement and agreeing to be bound thereto, and thereupon the successor Member without any further act, deed, or conveyance, shall become vested with all rights, powers, trusts, and duties of a Member hereunder.

4.11 Compensation and Reimbursement of Expenses. Unless determined by the Oversight Board, no Member shall be entitled to compensation in connection with his or her service to the Oversight Board; provided, however, that a Disinterested Member shall be compensated in a manner and amount initially set by the other Members and as thereafter amended from time to time by agreement between the Oversight Board and the Disinterested Member. Notwithstanding the foregoing, the Claimant Trustee will reimburse the Members for all reasonable and documented out-of-pocket expenses incurred by the Members in connection with the performance of their duties hereunder (which shall not include fees, costs, and expenses of legal counsel).

4.12 Confidentiality. Each Member shall, during the period that such Member serves as a Member under this Agreement and following the termination of this Agreement or following such Member's removal or resignation, hold strictly confidential and not use for personal gain any material, non-public information of or pertaining to any Person to which any of the Claimant Trust Assets relates or of which such Member has become aware in the Member's capacity as a Member ("Confidential Trust Information"), except as otherwise required by law. For the avoidance of doubt, a Member's Affiliates, employer, and employer's Affiliates (and collectively with such Persons' directors, officers, partners, principals and employees, "Member Affiliates") shall not be deemed to have received Confidential Trust Information solely due to the fact that a Member has received Confidential Trust Information in his or her capacity as a Member of the Oversight Board and to the extent that (a) a Member does not disclose any Confidential Trust Information to a Member Affiliate, (b) the business activities of such Member Affiliates are conducted without reference to, and without use of, Confidential Trust Information, and (c) no Member Affiliate is otherwise directed to take, or takes on behalf of a Member or Member Affiliate, any actions that are contrary to the terms of this Section 4.11.

ARTICLE V.

TRUST INTERESTS

5.1 Claimant Trust Interests.

(a) General Unsecured Claim Trust Interests. On the date hereof, or on the date such Claim becomes Allowed under the Plan, the Claimant Trust shall issue General Unsecured Claim Trust Interests to Holders of Allowed Class 8 General Unsecured Claims (the “GUC Beneficiaries”). The Claimant Trustee shall allocate to each Holder of an Allowed Class 8 General Unsecured Claim a General Unsecured Claim Trust Interest equal to the ratio that the amount of each Holder’s Allowed Class 8 Claim bears to the total amount of the Allowed Class 8 Claims. The General Unsecured Claim Trust Interests shall be entitled to distributions from the Claimant Trust Assets in accordance with the terms of the Plan and this Agreement.

(b) Subordinated Claim Trust Interests. On the date hereof, or on the date such Claim becomes Allowed under the Plan, the Claimant Trust shall issue Subordinated Claim Trust Interests to Holders of Class 9 Subordinated Claims (the “Subordinated Beneficiaries”). The Claimant Trustee shall allocate to each Holder of an Allowed Class 9 Subordinated Claim a Subordinated Claim Trust Interest equal to the ratio that the amount of each Holder’s Allowed Class 9 Claim bears to the total of amount of the Allowed Class 9. The Subordinated Trust Interests shall be subordinated in right and priority to the General Unsecured Claim Trust Interests. The Subordinated Beneficiaries shall only be entitled to distributions from the Claimant Trust Assets after each GUC Beneficiary has been repaid in full with applicable interest on account of such GUC Beneficiary’s Allowed General Unsecured Claim, and all Disputed General Unsecured Claims have been resolved, in accordance with the terms of the Plan and this Agreement.

(c) Contingent Trust Interests. On the date hereof, or on the date such Interest becomes Allowed under the Plan, the Claimant Trust shall issue Contingent Interests to Holders of Allowed Class 10 Class B/C Limited Partnership Interests and Holders of Allowed Class 11 Class A Limited Partnership Interests (collectively, the “Equity Holders”). The Claimant Trustee shall allocate to each Holder of Allowed Class 10 Class B/C Limited Partnership Interests and each Holder of Allowed Class 11 Class A Limited Partnership Interests a Contingent Trust Interest equal to the ratio that the amount of each Holder’s Allowed Class 10 or Class 11 Interest bears to the total amount of the Allowed Class 10 or Class 11 Interests, as applicable, under the Plan. Contingent Trust Interests shall not vest, and the Equity Holders shall not have any rights under this Agreement, unless and until the Claimant Trustee files with the Bankruptcy Court a certification that all GUC Beneficiaries have been paid indefeasibly in full, including, to the extent applicable, all accrued and unpaid post-petition interest consistent with the Plan and all Disputed Claims have been resolved (the “GUC Payment Certification”). Equity Holders will only be deemed “Beneficiaries” under this Agreement upon the filing of a GUC Payment Certification with the Bankruptcy Court, at which time the Contingent Trust Interests will vest and be deemed “Equity Trust Interests.” The Equity Trust Interests shall be subordinated in right and priority to Subordinated Trust Interests, and distributions on account thereof shall only be made if and when Subordinated Beneficiaries have been repaid in full on account of such Subordinated Beneficiary’s Allowed Subordinated Claim, in accordance with the terms of the Plan, the Confirmation Order, and this Agreement. The Equity Trust Interests distributed to Allowed Holders of Class A Limited Partnership Interests shall be subordinated to the Equity Trust Interests distributed to Allowed Holders of Class B/C Limited Partnership Interests.

5.2 Interests Beneficial Only. The ownership of the beneficial interests in the Claimant Trust shall not entitle the Claimant Trust Beneficiaries to any title in or to the Claimant

EXHIBIT 4

Highland Capital Management, L.P.

(A Delaware Limited Partnership)

Consolidated Financial Statements and Supplemental Information December 31, 2018

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Consolidated Statement of Income

Year Ended December 31, 2018

(in thousands)

Net loss	\$	(134,491)
Adjustment to reconcile net loss to net cash provided from operating activities:		
Net realized loss on investments and derivative transactions		31,517
Net change in unrealized loss on investments and derivative transactions		93,755
Amortization and depreciation		1,317
Changes in assets and liabilities:		
Management and incentive fee receivable		9,468
Due from brokers		1,689
Due from affiliate		(10,989)
Other assets		4,272
Intangible assets		3,308
Accounts payable		546
Accrued and other liabilities		1,214
Due to brokers for securities purchased, not yet settled		1,886
Due to brokers		11,665
Net cash provided from operating activities		<u>15,157</u>

Purchases of fixed assets and leasehold improvements, net	(67)
Purchases of investments	(195,263)
Proceeds from dispositions of investments	258,858
Proceeds from securities sold, not yet purchased	46,550
Issuance of notes receivable to affiliates	(2,400)
Proceeds from repayments of notes receivable from affiliates	3,395
Purchases of investments to cover securities sold, not yet purchased	(127,954)
Net cash used in investing activities	(16,881)

Payments on notes payable & investment liabilities	(2,743)
Proceeds from long-term debt	38,501
Capital contributions from minority interest investors of consolidated entities	14,615
Capital withdrawals by minority interest investors of consolidated entities	(141,986)
Partner distributions	(5,060)
Net cash used in financing activities	<u>(96,673)</u>

Beginning of year	103,479
De-consolidating funds adjustment	(48)

Interest paid during the year	\$ (5,629)
Taxes paid during the year	(510,961)
Investments acquired for non-cash consideration	26,018
Investments disposed for non-cash consideration	116

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The Partnership consolidates the following entities as it has a controlling majority interest:

- 100% interest in Highland Capital Special Allocation, LLC (“HCSA”), a Delaware limited liability company that commenced operations on December 21, 2006;
- 100% interest in Highland Receivables Finance 1, LLC, a Delaware limited liability company that commenced operations on December 29, 2006;
- 100% interest in Highland Multi-Strategy Onshore Master SubFund, LLC, a Delaware limited liability company that commenced operations on July 19, 2006;
- 100% interest in Highland Multi-Strategy Onshore Master Subfund II, LLC, LLC, a Delaware limited liability company that commenced operations on February 22, 2007;
- 100% interest in Highland Brasil, LLC, a Delaware limited liability company that commenced operations on January 28, 2014;
- 100% interest in Highland Capital Management (Singapore) Pte, Ltd. (“HCM Singapore”), a company organized in the Republic of Singapore that commenced operations on April 2, 2008;
- 100% interest in Highland Capital Management Korea, Ltd. (“HCM Korea”), a company organized in the Republic of Korea that commenced operations on August 2, 2012;
- 100% interest in Highland Capital Management Latin America, L.P., (“HCM Latin America”), a Cayman company that was formed on April 13, 2017;
- 100% interest in HE Capital, LLC, a Delaware limited liability company that was formed on March 22, 2007;
- 100% interest in De Kooning, Ltd, a Cayman company that was formed on December 1, 2012;
- 100% interest in Hirst, Ltd., a Cayman company that was formed on December 1, 2012;
- 100% interest in Hockney, Ltd., a Cayman company that was formed on December 1, 2012;
- 100% interest in Oldenburg, Ltd., a Cayman company that was formed on December 1, 2012;
- 100% interest in Eames, Ltd, a Cayman company that was formed on December 12, 2012;
- 99.9% interest in Penant Management, L.P., a Delaware limited partnership that was formed on December 12, 2012;
- 100% interest in Pollack, Ltd., a Cayman company that was formed on December 1, 2012;
- 100% interest in Warhol, Ltd., a Cayman company that was formed on December 1, 2012;

Notes to Consolidated Financial Statements December 31, 2018

- All inter-partnership and intercompany accounts and transactions involving the above listed Consolidated Entities have been eliminated in all of the aforementioned consolidating schedules. All the Consolidated Investment Funds are, for U.S. GAAP purposes, investment companies under the American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide - Investment Companies. The Partnership has retained the specialized accounting of these funds required under U.S. GAAP.

(in thousands)

December 31, 2018

Interest on currently paying debt instruments is accrued as earned and dividend income and dividends on securities sold, not yet purchased are recorded on the ex-dividend date, net of withholding taxes. In certain instances where the asset has defaulted or some amount of the interest payment is deemed uncollectable, interest is recognized when received. Discounts and premiums associated with purchases of investments are accreted and amortized to interest income, except for deep-discounted debt where ultimate collection of interest and principal may be in doubt. Such accretion/amortization is calculated on an effective-yield basis over the life of the investment. Amendment fees are recognized when agreed to by the underlying company and all settlement contingencies are met. Operating expenses, including interest on securities sold short, not yet purchased, are recorded on the accrual basis as incurred.

The Partnership is not subject to federal income taxes, and therefore, no provision has been made for such taxes in the accompanying consolidated financial statements. Income taxes are the responsibility of the partners. Certain consolidated subsidiaries are subject to federal income taxes.

Certain entities that are included in these consolidated financial statements are subject to federal and/or state income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. See further discussion in Note 13.

Cash and cash equivalents consist of cash held at U.S. and foreign banks, deposits with original maturities of less than 90 days, and money market funds. Cash equivalents are carried at cost, which approximates market value. At December 31, 2018, the Partnership and Consolidated Entities held cash balances at certain financial institutions in excess of the federally insured limit of \$0.3 million. The Partnership and Consolidated Entities regularly monitor the credit quality of these institutions.

Notes receivable consists of secured promissory notes with maturities greater than one year. When available, the Partnership uses observable market data, including pricing on recent closed transactions to value notes. When appropriate, these notes may be valued using collateral values. Adjustments to the value may be performed in circumstances where attributes specific to the collateral exist suggesting impairment.

Goodwill and other intangible assets are recorded on the Consolidated Balance Sheet at current carrying values. The Partnership and its Consolidated Entities perform an impairment test on an annual basis. Any impairment in the value of other intangible assets is accounted for in the year when it occurs.

Fixed assets and leasehold improvements are carried at cost, less accumulated depreciation. Depreciation is provided using the straight-line method over the shorter of the estimated useful life of the assets or the lease term.

	<u>Period</u>
Leasehold improvements	Lease term
Buildings	29 - 40 years
Furniture and fixtures	7 years
Computer and equipment	3 - 5 years
Computer software	3 years

Certain of the Partnership's Consolidated Investment Funds engage in "short sales" as part of their investment strategies. Short selling is the practice of selling securities that are borrowed from a third party. The Consolidated Investment Funds are required to return securities equivalent to those borrowed for the short sale at the lender's demand.

Due to and from broker balances recorded on the Consolidated Balance Sheet include liquid assets maintained with brokers and counterparties for margin account balances and the amounts due for or due from the settlement of purchase and sales transactions. Certain due to and from broker balances have been reported on a net-by-counterparty basis where, in accordance with contractual rights and the Partnership's opinion, there is a right of offset in the event of bankruptcy or default by a counterparty.

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(in thousands)

Leasehold improvements	\$ 7,193
Buildings	2,595
Furniture and fixtures	2,796
Computer and equipment	2,863
Computer software	331
Accumulated depreciation	(11,197)
	<u>\$ 4,581</u>

Depreciation expense in 2018 totaled approximately \$1.3 million for the Partnership and its subsidiaries.

4. Investments

Detailed below is a summary of the Partnership and its Consolidated Entities' investments at December 31, 2018:

(in thousands)

(in thousands)	Amortized Cost/Cost	Fair Value
Common equity securities	\$ 423,306	\$ 535,374
Closed-end mutual funds	100,788	94,845
Floating rate syndicated bank loans	142,586	72,622
Real Estate Investment Trusts	28,271	57,475
Life settlement contracts	65,276	35,744
Limited partnership interests	24,892	30,521
Rights & warrants	26,661	7,446
LLC interests	10,629	2,775
Preferred equity	258	8,282
Asset-backed securities	7,350	102
Participation interests	6,590	-
Corporate bonds	85,421	-
Total investments	\$ 922,027	\$ 845,186
	Proceeds	Fair Value
Securities sold, not yet purchased	\$ (26,135)	\$ (32,357)

Notes to Consolidated Financial Statements

December 31, 2018

Debt Securities

Absent both a reliable market quote and third-party pricing service date, the Partnership and Consolidated Entities may use various models to establish an estimated exit price. These investments are classified as Level 3 assets. Models used for debt securities are primarily based on identifying comparable assets for which market data is available and pricing the target asset consistent with the yields of the comparable assets. As circumstances require, other industry accepted techniques may be used in modeling debt assets.

Life Settlement Contracts

Life Settlement contracts are valued using mortality tables and interest rate assumptions that are deemed by management to be appropriate for the demographic characteristics of the parties insured under the policies. Management generally utilizes an independent third party firm to perform these calculations and provide the relevant inputs. Management evaluates the results based on visible market activity and market research. Since these inputs are not readily observable, these contracts are classified as Level 3 assets.

At December 31, 2018, the Consolidated Entities' investments in life settlement contracts consisted of the following:

(U.S. dollars in thousands, except number of policies)

Remaining Life Expectancy

(in years)	Number of Policies	Face Value	Fair Value
1-2	-	\$ -	\$ -
2-3	3	33,785	16,940
3-4	-	-	-
4-5	-	-	-
Thereafter	10	111,500	18,804
Total	13	\$ 145,285	\$ 35,744

The Consolidated Entities invest in a variety of asset-backed securities. Asset-backed securities are generally valued based on complex cash flow models that analyze the cash flows generated by the investment's underlying assets after adjusting for expected default rates, prepayment rates, collateral quality, market liquidity among other factors. These models are then adjusted based on spreads available in the market place from various research firms, dealers, and trading activity. The Consolidated Entities generally utilize an independent third parties to provide the relevant inputs. The Consolidated Entities evaluate the results based on visible market activity and market research. When appropriate, the Consolidated Entities may apply other techniques based on a specific asset's characteristics. Asset-backed securities with quotes that are based on actual trades with a sufficient level of activity on or near the valuation date are classified as Level 2 assets. Asset-backed securities that are priced using quotes derived from implied values, bid/ask prices for trades that were never consummated, or a limited amount of actual trades are classified as Level 3 assets because the inputs used by the brokers and pricing services to derive the values are not readily observable.

The Partnership and its Consolidated Entities hold limited partnership and LLC interests in various entities. These assets are valued as the net asset value of the limited partnership interests because the entities utilize fair value accounting for their own financial statements. These interests are classified as Level 3 assets.

The Partnership categorizes investments recorded at fair value in accordance with the hierarchy established under U.S. GAAP. The following table provides a summary of the financial instruments recorded at fair value on a recurring basis by level within the hierarchy as of December 31, 2018:

(in thousands)

				Total Fair Value at 12/31/18
Assets	Level 1	Level 2	Level 3	
Common equity securities	\$ 139,236	\$ 296,695	\$ 99,443	\$ 535,374
Closed-end mutual funds	94,845	-	-	94,845
Floating rate syndicated bank loans	-	21	72,601	72,622
Real Estate Investment Trusts	46,594	10,881	-	57,475
Life settlement contracts	-	-	35,744	35,744
Limited partnership interests	-	-	30,521	30,521
Rights & warrants	20	123	7,303	7,446
LLC interests	-	-	2,775	2,775
Preferred equity	8,282	-	-	8,282
Asset-backed securities	-	-	102	102
Total	\$ 288,977	\$ 307,720	\$ 248,489	\$ 845,186
Liabilities				
Common stock & Options sold short	\$ 32,357	\$ -	-	\$ 32,357

(in thousands)

The following page includes a summary of significant unobservable inputs used in the fair valuations of assets and liabilities categorized within Level 3 of the fair value hierarchy.

In addition to the unobservable inputs utilized for various valuation methodologies, the Partnership often uses a combination of two or more valuation methodologies to determine fair value for a single holding. In such instances, the Partnership assesses the methodologies and ascribes weightings to each methodology. The selection of weightings is an inherently subjective process, dependent on professional judgement. These selections may have a material impact to the concluded fair value for such holdings.

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Notes to Consolidated Financial Statements

December 31, 2018

Financial Instruments

Market Risk

Credit Risk

Liquidity Risk

Business Risk

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December 31, 2018

December 31, 2018

7. Intangible Assets

On May 12, 2017, HCM Latin America, as manager, purchased all rights and obligations for management of a certain hedge fund. As of December 31, 2018, the current carrying value of these rights and obligations is \$3.0 million, which consists of the original purchase price of \$2.0 million and a deferred purchase price of \$1.0 million and is reflected in the Consolidated Balance Sheet.

The Partnership and its Consolidated Entities perform an impairment test as required by U.S. GAAP on a yearly basis. The Partnership has determined that an impairment charge was necessary for the value obtained on December 19, 2017, for subadvisory and shared servicing rights from an affiliate. As of December 31, 2018, the asset was determined to be fully impaired and an impairment expense of \$2.8 million is reflected in the Consolidated Statement of Income.

8. Related Party Transactions

Investments Under Common Control

Certain members of the Partnership's management serve as members on the Boards of Directors for some of the companies with which it invests. Because these individuals participate in the management of these companies, investments held by the Partnership and its subsidiaries in these companies may, from time to time, not be freely tradable. As of December 31, 2018, the Partnership and its Consolidated Entities held the following investments in these companies:

(in thousands)

Issuer	Type of Investment	Fair Value
Metro-Goldwyn-Mayer, Inc.	Common Stock	296,695
Cornerstone Healthcare Group Holding, Inc.	Common Equity	59,539
OmniMax International, Inc.	Term Loan	52,464
JHT Holdings Inc.	Common Stock	25,099
OmniMax International, Inc.	Common Equity	7,804
Carey International, Inc.	Term Loan	5,401
CCS Medical, Inc.	Loan	5,960
Trussway Holdings, LLC	Common Equity	4,582
JHT Holdings Inc.	Term Loan	4,160
OmniMax International, Inc.	Warrants	551

(in thousands)

Issuer	Type of Investment	Fair Value
Harko, LLC	LLC Units	\$ 2,721
Highland CLO Funding	Partnership Interest	610
Highland Energy MLP Fund	Mutual Fund Shares	1,363
Highland Floating Rate Opportunities Fund	Closed-end mutual fund shares	832
Highland Global Allocation Fund	Mutual Fund Shares	2,173
Highland Long/Short Equity Fund	Mutual Fund Shares	267
Highland Long/Short Healthcare Fund	Mutual Fund Shares	2,963
Highland Master Loan Fund	Limited Partnership interest	106
Highland Merger Arbitrage Fund	Mutual Fund Shares	1,321
Highland Opportunistic Credit Fund	Mutual Fund Shares	5,477
Highland Premier Growth Equity Fund	Mutual Fund Shares	64
Highland Small Cap Equity Fund	Mutual Fund Shares	465
NexPoint Strategic Opportunities Fund	Mutual Fund Shares	36,563
NexPoint Multi Family Capital Trust	REIT	10,881
NexPoint Real Estate Strategies Fund	Closed-end mutual fund shares	1,454
NexPoint Residential Trust	REIT	85,223

Expenses Reimbursable by Funds Managed

In the normal course of business, the Partnership typically pays invoices it receives from vendors for various services provided to the investment funds the Partnership manages. A summary of these eligible reimbursable expenses are then submitted to the trustee/administrator for each respective fund, typically on a quarterly basis, and the Partnership receives payment as reimbursement for paying the invoices on behalf of the respective funds. As of December 31, 2018, approximately \$6.4 million in reimbursable expenses were due from various affiliated funds and entities for these eligible expenses, and is included in *Other Assets* in the accompanying Consolidated Balance Sheet.

Accounts Held with Related Party

During the year the Partnership and its Consolidated Entities maintained bank accounts at NexBank, SSB ("NexBank"), a related party by way of common control. As of December 31, 2018, balances in these accounts were approximately \$0.5 million, a portion of which exceeds Federal deposit insurance limits.

Investment in Affiliated Loans

During the year, certain subsidiaries of the Partnership were invested in several bank loans in which NexBank was the agent bank. Interest earned on the loans during the year was approximately \$10.4 million and is included in interest and investment income in the Consolidated Statement of Income. At December 31, 2018, these subsidiaries were invested in NexBank agented loans with commitments and market values totaling approximately \$83.3 million and \$56.5 million, respectively.

December 31, 2018

December 31, 2018

December 31, 2018

The Partnership is a party to various legal proceedings arising in the ordinary course of business. While any proceeding or litigation has an element of uncertainty, management believes that the final outcome will not have a materially adverse effect on the Partnership's Consolidated Balance Sheet, Consolidated statement of Income, or its liquidity. See Note 14.

The Partnership has an operating lease and associated commitments related to its main office space. Future minimum lease payments under operating lease commitments with initial or non-cancelable terms in excess of one year, at inception, are as follows:

(in thousands)

Years Ending December 31,

2019	1,550
2020	1,566
2021	1,567
2022	522
Total	<u>\$ 5,205</u>

Total rental expense of the Partnership and its Consolidated Entities for operating leases was approximately \$1.5 million for the year ended December 31, 2018.

12. Post Retirement Benefits

In December 2006, the Partnership created a defined benefit plan to which all employees and certain affiliated persons could participate if they met the eligibility requirements. The Partnership uses a December 31 measurement date for its defined benefit plan.

Effective December 31, 2008, the Partnership amended the plan by freezing it to new participants and additional benefit accruals. A new amendment became effective on January 1, 2011 in which a named participant was admitted to the plan and is eligible to earn benefit accrual. 2018 expense reflects a service cost charge for the value of the new participant's benefit earned during 2018.

The Partnership's benefit plan obligation and plan assets for the year ended December 31, 2018 are reconciled in the tables below.

HCMLPHMIT00002583

Discount rate	3.19%
Expected long-term return on plan assets	3.19%
Rate of compensation increase	N/A

13. Income Taxes

For U.S. income tax purposes, the Partnership is treated as a pass-through-entity, which means it is not subject to income taxes under current Internal Revenue Service or state and local guidelines. Each partner is individually liable for income taxes, if any, on their share of the Partnership's net taxable income.

Authoritative guidance on accounting for and disclosure of uncertainty in tax positions requires the General Partner to determine whether a tax position of the Partnership is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. For tax positions meeting the more likely than not threshold, the tax amount recognized in the financial statements is the largest benefit that as a greater than fifty percent likelihood of being realized upon ultimate settlement with the relative taxing authority. The General Partner does not expect a significant change in uncertain tax positions during the twelve months subsequent to December 31, 2018.

For U.S. income tax purposes, Multi Strategy Master is treated as a pass-through entity, which means it is not subject to federal income taxes under current Internal Revenue Service guidelines. However, each investor may be individually liable for income taxes, if any, on its share of the partnership's net taxable income.

Dividends as well as certain interest and other income received by Multi Strategy Master from sources within the United States may be subject to, and reflected net of, United States withholding tax at a rate of 30% for non-U.S. Investment Vehicles. Interest, dividend and other income realized by Multi Strategy Master from non-U.S. sources and capital gains realized on the sale of securities of non-U.S. issuers may be subject to withholding and other taxes levied by the jurisdiction in which the income is sourced. As of December 31, 2018, a minimal withholding tax liability of \$0.9 million is classified within accrued and other liabilities on the Consolidated Balance Sheet.

December 31, 2018

December 31, 2018

The remaining entities consolidated by the Partnership had no uncertain tax positions which required accrual under U.S. GAAP.

Highland Capital Management, L.P.
(A Delaware Limited Partnership)
Notes to Consolidated Financial Statements
December 31, 2018

On March 28, 2019, the Partnership distributed equity to its partners in the aggregate amount of \$3.7 million.

On March 28, 2019, the Partnership received a \$3.7 million pay down on the outstanding Contribution Agreement.

Over the course of 2019, through the report date, HCMFA issued promissory notes to the Partnership in the aggregate amount of \$7.4 million. The notes accrue interest at a rate of 2.39%.

The Partnership has performed an evaluation of subsequent events through June 3, 2019, which is the date the consolidated financial statements were available to be issued, and has determined that there are no other material subsequent events that would require disclosure in the Partnership's consolidated financial statements.

Supplemental Information

HCMLPHMIT00002590

Supplemental Unconsolidated Balance Sheet

December 31, 2018

Assets

Cash and cash equivalents	\$ 2,567
Investments at fair value (cost \$263,008*)	259,460
Equity method investees	24,415
Management and incentive fees receivable	2,242
Intangible assets	8,421
Notes and other amounts due from affiliates	176,963
Fixed assets and leasehold improvements, net of accumulated depreciation of \$11,177	4,538
Total assets	\$ 478,606

Liabilities

Accounts payable	\$	4,838
Due to affiliate		4,542
Due to brokers		31,194
Due to brokers for securities purchased not yet settled		1,640
Accrued and other liabilities		35,574
Notes payable		16,722
Investment liabilities		12,135
Total liabilities		<u>106,645</u>

371,961

\$ 478,606

The above information was derived from the audited December 31, 2018 consolidated financial statements of Highland Capital Management, L.P. This information should be read in conjunction with such audited financial statements.

Supplemental Unconsolidated Statement of Income Year Ended December 31, 2018

Revenue:

Expenses:

Other Income/(Expense):

Loss before investment activities	(12,087)
-----------------------------------	----------

Loss from equity method investees:	(17,959)
------------------------------------	----------

Net loss	\$ (73,178)
-----------------	--------------------

HCMLPHMIT00002593

EXHIBIT 5

HCMLPHMIT00001332

Form **1065**Department of the Treasury
Internal Revenue Service

For calendar year 2018, or tax year beginning _____, 2018, ending _____, 20____.

Go to www.irs.gov/Form1065 for instructions and the latest information.

OMB No. 1545-0123

2018

A Principal business activity

INVESTMENT
MANAGEMENT

B Principal product or service

INVESTMENT
SERVICES

C Business code number

523900

Type
or
Print

Name of partnership

HIGHLAND CAPITAL MANAGEMENT, LP

Number, street, and room or suite no. If a P.O. box, see instructions.

300 CRESCENT COURT, SUITE 700

City or town, state or province, country, and ZIP or foreign postal code

DALLAS, TX 75201

D Employer identification number

75-2716725

E Date business started

07/07/1997

F Total assets (see instructions)

\$ 1,043,466,149.

G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended returnH Check accounting method: (1) ☐ Cash (2) ☒ Accrual (3) ☐ Other (specify) ▶

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year. ▶ 6

J Check if Schedules C and M-3 are attached. ▶ ☒**Caution:** Include **only** trade or business income and expenses on lines 1a through 22 below. See instructions for more information.

Income	1a	Gross receipts or sales.	1a	45,840,305.	
	b	Returns and allowances.	1b		
	c	Balance. Subtract line 1b from line 1a.	1c	45,840,305.	
	2	Cost of goods sold (attach Form 1125-A).	2		
	3	Gross profit. Subtract line 2 from line 1c.	3	45,840,305.	
	4	Ordinary income (loss) from other partnerships, estates, and trusts (attach statement) STMT. 1	4	-17,273,319.	
	5	Net farm profit (loss) (attach Schedule F (Form 1040)).	5		
	6	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797).	6		
Deductions (see instructions for limitations)	7	Other income (loss) (attach statement) SEE. STATEMENT. 1.	7	1,286,935.	
	8	Total income (loss). Combine lines 3 through 7.	8	29,853,921.	
	9	Salaries and wages (other than to partners) (less employment credits).	9	33,449,969.	
	10	Guaranteed payments to partners.	10		
	11	Repairs and maintenance.	11	26,410.	
	12	Bad debts.	12	6,583,982.	
	13	Rent.	13	1,615,192.	
	14	Taxes and licenses. SEE. STATEMENT. 1.	14	1,918,825.	
	15	Interest (see instructions) SEE. STATEMENT. 1.	15	1,674,962.	
	16a	Depreciation (if required, attach Form 4562).	16a	539,809.	
	b	Less depreciation reported on Form 1125-A and elsewhere on return	16b		
Tax and Payment	16c		16c	539,809.	
	17	Depletion (Do not deduct oil and gas depletion.)	17		
	18	Retirement plans, etc.	18		
	19	Employee benefit programs.	19	1,890,053.	
	20	Other deductions (attach statement) SEE. STATEMENT. 1.	20	23,266,179.	
	21	Total deductions. Add the amounts shown in the far right column for lines 9 through 20.	21	70,965,381.	
22	Ordinary business income (loss). Subtract line 21 from line 8.	22	-41,111,460.		
Tax and Payment	23	Interest due under the look-back method - completed long-term contracts (attach Form 8697).	23		
	24	Interest due under the look-back method - income forecast method (attach Form 8866).	24		
	25	BBA AAR imputed underpayment (see instructions).	25		
	26	Other taxes (see instructions).	26		
	27	Total balance due. Add lines 23 through 27.	27		
	28	Payment (see instructions).	28		
	29	Amount owed. If line 28 is smaller than line 27, enter amount owed.	29		
	30	Overpayment. If line 28 is larger than line 27, enter overpayment.	30		

Sign
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of partner or limited liability company member

Date

May the IRS discuss this return with the preparer shown below? See instructions. ☒ Yes ☐ NoPaid
Preparer
Use Only

Print/Type preparer's name

TODD CRAWFORD

Preparer's signature

TODD CRAWFORD

Date

09/12/2019

Check ☐ if

self-employed

PTIN

P00848788

Firm's name ▶

DELOITTE TAX LLP

Firm's EIN ▶

86-1065772

Firm's address ▶

1111 BAGBY STREET, SUITE 4500
HOUSTON, TX 77002-2591

Phone no.

713-982-2000

For Paperwork Reduction Act Notice, see separate instructions.

Form **1065** (2018)

Schedule K-1
(Form 1065)
Department of the Treasury
Internal Revenue Service

For calendar year 2018, or tax year

beginning / / 2018 ending / /

Partner's Share of Income, Deductions, Credits, etc.
See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
75-2716725

B Partnership's name, address, city, state, and ZIP code
HIGHLAND CAPITAL MANAGEMENT, LP
300 CRESCENT COURT, SUITE 700
DALLAS, TX 75201

C IRS Center where partnership filed return
OGDEN

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
95-4440863

F Partner's name, address, city, state, and ZIP code
STRAND ADVISORS, INC
300 CRESCENT COURT, SUITE 700
DALLAS, TX 75201

G ☒ General partner or LLC member-manager ☐ Limited partner or other LLC member

H ☒ Domestic partner ☐ Foreign partner

I1 What type of entity is this partner? S - CORPORATION

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here ☐

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	0.250795 %	0.250795 %
Loss	NONE %	NONE %
Capital	0.250795 %	0.250795 %

K Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	\$ 467,696	\$ 310,721
Qualified nonrecourse financing	\$ NONE	\$ 102,634
Recourse	\$ 150,598,314	\$ 136,641,607

L Partner's capital account analysis:

Beginning capital account	\$ 1,129,023
Capital contributed during the year	\$
Current year increase (decrease)	\$ (183,519)
Withdrawals & distributions	\$ (12,637)
Ending capital account	\$ 932,867

☐ Tax basis ☐ GAAP ☐ Section 704(b) book

☒ Other (explain) BOOK

M Did the partner contribute property with a built-in gain or loss?

☐ Yes ☒ No

If "Yes," attach statement (see instructions)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
	(103,105)		
2	Net rental real estate income (loss)		
	10,876		
3	Other net rental income (loss)	16	Foreign transactions
		A	VARIOUS
4	Guaranteed payments	B	213,008
5	Interest income	C	203,560
	25,256		
6a	Ordinary dividends	G	9,448
	10,556		
6b	Qualified dividends	I	25,111
	1,549		
6c	Dividend equivalents	J	238,918
7	Royalties	*	SEE STMT
	2,603		
8	Net short-term capital gain (loss)	17	Alternative minimum tax (AMT) items
	(80,700)	A	7
9a	Net long-term capital gain (loss)	D	5,475
	68,910		
9b	Collectibles (28%) gain (loss)	*	SEE STMT
9c	Unrecaptured section 1250 gain	18	Tax-exempt income and nondeductible expenses
10	Net section 1231 gain (loss)	C	9,036
	12,132		
11	Other income (loss)		
A	4,351		
I	5,119	19	Distributions
		A	12,637
12	Section 179 deduction		
13	Other deductions	20	Other information
A	89	A	42,819
H	20,910	B	(2,330)
*	SEE STMT	T	742
14	Self-employment earnings (loss)	*	SEE STMT

*See attached statement for additional information.

For IRS Use Only

Schedule K-1
(Form 1065)
Department of the Treasury
Internal Revenue Service

For calendar year 2018, or tax year

beginning / / 2018 ending / /

Partner's Share of Income, Deductions, Credits, etc.
See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
75-2716725

B Partnership's name, address, city, state, and ZIP code
HIGHLAND CAPITAL MANAGEMENT, LP
300 CRESCENT COURT, SUITE 700
DALLAS, TX 75201

C IRS Center where partnership filed return
OGDEN

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
565-11-3917

F Partner's name, address, city, state, and ZIP code
MARK OKADA
3800 WENTWOOD DRIVE
DALLAS, TX 75225

G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member

H ☒ Domestic partner ☐ Foreign partner

I1 What type of entity is this partner? INDIVIDUAL

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here ☐

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	0.048684 %	0.048684 %
Loss	NONE %	NONE %
Capital	0.048684 %	0.048684 %

K Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	\$ 90,788	\$ 60,316
Qualified nonrecourse financing	\$ NONE	\$ 19,923
Recourse	\$ 12,000,000	\$ 12,000,000

L Partner's capital account analysis:

Beginning capital account	\$ 219,163
Capital contributed during the year	\$
Current year increase (decrease)	\$ (35,622)
Withdrawals & distributions	\$ (2,455)
Ending capital account	\$ 181,086

☐ Tax basis ☐ GAAP ☐ Section 704(b) book

☒ Other (explain) **BOOK**

M Did the partner contribute property with a built-in gain or loss?
☐ Yes ☒ No
If "Yes," attach statement (see instructions)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
	(20,015)		
2	Net rental real estate income (loss)		
	2,111		
3	Other net rental income (loss)	16	Foreign transactions
		A	VARIOUS
4	Guaranteed payments	B	41,349
5	Interest income	C	39,515
	4,903		
6a	Ordinary dividends	G	1,834
	2,049		
6b	Qualified dividends	I	4,875
	301		
6c	Dividend equivalents	J	46,378
7	Royalties	*	SEE STMT
	505		
8	Net short-term capital gain (loss)	17	Alternative minimum tax (AMT) items
	(15,665)	A	1
9a	Net long-term capital gain (loss)	D	1,063
	13,377		
9b	Collectibles (28%) gain (loss)	*	SEE STMT
9c	Unrecaptured section 1250 gain	18	Tax-exempt income and nondeductible expenses
10	Net section 1231 gain (loss)	C	1,754
	2,355		
11	Other income (loss)		
A	845		
I	994	19	Distributions
		A	2,455
12	Section 179 deduction		
13	Other deductions	20	Other information
A	17	A	8,312
H	4,059	B	(452)
*	SEE STMT	T	144
14	Self-employment earnings (loss)	*	SEE STMT

*See attached statement for additional information.

For IRS Use Only

Schedule K-1
(Form 1065)
Department of the Treasury
Internal Revenue Service

For calendar year 2018, or tax year

beginning / / 2018 ending / /

Partner's Share of Income, Deductions, Credits, etc.
See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
75-2716725

B Partnership's name, address, city, state, and ZIP code
HIGHLAND CAPITAL MANAGEMENT, LP
300 CRESCENT COURT, SUITE 700
DALLAS, TX 75201

C IRS Center where partnership filed return
OGDEN

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
74-6494106

F Partner's name, address, city, state, and ZIP code
THE MARK AND PAMELA OKADA
FAMLY TRUST, EXEMPT TRUST #1
3800 WENTWOOD DRIVE
DALLAS, TX 75225

G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member

H ☒ Domestic partner ☐ Foreign partner

I1 What type of entity is this partner? TRUST

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here ☐

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	0.009777 %	0.009777 %
Loss	NONE %	NONE %
Capital	0.009777 %	0.009777 %

K Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	\$ 18,232	\$ 12,113
Qualified nonrecourse financing	\$ NONE	\$ 4,001
Recourse	\$ NONE	\$ NONE

L Partner's capital account analysis:

Beginning capital account	\$ 44,012
Capital contributed during the year	\$
Current year increase (decrease)	\$ (7,153)
Withdrawals & distributions	\$ (494)
Ending capital account	\$ 36,365

☐ Tax basis ☐ GAAP ☐ Section 704(b) book

☒ Other (explain) BOOK

M Did the partner contribute property with a built-in gain or loss?

☐ Yes ☒ No

If "Yes," attach statement (see instructions)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
	(4,019)		
2	Net rental real estate income (loss)		
	424		
3	Other net rental income (loss)	16	Foreign transactions
		A	VARIOUS
4	Guaranteed payments	B	8,304
5	Interest income	C	7,936
	985		
6a	Ordinary dividends	G	368
	412		
6b	Qualified dividends	I	979
	60		
6c	Dividend equivalents	J	9,314
7	Royalties	*	SEE STMT
	101		
8	Net short-term capital gain (loss)	17	Alternative minimum tax (AMT) items
	(3,146)	A	
9a	Net long-term capital gain (loss)	D	213
	2,686		
9b	Collectibles (28%) gain (loss)	*	SEE STMT
9c	Unrecaptured section 1250 gain	18	Tax-exempt income and nondeductible expenses
10	Net section 1231 gain (loss)	C	352
	473		
11	Other income (loss)		
A	170		
I	200	19	Distributions
		A	494
12	Section 179 deduction		
13	Other deductions	20	Other information
A	3	A	1,670
H	815	B	(91)
*	SEE STMT	T	29
14	Self-employment earnings (loss)	*	SEE STMT

*See attached statement for additional information.

For IRS Use Only

Schedule K-1 (Form 1065)

Department of the Treasury Internal Revenue Service

2018

For calendar year 2018, or tax year

beginning / / 2018 ending / /

Partner's Share of Income, Deductions, Credits, etc.

See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number 75-2716725

B Partnership's name, address, city, state, and ZIP code
HIGHLAND CAPITAL MANAGEMENT, LP
300 CRESCENT COURT, SUITE 700
DALLAS, TX 75201

C IRS Center where partnership filed return
OGDEN

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number 68-6203494

F Partner's name, address, city, state, and ZIP code
THE MARK AND PAMELA OKADA
FAMLY TRUST, EXEMPT TRUST #2
3800 WENTWOOD DRIVE
DALLAS, TX 75225

G General partner or LLC member-manager Limited partner or other LLC member

H Domestic partner Foreign partner

I1 What type of entity is this partner? TRUST

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	0.004190 %	0.004190 %
Loss	NONE %	NONE %
Capital	0.004190 %	0.004190 %

K Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	\$ 7,814	\$ 5,191
Qualified nonrecourse financing	\$ NONE	\$ 1,715
Recourse	\$ NONE	\$ NONE

L Partner's capital account analysis:

Beginning capital account	\$ 18,862
Capital contributed during the year	\$
Current year increase (decrease)	\$ (3,065)
Withdrawals & distributions	\$ (212)
Ending capital account	\$ 15,585

Other (explain) BOOK

M Did the partner contribute property with a built-in gain or loss?

Yes No

If "Yes," attach statement (see instructions)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
	(1,723)		
2	Net rental real estate income (loss)		
	182		
3	Other net rental income (loss)	16	Foreign transactions
		A	VARIOUS
4	Guaranteed payments	B	3,559
5	Interest income	C	3,401
6a	Ordinary dividends	G	158
6b	Qualified dividends	I	420
6c	Dividend equivalents	J	3,992
7	Royalties	*	SEE STMT
8	Net short-term capital gain (loss)	17	Alternative minimum tax (AMT) items
	(1,348)	A	
9a	Net long-term capital gain (loss)	D	91
9b	Collectibles (28%) gain (loss)	*	SEE STMT
9c	Unrecaptured section 1250 gain	18	Tax-exempt income and nondeductible expenses
10	Net section 1231 gain (loss)	C	151
	203		
11	Other income (loss)		
A	73		
I	85	19	Distributions
		A	212
12	Section 179 deduction		
13	Other deductions	20	Other information
A	1	A	715
H	349	B	(39)
*	SEE STMT	T	12
14	Self-employment earnings (loss)	*	SEE STMT

*See attached statement for additional information.

For IRS Use Only

Schedule K-1
(Form 1065)
Department of the Treasury
Internal Revenue Service

For calendar year 2018, or tax year

beginning / / 2018 ending / /

Partner's Share of Income, Deductions, Credits, etc.
See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
75-2716725

B Partnership's name, address, city, state, and ZIP code
HIGHLAND CAPITAL MANAGEMENT, LP
300 CRESCENT COURT, SUITE 700
DALLAS, TX 75201

C IRS Center where partnership filed return
OGDEN

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
140-42-1858

F Partner's name, address, city, state, and ZIP code
THE DUGABOY INVESTMENT TRUST
300 CRESCENT COURT, SUITE 700
DALLAS, TX 75201

G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member

H ☒ Domestic partner ☐ Foreign partner

I1 What type of entity is this partner? TRUST

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here ☐

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	0.186554 %	0.186554 %
Loss	NONE %	NONE %
Capital	0.186554 %	0.186554 %

K Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	\$ 347,896	\$ 231,130
Qualified nonrecourse financing	\$ NONE	\$ 76,344
Recourse	\$ 35,000,000	\$ 35,000,000

L Partner's capital account analysis:

Beginning capital account	\$ 839,824
Capital contributed during the year	\$
Current year increase (decrease)	\$ (136,505)
Withdrawals & distributions	\$ (9,406)
Ending capital account	\$ 693,914

☐ Tax basis ☐ GAAP ☐ Section 704(b) book

☒ Other (explain) BOOK

M Did the partner contribute property with a built-in gain or loss?

☐ Yes ☒ No

If "Yes," attach statement (see instructions)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
	(76,695)		
2	Net rental real estate income (loss)		
	8,090		
3	Other net rental income (loss)	16	Foreign transactions
		A	VARIOUS
4	Guaranteed payments	B	158,446
5	Interest income	C	151,418
	18,786		
6a	Ordinary dividends	G	7,028
	7,852		
6b	Qualified dividends	I	18,679
	1,153		
6c	Dividend equivalents	J	177,719
7	Royalties	*	SEE STMT
	1,936		
8	Net short-term capital gain (loss)	17	Alternative minimum tax (AMT) items
	(60,028)	A	5
9a	Net long-term capital gain (loss)	D	4,073
	51,259		
9b	Collectibles (28%) gain (loss)	*	SEE STMT
9c	Unrecaptured section 1250 gain	18	Tax-exempt income and nondeductible expenses
10	Net section 1231 gain (loss)	C	6,722
	9,024		
11	Other income (loss)		
A	3,236		
I	3,808	19	Distributions
		A	9,406
12	Section 179 deduction		
13	Other deductions	20	Other information
A	66	A	31,850
H	15,554	B	(1,733)
*	SEE STMT	T	552
14	Self-employment earnings (loss)	*	SEE STMT

*See attached statement for additional information.

For IRS Use Only

Schedule K-1 (Form 1065)

Department of the Treasury Internal Revenue Service

For calendar year 2018, or tax year

beginning / / 2018 ending / /

Partner's Share of Income, Deductions, Credits, etc.

See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number 75-2716725

B Partnership's name, address, city, state, and ZIP code HIGHLAND CAPITAL MANAGEMENT, LP 300 CRESCENT COURT, SUITE 700 DALLAS, TX 75201

C IRS Center where partnership filed return OGDEN

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number 47-5145562

F Partner's name, address, city, state, and ZIP code HUNTER MOUNTAIN INVESTMENT TRUST F/B/O BEACON MOUNTAIN, LLC 87 RAILROAD PLACE, SUITE 403 SARATOGA SPRINGS, NY 12866

G General partner or LLC member-manager Limited partner or other LLC member Domestic partner Foreign partner

I1 What type of entity is this partner? TRUST

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here

J Partner's share of profit, loss, and capital (see instructions):

Beginning Ending

Profit 99.500000 % 99.500000 % Loss NONE % NONE % Capital 99.500000 % 99.500000 %

K Partner's share of liabilities:

Beginning Ending

Nonrecourse \$ 185,553,010 \$ 123,274,967 Qualified nonrecourse financing \$ NONE \$ 40,718,835 Recourse \$ NONE \$ NONE

L Partner's capital account analysis:

Beginning capital account \$ 447,926,317 Capital contributed during the year \$ Current year increase (decrease) \$ (72,807,286) Withdrawals & distributions \$ (5,015,296) Ending capital account \$ 370,103,735

Tax basis GAAP Section 704(b) book Other (explain) BOOK

M Did the partner contribute property with a built-in gain or loss?

Yes No

If "Yes," attach statement (see instructions)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
	(40,905,903)		
2	Net rental real estate income (loss)		
	4,314,785		
3	Other net rental income (loss)	16	Foreign transactions
		A	VARIOUS
4	Guaranteed payments	B	84,508,257
5	Interest income	C	80,759,899
	10,019,919		
6a	Ordinary dividends	G	3,748,358
	4,187,952		
6b	Qualified dividends	I	9,962,559
	614,699		
6c	Dividend equivalents	J	94,787,981
7	Royalties	*	SEE STMT
	1,032,631		
8	Net short-term capital gain (loss)	17	Alternative minimum tax (AMT) items
	(32,016,601)	A	2,588
9a	Net long-term capital gain (loss)	D	2,172,179
	27,339,116		
9b	Collectibles (28%) gain (loss)	*	SEE STMT
9c	Unrecaptured section 1250 gain	18	Tax-exempt income and nondeductible expenses
10	Net section 1231 gain (loss)	C	3,585,104
	4,813,197		
11	Other income (loss)		
A	1,726,088		
I	2,030,832	19	Distributions
		A	5,015,296
12	Section 179 deduction		
13	Other deductions	20	Other information
A	35,183	A	16,987,726
H	8,295,974	B	(924,462)
*	SEE STMT	T	294,297
14	Self-employment earnings (loss)	*	SEE STMT

*See attached statement for additional information.

For IRS Use Only

EXHIBIT 6

Form 1065 Department of the Treasury Internal Revenue Service		U.S. Return of Partnership Income For calendar year 2019, or tax year beginning _____, 2019, ending _____, 20_____. ▶ Go to www.irs.gov/Form1065 for instructions and the latest information.		OMB No. 1545-0123 <div style="font-size: 2em; font-weight: bold;">2019</div>	
A Principal business activity INVESTMENT MANAGEMENT		Name of partnership HIGHLAND CAPITAL MANAGEMENT, LP		D Employer identification number 75-2716725	
B Principal product or service INVESTMENT SERVICES		Type or Print Number, street, and room or suite no. If a P.O. box, see instructions. 300 CRESCENT COURT, SUITE 700		E Date business started 07/07/1997	
C Business code number 523900		City or town, state or province, country, and ZIP or foreign postal code DALLAS, TX 75201		F Total assets (see instructions) \$ 1,015,968,222.	

G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return
H Check accounting method: (1) ☐ Cash (2) ☒ Accrual (3) ☐ Other (specify) ▶ _____
I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ 6
J Check if Schedules C and M-3 are attached. ▶ ☒ **X**
K Check if Partnership: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See instructions for more information.

Income	1a Gross receipts or sales.	1a	32,009,311.		
	b Returns and allowances	1b			
	c Balance. Subtract line 1b from line 1a			1c 32,009,311.	
	2 Cost of goods sold (attach Form 1125-A).			2	
	3 Gross profit. Subtract line 2 from line 1c			3 32,009,311.	
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement) STMT. 1			4 -3,799,517.	
	5 Net farm profit (loss) (attach Schedule F (Form 1040 or 1040-SR))			5	
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			6	
7 Other income (loss) (attach statement)		SEE. STATEMENT. 1.	7	-2,886,805.	
8 Total income (loss). Combine lines 3 through 7			8	25,322,989.	
Deductions (see instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)			9	28,941,198.
	10 Guaranteed payments to partners.			10	
	11 Repairs and maintenance			11	18,389.
	12 Bad debts.			12	5,139,915.
	13 Rent			13	1,377,540.
	14 Taxes and licenses.		SEE. STATEMENT. 1.	14	1,761,610.
	15 Interest (see instructions)		SEE. STATEMENT. 1.	15	1,910,445.
	16a Depreciation (if required, attach Form 4562).	16a	423,258.		
	b Less depreciation reported on Form 1125-A and elsewhere on return	16b		16c	423,258.
	17 Depletion (Do not deduct oil and gas depletion.)			17	
	18 Retirement plans, etc.			18	
19 Employee benefit programs			19	1,808,577.	
20 Other deductions (attach statement)		SEE. STATEMENT. 1.	20	15,611,953.	
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20 . . .			21	56,992,885.	
22 Ordinary business income (loss). Subtract line 21 from line 8			22	-31,669,896.	
Tax and Payment	23 Interest due under the look-back method - completed long-term contracts (attach Form 8697) .			23	
	24 Interest due under the look-back method - income forecast method (attach Form 8866) . . .			24	
	25 BBA AAR imputed underpayment (see instructions)			25	
	26 Other taxes (see instructions)			26	
	27 Total balance due. Add lines 23 through 26			27	
	28 Payment (see instructions).			28	
	29 Amount owed. If line 28 is smaller than line 27, enter amount owed.			29	
	30 Overpayment. If line 28 is larger than line 27, enter overpayment			30	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of partner or limited liability company member:

Date: 9/10/20

May the IRS discuss this return with the preparer shown below? See instructions. ☒ Yes ☐ No

Paid Preparer Use Only	Print/Type preparer's name TODD CRAWFORD	Preparer's signature 	Date 9/6/2020	Check <input type="checkbox"/> if self-employed	PTIN P00848788
	Firm's name ▶ DELOITTE TAX LLP			Firm's EIN ▶ 86-1065772	
	Firm's address ▶ 1111 BAGBY STREET, SUITE 4500 HOUSTON, TX 77002-2591			Phone no. 713-982-2000	

Schedule K-1 (Form 1065)

Department of the Treasury Internal Revenue Service

For calendar year 2019, or tax year

beginning / / 2019 ending / /

Partner's Share of Income, Deductions, Credits, etc.

See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number 75-2716725

B Partnership's name, address, city, state, and ZIP code HIGHLAND CAPITAL MANAGEMENT, LP 300 CRESCENT COURT, SUITE 700 DALLAS, TX 75201

C IRS Center where partnership filed return OGDEN

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See inst.) 95-4440863

F Name, address, city, state, and ZIP code for partner entered in E. See instructions. STRAND ADVISORS, INC 300 CRESCENT COURT, SUITE 700 DALLAS, TX 75201

G General partner or LLC member-manager Limited partner or other LLC member

H1 Domestic partner Foreign partner

H2 If the partner is a disregarded entity (DE), enter the partner's: TIN Name

I1 What type of entity is this partner? S CORPORATION

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	0.250795 %	0.250795 %
Loss	NONE %	NONE %
Capital	0.250795 %	0.250795 %

Check if decrease is due to sale or exchange of partnership interest

K Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	\$ 310,721	\$ 294,988
Qualified nonrecourse financing	\$ 102,634	\$ 352,799
Recourse	\$ 136,641,607	\$ 211,263,413

Check this box if Item K includes liability amounts from lower tier partnerships.

L Partner's Capital Account Analysis

Beginning capital account	\$ 932,867
Capital contributed during the year	\$
Current year net income (loss)	\$ (46,485)
Other increase (decrease) (attach explanation)	\$ 95
Withdrawals & distributions	\$ (9,351)
Ending capital account	\$ 877,126

M Did the partner contribute property with a built-in gain or loss? Yes No If "Yes," attach statement. See instructions.

N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)

Beginning	\$
Ending	\$

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss) (79,427)	15	Credits
2	Net rental real estate income (loss) 59,057		
3	Other net rental income (loss)	16	Foreign transactions
4a	Guaranteed payments for services	A	VARIOUS
4b	Guaranteed payments for capital	B	271,740
4c	Total guaranteed payments	C	275,214
5	Interest income 24,413	G	(3,473)
6a	Ordinary dividends 6,149	I	19,783
6b	Qualified dividends 332	J	167,808
6c	Dividend equivalents	*	SEE STMT
7	Royalties 2,891	17	Alternative minimum tax (AMT) items
8	Net short-term capital gain (loss) (22,160)	A	(8)
9a	Net long-term capital gain (loss) 53,724	D	5,336
9b	Collectibles (28%) gain (loss)	*	SEE STMT
9c	Unrecaptured section 1250 gain 7	18	Tax-exempt income and nondeductible expenses
10	Net section 1231 gain (loss) (3,439)	C	14,285
11	Other income (loss) 38		
A	SEE STMT	19	Distributions
*	SEE STMT	A	9,351
12	Section 179 deduction		
13	Other deductions 11	20	Other information
H	14,992	A	38,729
*	SEE STMT	B	623
14	Self-employment earnings (loss)	H	717
		T	
		*	SEE STMT
21	More than one activity for at-risk purposes*		
22	More than one activity for passive activity purposes*		

*See attached statement for additional information.

For IRS Use Only

Schedule K-1
(Form 1065)

Department of the Treasury
Internal Revenue Service

For calendar year 2019, or tax year

beginning / / 2019 ending / /

Partner's Share of Income, Deductions,
Credits, etc.

See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
75-2716725

B Partnership's name, address, city, state, and ZIP code
HIGHLAND CAPITAL MANAGEMENT, LP
300 CRESCENT COURT, SUITE 700
DALLAS, TX 75201

C IRS Center where partnership filed return OGDEN

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See inst.)
565-11-3917

F Name, address, city, state, and ZIP code for partner entered in E. See instructions.
MARK OKADA
3800 WENTWOOD DRIVE
DALLAS, TX 75225

G General partner or LLC member-manager Limited partner or other LLC member

H1 Domestic partner Foreign partner

H2 If the partner is a disregarded entity (DE), enter the partner's:

TIN Name

I1 What type of entity is this partner? INDIVIDUAL

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here

J Partner's share of profit, loss, and capital (see instructions):

Beginning

Ending

Profit 0.048684 % 0.048684 %

Loss NONE % NONE %

Capital 0.048684 % 0.048684 %

Check if decrease is due to sale or exchange of partnership interest

K Partner's share of liabilities:

Beginning

Ending

Nonrecourse \$ 60,316 \$ 57,262

Qualified nonrecourse financing \$ 19,923 \$ 68,484

Recourse \$ 12,000,000 \$ 12,000,000

Check this box if Item K includes liability amounts from lower tier partnerships.

L Partner's Capital Account Analysis

Beginning capital account \$ 181,086

Capital contributed during the year \$

Current year net income (loss) \$ (9,024)

Other increase (decrease) (attach explanation) \$ 16,149

Withdrawals & distributions \$ (17,945)

Ending capital account \$ 170,265

M Did the partner contribute property with a built-in gain or loss?

Yes No If "Yes," attach statement. See instructions.

N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)

Beginning \$

Ending \$

Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items

1	Ordinary business income (loss) (15,418)	15	Credits
2	Net rental real estate income (loss) 11,464		
3	Other net rental income (loss)	16	Foreign transactions
4a	Guaranteed payments for services	A	VARIOUS
4b	Guaranteed payments for capital	B	52,750
4c	Total guaranteed payments	C	53,424
5	Interest income 4,739	G	(674)
6a	Ordinary dividends 1,194	I	3,840
6b	Qualified dividends 64	J	32,575
6c	Dividend equivalents	*	SEE STMT
7	Royalties 561	17	Alternative minimum tax (AMT) items
8	Net short-term capital gain (loss) (4,302)	A	(2)
9a	Net long-term capital gain (loss) 10,429	D	1,036
9b	Collectibles (28%) gain (loss)	*	SEE STMT
9c	Unrecaptured section 1250 gain 1	18	Tax-exempt income and nondeductible expenses
10	Net section 1231 gain (loss) (668)	C	2,773
11	Other income (loss) A 7		
*	SEE STMT	19	Distributions
12	Section 179 deduction	A	17,945
13	Other deductions A 2		
H	2,910	B	121
*	SEE STMT	T	139
14	Self-employment earnings (loss)	*	SEE STMT
21	More than one activity for at-risk purposes*		
22	More than one activity for passive activity purposes*		

For IRS Use Only

*See attached statement for additional information.

Schedule K-1 (Form 1065)

Department of the Treasury Internal Revenue Service

2019

For calendar year 2019, or tax year

beginning / / 2019 ending / /

Partner's Share of Income, Deductions, Credits, etc.

See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number 75-2716725

B Partnership's name, address, city, state, and ZIP code
HIGHLAND CAPITAL MANAGEMENT, LP
300 CRESCENT COURT, SUITE 700
DALLAS, TX 75201

C IRS Center where partnership filed return OGDEN

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See inst.) 74-6494106

F Name, address, city, state, and ZIP code for partner entered in E. See instructions.
THE MARK AND PAMELA OKADA
FAMILY TRUST, EXEMPT TRUST #1
3800 WENTWOOD DRIVE
DALLAS, TX 75225

G General partner or LLC member-manager Limited partner or other LLC member

H1 Domestic partner Foreign partner

H2 If the partner is a disregarded entity (DE), enter the partner's:
TIN Name

I1 What type of entity is this partner? TRUST

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here

J Partner's share of profit, loss, and capital (see instructions):
Beginning Ending

Profit	0.009777 %	0.009777 %
Loss	NONE %	NONE %
Capital	0.009777 %	0.009777 %

Check if decrease is due to sale or exchange of partnership interest

K Partner's share of liabilities:
Beginning Ending

Nonrecourse	\$ 12,113	\$ 11,499
Qualified nonrecourse financing	\$ 4,001	\$ 13,753
Recourse	\$ NONE	\$ NONE

Check this box if Item K includes liability amounts from lower tier partnerships.

L Partner's Capital Account Analysis

Beginning capital account	\$ 36,365
Capital contributed during the year	\$
Current year net income (loss)	\$ (1,812)
Other increase (decrease) (attach explanation)	\$ 5
Withdrawals & distributions	\$ (366)
Ending capital account	\$ 34,192

M Did the partner contribute property with a built-in gain or loss?
Yes No If "Yes," attach statement. See instructions.

N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)
Beginning \$
Ending \$

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
	(3,096)		
2	Net rental real estate income (loss)		
	2,302		
3	Other net rental income (loss)	16	Foreign transactions
		A	VARIOUS
4a	Guaranteed payments for services	B	10,594
4b	Guaranteed payments for capital	C	10,729
4c	Total guaranteed payments	G	(135)
5	Interest income	I	771
	952		
6a	Ordinary dividends	J	6,542
	240		
6b	Qualified dividends	*	SEE STMT
	13		
6c	Dividend equivalents	17	Alternative minimum tax (AMT) items
		A	NONE
7	Royalties	D	208
	113		
8	Net short-term capital gain (loss)	*	SEE STMT
	(864)		
9a	Net long-term capital gain (loss)	18	Tax-exempt income and nondeductible expenses
	2,094		
9b	Collectibles (28%) gain (loss)	C	557
9c	Unrecaptured section 1250 gain		
	NONE		
10	Net section 1231 gain (loss)	19	Distributions
	(134)		
11	Other income (loss)	A	366
A	1		
*	SEE STMT	20	Other information
12	Section 179 deduction	A	1,510
13	Other deductions	B	24
A	NONE		
H	584	T	28
*	SEE STMT	*	SEE STMT
14	Self-employment earnings (loss)		
21	More than one activity for at-risk purposes*		
22	More than one activity for passive activity purposes*		
*See attached statement for additional information.			

For IRS Use Only

Schedule K-1 (Form 1065)

Department of the Treasury Internal Revenue Service

For calendar year 2019, or tax year

beginning 2019 ending

Partner's Share of Income, Deductions, Credits, etc.

See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number 75-2716725

B Partnership's name, address, city, state, and ZIP code HIGHLAND CAPITAL MANAGEMENT, LP 300 CRESCENT COURT, SUITE 700 DALLAS, TX 75201

C IRS Center where partnership filed return OGDEN

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See inst.) 68-6203494

F Name, address, city, state, and ZIP code for partner entered in E. See instructions. THE MARK AND PAMELA OKADA FAMILY TRUST, EXEMPT TRUST #2 3800 WENTWOOD DRIVE DALLAS, TX 75225

G General partner or LLC member-manager Limited partner or other LLC member

H1 Domestic partner Foreign partner

H2 If the partner is a disregarded entity (DE), enter the partner's: TIN Name

I1 What type of entity is this partner? TRUST

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	0.004190 %	0.004190 %
Loss	NONE %	NONE %
Capital	0.004190 %	0.004190 %

Check if decrease is due to sale or exchange of partnership interest

K Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	\$ 5,191	\$ 4,928
Qualified nonrecourse financing	\$ 1,715	\$ 5,894
Recourse	\$ NONE	\$ NONE

Check this box if Item K includes liability amounts from lower tier partnerships.

L Partner's Capital Account Analysis

Beginning capital account	\$ 15,585
Capital contributed during the year	\$
Current year net income (loss)	\$ (777)
Other increase (decrease) (attach explanation)	\$ 3
Withdrawals & distributions	\$ (157)
Ending capital account	\$ 14,654

M Did the partner contribute property with a built-in gain or loss? Yes No If "Yes," attach statement. See instructions.

N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)

Beginning	\$
Ending	\$

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
	(1,327)		
2	Net rental real estate income (loss)		
	987		
3	Other net rental income (loss)	16	Foreign transactions
		A	VARIOUS
4a	Guaranteed payments for services	B	4,540
4b	Guaranteed payments for capital	C	4,598
4c	Total guaranteed payments	G	(58)
5	Interest income	I	331
	408		
6a	Ordinary dividends	J	2,804
	103		
6b	Qualified dividends	*	SEE STMT
	6		
6c	Dividend equivalents	17	Alternative minimum tax (AMT) items
		A	NONE
7	Royalties	D	89
	48		
8	Net short-term capital gain (loss)	*	SEE STMT
	(370)		
9a	Net long-term capital gain (loss)	18	Tax-exempt income and nondeductible expenses
	898		
9b	Collectibles (28%) gain (loss)	C	239
9c	Unrecaptured section 1250 gain		
	NONE		
10	Net section 1231 gain (loss)	19	Distributions
	(57)		
11	Other income (loss)	A	157
A	1		
*	SEE STMT	20	Other information
12	Section 179 deduction	A	647
13	Other deductions	B	10
A	NONE		
H	250	T	12
*	SEE STMT	*	SEE STMT
14	Self-employment earnings (loss)		
21	More than one activity for at-risk purposes*		
22	More than one activity for passive activity purposes*		
*See attached statement for additional information.			

For IRS Use Only

Schedule K-1
(Form 1065)

Department of the Treasury
Internal Revenue Service

For calendar year 2019, or tax year

beginning / / 2019 ending / /

Partner's Share of Income, Deductions,
Credits, etc.

See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
75-2716725

B Partnership's name, address, city, state, and ZIP code
HIGHLAND CAPITAL MANAGEMENT, LP
300 CRESCENT COURT, SUITE 700
DALLAS, TX 75201

C IRS Center where partnership filed return OGDEN

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See inst.)
140-42-1858

F Name, address, city, state, and ZIP code for partner entered in E. See instructions.
JAMES DONDERO
300 CRESCENT COURT, SUITE 700
DALLAS, TX 75201

G General partner or LLC member-manager Limited partner or other LLC member

H1 Domestic partner Foreign partner

H2 If the partner is a disregarded entity (DE), enter the partner's:

TIN NONE Name THE DUGABOY INVESTMENT TRUST

I1 What type of entity is this partner? INDIVIDUAL

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here

J Partner's share of profit, loss, and capital (see instructions):

Beginning

Ending

Profit 0.186554 % 0.186554 %

Loss NONE % NONE %

Capital 0.186554 % 0.186554 %

Check if decrease is due to sale or exchange of partnership interest

K Partner's share of liabilities:

Beginning

Ending

Nonrecourse \$ 231,130 \$ 219,427

Qualified nonrecourse financing \$ 76,344 \$ 262,430

Recourse \$ 35,000,000 \$ 35,000,000

Check this box if Item K includes liability amounts from lower tier partnerships.

L Partner's Capital Account Analysis

Beginning capital account \$ 693,914

Capital contributed during the year \$

Current year net income (loss) \$ (34,578)

Other increase (decrease) (attach explanation) \$ 144,900

Withdrawals & distributions \$ (151,785)

Ending capital account \$ 652,451

M Did the partner contribute property with a built-in gain or loss?

Yes No If "Yes," attach statement. See instructions.

N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)

Beginning \$

Ending \$

Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items

1	Ordinary business income (loss) (59,081)	15	Credits
2	Net rental real estate income (loss) 43,929		
3	Other net rental income (loss)	16	Foreign transactions
4a	Guaranteed payments for services	A	VARIOUS
4b	Guaranteed payments for capital	B	202,134
4c	Total guaranteed payments	C	204,718
5	Interest income 18,160	G	(2,584)
6a	Ordinary dividends 4,574	I	14,716
6b	Qualified dividends 247	J	124,824
6c	Dividend equivalents	*	SEE STMT
7	Royalties 2,151	17	Alternative minimum tax (AMT) items
8	Net short-term capital gain (loss) (16,484)	A	(6)
9a	Net long-term capital gain (loss) 39,963	D	3,969
9b	Collectibles (28%) gain (loss)	*	SEE STMT
9c	Unrecaptured section 1250 gain 5	18	Tax-exempt income and nondeductible expenses
10	Net section 1231 gain (loss) (2,558)	C	10,626
11	Other income (loss) A 28		
*	SEE STMT	19	Distributions
12	Section 179 deduction	A	151,785
13	Other deductions A 8	20	Other information
H	11,152	B	28,809
*	SEE STMT	T	463
14	Self-employment earnings (loss)	*	534
21	More than one activity for at-risk purposes*		SEE STMT
22	More than one activity for passive activity purposes*		

For IRS Use Only

*See attached statement for additional information.

Schedule K-1
(Form 1065)

Department of the Treasury
Internal Revenue Service

For calendar year 2019, or tax year

beginning / / 2019 ending / /

Partner's Share of Income, Deductions, Credits, etc.

See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
75-2716725

B Partnership's name, address, city, state, and ZIP code
HIGHLAND CAPITAL MANAGEMENT, LP
300 CRESCENT COURT, SUITE 700
DALLAS, TX 75201

C IRS Center where partnership filed return OGDEN

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See inst.)
47-5261938

F Name, address, city, state, and ZIP code for partner entered in E. See instructions.
RAND PE FUND I, LP
87 RAILROAD PLACE, SUITE 403
SARATOGA SPRINGS, NY 12866

G General partner or LLC member-manager Limited partner or other LLC member

H1 Domestic partner Foreign partner

H2 If the partner is a disregarded entity (DE), enter the partner's:

TIN 47-5145562 Name HNTR MNTN INV TRST FBO BCN MI

I1 What type of entity is this partner? PARTNERSHIP

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here

J Partner's share of profit, loss, and capital (see instructions):

Beginning Ending

Profit 99.500000 % 99.500000 %

Loss NONE % NONE %

Capital 99.500000 % 99.500000 %

Check if decrease is due to sale or exchange of partnership interest

K Partner's share of liabilities:

Beginning Ending

Nonrecourse \$ 123,274,967 \$ 117,033,004

Qualified nonrecourse financing \$ 40,718,835 \$ 139,968,727

Recourse \$ NONE \$ NONE

Check this box if Item K includes liability amounts from lower tier partnerships.

L Partner's Capital Account Analysis

Beginning capital account \$ 370,103,735

Capital contributed during the year \$

Current year net income (loss) \$ (18,442,312)

Other increase (decrease) (attach explanation) \$ 39,227

Withdrawals & distributions \$ (3,711,456)

Ending capital account \$ 347,989,195

M Did the partner contribute property with a built-in gain or loss?
Yes No If "Yes," attach statement. See instructions.

N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)

Beginning \$

Ending \$

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
	(31,511,547)		
2	Net rental real estate income (loss)		
	23,429,983		
3	Other net rental income (loss)	16	Foreign transactions
		A	VARIOUS
4a	Guaranteed payments for services	B	107,809,792
4b	Guaranteed payments for capital	C	109,187,851
4c	Total guaranteed payments	G	(1,378,061)
5	Interest income	I	7,848,766
	9,685,521		
6a	Ordinary dividends	J	66,575,961
	2,439,576		
6b	Qualified dividends	*	SEE STMT
	131,590		
6c	Dividend equivalents	17	Alternative minimum tax (AMT) items
		A	(3,101)
7	Royalties	D	2,116,810
	1,147,036		
8	Net short-term capital gain (loss)	*	SEE STMT
	(8,791,920)		
9a	Net long-term capital gain (loss)	18	Tax-exempt income and nondeductible expenses
	21,314,362		
9b	Collectibles (28%) gain (loss)	C	5,667,593
9c	Unrecaptured section 1250 gain		
	2,880		
10	Net section 1231 gain (loss)	19	Distributions
	(1,364,433)	A	3,711,456
11	Other income (loss)		
A	14,893		
*	SEE STMT	20	Other information
12	Section 179 deduction	A	15,365,420
13	Other deductions	B	247,031
A	4,238		
H	5,947,873	T	284,597
*	SEE STMT	*	SEE STMT
14	Self-employment earnings (loss)		
21	More than one activity for at-risk purposes*		
22	More than one activity for passive activity purposes*		
*See attached statement for additional information.			

For IRS Use Only

EXHIBIT 7

Monthly Operating Report ACCRUAL BASIS-1

CASE NAME:	Highland Capital Management, LP
CASE NUMBER:	19-12239-CSS

Comparative Balance Sheet (in thousands)

	<u>10/15/2019</u>	<u>10/31/2019</u>	<u>11/30/2019</u>
Assets			
Cash and cash equivalents	2,529	2,286	6,343
Investments, at fair value ⁽³⁾	232,620	235,144	233,776
Equity method investees ⁽³⁾	161,819	161,813	175,381
Management and incentive fee receivable	2,579	3,202	1,223
Fixed assets, net	3,754	3,672	3,601
Due from affiliates ⁽¹⁾	151,901	152,124	152,523
Other assets	11,311	11,260	10,621
Total assets	<u><u>\$ 566,513</u></u>	<u><u>\$ 569,501</u></u>	<u><u>\$ 583,468</u></u>
Liabilities and Partners' Capital			
Pre-petition accounts payable ⁽⁴⁾	1,176	1,135	1,250
Post-petition accounts payable ⁽⁴⁾	-	102	236
Secured debt:			
Frontier	5,195	5,195	5,195
Jefferies	30,328	30,315	30,268
Accrued expenses and other liabilities ⁽⁴⁾	59,203	59,184	60,848
Accrued re-organization related fees ⁽⁵⁾	-	-	-
Claim accrual ⁽²⁾	73,997	73,997	73,997
Partners' capital	396,614	399,573	411,674
Total liabilities and partners' capital	<u><u>\$ 566,513</u></u>	<u><u>\$ 569,501</u></u>	<u><u>\$ 583,468</u></u>

⁽¹⁾ Includes various notes receivable at carrying value (fv undetermined).

⁽²⁾ Uncontested portion of claim less applicable offsets. Potential for additional liability based on future events. No interest has been accrued beyond petition date.

⁽³⁾ Mark to market gains/(losses) on investments include pricing updates for publicly traded securities and other positions with readily available market price information. Limited partnership interests normally marked to a NAV statement have not been updated as of period end as statements are generally available on a one-month lag.

⁽⁴⁾ Note on accruals: expenses recorded in Accounts Payable and Accrued Expenses and Other Liabilities reflect invoices recorded through accounts payable, legal invoice accruals, and normal course operating accruals, but do not reflect estimates for other incurred, but not yet received invoices. For balance sheet dates other than the Petition Date, amounts include both pre-petition and post-petition liabilities.

⁽⁵⁾ Debtor funded various retainers totaling \$790k prior to the petition date, which were entirely expensed prior to the petition date. No additional amounts were accrued between October 16, 2019 and November 30, 2019

		Accrued and other liabilities		
20900	20900	20900 INTERCOMPANY PAYABLE	-	
21010	21010	21010 ACCRUED LIABILITIES - INTEREST	225.00	x
21030	21030	21030 ACCRUED LIABILITIES - LEGAL	(8,761,799.69)	x
21040	21040	21040 ACCRUED LIABILITIES - AUDIT FEES	(165,967.74)	x
21080	21080	21080 ACCRUED LIABILITIES - INCOME TAX	(175,023.00)	x
21090	21090	21090 ACCRUED LIABILITIES - OTHER	(3,166.60)	x
21110	21110	21110 ACCRUED LIABILITIES - HCNV HEALTH INS PREMIUMS	(119,062.29)	x
21111	21111	21111 ACCRUED LIABILITIES - HCMFA HEALTH INS PREMIUMS	(95,045.39)	x
21113	21113	21113 ACCRUED LIABILITIES - HC FUNDS DISTRIBUTOR HEALTH INS	(754,170.28)	x
21114	21114	21114 ACCRUED LIABILITIES - NEXBANK HEALTH INS PREMIUMS	544,043.98	x
21115	21115	21115 ACCRUED LIABILITIES - DRUGCRAFTERS HEALTH INS PREMIUMS	206,721.33	x
21116	21116	21116 ACCRUED LIABILITIES - MARKHAM HEALTH INS PREMIUMS	196,640.32	x
21117	21117	21117 ACCRUED LIABILITIES - NEXBANK SECURITIES HEALTH INS PR	38,116.34	x
21118	21118	21118 ACCRUED LIABILITIES - HCMLP HEALTH INS PREMIUMS	68,737.06	x
21119	21119	21119 ACCRUED LIABILITIES - PCP HEALTH INS PREMIUMS	(8,854.67)	x
21120	21120	21120 ACCRUED LIABILITIES - JMIJM HEALTH INS PREMIUMS	(6,252.54)	x
21121	21121	21121 ACCRUED LIABILITIES - NXRT HEALTH INS PREMIUMS	(9,034.91)	x
21122	21122	21122 ACCRUED LIABILITIES - NPA HEALTH INS PREMIUMS	(25,017.59)	x
21123	21123	21123 ACCRUED LIABILITIES - EAGLE EQUITY HEALTH INS PREMIUMS	(4,458.02)	x
21124	21124	21124 ACCRUED LIABILITIES - VINEBROOK HEALTH INS PREMIUMS	(592.82)	x
21125	21125	21125 ACCRUED LIABILITIES - NHT HEALTH INS PREMIUMS	(1,185.64)	x
21200	21200	21200 ACCRUED LIABILITIES - HCMLP SHARED SERVICES	(18,014.97)	x
21205	21205	21205 ACCRUED LIABILITIES - HCFD SHARED SERVICES	(36,698.75)	x
21510	21510	21510 ACCRUED PAYROLL LIABILITIES - BONUS	(13,688,973.83)	x
21520	21520	21520 ACCRUED PAYROLL LIABILITIES - FEDERAL INC TAX W/H	-	x
21550	21550	21550 ACCRUED PAYROLL LIABILITIES - FICA	-	x
21560	21560	21560 ACCRUED PAYROLL LIABILITIES - MEDICARE	(13,310.19)	x
21600	21600	21600 ACCRUED PAYROLL LIABILITIES - 401(K) EE CONTRIBUTION	3,262.35	x
21630	21630	21630 ACCRUED PAYROLL LIABILITIES - LIFE INSURANCE	(13,761.35)	x
21640	21640	21640 ACCRUED PAYROLL LIABILITIES - FLEXIBLE SPENDING ACCOUN	(354,881.89)	x
21670	21670	21670 ACCRUED PAYROLL LIABILITIES - EE EXPENSE REIMBURSEMENT	(5,000.00)	x
21680	21680	21680 ACCRUED PAYROLL LIABILITIES - VACATION	(939,324.00)	x
21695	21695	21695 ACCRUED PAYROLL LIABILITY - SUSPENSE	21,811.26	x
25445	25445	25445 DEFERRED MANAGEMENT FEES - MULTI STRAT CREDIT	(431,483.88)	x
25461	25461	25461 DEFERRED INCENTIVE FEES - UNEARNED RCP CARRY	(4,392,937.00)	x
25500	25500	25500 DEFERRED MANAGEMENT FEES - DAF	0.02	x
		Total accrued and other liabilities	(28,944,459.38)	
		Other current liabilities		
24150	24150	24150 CLAIMS PAYABLE	(73,997,399.28)	
		Total other current liabilities	(73,997,399.28)	
		Total current liabilities		
		Debt and notes payable		
26100	26100	26100 NOTES PAYABLE	(5,194,651.00)	
26110	26110	26110 CLASS A TERM NOTES PAYABLE	(9,541,446.00)	x
26200	26200	26200 REVOLVING CREDIT FACILITY	(11,340,751.26)	x
		Total debts and notes payable	(26,076,848.26)	
		Payable to Highland Capital Management Services, Inc.		(64,225,759)
		Deferred compensation		5,023,073
27200	27200	27200 PROFIT SHARING PLAN	(632,258.10)	x
27265	27265	27265 2017 DEFERRED SHARES	(3,411,606.44)	x
27266	27266	27266 2018 DEFERRED SHARES	(1,758,391.79)	x
27267	27267	27267 2019 DEFERRED SHARES	(497,339.23)	x

EXHIBIT 8




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 December 27, 2024


United States Bankruptcy Judge

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

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Reorganized Debtor.

) Chapter 11

) Case No. 19-34054-sgj11

**STIPULATED AND AGREED ORDER RESOLVING (A) HCLOM, LTD.'S
SCHEDULED CLAIMS 3.65 AND 3.66; AND (B) HIGHLAND CAPITAL
MANAGEMENT, L.P.'S (1) OBJECTION AND (2) MOTION FOR A BAD FAITH
FINDING AND AN AWARD OF ATTORNEYS' FEES AGAINST HCLOM, LTD. AND
JAMES DONDERO IN CONNECTION THEREWITH [DOCKET NOS. 3657, 4176]**

WHEREAS, on December 13, 2019, Highland Capital Management, L.P. ("Highland"), the reorganized debtor in the above-captioned Chapter 11 case (the "Bankruptcy Case"), filed its schedule of unsecured claims that identified "Highland CLO Holdco" as a creditor with claims arising under a note. Docket No. 247 (Schedule E/F, Part 3.64 and 3.65) (the "Initial HCLOM Claim");

¹ The Reorganized Debtor's last four digits of its taxpayer identification number are (8357). The headquarters and service address for the Reorganized Debtor is 100 Crescent Court, Suite 1850, Dallas, TX 75201.



WHEREAS, on September 22, 2020, Highland filed a *Notice of Filing of Debtor's Amended Schedules* in which it, among other things, replaced Highland CLO Holdco as the creditor on the Initial HCLOM Claim with Highland CLO Management, Ltd. (“HCLOM Ltd.,” and together with Highland, the “Parties”). [Docket No. 1082] (Schedule E/F, Part 3.65 and 3.66, the “HCLOM Claim”);

WHEREAS, on February 22, 2021, this Court entered the *Order Confirming the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P. (as Modified) and (ii) Granting Related Relief* [Docket No. 1943] (the “Confirmation Order”), which confirmed the *Fifth Amended Plan of Reorganization of Highland Capital Management, L.P. (as Modified)* [Docket No. 1808] (the “Plan”). The Plan became effective on August 11, 2021 (the “Effective Date”) [Docket No. 2700];

WHEREAS, as required under the Plan, Highland created a reserve for the HCLOM Claim (the “Reserve”);

WHEREAS, on February 2, 2023, Highland filed its objection to the HCLOM Claim [Docket No. 3657] (the “Objection”);

WHEREAS, on April 3, 2023, HCLOM Ltd. filed its response to the Objection [Docket No. 3751] (the “Response”);

WHEREAS, on November 21, 2024, Highland filed its *Motion for (A) a Bad Faith Finding and (B) an Award of Attorneys' Fees Against Highland CLO Management, Ltd. and James Dondero in Connection with HCLOM Claims 3.65 and 3.66* [Docket No. 4176] (the “Bad Faith Motion,” and collectively with the HCLOM Claim and the Objection, the “HCLOM Litigation”).

WHEREAS, an evidentiary hearing on the HCLOM Litigation was scheduled for December 18, 2024 (the “Hearing”);

WHEREAS, the Parties desire to settle and resolve the HCLOM Litigation pursuant to the terms of this Stipulated and Agreed Order (the “Agreement”);

WHEREAS, the Court finds and concludes that: (a) the Court has jurisdiction to consider the terms contained in this Stipulated and Agreed Order; (b) venue is proper under 28 U.S.C. §1409; (c) the Parties’ Stipulated and Agreed Order is binding; and (d) the relief requested in the Stipulated and Agreed Order is appropriate;

ACCORDINGLY:

IT IS HEREBY ORDERED that:

1. The HCLOM Claim is hereby converted to a Class 10 interest² in the amount of \$10,140,633.26.

2. Upon the Effective Date, and to the maximum extent permitted by law, except for claims arising out of an failure to abide this Order, HCLOM Ltd. hereby forever, finally, fully, unconditionally, and completely releases, relieves, acquits, discharges, remises, and exonerates the Protected Parties,³ individually and collectively, from, and waives and relinquishes, any and all Claims, which HCLOM Ltd. ever had, now has, or hereafter can, shall, or may have against any of the Protected Parties by reason of, arising from, relating to, or in connection with, any fact, matter, or transaction, including any fact, matter, transaction, or occurrence in connection with, relating to, or with respect to the Bankruptcy Case, the management of the Highland Entities, or the Highland Entities’ property and including any defense, affirmative defenses, and right to setoff

² “Class 10” shall have the meaning ascribed to that term in Article III.H. ¶ 10 of the Plan.

³ “Protected Parties” shall have the meaning ascribed to that term in Article I.B ¶ 105 of the Plan.

arising out of, or otherwise related to, any of the foregoing (collectively, “HCLOM Ltd.’s Released Claims”).

FOR THE AVOIDANCE OF DOUBT, THE FOREGOING RELEASE IS INTENDED TO BE GENERAL AND INCLUDES, WITHOUT LIMITATION, 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 EFFECTIVE DATE.

3. To the maximum extent permitted by law, HCLOM Ltd. 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.

4. Without limiting the scope of the foregoing waiver, in connection with the foregoing release, HCLOM Ltd. 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.

5. HCLOM Ltd. 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 HCLOM LTD.** to the full extent that such rights and benefits pertaining to the matters released herein may

be waived, and HCLOM Ltd., on its own behalf and on behalf of the HCLOM Ltd. Releasors, 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.

6. Except for the limited purpose of enforcing this Order, HCLOM, Ltd. shall file no pleading, motion, adversary proceeding, or other paper in this Bankruptcy Case (or in connection with any appeal arising from any order entered by the Bankruptcy Court), including but not limited to, in connection with the HCLOM Claim as a holder of a Class 10 interest.

7. The Protected Parties, individually and collectively, shall owe no duty to HCLOM, Ltd. (whether contractual, fiduciary, equitable, statutory or otherwise) except as arising out of this Order.

8. Highland is authorized to release the Reserve, and no reserve shall be established for HCLOM, Ltd.'s Class 10 interest.

9. This Stipulated and Agreed Order does not and shall not operate to give HCLOM Ltd. 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 in connection with the enforcement of this Order.

10. The Bad Faith Motion is deemed withdrawn with prejudice.

THE PARTIES UNDERSTAND AND AGREE THAT THIS AGREEMENT CONTAINS THE ENTIRE AGREEMENT BETWEEN THE PARTIES, AND NO RIGHTS ARE CREATED IN FAVOR OF EITHER PARTY OTHER THAN AS SPECIFIED OR EXPRESSLY SET FORTH IN THIS AGREEMENT. THERE ARE NO REPRESENTATIONS, CONDITIONS, WARRANTIES, STATEMENTS, OR UNDERSTANDINGS, EITHER ORAL OR WRITTEN, BETWEEN THE PARTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT.

END OF ORDER

STIPULATED AND AGREED THIS 23RD DAY OF DECEMBER 2024

PACHULSKI STANG ZIEHL & JONES LLP

Jeffrey N. Pomerantz (CA Bar No. 143717)
John A. Morris (NY Bar No. 2405397)
Gregory V. Demo (NY Bar No. 5371992)
Hayley R. Winograd (NY Bar No. 5612569) 10100
Santa Monica Blvd., 13th Floor
Los Angeles, CA 90067
Telephone: (310) 277-6910
Facsimile: (310) 201-0760
E-mail: jpomerantz@pszjlaw.com
jmorris@pszjlaw.com
gdemo@pszjlaw.com
hwinograd@pszjlaw.com

- and -

HAYWARD PLLC

/s/ Zachery Z. Annable
Melissa S. Hayward
Texas Bar No. 24044908
MHayward@HaywardFirm.com
Zachery Z. Annable
Texas Bar No. 24053075
ZAnnable@HaywardFirm.com
10501 N. Central Expy, Ste. 106
Dallas, Texas 75231
Telephone: (972) 755-7100
Facsimile: (972) 755-7110

*Counsel for Plaintiff Highland Capital
Management, L.P.*

- and -

STINSON LLP

/s/ Deborah Deitsch-Perez

Deborah Deitsch-Perez

Texas State Bar No. 24036072

Michael P. Aigen

Texas State Bar No. 24012196

3102 Oak Lawn Avenue, Suite 777

Dallas, Texas 75219-4259

Telephone: (214) 560-2201

Email: deborah.deitschperez@stinson.com

Email: michael.aigen@stinson.com

*Counsel for Highland CLO Management, Ltd. and
James Dondero*

- and -

STINSON LLP

/s/ Deborah Deitsch-Perez

Deborah Deitsch-Perez

Texas State Bar No. 24036072

Michael P. Aigen

Texas State Bar No. 24012196

3102 Oak Lawn Avenue, Suite 777

Dallas, Texas 75219-4259

Telephone: (214) 560-2201

Email: deborah.deitschperez@stinson.com

Email: michael.aigen@stinson.com

*Counsel for Hunter Mountain Investment Trust and
Dugaboy Investment Trust (approved as to form
and substance)*

EXHIBIT 9

INTERCREDITOR AND PARTICIPATION AGREEMENT

This Intercreditor and Participation Agreement (the “Agreement”) is entered into as of January 10, 2025 (the “Effective Date”) by and between Highland CLO Management, Ltd. (together with its successors and assigns in such capacities, “HCLOM Ltd.”) and Hunter Mountain Investment Trust (together with its successors and assigns in such capacities, “HMIT”). HCLOM Ltd. and HMIT are each referred to herein individually as a “Party” and jointly as the “Parties.”

RECITALS

WHEREAS, on September 22, 2020, Highland Capital Management, L.P. filed a Notice of Filing of Debtor’s Amended Schedules in its pending Chapter 11 Case No. 19-34054-sgj11 (the “Bankruptcy Case”) in which it, among other things, scheduled a creditor’s claim by HCLOM Ltd. (the “HCLOM Claim”); and

WHEREAS, on December 27, 2024, the Bankruptcy Court entered a Stipulated and Agreed Order Resolving (A) HCLOM, Ltd.’s Scheduled Claims 3.65 and 3.66; and (B) Highland Capital Management, L.P.’s (1) Objection and (2) Motion for a Bad Faith Finding and an Award of Attorneys’ Fees Against HCLOM, Ltd. and James Dondero in Connection Therewith [Docket Nos. 3657, 4176] in the Bankruptcy Case (the “Stipulation and Agreed Order”); and

WHEREAS, the Stipulation and Agreed Order converted the HCLOM Claim to a Class 10 interest/claim (as such is defined in Article III.H. ¶ 10 of the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P. (as Modified) in the Bankruptcy Case) (the “Plan”) in the amount of \$10,140,633.26; and

WHEREAS, the Parties have agreed to certain rights and priorities solely as between themselves regarding HCLOM Ltd.’s participation in the payment of Class 10 interests/claims;

THEREFORE, for and in consideration of the promises, covenants, conditions, stipulations, benefits, and obligations described and provided herein, the sufficiency and adequacy of which is expressly hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. **HMIT Payment Obligation to HCLOM Ltd.** Upon HMIT’s receipt of distributions on account of its Class 10 interest/claim (the “Distributions”), HMIT will pay to HCLOM Ltd. an amount equal to five percent (5%) of the funds received by HMIT within two (2) business days after receipt of indefeasible funds by HMIT (the “HMIT Payment Obligation”). HMIT shall be entitled to deduct from the Distributions the fees and expenses billed by Kelly Hart Hallman, LLP which directly relate to the Stipulation and Agreed Order or this Agreement (the “HMIT Expenses”) until all HMIT Expenses are paid in full.

2. **No Additional Duties to HCLOM Ltd.** HMIT shall retain and have the sole discretion to act with respect to its Class 10 interest/claim, and shall owe no additional duties to HCLOM Ltd. or any other person or entity, including without limitation, with respect to (i) the amount of Distributions or recovery by HMIT on account of its Class 10 interests/claims,

(ii) the amount of Distributions that could be received by any holder of Class 10 interests/claims, (iii) the rights of any holder of Class 10 interests/claims, or (iv) any pleading or document that could or should be filed in any way related to the Bankruptcy Case, the Plan, or the HMIT Class 10 interests/claims.

3. **No Liens or Encumbrances.** HMIT will not take any action that could reasonably be expected to encumber HMIT's Class 10 interests/claims, limit or affect HMIT's right or ability to fulfil and perform the HMIT Payment Obligation, or limit or affect HCLOM Ltd.'s right to receive the Distributions.

4. **This Agreement Supersedes the Effects of the Stipulated and Agreed Order Among the Parties.** HCLOM acknowledges and agrees that, notwithstanding the Stipulated and Agreed Order, the terms of this Agreement amends and supersedes the effect of the Stipulation and Agreed Order as between the Parties and HCLOM's rights to payment under the Plan are limited solely to the HMIT Payment Obligation.

5. **Non-Interference; No Cause of Action.** Notwithstanding Paragraph 3, HCLOM will not have any rights to object to or otherwise interfere with the rights of HMIT as a holder of Class 10 interest to reach a settlement with Highland Capital Management, LP ("Highland"). HCLOM acknowledges that it shall have no right to notice or approval of such a settlement nor will it have any cause of action against HMIT arising out of any such settlement.

6. **Remittance Agreement.** The Parties acknowledge that contemporaneously herewith NREA SB II Holdings, LLC (together with its successors and assigns in such capacities, "NexPoint Small Bay."), Charitable DAF Holdings Corp. (together with its successors and assigns in such capacities, "Charitable DAF"), and Liberty CLO Holdco, Ltd. (together with its successors and assigns in such capacities, "Liberty CLO") have entered into that certain Remittance Agreement effective January 10, 2025 (the "Remittance Agreement"). HCLOM agrees that if NexPoint Small Bay fails to make the DAF Bridge Equity Payment (as defined in the Remittance Agreement) pursuant to the terms of the Remittance Agreement, HMIT will have no obligations to make the HMIT Payment Obligation, and HMIT shall not receive any distribution from HMIT or any other party related to any Class 10 interest/claim. Notwithstanding any failure of NexPoint Small Bay to adhere to the terms of the Remittance Agreement, HCLOM acknowledges that by executing this Agreement, it shall have no other recourse or rights to payment under the Plan other than the terms of this Agreement.

7. **Choice of Law; Jurisdiction; Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to conflict of law provisions. Each Party to hereby consents and agrees that the courts located in Texas shall have sole and exclusive jurisdiction to hear and determine any claims or disputes between the parties pertaining to this Agreement or to any matter arising out of or relating to this Agreement. Each Party expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and each Party hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or *forum non conveniens*.

8. **Amendments; Waivers.** No amendment, modification, or waiver of any of the provisions of this Agreement shall be deemed to be made unless the same shall be in writing signed on behalf of each Party, and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the Party making such waiver or the obligations of the other Party in any other respect or at any other time.

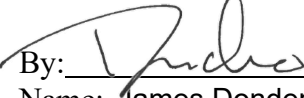
9. **Binding Effect.** Except as otherwise expressly provided herein, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective successors, assigns, executors, representatives, and administrators.

10. **Entire Agreement.** The Agreement contains the entire understanding of the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into this Agreement.

11. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument. Signature by facsimile or other similar electronic transmission shall have the same force and effect as an original signature.

IN WITNESS WHEREOF, the Parties have executed this Intercreditor and Participation Agreement as of the Effective Date set forth above and in the capacities set forth below.

HIGHLAND CLO MANAGEMENT, LTD.

By: 
Name: James Dondero
Title: President

HUNTER MOUNTAIN INVESTMENT TRUST

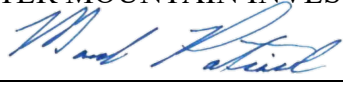
By: 
Name: Mark Patrick
Title: Administrator

EXHIBIT 10

From: Louis M. Phillips <Louis.Phillips@kellyhart.com>
Sent: Wednesday, September 3, 2025 2:32 PM
To: Dan.Elms@gtlaw.com; John A. Morris
Cc: Jeff Pomerantz
Subject: RE: Distributions to HCLOM

Dan,

I have been advised that HMIT paid Dugaboy today on behalf of HCLOM (in accordance with wire instructions). Amount was \$164,120.82. Let me know if you have any questions.

Louis M. Phillips
Partner



KELLY HART & PITRE
301 MAIN STREET SUITE 1600
BATON ROUGE, LOUISIANA 70801
TELEPHONE: 225-381-9643
FAX: 225-336-9763
DIRECT: 225-338-5308

louis.phillips@kellyhart.com
www.kellyhart.com

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From: Louis M. Phillips
Sent: Tuesday, August 26, 2025 9:33 AM
To: 'Dan.Elms@gtlaw.com' <Dan.Elms@gtlaw.com>; jmorris@pszjlaw.com
Cc: jpomerantz@pszjlaw.com
Subject: RE: Distributions to HCLOM

Dan,

Pursuant to a Consent Order entered into with the Joint Official Liquidators of Charitable DAF Holdco, Ltd. on or about July 31, 2025 (attached), CLO Holdco, LLC (on behalf of Hunter Mountain Investment Trust), must provide the JOL's 7 days' written notice of any payment or transaction of any nature in excess of \$50,000. Such notice of the payment to Dugaboy (on behalf of HCLOM) will be provided today and payment will be made to Dugaboy (on behalf of HCLOM) no sooner than September 3 in accordance with the Consent Order. Thanks

Louis M. Phillips
Partner



KELLY HART & PITRE
301 MAIN STREET SUITE 1600
BATON ROUGE, LOUISIANA 70801
TELEPHONE: 225-381-9643
FAX: 225-336-9763
DIRECT: 225-338-5308

louis.phillips@kellyhart.com
www.kellyhart.com

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From: Dan.Elms@gtlaw.com <Dan.Elms@gtlaw.com>
Sent: Tuesday, August 26, 2025 7:45 AM
To: jmorris@pszjlaw.com
Cc: jpomerantz@pszjlaw.com; Louis M. Phillips <Louis.Phillips@kellyhart.com>
Subject: RE: Distributions to HCLOM

EXTERNAL SENDER ALERT - This message originated outside the Kelly Hart domain. Please exercise caution when opening attachments, following links or responding to this message.

GM, John:

Thank you for your patience on this. Please remit to payment to HCLOM to the following account and let me know when this has been initiated.

Best, Dan

Bank Name: Nexbank, 2515 McKinney Ave, Dallas, TX 75201
Account Holder: The Dugaboy Investment Trust, 300 Crescent Ct, Ste 700, Dallas, TX 75201
Routing: 311973208
Account: 1612811
Re: HCLOM

Daniel P. Elms
Shareholder

Greenberg Traurig, LLP
2200 Ross Avenue, Suite 5200 | Dallas, TX 75201
T +1 214.665.3660 | F +1 214.665.3601
elmsd@gtlaw.com | www.gtlaw.com

From: John A. Morris <jmorris@pszjlaw.com>
Sent: Thursday, July 17, 2025 5:38 PM
To: Elms, Daniel P. (Shld-DAL-LT) <Dan.Elms@gtlaw.com>
Cc: Jeff Pomerantz <jpomerantz@pszjlaw.com>; Louis M. Phillips <louis.phillips@kellyhart.com>
Subject: RE: Distributions to HCLOM

Dan,

We're following up again.

As you know, in accordance with the Stipulated and Agreed Order filed at Docket 4199, Highland has been seeking wire instructions from your client to facilitate a distribution on account of the Highland CLO Management, Ltd. ("HCLOM") interest in Class 10. To date, we have received no instructions.

Additionally, and consistent with Article VI.L. of the Plan, in order to make the distribution, Highland requires HCLOM's current tax identification number as well as sufficient documentary evidence of HCLOM's tax reporting and withholding status, (typically an IRS form W-8 with applicable supplements).

Please provide the HCLOM wire instructions and required tax certifications.

Thank you for your prompt attention to this matter.

Regards,

John

John A. Morris

Pachulski Stang Ziehl & Jones LLP
Direct Dial: 212.561.7760
Tel: 212.561.7700 | Fax: 212.561.7777
jmorris@pszjlaw.com
[vCard](#) | [Bio](#) | [LinkedIn](#)



Los Angeles | New York | Wilmington, DE | Houston | San Francisco

From: Dan.Elms@gtlaw.com <Dan.Elms@gtlaw.com>
Sent: Monday, July 7, 2025 2:54 PM
To: John A. Morris <jmorris@pszjlaw.com>
Cc: Jeff Pomerantz <jpomerantz@pszjlaw.com>; louis.phillips@kellyhart.com
Subject: RE: Distributions to HCLOM

Hi, John:

HCLOM has promised to provide me wiring instructions by COB today, and I will forward to you and Louis as soon as I have them.

Louis and I have a deal in place w/r/t to the HCLOM distribution. Please distribute the full amount as authorized by HCLOM's Class 10 POC, and then HMIT will get a credit in the amount of that distribution against the amount payable by HMIT.

Louis – Please speak up if I've misunderstood or (unintentionally) mischaracterized the above.

Thanks, Dan

Daniel P. Elms
Shareholder

Greenberg Traurig, LLP
2200 Ross Avenue | Suite 5200 | Dallas, TX 75201
T +1 214.665.3660 | F +1 214.665.3601
Dan.Elms@gtlaw.com | www.gtlaw.com | [View GT Biography](#)



From: John A. Morris <jmorris@pszjlaw.com>
Sent: Monday, July 7, 2025 1:46 PM
To: Elms, Daniel P. (Shld-DAL-LT) <Dan.Elms@gtlaw.com>

Cc: Jeff Pomerantz <jpomerantz@pszjlaw.com>; Louis M. Phillips <louis.phillips@kellyhart.com>

Subject: FW: Distributions to HCLOM

EXTERNAL TO GT

Dan,

I'm following up on the emails below.

Can you please send us wire instructions for HCLOM so Highland can fulfill its obligations under the Stipulated and Agreed Order filed at Docket No. 4199?

Highland will otherwise leave it to you and Louis to discuss what additional amounts may be due HCLOM under the HMIT/HCLOM agreement, if any.

Please let me know if you have any questions.

Regards,

John

John A. Morris

Pachulski Stang Ziehl & Jones LLP

Direct Dial: 212.561.7760

Tel: 212.561.7700 | Fax: 212.561.7777

jmorris@pszjlaw.com

[vCard](#) | [Bio](#) | [LinkedIn](#)



Los Angeles | New York | Wilmington, DE | Houston | San Francisco

From: John A. Morris
Sent: Saturday, July 5, 2025 10:08 AM
To: Dan.Elms@gtlaw.com
Cc: Jeff Pomerantz <jpomerantz@pszjlaw.com>
Subject: Re: Distributions to HCLOM

Dan, no worries at all.

We expect to make a distribution to HCLOM but understand there are two agreements in play (HCMLP/HCLOM and HMIT/HCLOM).

It's a \$10 million payment. Can you and Louis figure out how it gets divided and give us a joint instruction?

Please let us know.

Regards,

John

Sent from my iPhone

On Jul 5, 2025, at 8:54 AM, Dan.Elms@gtlaw.com wrote:

Hi, John:

I hope you are well, and apologies for the weekend intrusion. Louis Phillips advises me that there was a recent distribution of Class 10 funds from the Highland Entities to HCLOM. Can you confirm this to be the case and, if so, advise of the amount, the date, the account to which those funds were sent, and how that distribution was calculated.

This is not intended to disrupt your holiday weekend, so please let me know whenever you can.

Thanks, Dan

Daniel P. Elms
Shareholder

Greenberg Traurig, LLP
2200 Ross Avenue | Suite 5200 | Dallas, TX 75201
T +1 214.665.3660 | F +1 214.665.3601
Dan.Elms@gtlaw.com | www.gtlaw.com | [View GT Biography](#)



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