

PACHULSKI STANG ZIEHL & JONES LLP
Jeffrey N. Pomerantz (CA Bar No.143717) (*admitted pro hac vice*)
Ira D. Kharasch (CA Bar No. 109084) (*admitted pro hac vice*)
John A. Morris (NY Bar No. 2405397) (*admitted pro hac vice*)
Gregory V. Demo (NY Bar No. 5371992) (*admitted pro hac vice*)
Hayley R. Winograd (NY Bar No. 5612569) (*admitted pro hac vice*)
10100 Santa Monica Blvd., 13th Floor
Los Angeles, CA 90067
Telephone: (310) 277-6910
Facsimile: (310) 201-0760

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
Fax: (972) 755-7110

Counsel for Highland Capital Management, L.P.

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

<p>-----</p> <p>In re:</p> <p>HIGHLAND CAPITAL MANAGEMENT, L.P.,¹</p> <p style="text-align: center;">Debtor.</p> <p>-----</p> <p>HIGHLAND CAPITAL MANAGEMENT, L.P.,</p> <p style="text-align: center;">Plaintiff,</p> <p>vs.</p> <p>HIGHLAND CAPITAL MANAGEMENT FUND ADVISORS, L.P., AND NEXPOINT ADVISORS, L.P.,</p> <p style="text-align: center;">Defendants.</p> <p>-----</p>	<p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p>	<p>Chapter 11</p> <p>Case No. 19-34054-sgj11</p> <p>Adversary Proceeding No.</p> <p>21-03010-sgj</p>
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**DEBTOR'S SUPPLEMENTAL WITNESS AND EXHIBIT LIST WITH
RESPECT TO EVIDENTIARY HEARING TO BE HELD ON FEBRUARY 23, 2021**

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.



Highland Capital Management, L.P. (the “Debtor”) submits the following supplemental witness and exhibit list with respect to *Debtor’s Emergency Motion for a Mandatory Injunction Requiring the Advisors to Adopt and Implement a Plan for the Transition of Services by February 28, 2021* [Docket No. 2] which the Court has set for hearing at 9:00 a.m. (Central Time) on February 23, 2021 (the “Hearing”) in the above-styled adversary proceeding (the “Adversary Proceeding”).

A. Witnesses:

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

B. Exhibits:

Letter	Exhibit	Offered	Admitted
1.	Declaration of Mr. James P. Seery, Jr. in Support of Debtor’s Emergency Motion for a Mandatory Injunction Requiring the Advisors to Adopt and Implement a Plan for the Transition Of Services by February 28, 2021 [Docket No. 4]		
2.	HCMFA Shared Services Agreement [Docket No. 4-1]		
3.	HCMFA Termination Notice [Docket No. 4-2]		
4.	NPA Shared Services Agreement [Docket No. 4-3]		
5.	NPA Termination Notice [Docket No. 4-4]		
6.	January 29, 2021 agreement [Docket No. 4-5]		
7.	January 27, 2021 Letter [Docket No. 4-6]		

Letter	Exhibit	Offered	Admitted
8.	February 8, 2021 Letter [Docket No. 4-7]		
9.	February 12, 2021 Letter [Docket No. 4-8]		
10.	Second Extension Letter Agreement [Docket No. 4-9]		
11.	Proposed Term Sheet [Docket No. 4-10]		
12.	Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 944]		
13.	Third Amended Plan of Reorganization of Highland Capital Management, L.P. [Docket No. 1383]		
14.	Fifth Amended Plan of Reorganization of Highland Capital Management, L.P. (as Modified) [Docket No. 1808]		
15.	Email exchange regarding Highland Term Sheet		
16.	Email exchange regarding Highland Adversary Complaint		
17.	Email exchange re: Highland Term Sheet		
18.	Email exchange regarding Highland Adversary Complaint (2/18/21)		
19.	Email Exchange re: Highland Shared Services Transition Proposal		
20.	Email Exchange re: Domain List		
21.	Email Exchange re: Highland: Transition. Clarified Proposals		
22.	Any document entered or filed in the Adversary Proceeding, including any exhibits thereto		
23.	Any document entered or filed in the Debtor's chapter 11 bankruptcy case, including any exhibits thereto		

Letter	Exhibit	Offered	Admitted
24.	All exhibits necessary for impeachment and/or rebuttal purposes		
25.	All exhibits identified by or offered by any other party at the Hearing		

Dated: February 22, 2021.

PACHULSKI STANG ZIEHL & JONES LLP

Jeffrey N. Pomerantz (CA Bar No.143717)
Ira D. Kharasch (CA Bar No. 109084)
John A. Morris (NY Bar No. 2405397)
Gregory V. Demo (NY Bar 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
ikharasch@pszjlaw.com
jmorris@pszjlaw.com
gdemo@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 Capital Management, L.P.

EXHIBIT 17

From: Gregory V. Demo

Sent: Tuesday, February 16, 2021 10:28 PM

To: Hogewood, III, A. Lee <A.Lee.HogewoodIII@klgates.com>

Cc: Silva, Timothy <Timothy.Silva@wilmerhale.com>; John A. Morris <jmorris@pszjlaw.com>; Hayley R. Winograd <hwinograd@pszjlaw.com>; Dupuy, Jon-Luc <Jon-Luc.Dupuy@klgates.com>

Subject: Re: Highland - Term Sheet [KLG-USE_Active01.FID2408261]

Lee,

It doesn't matter how you frame it. Your conditioning NPA/HCMFA's execution of the term sheet on HCMLP agreeing to amend the preliminary injunction on the eve of Mr. Dondero's contempt hearing is not reasonable.

HCMLP has done everything possible to get this deal done. In distinction, NPA/HCMFA seems to have decided that Mr. Dondero is more important than the retail investors in their managed funds.

HCMLP is prepared to sign the very reasonable term sheet we sent over; HCMLP is also prepared to file its papers. Up to you.

Greg

Gregory V. Demo

(212) 561-7730

Sent from my iPad

On Feb 16, 2021, at 10:19 PM, Hogewood, III, A. Lee wrote:

Tim and Greg; Thank you for moving the deadline to midnight. I think the requests we have made regarding Dondero being permitted to work in the NP offices after a demising wall is constructed is reasonable. I have also re-read the transcript of the court's discussion of this issue at the hearing. It is evident from that discussion, and the language of the written order, that a reasonable compromise regarding access would be appropriate and could be agreed upon by counsel.

As you know, this draft agreement results in an immediate infusion of \$1 million to the estate and a total of over \$3 million in payments related to alleged post-petition underpayments. Further, under the deal, there is significant continuing support for ongoing costs that the estate will carry solo in the absence of an agreement.

Is keeping Jim Dondero away from the office worth losing out on those financial advantages?

While we have other issues that have not been resolved in the term sheet process, we expect that they can be resolved in good faith discussions regarding the definitive agreement. Notwithstanding statements to the contrary, we have tried to pursue this discussion in good faith. Over the last day or so, our communication with our client and its advisers has been impaired due to the power outages in Texas related to the storm. Accordingly, we have not moved the documents along as fast as the Debtor

desired. I continue to believe we can get to a document that can be executed by the parties prior to February 19.

I look forward to continuing to work with you toward that end.

Lee



A. Lee Hogewood III

Partner
K&L Gates LLP
4350 Lassiter at North Hills Avenue, Suite 300
P.O. Box 17047
Raleigh, North Carolina 27619
Phone: 919.743.7306
Fax: 919.516.2006
lee.hogewood@klgates.com
www.klgates.com
Pronouns: he/him/his

From: Silva, Timothy

Sent: Tuesday, February 16, 2021 6:51 PM

To: Hogewood, III, A. Lee

Cc: John A. Morris ; Hayley R. Winograd ; Gregory V. Demo ; Dupuy, Jon-Luc

Subject: RE: Highland - Term Sheet [KLG-USE_Active01.FID2408261]

We did not make those changes – they were problematic given (i) the timing of the changes, (ii) concern re. potential unintended consequences, and (iii) we felt they were unnecessary:

- In the case of the first change the parties have already reserved rights and there is a setoff
- In the case of the second change, it does not seem necessary because the purpose of the provision (and the agreement more generally) is to address the fact that Highland is sharing information with the NexPoint Parties, to ensure there is no implication that Highland will be sharing its own information. Moreover, the concept behind the proposed language would be very difficult to implement due to some of the items we have discussed previously – required records for regulatory purposes, court orders, etc.

Timothy F. Silva | WilmerHale

timothy.silva@wilmerhale.com

60 State Street
Boston, MA 02109 USA
+1 617 526 6502 (t)
+1 617 526 5000 (f)

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From: Hogewood, III, A. Lee <A.Lee.HogewoodIII@klgates.com>

Sent: Tuesday, February 16, 2021 6:02 PM

To: Silva, Timothy <Timothy.Silva@wilmerhale.com>; Hogewood, III, A. Lee <A.Lee.HogewoodIII@klgates.com>
Cc: John A. Morris <jmorris@pszjlaw.com>; Hayley R. Winograd <hwinograd@pszjlaw.com>; Gregory V. Demo <GDemo@pszjlaw.com>; Dupuy, Jon-Luc <Jon-Luc.Dupuy@klgates.com>
Subject: Re: Highland - Term Sheet [KLG-USE_Active01.FID2408261]

EXTERNAL SENDER

By negative inference that's a no on the other suggestions RE mutuality of access/no access and on the post pet / pre pet calculation. Pls confirm.

A. Lee Hogewood III

Partner

K&L Gates

919-743-7306

lee.hogewood@klgates.com

From: Timothy.Silva@wilmerhale.com

Sent: February 16, 2021 5:49 PM

To: A.Lee.HogewoodIII@klgates.com

Cc: jmorris@pszjlaw.com; hwinograd@pszjlaw.com; GDemo@pszjlaw.com; Jon-Luc.Dupuy@klgates.com

Subject: RE: Highland - Term Sheet [KLG-USE_Active01.FID2408261]

Lee:

Our client is considering this request. In the meantime, please see attached revised execution version with two modifications: (i) we accepted the deletion of "or otherwise" in 1.1 and (ii) we added a signature block for HCMFA.

Regards, Tim

Timothy F. Silva | WilmerHale

timothy.silva@wilmerhale.com

60 State Street

Boston, MA 02109 USA

[+1 617 526 6502](tel:+16175266502) (t)

[+1 617 526 5000](tel:+16175265000) (f)

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From: Hogewood, III, A. Lee <A.Lee.HogewoodIII@klgates.com>

Sent: Tuesday, February 16, 2021 5:27 PM

To: Gregory V. Demo <GDemo@pszjlaw.com>; Dupuy, Jon-Luc <Jon-Luc.Dupuy@klgates.com>

Cc: Silva, Timothy <Timothy.Silva@wilmerhale.com>; John A. Morris <jmorris@pszjlaw.com>; Hayley R. Winograd <hwinograd@pszjlaw.com>

Subject: RE: Highland - Term Sheet [KLG-USE_Active01.FID2408261]

EXTERNAL SENDER

Can we please have until midnight to execute the document or not? We are reviewing your complaint and are considering your request to consent to an expedited process.

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A. Lee Hogewood III

Partner
K&L Gates LLP
4350 Lassiter at North Hills Avenue, Suite 300
P.O. Box 17047
Raleigh, North Carolina 27619
Phone: [919.743.7306](tel:919.743.7306)
Fax: [919.516.2006](tel:919.516.2006)
lee.hogewood@klgates.com
www.klgates.com
Pronouns: he/him/his

From: Gregory V. Demo <GDemo@pszjlaw.com>

Sent: Tuesday, February 16, 2021 4:57 PM

To: Hogewood, III, A. Lee <A.Lee.HogewoodIII@klgates.com>; Dupuy, Jon-Luc <Jon-Luc.Dupuy@klgates.com>

Cc: 'Silva, Timothy' <Timothy.Silva@wilmerhale.com>; John A. Morris <jmorris@pszjlaw.com>; Hayley R. Winograd <hwinograd@pszjlaw.com>

Subject: RE: Highland - Term Sheet [KLG-USE_Active01.FID2408261]

Lee,

Attached are drafts of our papers. Will your clients consent to having them heard on an expedited basis?

Greg

Gregory V. Demo

Pachulski Stang Ziehl & Jones LLP
Tel: [212.561.7730](tel:212.561.7730) | Fax: [212.561.7777](tel:212.561.7777)
GDemo@pszjlaw.com
[vCard](#) | [Bio](#) | [LinkedIn](#)

Los Angeles | San Francisco | Wilmington, DE | New York | Costa Mesa

From: Hogewood, III, A. Lee [<mailto:A.Lee.HogewoodIII@klgates.com>]

Sent: Tuesday, February 16, 2021 3:53 PM

To: Gregory V. Demo; Dupuy, Jon-Luc

Cc: 'Silva, Timothy'

Subject: RE: Highland - Term Sheet [KLG-USE_Active01.FID2408261]

I have passed this along; we actually had a draft with a couple of tweaks addressing your points from this morning for which we were awaiting approval. I was planning to call again when that was sent across. Indeed, one of those amendments might be considered "friendly" clarifications. In light of the communication below, we'll save our effort and either the client will timely sign or it will not. Assuming we miss the deadline, what is it that you will seek to have the court declare and is it conceivable that we could stipulate to the proposed declaration in a manner that would save the Debtor the trouble of suing us yet another time?

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A. Lee Hogewood III

Partner
K&L Gates LLP

4350 Lassiter at North Hills Avenue, Suite 300
P.O. Box 17047
Raleigh, North Carolina 27619
Phone: [919.743.7306](tel:919.743.7306)
Fax: [919.516.2006](tel:919.516.2006)
lee.hogewood@klgates.com
www.klgates.com
Pronouns: he/him/his

From: Gregory V. Demo <GDemo@pszjlaw.com>

Sent: Tuesday, February 16, 2021 3:17 PM

To: Hogewood, III, A. Lee <A.Lee.HogewoodIII@klgates.com>; Dupuy, Jon-Luc <Jon-Luc.Dupuy@klgates.com>

Cc: 'Silva, Timothy' <Timothy.Silva@wilmerhale.com>

Subject: Highland - Term Sheet

Importance: High

Lee,

See attached revised draft of the term sheet. This is what HCMLP is willing to execute. **If the attached term sheet is not executed by 6:00 p.m. CT tonight, HCMLP will be filing an adversary complaint seeking injunctive and declaratory relief on shortened time with the goal of having that complaint heard concurrently with the contempt proceeding.**

Again, the attached must be executed by 6 CT tonight. By that time, we also need to have an agreement as to which domain names your clients believe should be transferred as part of this process. I've attached the full list of domain names but obviously certain of those domains will not be transferred, e.g. hcmlp.com and the Acis domain names.

It is your clients' responsibility to promptly tell us which domain names they believe must be transferred and to do so with sufficient time to for each of our clients to agree before the 6:00 CT deadline.

We will circulate the draft complaint shortly.

Best,

Greg

Gregory V. Demo

Pachulski Stang Ziehl & Jones LLP

Tel: [212.561.7730](tel:212.561.7730) | Fax: [212.561.7777](tel:212.561.7777)

GDemo@pszjlaw.com

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

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EXHIBIT 18

From: Gregory V. Demo

Sent: Thursday, February 18, 2021 7:35 PM

To: 'Hogewood, III, A. Lee' <A.Lee.HogewoodIII@klgates.com>; Dupuy, Jon-Luc <Jon-Luc.Dupuy@klgates.com>; Rukavina, Davor <drukavina@munsch.com>

Cc: John A. Morris <jmorris@pszjlaw.com>; Hayley R. Winograd <hwinograd@pszjlaw.com>; Silva, Timothy <Timothy.Silva@wilmerhale.com>

Subject: RE: Highland - Adversary Complaint [KLG-USE_Active01.FID2408261]

Lee and Davor,

Thank you for your email below.

We disagree with most of the statements in your email and believe the record of our communications speaks for yourself.

Nevertheless, we do want to respond to a few of your assertions.

First, there was only one reason negotiations between our clients broke down – NPA/HCMFA's demand that HCMLP agree to amend the preliminary injunction to allow Mr. Dondero access to the office. The Court entered the Preliminary Injunction because Mr. Dondero continues to be a threat to the Debtor's continued operations and the Debtor is not willing to loosen the restrictions in a manner that will provide Mr. Dondero to access to the Debtor's employees.

Second, we are puzzled by your allegation that there was an "unwillingness" on the part of the Debtor to deal commercially with the gap period between February 19 and February 28. You, me, Tim Silva, and DC Sauter discussed that issue at length. We provided you a marked turn of the term sheet that allowed NPA/HCMFA an unfettered right to recruit and hire any HCMLP employees it believed that it needed. The term sheet also provided for the cancellation of the expense reimbursement agreements to make NPA/HCMFA comfortable that the Debtor would not attempt to charge NPA/HCMFA for HCMLP employees that were no longer providing services to NPA/HCMFA. You never raised an issue with how we were addressing that issue in subsequent turns of the document. In fact, the only time since our conversation that it's been an issue was in your email below.

Third, your statements about the payroll reimbursement agreements appear to be a pretext for not reaching an agreement. Your clients have an administrative claim on file to address that issue. HCMLP believes that administrative claim is frivolous. Regardless, the term sheet clearly reserves your clients' rights to pursue their administrative claim and to seek both a reduction in amounts owed and reimbursement of amounts previously paid. The term sheet was structured this way with the consent of all parties.

Fourth, the Debtor has no continuing obligations under the shared services agreements as HCMLP has validly terminated such agreements. HCMLP continues to work in good faith to address NPA/HCMFA's data retention issues, which would be resolved if they execute the Term Sheet.

We remain committed to an orderly transition that will protect the interests of the retail investors and, with one exception that we need to discuss, are prepared to proceed with the Term Sheet attached hereto which we have modified to address those of your comments we felt were reasonable and consistent with prior rulings from the Bankruptcy Court and applicable federal regulations. **We again reiterate our request that you provide us with a list of the domain names your clients believe are necessary to provide access to retail investors.**

Subsequent to our discussions, we learned that insurance costs have historically been allocated pro rata amongst the various employers, not by actual cost. Pro rata is consistent with how we originally wrote the term sheet and we changed it based on

your comments about the way in which insurance is treated. We should continue allocating premiums consistent with historical practice. We can be available to discuss this.

If, notwithstanding the accommodations contained in the attached Term Sheet, your clients remain unwilling to proceed with the Term Sheet, we will offer you one of the following two options

Option 1:

- HCMLP would allow NPA/HCMFA continued access to its systems for a period of 12 weeks so that NPA/HCMFA can transition its data. NPA/HCMFA may transition data but a copy of all data will remain with HCMLP.
- NPA/HCMFA would provide a full and complete indemnity of HCMLP for any damage or losses incurred during that 12 week period.
- NPA/HCMFA's IT personnel will agree to assist HCMLP during this transition.
- NPA/HCMFA will pay: (1) \$1.32 million which is the cost of the services during that 12 week period; and (2) \$500,000, which represents the costs incurred by HCMLP in negotiating the term sheet. Such amounts will be due immediately.
- Under this option, NPA/HCMFA will vacate the premises immediately. NPA/HCMFA will not be authorized to take any HCMLP items, including office furniture and computers, and will no longer have access to the contracts or services otherwise provided by HCMLP, e.g. Bloomberg terminals.

Option 2:

- NPA/HCMFA hires a third party to transition its data at NPA/HCMFA's expense
- That third party will have limited access to HCMLP's premise solely to copy and transfer NPA/HCMFA's data
- HCMLP will retain a copy of all data
- NPA/HCMFA provide a full and complete indemnity of HCMLP for any damage or losses incurred during the transfer.
- HCMLP will offer employment to HCMLP's current IT staff and NPA/HCMFA will agree not to solicit their employment.
- Under this option, NPA/HCMFA will vacate the premises immediately. NPA/HCMFA will not be authorized to take any HCMLP items, including office furniture and computers, and will no longer have access to the contracts or services otherwise provided by HCMLP, e.g. Bloomberg terminals.

Please let me know how your clients wish to proceed.

Best,
Greg

Gregory V. Demo

Pachulski Stang Ziehl & Jones LLP

Tel: 212.561.7730 | Fax: 212.561.7777

GDemo@pszjlaw.com

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



Los Angeles | San Francisco | Wilmington, DE | New York | Costa Mesa

From: Hogewood, III, A. Lee [<mailto:A.Lee.HogewoodIII@klgates.com>]

Sent: Wednesday, February 17, 2021 7:12 PM

To: Gregory V. Demo; Dupuy, Jon-Luc; Rukavina, Davor

Cc: John A. Morris; Hayley R. Winograd; Silva, Timothy

Subject: RE: Highland - Adversary Complaint [KLG-USE_Active01.FID2408261]

PS -- I meant to mention that this draft also assumes we do another letter extension through Feb. 28.

A. Lee Hogewood III

Partner

K&L Gates LLP

4350 Lassiter at North Hills Avenue, Suite 300

P.O. Box 17047

Raleigh, North Carolina 27619

Phone: 919.743.7306

Fax: 919.516.2006

lee.hogewood@klgates.com

www.klgates.com

Pronouns: he/him/his

From: Hogewood, III, A. Lee

Sent: Wednesday, February 17, 2021 7:06 PM

To: 'Gregory V. Demo' ; Dupuy, Jon-Luc ; 'Rukavina, Davor'

Cc: 'John A. Morris' ; 'Hayley R. Winograd' ; 'Silva, Timothy'

Subject: RE: Highland - Adversary Complaint [KLG-USE_Active01.FID2408261]

Greg and Tim and team: It is unfortunate that the parties could not reach agreement on the transition. Notwithstanding allegations in the complaint stating otherwise, the NexPoint parties negotiated in good faith throughout and hoped to reach an agreement. The three issues that caused the break down were (1) the unwillingness of the Debtor to deal commercially with the gap period between the February 19 date and the likelihood that certain employees would be kept on by the Debtor at least until February 28 and (2) Jim Dondero's future presence in the subleased premises after a demising wall separating the two companies' was constructed and (3) the historic reimbursement under the payroll reimbursement agreement and the manner in which NexPoint has paid for employees during the case that have not worked at the Debtor during most of, if not all of the Chapter 11 proceeding

Each of those issues can be solved, but we have been unable to do so.

- The gap between the termination of the shared services agreement and the termination of employees is a big issue for us. We've raised this issue multiple times; yet, it has not been addressed in the documents, and we have yet to receive an explanation for a gap in the two termination dates.
- The office is a big issue. We proposed a creative solution, which the debtor refused to address or explain why it was insufficient (particularly since debtor employees have not been in the office for almost a year).
- The payroll reimbursement agreement has been a big issue for us. There are 25 employees listed on the PRAs for HCMFA and NPA, and at least 14 no longer work for the debtor. NexPoint has been paying approximately \$770k per month for these employees since the petition was filed, and we believe that number should be closer to \$150k per month when the 14 employees are removed. When factored in with reductions in shared services, we believe the post-petition overpayment to be approximately \$14MM. Rather than agree to address the overpayment, the Debtor has demanded we pay disputed amounts (over \$3MM) as a condition of providing contractual services on a go-forward basis. We were willing to swallow this pill provided that the Debtor agree to allow Jim into our office upon construction of a demising wall and allowing employees to continue to provide service until they were terminated (and we would, as we have done with each of the previous two extensions of the shared services agreements, agree to (over)pay for the stub period for those employees).

To bridge the gap, we're willing to take the Lease and therefore Mr. Dondero's access off the table and the parties can address the past-due amounts/ overpayment in a separate or the recently filed adversary proceeding, and continue with the transition of services as otherwise outlined in a "paired down" agreement.

In connection with the Lease, NexPoint will vacate and will not sublease space from the Debtor. Alternative arrangements have been made on a temporary basis and more permanent arrangements will be made soon. I believe the Debtor still has time to reject the Lease if it chooses to do so, and the NexPoint parties will move to their alternative location before the weekend. If an agreement cannot be reached on the continuation of the contracts set forth in the transition agreement and the support of the Debtor's employees through their termination date, the following (in addition to the request I sent earlier regarding talking with current Debtor employees about employment with NexPoint) is what we need to implement a plan as demanded in your complaint and PI motion, which could be addressed in a paired down agreement:

- Emails

- For employees that are dual employees – can we copy all emails to new server (i.e. Jason Post)

File Server Drives

- Can we migrate this data off the G Drive (and any other shared drives that NexPoint currently accesses) directly to AWS

Sharepoint

- Migrate documents off sharepoint to Office 365 or be able to bulk download

HOME

- Can we make a copy of all data in HOME and migrate to a new Nexpoint AWS account
- Geneva data and Accounting data
- Domains
 - Can we maintain current and direct them to new URLs
- Enterprise Vault
 - Can we get all of the enterprise vault (stored emails) for NPA employees and Newco employees (once they are terminated)
- Employees
 - Per an email, we need a process to bring over employees
- Phone numbers
 - Will the debtor agree to transfer all NPA phone numbers

Under Section 6.02 of the HCMFA agreement and 5.02 of the NPA agreement, the Debtor has a duty to maintain all records for the "periods and in the places required by laws and regulations applicable to Recipient..." We read this as a continuing obligation after termination. Even so, if we could, over the coming few weeks, duplicate a complete copy of the books and records, the Debtor would be relieved of this continuing obligation.

I have also attached a redlined version and clean version of the services that NexPoint would be willing to pay for at the full contract price and relieve the Debtor of that obligation under this paired down concept.

Finally, I have attached a redline version (against Tim's last) of the transition agreement that I understand we are prepared to execute. It includes a provision for Dondero access, but contains an affirmative covenant regarding his ongoing compliance with the PI provisions. We have also added what we think is better language on the parties respecting the confidentiality of one another's data, given Tim's comments/reaction to that. We have reinserted our language regarding the payment, but we have made clear it is solely post-petition amounts.

Please let us know if you are available to discuss.

A. Lee Hogewood III

Partner
K&L Gates LLP
4350 Lassiter at North Hills Avenue, Suite 300
P.O. Box 17047
Raleigh, North Carolina 27619
Phone: 919.743.7306
Fax: 919.516.2006
lee.hogewood@klgates.com
www.klgates.com
Pronouns: he/him/his

From: Hogewood, III, A. Lee

Sent: Wednesday, February 17, 2021 2:12 PM

To: 'Gregory V. Demo' <GDemo@pszilaw.com>; Dupuy, Jon-Luc <Jon-Luc.Dupuy@klgates.com>; Rukavina, Davor <drukavina@munsch.com>

Cc: John A. Morris <jmorris@pszilaw.com>; Hayley R. Winograd <hwinograd@pszilaw.com>; Silva, Timothy <Timothy.Silva@wilmerhale.com>

Subject: RE: Highland - Adversary Complaint [KLG-USE_Active01.FID2408261]

Greg: As part of Nexpoint's going forward plan, we need to speak with the following employees and to potentially offer those individuals positions to join either NewCo or NexPoint on or before February 20. Please confirm that we may speak to them without counsel present and they are not among the employees the Debtor believes it needs to retain through February 28 or thereafter. If there are issues with anyone listed below, please let me know so we can discuss.

Chris Rice
Will Mabry
James Mills
Kristin Thomas
Steven Holtom
Brendan Flaherty
Michael Beispiel

Thank you, Lee

A. Lee Hogewood III

Partner
K&L Gates LLP
4350 Lassiter at North Hills Avenue, Suite 300
P.O. Box 17047
Raleigh, North Carolina 27619
Phone: 919.743.7306
Fax: 919.516.2006
lee.hogewood@klgates.com
www.klgates.com
Pronouns: he/him/his

From: Gregory V. Demo <GDemo@pszilaw.com>
Sent: Wednesday, February 17, 2021 11:37 AM
To: Hogewood, III, A. Lee <A.Lee.HogewoodIII@klgates.com>; Dupuy, Jon-Luc <Jon-Luc.Dupuy@klgates.com>; Rukavina, Davor <drukavina@munsch.com>
Cc: John A. Morris <jmorris@pszilaw.com>; Hayley R. Winograd <hwinograd@pszilaw.com>; Silva, Timothy <Timothy.Silva@wilmerhale.com>
Subject: RE: Highland - Adversary Complaint [KLG-USE_Active01.FID2408261]

Will do.

Gregory V. Demo

Pachulski Stang Ziehl & Jones LLP
Tel: 212.561.7730 | Fax: 212.561.7777
GDemo@pszilaw.com
[vCard](#) | [Bio](#) | [LinkedIn](#)



Los Angeles | San Francisco | Wilmington, DE | New York | Costa Mesa

From: Hogewood, III, A. Lee [<mailto:A.Lee.HogewoodIII@klgates.com>]
Sent: Wednesday, February 17, 2021 11:11 AM
To: Gregory V. Demo; Dupuy, Jon-Luc; Rukavina, Davor
Cc: John A. Morris; Hayley R. Winograd; Silva, Timothy
Subject: RE: Highland - Adversary Complaint [KLG-USE_Active01.FID2408261]

Seeking authority to accept service. Have added Davor to this string. Please keep him copied as well.

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A. Lee Hogewood III

Partner
K&L Gates LLP
4350 Lassiter at North Hills Avenue, Suite 300
P.O. Box 17047
Raleigh, North Carolina 27619

Phone: 919.743.7306
Fax: 919.516.2006
lee.hogewood@klgates.com
www.klgates.com
Pronouns: he/him/his

From: Gregory V. Demo <GDemo@pszjlaw.com>
Sent: Wednesday, February 17, 2021 10:39 AM
To: Hogewood, III, A. Lee <A.Lee.HogewoodIII@klgates.com>; Dupuy, Jon-Luc <Jon-Luc.Dupuy@klgates.com>
Cc: John A. Morris <jmorris@pszjlaw.com>; Hayley R. Winograd <hwinograd@pszjlaw.com>; Silva, Timothy <Timothy.Silva@wilmerhale.com>
Subject: Highland - Adversary Complaint

Lee and Jon-Luc,

Please find attached copies of the complaint and related materials that were filed this morning against NexPoint Advisors, L.P., and Highland Capital Management Fund Advisors, L.P. Please advise whether you will accept service on behalf of the defendants.

Note that, consistent with my correspondence from yesterday, we are seeking to have this action heard on Tuesday, February 23, and that we'll need two hours.

Please keep John Morris and Hayley Winograd copied on all correspondence relating to this matter.

Best,
Greg

Gregory V. Demo
Pachulski Stang Ziehl & Jones LLP
Tel: 212.561.7730 | Fax: 212.561.7777
GDemo@pszjlaw.com
[vCard](#) | [Bio](#) | [LinkedIn](#)



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CONFIDENTIAL BINDING TERM SHEET

This Confidential Binding Term Sheet (including the Schedules attached hereto, this “Term Sheet”) is entered into effective as of February 19, 2021 (the “Effective Date”) by and among Highland Capital Management, LP (“HCMLP”) and the following parties (collectively, the “NexPoint Parties”): NexPoint Advisors, L.P. (“NPA”), and Highland Capital Management Fund Advisors, L.P. (“HCMFA”).

The NexPoint Parties and HCMLP collectively are referred to as the “Parties” and each of them as a “Party”.

PREAMBLE

WHEREAS, HCMLP and the NexPoint Parties were parties to certain Shared Services Agreements and Payroll Expense Reimbursement Agreement pursuant to which HCMLP provided certain personnel and services to the NexPoint Parties in consideration of payments by the NexPoint Parties for such shared services (the “Shared Services Agreements”).

WHEREAS, termination notices for such Shared Services Agreements were delivered to the NexPoint Parties in accordance with the terms of such Shared Services Agreements.

WHEREAS, the Parties have been engaged in discussions and negotiations prior to and since the delivery of such termination notices with respect to the potential extension of shared services by HCMLP to the NexPoint Parties.

WHEREAS, HCMLP, NPA, and HCMFA have entered into a Letter Agreement dated January 31, 2021 which extends the Shared Services Agreements applicable to NPA and HCMFA, which otherwise would have expired on January 31, 2021, for a 14-day period beginning on February 1, 2021.

WHEREAS, HCMLP, NPA, and HCMFA have entered into a Second Letter Agreement dated February 11, 2021 which extends the Shared Services Agreements applicable to NPA and HCMFA, which otherwise would have expired pursuant to the first Letter Agreement on February 14, 2021, for five days through February 19, 2021.

WHEREAS, HCMLP, NPA, and HCMFA have entered into a Third Letter Agreement dated February 19, 2021 which extends the Shared Services Agreements applicable to NPA and HCMFA, which otherwise would have expired pursuant to the Second Letter Agreement on February 19, 2021, for nine days through February 28, 2021.

WHEREAS, certain employees of HCMLP intend to form a new company (“Newco”) to provide services similar to those provided under the Shared Service Agreements to the NexPoint Parties and other third parties.

WHEREAS, the Parties wish to enter into a binding term sheet pursuant to which HCMLP will provide certain access and resources to the NexPoint Parties in consideration of payments and other agreements of the NexPoint Parties.

NOW, THEREFORE, in consideration of the covenants and agreements set forth in this Term Sheet and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

I. RESOURCES AND PAYMENTS

Section 1.1 Payment of Past Due Amounts. The NexPoint Parties will pay to HCMLP in satisfaction of the post-petition amounts understood (subject to Section 4.5) to be owed as of the Effective Date by the NexPoint Parties under the Shared Services Agreements an amount equal to \$3,054,253 (the “Past Due Payment Amounts”) in immediately available funds as follows: (i) \$1,000,000 will be paid on the Effective Date and (ii) the balance shall be paid in fourteen equal monthly installments on the first business day of each month following the Effective Date. The payment of the Past Due Payment Amounts will offset dollar for dollar amounts owed by the NexPoint Parties to HCMLP after the filing of HCMLP’s bankruptcy petition on October 19, 2019, under the Shared Services Agreements or otherwise.

Section 1.2 Access to Premises; Office Space.

(a) Until the expiration of the current term of the HCMLP lease for 200 and 300 Crescent Court, Dallas, Texas 75201 (the “Premises”) (April 30, 2022) (the “Lease”), employees and personnel of the NexPoint Parties and their subsidiaries and affiliates shall be afforded by HCMLP access to and use of the offices, and facilities of HCMLP located at the Premises in a manner consistent with customary access and use of employees and shared personnel of the NexPoint Parties and their subsidiaries and affiliates, and subject to any restrictions and conditions applicable under the Lease. Parties will work in good faith to enter a sublease for no less than 75% of the Premises to NexPoint Parties at the lease-rate set forth on Schedule A to this Term Sheet.

(b) In consideration of the access and use of the offices and facilities by employees and personnel of the NexPoint Parties as set forth in Section 1.2(a), the NexPoint Parties shall make prompt payments in cash, by wire transfer, to HCMLP or its designee in such amounts and at such times as are set forth on Schedule A to this Term Sheet.

(c) For the avoidance of doubt the access and limited use of the offices and facilities by employees and personnel of the NexPoint Parties as set forth in Section 1.2(a) and the shared use of servers and IT infrastructure shall not include sharing of any confidential information (with all such information being deemed confidential and for the exclusive use by and benefit of such Party and the Party’s employees and/or personnel) other than shared spaces such as conference rooms, reception areas, restrooms, and dining areas. The parties acknowledge that there will be certain areas subject to the exclusive use and control of either HCMLP or the NexPoint Parties as will be agreed to in the Definitive Agreement or in the sublease, which may be entered into prior to the Definitive Agreement. Confidential information of a Party (the “Subject Party”) shall include all files, data, communications, and documents of the Subject Party that are not within the possession of the other Party (the “Restricted Party”) on or before the date of this Agreement and that are maintained and utilized by personnel of the Subject Party and/or the Subject Party’s manager, general partner, officers, directors, and agents that are not necessary for the business of the Restricted Party, including without limitation all files, data, communications, and documents relating to the bankruptcy of HCMLP, the management and affairs of the Subject Party, personnel matters of the Subject Party, disputes to which the Subject Party is a party, communications with counsel of the Subject Party and other outside advisors, and communications with the members of the board of the general partner of HCMLP, proprietary or non-public information concerning the business and affairs of the Subject Party or any of its affiliates, including without limitation financial statements, reports and data, investment or portfolio information, contracts and agreements, partner or investor lists or information, all compliance related reports, records and information, and any other information, however documented, that is proprietary to the Subject Party or any of its affiliates, in each case provided that such information is not publicly or independently available. Correspondingly, the parties agree that each of the Parties will continue to have, and neither Party will interfere with, access by any other Party to certain Shared Resources as defined below. Further, HCMLP shall use reasonable

efforts to avoid using or accessing any NexPoint Parties' privileged (*i.e.*, between any NexPoint Party and its outside or external counsel) e-mails and privileged information housed on certain Shared Resources, except as necessary to satisfy HCMLP's regulatory or legal requirements

(d) HCMLP shall have no obligation to renew or extend the Lease beyond April 30, 2022.

(e) The NexPoint Parties shall, and shall ensure that their employees and personnel, comply with and fulfill any obligations or responsibilities applicable to employees or personnel of HCMLP under the Lease and other documents and policies governing the use of the offices and facilities hereunder (including, but not limited to, the restriction against the access of any and all HCMLP information).

(f) The Parties acknowledge and agree that one or more of the Parties may engage Newco to provide back-office services to such Party or Parties pursuant to a services agreement (or equivalent agreement or arrangement) between such Party or Parties and Newco. To the extent a Party enters into any such agreement or arrangement with Newco, the Parties shall cooperate to provide Newco personnel with reasonable access to the facilities and resources set forth in Schedule A to the extent reasonably necessary for Newco to perform its services to such Party.

Section 1.3 Access to Certain Shared Resources.

(a) HCMLP shall provide employees and personnel of the NexPoint Parties with access to and use of the systems and resources of HCMLP set forth on Schedule A to this Term Sheet (the "Shared Resources") during the periods set forth on Schedule A. Correspondingly, the parties agree that NexPoint Parties will continue to have, and HCMLP will not interfere with, access to certain necessary Shared Resources. For the avoidance of doubt, the parties agree that NexPoint Parties will have access to the same books and records as available under the applicable Shared Services Agreements. Further, to the extent permitted by the terms and agreements governing the Shared Resource, HCMLP agrees that NexPoint Parties shall have the right to share or sublicense such Shared Resource at NexPoint Parties' discretion.

(b) In consideration of the provision of Shared Resources by HCMLP to employees and personnel of the NexPoint Parties as set forth in Section 1.3(a), the NexPoint Parties shall make prompt payments in cash, by wire transfer, to HCMLP or its designee in such amounts and at such times as are set forth on Schedule A to this Term Sheet. The NexPoint Parties shall pay all initial one-time payments set forth on Schedule A to HCMLP as a single lump sum within 30 days after the date of this Term Sheet. Thereafter, the NexPoint Parties shall make all monthly payments (or other periodic payments) set forth on Schedule A to HCMLP on or before the first day of the calendar month (or other period) to which such payment relates. All payment obligations of the NexPoint Parties under this Term Sheet shall be joint and not several. Except with respect to such payment obligations, the obligations and liabilities of the NexPoint Parties hereunder shall be several and not joint.

(c) Each such Shared Resource shall be renewed only to the extent necessary to remain available to employees and personnel of the NexPoint Parties and HCMLP for such parties to perform their duties consistent with past practices during such periods set forth on Schedule A. Thereafter, no Party to this Term Sheet shall be responsible for extension or renewal of any such Shared Resource or to provide access to any such Shared Resource with any other Party. The aggregate cost of any renewal (even if such renewal extends beyond the term provided in Schedule A) shall be borne 60% by the NexPoint Parties and 40% by HCMLP. The NexPoint Parties shall promptly pay their portion of such renewal costs to HCMLP or its designee at the request of HCMLP at least five (5) Business Days (as defined below) before the date such renewal payment is required to be made to the applicable vendor, and assuming timely receipt of such portion, HCMLP shall timely make the full renewal payment to the

applicable vendor. For purposes of this Term Sheet, “Business Day” shall mean a day on which the New York Stock Exchange is open for regular trading. The parties hereby agree to discuss the renewal of such Shared Resource prior to renewal and agree that to the extent the one of the parties determines that a Shared Resource no longer necessary for one or both of the parties to operate, then either (i) such vendor contract shall not be renewed, or (ii) if renewed, such vendor contract shall be renewed and paid solely by the party that needs the contract to operate.

(d) The NexPoint Parties shall, and shall ensure that their employees and personnel, comply with and fulfill any obligations or responsibilities applicable to employees or personnel of HCMLP under the policies governing the use of the Shared Resources hereunder.

Section 1.4 Unexpected Costs; Repairs. In the event it is necessary for the Parties to incur any costs (e.g., in the case of breakdowns or repairs) for the continued functionality of the Shared Services at their existing levels, such additional expenditures shall be (i) approved by HCMLP and NPA, and (ii) borne 60% by the NexPoint Parties and 40% by HCMLP.

Section 1.5 Failure to Pay; Cure Period. In the event a NexPoint Party fails to satisfy any payments such NexPoint Party is obligated to make pursuant to this Term Sheet and such NexPoint Party fails to cure such failure to make prompt payment within five (5) Business Days of receipt of notice of such failure from HCMLP, HCMLP shall have the right to terminate access to all Shared Resources and all respective agreements in connection with such Shared Resources with respect to all of the NexPoint Parties. HCMLP further agrees that in the event that HCMLP fails to make any payment to a landlord or Shared Resource vendor required to be made hereunder, the NexPoint Parties shall have the right to make the payments necessary to retain such leased property, service or Shared Resource and deduct such the amount of such payments from future payments due to HCMLP under the Term Sheet. If the amounts paid by the NexPoint Parties exceed what would otherwise be due to HCMLP from such NexPoint Parties, the NexPoint Parties may pursue recovery from HCMLP for such excess amount.

II. OTHER AGREEMENTS OF THE PARTIES

Section 2.1 Certain Benefit Plan Matters.

(a) On or before February 19, 2021, HCMLP and NPA shall enter into a mutually acceptable Assignment and Assumption Agreement, pursuant to which HCMLP agrees to assign to NPA, and NPA agrees to assume, effective as of January 1, 2021, all of the rights and obligations of HCMLP as the “Primary Plan Sponsor” of the Highland 401(k) Plan, as amended and restated effective January 1, 2016 (as amended to date).

(b) HCMLP and NPA shall use reasonable best efforts to enter into a mutually acceptable Assignment and Assumption Agreement (or equivalent agreement), pursuant to which HCMLP agrees to assign to NPA or its designee, and NPA or its designee agrees to assume all of the rights and obligations of HCMLP as the sponsor of Highland’s defined benefit plan (as amended to date).

(c) To the extent permitted under applicable law (including without limitation the Employee Retirement Income Security Act of 1974) the parties agree to enter into an arrangement with respect to employee benefit plan (including, without limitation, health, medical, dental, and other similar plans) whereby, as soon as reasonably practicable, NPA shall admit and maintain each employee of HCMLP and its sole limited partner of the Claimant Trust as a participant of each employee benefit plan (including, without limitation, health, medical, dental, and other similar plans) maintained by or on behalf of NPA for employees of NPA and/or the NexPoint Parties, on the same terms and subject to the same conditions as

such employees of NPA and/or the NexPoint Parties. The parties agree that the actual costs of such employee benefit plans attributable to HCMLP employees shall be borne by HCMLP.

Section 2.2 Transfers of Property to NPA.

(a) As soon as reasonably practicable following the execution of this Term Sheet, HCMLP shall transfer to NPA or its designee, all of HCMLP's rights title and interest, if any, in the domain names set forth on Schedule C to this Term Sheet (the "Domain Names"), and, to the extent possible, all telephone numbers currently utilized exclusively by the NexPoint Parties. The NexPoint Parties shall provide a list of such telephone numbers to HCMLP as soon as practicable following the execution of this Term Sheet and HCMLP and the NexPoint Parties shall meet and confer in good faith to confirm that such telephone numbers are exclusively used by the NexPoint Parties. To the extent possible, HCMLP shall transfer to NPA the telephone numbers of all HCMLP employees as those employees are terminated, provided such telephone numbers are no longer utilized by HCMLP.

(b) If the NexPoint Parties (i) make all payments required by this Term Sheet (and any other Definitive Agreement that supersedes this Term Sheet), (ii) fulfill all of their obligations under this Term Sheet (and any other Definitive Agreement that supersedes this Term Sheet), and (iii) are not in breach of any material provision of this Term Sheet, any other Definitive Agreement that supersedes this Term Sheet, and/or any material provision of any other agreement between HCMLP and a NexPoint Party in each case through the full term of this Term Sheet (and any other Definitive Agreement that supersedes this Term Sheet) provided that in the event of any such breach the breaching NexPoint Party has notice thereof and a reasonable opportunity to cure (not to exceed 30 calendar days) if such breach is curable (collectively, the "NexPoint Conditions"), then upon the expiration of the term of this Term Sheet (or any other Definitive Agreement that supersedes this Term Sheet), HCMLP shall transfer to NPA or its designee, all of HCMLP's rights, title, and interest, if any, (1) in the furniture and fixtures and office supplies and equipment located on or used exclusively in connection with the operations at the Premises; (2) Flexential; (3) Evoque; and (4) the home offices or remote working spaces of its employees and personnel.

Section 2.3 Employee Matters.

(a) Each the following shall terminate at 11:59 p.m. on February 28, 2021, in accordance with its terms: (i) that certain *Payroll Reimbursement Agreement*, dated May 1, 2018, by and between HCMFA and NPA, as subsequently amended on December 14, 2018, and (ii) that certain *Payroll Reimbursement Agreement*, dated May 1, 2018, by and between HCMFA and HCMLP, as subsequently amended on December 14, 2018.

(b) HCMLP agrees that (i) the NexPoint Parties or an entity formed by current or former HCMLP employees to provide services to the NexPoint Parties (the "Potential Employers") may, in each case in their sole and absolute discretion, make offers of employment to any HCMLP employee and (ii) HCMLP will not enforce any non-compete or similar agreement if any HCMLP employee accepts an offer of employment with a Potential Employer. For the avoidance of doubt, nothing herein will prevent HCMLP from continuing to employ an HCMLP employee or require HCMLP to terminate an HCMLP employee if a Potential Employer makes an offer of employment.

Section 2.4 Limited Liability.

(a) HCMLP shall not be liable to any person or entity, including any third party, for any action, inaction, or conduct of any NexPoint Party or that of such NexPoint Party's or its affiliates' employees, personnel, officers, directors, managers, members, representatives, agents, principals, owners,

or partners (collectively, “Agents”) in connection with use by the NexPoint Parties or their Agents of HCMLP’s offices, facilities, and/or the shared resources under this Term Sheet.

(b) The NexPoint Parties shall indemnify and hold harmless HCMLP from and against any and all costs and expenses (including advancing of reasonable attorneys’ fees) of HCMLP or its affiliates or any of their Agents (including, without limitation, costs and expenses of any disputes, legal actions, examinations, investigations, and other legal or regulatory costs or expenses), related to or arising out of any action, inaction, or conduct by the NexPoint Parties or their Agents in connection with use by the NexPoint Parties of HCMLP’s offices, facilities, and/or the shared resources under this Term Sheet.

(c) No Party shall be liable to any other Party or to any other person or entity for the failure to provide services, access, or resources hereunder if such failure results from an event beyond the reasonable control of the Party obligated to provide such services, access, or resources.

III. BINDING TERM SHEET; DEFINITIVE AGREEMENTS

Section 3.1 Binding Agreement. The Parties agree that this Term Sheet constitutes the legal, valid and binding obligation of each Party, enforceable against each Party in accordance with its terms.

Section 3.2 Entire Current Understanding and Agreement. This Term Sheet constitutes the entire current understanding and agreement by and among the Parties hereto with respect to the subject matter hereof and supersedes any and all prior or contemporaneous negotiations, term sheets, covenants, agreements, undertakings and understandings (written or oral) and courses of conduct and dealing by or among the Parties with respect to the matters expressly set forth herein.

Section 3.3 Term Sheet Controls. Any express terms and conditions set forth in this Term Sheet shall control any conflict or inconsistency with, and amend and supersede, the terms and conditions of any and all other agreements between or among the Parties, except to the extent that (x) another agreement is amended and/or restated or entered into after the Effective Date with the prior written consent of each of HCMLP and NPA and (y) such other agreement states that it shall control in the event of any conflict or inconsistency between such other agreement.

Section 3.4 Definitive Agreement. The Parties agree that a definitive agreement among the Parties that supersedes this Term Sheet (a “Definitive Agreement”) will be necessary, desirable and/or appropriate to implement the terms and conditions set forth in this Term Sheet. Accordingly, the Parties agree to negotiate in good faith any additional terms and conditions relating to the matters herein in a manner to fully implement, and in a manner consistent with, the terms and conditions set forth in this Term Sheet, except to the extent that the Parties mutually shall otherwise agree in writing. Nevertheless, until any such Definitive Agreement is effective, this Term Sheet shall remain in full force and effect.

Section 3.5 Efforts, Authorizations and Consents; Cooperation; No Ulterior Actions.

(a) Efforts. Each Party shall proceed diligently and in good faith, and agrees to use all reasonable best efforts to do, and cause to be done, all things necessary, desirable and/or appropriate to, as promptly as practicable and in accordance with the terms and timeline set forth herein, consummate the transactions contemplated by this Term Sheet, and shall direct and cause its affiliates and its affiliates’ officers and employees to so proceed and to so act.

(b) Authorizations and Consents. Each Party shall use reasonable best efforts to obtain all authorizations, consents, registrations, orders and approvals that may be or become necessary, desirable and/or appropriate for such Party’s execution and delivery of, and the performance of such Party’s

obligations pursuant to, this Term Sheet, and each Party agrees to cooperate fully and promptly with a requesting Party in its seeking to obtain all such authorizations, consents, registrations, orders and approvals.

(c) Cooperation. Each Party agrees to cooperate fully and promptly with the other Parties to consummate the Definitive Agreement in accordance with the terms and timeline contemplated herein and shall direct and use its reasonable best efforts to cause Persons under its control to so cooperate.

(d) Indirect Actions. Each Party acknowledges and agrees that he will not, on or after the Effective Date, avoid or seek to avoid, the economic and other rights, powers, privileges or interests of the other Parties set forth in this Term Sheet. Each Party shall not, and each Party shall cause Persons under his control not to, do indirectly that which cannot be done directly under this Term Sheet.

Section 3.6 Further Assurances. At any time and from time to time, at the request of any Party and without further consideration, the other Parties shall execute and deliver such instruments and take such action as such Party may reasonably determine is necessary, desirable and/or appropriate to carry out the actions contemplated by this Term Sheet.

Section 3.7 NexPoint Parties Representative. For convenience of administration, all of the NexPoint Parties hereby appoint NPA as their sole representative for purposes of all actions, consents, notices, and communications hereunder to or from the NexPoint Parties. HCMLP may rely upon any action by NPA or communication to or from NPA to serve as an action of, or communication to or from, and to bind, all of the NexPoint Parties.

IV. MISCELLANEOUS OTHER PROVISIONS

Section 4.1 Term. This Term Sheet shall terminate without further action of any Party on April 30, 2022 (unless otherwise agreed in writing by HCMLP and NPA). Any payments required to be made by a Party hereunder shall for periods through April 30, 2022 shall survive termination of this Term Sheet. In addition, the following sections shall survive termination of this Term Sheet indefinitely: Sections 2.3 (Limited Liability), 4.4 (Notices) 4.7 (Governing Law; Submission to Jurisdiction; Service of Process), 4.9 (No Third-Party Beneficiaries).

Section 4.2 Amendment. This Term Sheet shall be binding upon the Parties and may not be modified in any manner, except by an instrument in writing of concurrent or subsequent date signed by each of HCMLP and NPA.

Section 4.3 Waiver of Rights. No delay or omission by any Party in exercising any right under this Term Sheet shall operate as a waiver of that or any other right. A waiver or consent given by any Party hereto on any one occasion shall be effective only in that instance and shall not be construed as a ban or waiver of any right on any other occasion.

Section 4.4 Notices. All notices, requests, demands, claims, and other communications hereunder shall be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly delivered: (a) four (4) Business Days after it is sent by registered or certified mail, return receipt requested, postage prepaid; (b) one (1) Business Day after it is sent for next Business Day delivery via a reputable nationwide overnight courier service; (c) when sent, if e-mailed on a Business Day; (d) the next Business Day following the day on which the e-mail is sent if e-mailed on a day that is not a Business Day; (e) when receipt is acknowledged, if facsimiled on a Business Day; and (f) the next Business Day following the day on which receipt is acknowledged if facsimiled on a day that is not a Business Day, in each case to the intended recipient as set forth below:

If to HCMLP:

James P. Seery, Jr.
c/o Highland Capital Management, LP
300 Crescent Court
Dallas, Texas 75201
Email: jpseeryjr@gmail.com

With copies to:

Pachulski Stang Ziehl & Jones LLP
780 3rd Ave #34
New York, NY 10017
Attention: Gregory V. Demo
Email: GDemo@pszjlaw.com

and

Wilmer Cutler Pickering Hale and Dorr LLP
60 State Street
Boston, MA 02109
Attention: Timothy F. Silva
Email: timothy.silva@wilmerhale.com

If to the NexPoint Parties:

D.C. Sauter
300 Crescent Court, Suite 700
Dallas, Texas 75201
Email: DSauter@NexPointadvisors.com

With a copy to:

K&L Gates LLP
4350 Lassiter at North Hills Avenue
Suite 300
P.O. Box 17047
Raleigh, North Carolina 27619
Attention: A. Lee Hogewood III
Email: lee.hogewood@klgates.com

Any Party may give any notice, request, demand, claim, or other communication hereunder using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the Party for whom it is intended. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

Section 4.5 Reservation of Rights. For the avoidance of doubt, each Party reserves all rights it has, or may have, including all rights to pursue and defend any claims and/or causes of action, with

respect to any matter, agreement, or understanding not explicitly addressed in this Term Sheet. The Parties expressly reserve all rights with respect to amounts asserted in connection with the NexPoint Parties' administrative claim, including, without limitation the NexPoint Parties' right to amend such claim to assert additional or lesser amounts, including with respect to the Past Due Payment Amounts (but excluding the amounts payable for access and the Shares Services hereunder), the rights of HCMLP to object to such claim as well as all rights and defenses in connection with all pending and potential Adversary Proceedings between the Parties. All such claims and defenses are expressly preserved for future resolution by the court.

Section 4.6 Successors and Assigns; Survival. This Term Sheet shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. No NexPoint Party may assign its rights or obligations hereunder without the prior written consent of HCMLP. HCMLP may not assign its rights or obligations hereunder without the prior written consent of NPA.

Section 4.7 Voluntary Assent; Review of Term Sheet; Independent Counsel; Construction. Each Party acknowledges and agrees that no promises or agreements of any kind have been made to or with him by the other or by any person or entity whatsoever to cause him to sign this Term Sheet other than those set forth in this Term Sheet, and that such Party fully understands the meaning and intent of this Term Sheet. Each Party further states and represents that it is sophisticated, has carefully read this Term Sheet, understands its contents, and freely and voluntarily assents to all of its terms and conditions. Each Party further states and represents that he has been represented by independent legal counsel of its own choosing with respect to the negotiation and preparation of this Term Sheet. The Parties have participated jointly in the negotiation and drafting of this Term Sheet. In the event any ambiguity or question of intent or interpretation arises, this Term Sheet shall be construed as if drafted jointly by HCMLP and the NexPoint Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Term Sheet.

Section 4.8 Governing Law; Submission to Jurisdiction; Service of Process. This Term Sheet shall be interpreted and construed in accordance with the laws of the State of Texas, without regard to conflict of laws provisions. Each Party hereby irrevocably submits to and acknowledges and recognizes the exclusive jurisdiction of the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (which court, for purposes of this Term Sheet, is the only court of competent jurisdiction), over any suit, action or other proceeding arising out of, under or in connection with this Term Sheet or its subject matter. Each Party irrevocably consents to service of process in any action or proceeding arising out of or relating to this Term Sheet in the manner provided for notices in Section 4.4. Nothing in this Term Sheet shall affect the right of any Party to serve process in any other manner permitted by law.

Section 4.9 Severability; Remedies Cumulative. The provisions of this Term Sheet shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions of this Term Sheet. If any provision of this Term Sheet, or the application thereof to any Person or any circumstance, is found by a court or other regulatory authority of competent jurisdiction to be invalid or unenforceable, (a) the Parties shall negotiate in good faith to modify this Term Sheet so as to give effect to the original intent of the Parties of such invalid or unenforceable provision to the fullest extent permitted by law, and (b) the remainder of this Term Sheet and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction. The rights and remedies of the Parties to this Term Sheet are cumulative and not alternative, and each Party shall have

the right in any particular circumstance to enforce any provision of this Term Sheet without regard to the availability of a remedy under any other provision of this Term Sheet.

Section 4.10 No Third-Party Beneficiaries.

(a) It is the explicit intention of the Parties that no Person other than the Parties — and, for the avoidance of doubt, no employee or officer of any Party or any of its affiliates or any of a Party's or its affiliates' owners, officers or employees and no client or investor in any product managed or sponsored by any Party — is or shall be entitled to bring any action to enforce any provision of this Term Sheet against any Party or otherwise, and that the covenants, undertakings and agreements set forth in this Term Sheet are for the sole benefit of, and shall be enforceable only by the Parties (and their respective successors and permitted assigns), and they shall not be construed as conferring, and are not intended to confer, any rights on any other person or entity whatsoever.

(b) No investors and no creditors of any Party shall have any right or entitlement to enforce any of the provisions of this Term Sheet or to require any Party to discharge its obligations hereunder.

Section 4.11 Headings. The headings of the Sections and sub-Sections of this Term Sheet are for convenience of reference only, and are not to be considered in construing the terms and provisions of this Term Sheet.

Section 4.12 Construction. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless otherwise indicated: (i) the words "herein," "hereof" and "hereunder," and words of similar import when used in this Term Sheet, shall be construed to refer this Term Sheet in its entirety and not to any particular provision hereof and (ii) all references in this Term Sheet to Exhibits, Schedules, Articles, Sections, paragraphs and sentences shall be construed to refer to Exhibits and Sections to, and Articles, Sections, paragraphs and sentences of, this Term Sheet. References to statutes shall mean such statutes as amended.

Section 4.13 Payments. All payments and distributions required to be made pursuant this Term Sheet shall be made in cash and/or other immediately available funds to one (1) or more accounts as directed by the person or entity to whom such amounts are due.

Section 4.14 Counterparts and Electronic Signatures. This Term Sheet may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one (1) and the same instrument. This Term Sheet may be executed by facsimile and/or electronically by any one (1) or more of the Parties.

[Remainder of page intentionally left blank; signature page follows]

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

HIGHLAND CAPITAL MANAGEMENT, LP

By: _____
Name:
Title:

NEXPOINT ADVISORS, L.P.

By: _____
Name:
Title:

Schedule A

Schedule of Shared Resources and Payments

A-1

Schedule B

Segregation of Premises Floor Plan

Domain Names

Schedule C

B-1

CONFIDENTIAL BINDING TERM SHEET

This Confidential Binding Term Sheet (including the Schedules attached hereto, this “Term Sheet”) is entered into effective as of February 19, 2021 (the “Effective Date”) by and among Highland Capital Management, LP (“HCMLP”) and the following parties (collectively, the “NexPoint Parties”): NexPoint Advisors, L.P. (“NPA”), and Highland Capital Management Fund Advisors, L.P. (“HCMFA”).

The NexPoint Parties and HCMLP collectively are referred to as the “Parties” and each of them as a “Party”.

PREAMBLE

WHEREAS, HCMLP and the NexPoint Parties were parties to certain Shared Services Agreements and Payroll Expense Reimbursement Agreement pursuant to which HCMLP provided certain personnel and services to the NexPoint Parties in consideration of payments by the NexPoint Parties for such shared services (the “Shared Services Agreements”).

WHEREAS, termination notices for such Shared Services Agreements were delivered to the NexPoint Parties in accordance with the terms of such Shared Services Agreements.

WHEREAS, the Parties have been engaged in discussions and negotiations prior to and since the delivery of such termination notices with respect to the potential extension of shared services by HCMLP to the NexPoint Parties.

WHEREAS, HCMLP, NPA, and HCMFA have entered into a Letter Agreement dated January 31, 2021 which extends the Shared Services Agreements applicable to NPA and HCMFA, which otherwise would have expired on January 31, 2021, for a 14-day period beginning on February 1, 2021.

WHEREAS, HCMLP, NPA, and HCMFA have entered into a Second Letter Agreement dated February 11, 2021 which extends the Shared Services Agreements applicable to NPA and HCMFA, which otherwise would have expired pursuant to the first Letter Agreement on February 14, 2021, for five days through February 19, 2021.

WHEREAS, HCMLP, NPA, and HCMFA have entered into a Third Letter Agreement dated February 19, 2021 which extends the Shared Services Agreements applicable to NPA and HCMFA, which otherwise would have expired pursuant to the Second Letter Agreement on February 19, 2021, for nine days through February 28, 2021.

WHEREAS, certain employees of HCMLP intend to form a new company (“Newco”) to provide services similar to those provided under the Shared Service Agreements to the NexPoint Parties and other third parties.

WHEREAS, the Parties wish to enter into a binding term sheet pursuant to which HCMLP will provide certain access and resources to the NexPoint Parties in consideration of payments and other agreements of the NexPoint Parties.

NOW, THEREFORE, in consideration of the covenants and agreements set forth in this Term Sheet and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

I. RESOURCES AND PAYMENTS

Section 1.1 Payment of Past Due Amounts. The NexPoint Parties will pay to HCMLP in ~~full~~ satisfaction of ~~all~~the post-petition amounts ~~claimed~~understood (subject to Section 4.5) to be owed as of the Effective Date by the NexPoint Parties under the Shared Services Agreements an amount equal to \$3,054,253 (the “Past Due Payment Amounts”) in immediately available funds as follows: (i) \$1,000,000 will be paid on the Effective Date and (ii) the balance shall be paid in fourteen equal monthly installments on the first business day of each month following the Effective Date. The payment of the Past Due Payment Amounts will offset dollar for dollar amounts owed by the NexPoint Parties to HCMLP after the filing of HCMLP’s bankruptcy petition on October 19, 2019, under the Shared Services Agreements or otherwise.

Section 1.2 Access to Premises; Office Space.

(a) Until the expiration of the current term of the HCMLP lease for 200 and 300 Crescent Court, Dallas, Texas 75201 (the “Premises”) (April 30, 2022) (the “Lease”), employees and personnel of the NexPoint Parties and their subsidiaries and affiliates shall be afforded by HCMLP access to and use of the offices, and facilities of HCMLP located at the Premises in a manner consistent with customary access and use of employees and shared personnel of the NexPoint Parties and their subsidiaries and affiliates, and subject to any restrictions and conditions applicable under the Lease. Parties will work in good faith to enter a sublease for no less than 75% of the Premises to NexPoint Parties at the lease-rate set forth on Schedule A to this Term Sheet.

(b) In consideration of the access and use of the offices and facilities by employees and personnel of the NexPoint Parties as set forth in Section 1.2(a), the NexPoint Parties shall make prompt payments in cash, by wire transfer, to HCMLP or its designee in such amounts and at such times as are set forth on Schedule A to this Term Sheet.

(c) For the avoidance of doubt the access and limited use of the offices and facilities by employees and personnel of the NexPoint Parties as set forth in Section 1.2(a) and the shared use of servers and IT infrastructure shall not include sharing of any confidential information (with all such information being deemed confidential and for the exclusive use by and benefit of such Party and the Party’s employees and/or personnel) other than shared spaces such as conference rooms, reception areas, restrooms, and dining areas. The parties acknowledge that there will be certain areas subject to the exclusive use and control of either HCMLP or the NexPoint Parties as will be agreed to in the Definitive Agreement or in the sublease, which may be entered into prior to the Definitive Agreement. Confidential information of a Party (the “Subject Party”) shall include all files, data, communications, and documents of the Subject Party that are not within the possession of the other Party (the “Restricted Party”) on or before the date of this Agreement and that are maintained and utilized by personnel of ~~sue~~the Subject Party and/or ~~sue~~the Subject Party’s manager, general partner, officers, directors, and agents that are not necessary for the business of the ~~other~~Restricted Party, including without limitation all files, data, communications, and documents relating to the bankruptcy of HCMLP, the management and affairs of ~~sue~~the Subject Party, personnel matters of ~~sue~~the Subject Party, disputes to which ~~sue~~the Subject Party is a party, communications with counsel ~~to sue~~of the Subject Party and other outside advisors, and communications with the members of the board of the general partner of HCMLP, proprietary or non-public information concerning the business and affairs of ~~sue~~the Subject Party or any of its affiliates, including without limitation financial statements,

reports and data, ~~past, current or planned~~ investment or portfolio information, contracts and agreements, partner or investor lists or information, all compliance related reports, records and information, and any other information, however documented, that is proprietary to ~~such~~ the Subject Party or any of its affiliates, in each case provided that such information is not publicly or independently available. Correspondingly, the parties agree that ~~NexPoint~~ each of the Parties will continue to have, and ~~HCMLP~~ neither Party will ~~not~~ interfere with, access by any other Party to certain Shared Resources as defined below. Further, HCMLP shall use reasonable efforts to avoid using or accessing any NexPoint Parties' privileged (*i.e.*, between any NexPoint Party and its outside or external counsel) e-mails and privileged information housed on certain Shared Resources, except as necessary to satisfy HCMLP's regulatory or legal requirements

(d) HCMLP shall have no obligation to renew or extend the Lease beyond April 30, 2022.

(e) The NexPoint Parties shall, and shall ensure that their employees and personnel, comply with and fulfill any obligations or responsibilities applicable to employees or personnel of HCMLP under the Lease and other documents and policies governing the use of the offices and facilities hereunder (including, but not limited to, the restriction against the access of any and all HCMLP information).

(f) The Parties acknowledge and agree that one or more of the Parties may engage Newco to provide back-office services to such Party or Parties pursuant to a services agreement (or equivalent agreement or arrangement) between such Party or Parties and Newco. To the extent a Party enters into any such agreement or arrangement with Newco, the Parties shall cooperate to provide Newco personnel with reasonable access to the facilities and resources set forth in Schedule A to the extent reasonably necessary for Newco to perform its services to such Party.

~~(g) The NexPoint Parties shall erect a wall or walls segregating the HCMLP space from the NexPoint Parties' space generally in accordance with the drawing attached as Schedule B (the "Wall") at the sole cost and expense of the NexPoint Parties. Upon completion of the erection of the Wall, the counsel for the Debtor and the counsel for James Dondero are deemed to have consented, pursuant to the terms of paragraph 5 of the Preliminary Injunction entered on January 11, 2021, Dkt 59 in AP case No. 20-3190, for James Dondero to occupy an office in the space designated for the NexPoint Parties and to enter and exit from the Premises as may be convenient to him in the performance of his duties for the NexPoint Parties; provided, Mr. Dondero agrees to continue to comply with all provisions of the Preliminary Injunction except as otherwise modified herein.~~

Section 1.3 Access to Certain Shared Resources.

(a) HCMLP shall provide employees and personnel of the NexPoint Parties with access to and use of the systems and resources of HCMLP set forth on Schedule A to this Term Sheet (the "Shared Resources") during the periods set forth on Schedule A. Correspondingly, the parties agree that NexPoint Parties will continue to have, and HCMLP will not interfere with, access to certain necessary Shared Resources. For the avoidance of doubt, the parties agree that NexPoint Parties will have access to the same books and records as available under the applicable Shared Services Agreements. Further, to the extent permitted by the terms and agreements governing the Shared Resource, HCMLP agrees that NexPoint Parties shall have the right to share or sublicense such Shared Resource at NexPoint Parties' discretion.

(b) In consideration of the provision of Shared Resources by HCMLP to employees and personnel of the NexPoint Parties as set forth in Section 1.3(a), the NexPoint Parties shall make prompt payments in cash, by wire transfer, to HCMLP or its designee in such amounts and at such

times as are set forth on Schedule A to this Term Sheet. The NexPoint Parties shall pay all initial one-time payments set forth on Schedule A to HCMLP as a single lump sum within 30 days after the date of this Term Sheet. Thereafter, the NexPoint Parties shall make all monthly payments (or other periodic payments) set forth on Schedule A to HCMLP on or before the first day of the calendar month (or other period) to which such payment relates. All payment obligations of the NexPoint Parties under this Term Sheet shall be joint and not several. Except with respect to such payment obligations, the obligations and liabilities of the NexPoint Parties hereunder shall be several and not joint.

(c) Each such Shared Resource shall be renewed only to the extent necessary to remain available to employees and personnel of the NexPoint Parties and HCMLP for such parties to perform their duties consistent with past practices during such periods set forth on Schedule A. Thereafter, no Party to this Term Sheet shall be responsible for extension or renewal of any such Shared Resource or to provide access to any such Shared Resource with any other Party. The aggregate cost of any renewal (even if such renewal extends beyond the term provided in Schedule A) shall be borne 60% by the NexPoint Parties and 40% by HCMLP. The NexPoint Parties shall promptly pay their portion of such renewal costs to HCMLP or its designee at the request of HCMLP at least five (5) Business Days (as defined below) before the date such renewal payment is required to be made to the applicable vendor, and assuming timely receipt of such portion, HCMLP shall timely make the full renewal payment to the applicable vendor. For purposes of this Term Sheet, "Business Day" shall mean a day on which the New York Stock Exchange is open for regular trading. The parties hereby agree to discuss the renewal of such Shared Resource prior to renewal and agree that to the extent the one of the parties determines that a Shared Resource no longer necessary for one or both of the parties to operate, then either (i) such vendor contract shall not be renewed, or (ii) if renewed, such vendor contract shall be renewed and paid solely by the party that needs the contract to operate.

(d) The NexPoint Parties shall, and shall ensure that their employees and personnel, comply with and fulfill any obligations or responsibilities applicable to employees or personnel of HCMLP under the policies governing the use of the Shared Resources hereunder.

Section 1.4 Unexpected Costs; Repairs. In the event it is necessary for the Parties to incur any costs (e.g., in the case of breakdowns or repairs) for the continued functionality of the Shared Services at their existing levels, such additional expenditures shall be (i) approved by HCMLP and NPA, and (ii) borne 60% by the NexPoint Parties and 40% by HCMLP.

Section 1.5 Failure to Pay; Cure Period. In the event a NexPoint Party fails to satisfy any payments such NexPoint Party is obligated to make pursuant to this Term Sheet and such NexPoint Party fails to cure such failure to make prompt payment within five (5) Business Days of receipt of notice of such failure from HCMLP, HCMLP shall have the right to terminate access to all Shared Resources and all respective agreements in connection with such Shared Resources with respect to all of the NexPoint Parties. HCMLP further agrees that in the event that HCMLP fails to make any payment to a landlord or Shared Resource vendor required to be made hereunder, the NexPoint Parties shall have the right to make the payments necessary to retain such leased property, service or Shared Resource and deduct such the amount of such payments from future payments due to HCMLP under the Term Sheet. If the amounts paid by the NexPoint Parties exceed what would otherwise be due to HCMLP from such NexPoint Parties, the NexPoint Parties may pursue recovery from HCMLP for such excess amount.

II. OTHER AGREEMENTS OF THE PARTIES

Section 2.1 Certain Benefit Plan Matters.

(a) On or before February 19, 2021, HCMLP and NPA shall enter into a mutually acceptable Assignment and Assumption Agreement, pursuant to which HCMLP agrees to assign to NPA, and NPA agrees to assume, effective as of January 1, 2021, all of the rights and obligations of HCMLP as the “Primary Plan Sponsor” of the Highland 401(k) Plan, as amended and restated effective January 1, 2016 (as amended to date).

(b) HCMLP and NPA shall use reasonable best efforts to enter into a mutually acceptable Assignment and Assumption Agreement (or equivalent agreement), pursuant to which HCMLP agrees to assign to NPA or its designee, and NPA or its designee agrees to assume all of the rights and obligations of HCMLP as the sponsor of Highland’s defined benefit plan (as amended to date).

(c) To the extent permitted under applicable law (including without limitation the Employee Retirement Income Security Act of 1974) the parties agree to enter into an arrangement with respect to employee benefit plan (including, without limitation, health, medical, dental, and other similar plans) whereby, as soon as reasonably practicable, NPA shall admit and maintain each employee of HCMLP and its sole limited partner of the Claimant Trust as a participant of each employee benefit plan (including, without limitation, health, medical, dental, and other similar plans) maintained by or on behalf of NPA for employees of NPA and/or the NexPoint Parties, on the same terms and subject to the same conditions as such employees of NPA and/or the NexPoint Parties. The parties agree that the actual costs of such employee benefit plans attributable to HCMLP employees shall be borne by HCMLP.

Section 2.2 Transfers of Property to NPA.

(a) As soon as reasonably practicable following the execution of this Term Sheet, HCMLP shall transfer to NPA or its designee, all of HCMLP’s rights title and interest, if any, in the domain names set forth on Schedule C to this Term Sheet (the “Domain Names”), and, to the extent possible, all telephone numbers currently utilized exclusively by the NexPoint Parties. The NexPoint Parties shall provide a list of such telephone numbers to HCMP as soon as practicable following the execution of this Term Sheet and HCMLP and the NexPoint Parties shall meet and confer in good faith to confirm that such telephone numbers are exclusively used by the NexPoint Parties. To the extent possible, HCMLP shall transfer to NAP the telephone numbers of all HCMLP employees as those employees are terminated, provided such telephone numbers are no longer utilized by HCMLP.

(b) If the NexPoint Parties (i) make all payments required by this Term Sheet (and any other Definitive Agreement that supersedes this Term Sheet), (ii) fulfill all of their obligations under this Term Sheet (and any other Definitive Agreement that supersedes this Term Sheet), and (iii) are not in breach of any material provision of this Term Sheet, any other Definitive Agreement that supersedes this Term Sheet, and/or any material provision of any other agreement between HCMLP and a NexPoint Party in each case through the full term of this Term Sheet (and any other Definitive Agreement that supersedes this Term Sheet) provided that in the event of any such breach the breaching NexPoint Party has notice thereof and a reasonable opportunity to cure (not to exceed 30 calendar days) if such breach is curable (collectively, the “NexPoint Conditions”), then upon the expiration of the term of this Term Sheet (or any other Definitive Agreement that supersedes this Term Sheet), HCMLP shall transfer to NPA or its designee, all of HCMLP’s rights, title, and interest, if any, (1) in the furniture and fixtures and office supplies and equipment located on or used exclusively in

connection with the operations at the Premises; (2) Flexential; (3) Evoque; and (4) the home offices or remote working spaces of its employees and personnel.

Section 2.3 Employee Matters.

(a) Each the following shall terminate at 11:59 p.m. on February 28, 2021, in accordance with its terms: (i) that certain *Payroll Reimbursement Agreement*, dated May 1, 2018, by and between HCMFA and NPA, as subsequently amended on December 14, 2018, and (ii) that certain *Payroll Reimbursement Agreement*, dated May 1, 2018, by and between HCMFA and HCMLP, as subsequently amended on December 14, 2018.

(b) HCMLP agrees that (i) the NexPoint Parties or an entity formed by current or former HCMLP employees to provide services to the NexPoint Parties (the “Potential Employers”) may, in each case in their sole and absolute discretion, make offers of employment to any HCMLP employee and (ii) HCMLP will not enforce any non-compete or similar agreement if any HCMLP employee accepts an offer of employment with a Potential Employer. For the avoidance of doubt, nothing herein will prevent HCMLP from continuing to employ an HCMLP employee or require HCMLP to terminate an HCMLP employee if a Potential Employer makes an offer of employment.

Section 2.4 Limited Liability.

(a) HCMLP shall not be liable to any person or entity, including any third party, for any action, inaction, or conduct of any NexPoint Party or that of such NexPoint Party’s or its affiliates’ employees, personnel, officers, directors, managers, members, representatives, agents, principals, owners, or partners (collectively, “Agents”) in connection with use by the NexPoint Parties or their Agents of HCMLP’s offices, facilities, and/or the shared resources under this Term Sheet.

(b) The NexPoint Parties shall indemnify and hold harmless HCMLP from and against any and all costs and expenses (including advancing of reasonable attorneys’ fees) of HCMLP or its affiliates or any of their Agents (including, without limitation, costs and expenses of any disputes, legal actions, examinations, investigations, and other legal or regulatory costs or expenses), related to or arising out of any action, inaction, or conduct by the NexPoint Parties or their Agents in connection with use by the NexPoint Parties of HCMLP’s offices, facilities, and/or the shared resources under this Term Sheet.

(c) No Party shall be liable to any other Party or to any other person or entity for the failure to provide services, access, or resources hereunder if such failure results from an event beyond the reasonable control of the Party obligated to provide such services, access, or resources.

III. BINDING TERM SHEET; DEFINITIVE AGREEMENTS

Section 3.1 Binding Agreement. The Parties agree that this Term Sheet constitutes the legal, valid and binding obligation of each Party, enforceable against each Party in accordance with its terms.

Section 3.2 Entire Current Understanding and Agreement. This Term Sheet constitutes the entire current understanding and agreement by and among the Parties hereto with respect to the subject matter hereof and supersedes any and all prior or contemporaneous negotiations, term sheets, covenants, agreements, undertakings and understandings (written or oral) and courses of conduct and dealing by or among the Parties with respect to the matters expressly set forth herein.

Section 3.3 Term Sheet Controls. Any express terms and conditions set forth in this Term Sheet shall control any conflict or inconsistency with, and amend and supersede, the terms and conditions of any and all other agreements between or among the Parties, except to the extent that (x) another agreement is amended and/or restated or entered into after the Effective Date with the prior written consent of each of HCMLP and NPA and (y) such other agreement states that it shall control in the event of any conflict or inconsistency between such other agreement.

Section 3.4 Definitive Agreement. The Parties agree that a definitive agreement among the Parties that supersedes this Term Sheet (a “Definitive Agreement”) will be necessary, desirable and/or appropriate to implement the terms and conditions set forth in this Term Sheet. Accordingly, the Parties agree to negotiate in good faith any additional terms and conditions relating to the matters herein in a manner to fully implement, and in a manner consistent with, the terms and conditions set forth in this Term Sheet, except to the extent that the Parties mutually shall otherwise agree in writing. Nevertheless, until any such Definitive Agreement is effective, this Term Sheet shall remain in full force and effect.

Section 3.5 Efforts, Authorizations and Consents; Cooperation; No Ulterior Actions.

(a) Efforts. Each Party shall proceed diligently and in good faith, and agrees to use all reasonable best efforts to do, and cause to be done, all things necessary, desirable and/or appropriate to, as promptly as practicable and in accordance with the terms and timeline set forth herein, consummate the transactions contemplated by this Term Sheet, and shall direct and cause its affiliates and its affiliates’ officers and employees to so proceed and to so act.

(b) Authorizations and Consents. Each Party shall use reasonable best efforts to obtain all authorizations, consents, registrations, orders and approvals that may be or become necessary, desirable and/or appropriate for such Party’s execution and delivery of, and the performance of such Party’s obligations pursuant to, this Term Sheet, and each Party agrees to cooperate fully and promptly with a requesting Party in its seeking to obtain all such authorizations, consents, registrations, orders and approvals.

(c) Cooperation. Each Party agrees to cooperate fully and promptly with the other Parties to consummate the Definitive Agreement in accordance with the terms and timeline contemplated herein and shall direct and use its reasonable best efforts to cause Persons under its control to so cooperate.

(d) Indirect Actions. Each Party acknowledges and agrees that he will not, on or after the Effective Date, avoid or seek to avoid, the economic and other rights, powers, privileges or interests of the other Parties set forth in this Term Sheet. Each Party shall not, and each Party shall cause Persons under his control not to, do indirectly that which cannot be done directly under this Term Sheet.

Section 3.6 Further Assurances. At any time and from time to time, at the request of any Party and without further consideration, the other Parties shall execute and deliver such instruments and take such action as such Party may reasonably determine is necessary, desirable and/or appropriate to carry out the actions contemplated by this Term Sheet.

Section 3.7 NexPoint Parties Representative. For convenience of administration, all of the NexPoint Parties hereby appoint NPA as their sole representative for purposes of all actions, consents, notices, and communications hereunder to or from the NexPoint Parties. HCMLP may rely upon any

action by NPA or communication to or from NPA to serve as an action of, or communication to or from, and to bind, all of the NexPoint Parties.

IV. MISCELLANEOUS OTHER PROVISIONS

Section 4.1 Term. This Term Sheet shall terminate without further action of any Party on April 30, 2022 (unless otherwise agreed in writing by HCMLP and NPA). Any payments required to be made by a Party hereunder shall for periods through April 30, 2022 shall survive termination of this Term Sheet. In addition, the following sections shall survive termination of this Term Sheet indefinitely: Sections 2.3 (Limited Liability), 4.4 (Notices) 4.7 (Governing Law; Submission to Jurisdiction; Service of Process), 4.9 (No Third-Party Beneficiaries).

Section 4.2 Amendment. This Term Sheet shall be binding upon the Parties and may not be modified in any manner, except by an instrument in writing of concurrent or subsequent date signed by each of HCMLP and NPA.

Section 4.3 Waiver of Rights. No delay or omission by any Party in exercising any right under this Term Sheet shall operate as a waiver of that or any other right. A waiver or consent given by any Party hereto on any one occasion shall be effective only in that instance and shall not be construed as a ban or waiver of any right on any other occasion.

Section 4.4 Notices. All notices, requests, demands, claims, and other communications hereunder shall be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly delivered: (a) four (4) Business Days after it is sent by registered or certified mail, return receipt requested, postage prepaid; (b) one (1) Business Day after it is sent for next Business Day delivery via a reputable nationwide overnight courier service; (c) when sent, if e-mailed on a Business Day; (d) the next Business Day following the day on which the e-mail is sent if e-mailed on a day that is not a Business Day; (e) when receipt is acknowledged, if facsimiled on a Business Day; and (f) the next Business Day following the day on which receipt is acknowledged if facsimiled on a day that is not a Business Day, in each case to the intended recipient as set forth below:

If to HCMLP:

James P. Seery, Jr.
c/o Highland Capital Management, LP
300 Crescent Court
Dallas, Texas 75201
Email: jpseeryjr@gmail.com

With copies to:

Pachulski Stang Ziehl & Jones LLP
780 3rd Ave #34
New York, NY 10017
Attention: Gregory V. Demo
Email: GDemo@pszjlaw.com

and

Wilmer Cutler Pickering Hale and Dorr LLP
60 State Street
Boston, MA 02109

Attention: Timothy F. Silva
Email: timothy.silva@wilmerhale.com

If to the NexPoint Parties:

D.C. Sauter
300 Crescent Court, Suite 700
Dallas, Texas 75201
Email: DSauter@NexPointadvisors.com

With a copy to:

K&L Gates LLP
4350 Lassiter at North Hills Avenue
Suite 300
P.O. Box 17047
Raleigh, North Carolina 27619
Attention: A. Lee Hogewood III
Email: lee.hogewood@klgates.com

Any Party may give any notice, request, demand, claim, or other communication hereunder using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the Party for whom it is intended. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

Section 4.5 Reservation of Rights. For the avoidance of doubt, each Party reserves all rights it has, or may have, including all rights to pursue and defend any claims and/or causes of action, with respect to any matter, agreement, or understanding not explicitly addressed in this Term Sheet. The Parties expressly reserve all rights with respect to amounts asserted in connection with the NexPoint Parties' administrative claim, including, without limitation the NexPoint Parties' right to amend such claim to assert additional or lesser amounts, including with respect to the Past Due Payment Amounts (but excluding the amounts payable for access and the Shares Services hereunder), the rights of HCMLP to object to such claim as well as all rights and defenses in connection with all pending and potential Adversary Proceedings between the Parties. All such claims and defenses are expressly preserved for future resolution by the court.

Section 4.6 Successors and Assigns; Survival. This Term Sheet shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. No NexPoint Party may assign its rights or obligations hereunder without the prior written consent of HCMLP. HCMLP may not assign its rights or obligations hereunder without the prior written consent of NPA.

Section 4.7 Voluntary Assent; Review of Term Sheet; Independent Counsel; Construction. Each Party acknowledges and agrees that no promises or agreements of any kind have been made to or with him by the other or by any person or entity whatsoever to cause him to sign this Term Sheet other than those set forth in this Term Sheet, and that such Party fully understands the meaning and

intent of this Term Sheet. Each Party further states and represents that it is sophisticated, has carefully read this Term Sheet, understands its contents, and freely and voluntarily assents to all of its terms and conditions. Each Party further states and represents that he has been represented by independent legal counsel of its own choosing with respect to the negotiation and preparation of this Term Sheet. The Parties have participated jointly in the negotiation and drafting of this Term Sheet. In the event any ambiguity or question of intent or interpretation arises, this Term Sheet shall be construed as if drafted jointly by HCMLP and the NexPoint Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Term Sheet.

Section 4.8 Governing Law; Submission to Jurisdiction; Service of Process. This Term Sheet shall be interpreted and construed in accordance with the laws of the State of Texas, without regard to conflict of laws provisions. Each Party hereby irrevocably submits to and acknowledges and recognizes the exclusive jurisdiction of the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (which court, for purposes of this Term Sheet, is the only court of competent jurisdiction), over any suit, action or other proceeding arising out of, under or in connection with this Term Sheet or its subject matter. Each Party irrevocably consents to service of process in any action or proceeding arising out of or relating to this Term Sheet in the manner provided for notices in Section 4.4. Nothing in this Term Sheet shall affect the right of any Party to serve process in any other manner permitted by law.

Section 4.9 Severability; Remedies Cumulative. The provisions of this Term Sheet shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions of this Term Sheet. If any provision of this Term Sheet, or the application thereof to any Person or any circumstance, is found by a court or other regulatory authority of competent jurisdiction to be invalid or unenforceable, (a) the Parties shall negotiate in good faith to modify this Term Sheet so as to give effect to the original intent of the Parties of such invalid or unenforceable provision to the fullest extent permitted by law, and (b) the remainder of this Term Sheet and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction. The rights and remedies of the Parties to this Term Sheet are cumulative and not alternative, and each Party shall have the right in any particular circumstance to enforce any provision of this Term Sheet without regard to the availability of a remedy under any other provision of this Term Sheet.

Section 4.10 No Third-Party Beneficiaries.

(a) It is the explicit intention of the Parties that no Person other than the Parties — and, for the avoidance of doubt, no employee or officer of any Party or any of its affiliates or any of a Party's or its affiliates' owners, officers or employees and no client or investor in any product managed or sponsored by any Party — is or shall be entitled to bring any action to enforce any provision of this Term Sheet against any Party or otherwise, and that the covenants, undertakings and agreements set forth in this Term Sheet are for the sole benefit of, and shall be enforceable only by the Parties (and their respective successors and permitted assigns), and they shall not be construed as conferring, and are not intended to confer, any rights on any other person or entity whatsoever.

(b) No investors and no creditors of any Party shall have any right or entitlement to enforce any of the provisions of this Term Sheet or to require any Party to discharge its obligations hereunder.

Section 4.11 Headings. The headings of the Sections and sub-Sections of this Term Sheet are for convenience of reference only, and are not to be considered in construing the terms and provisions of this Term Sheet.

Section 4.12 Construction. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless otherwise indicated: (i) the words “herein,” “hereof” and “hereunder,” and words of similar import when used in this Term Sheet, shall be construed to refer this Term Sheet in its entirety and not to any particular provision hereof and (ii) all references in this Term Sheet to Exhibits, Schedules, Articles, Sections, paragraphs and sentences shall be construed to refer to Exhibits and Sections to, and Articles, Sections, paragraphs and sentences of, this Term Sheet. References to statutes shall mean such statutes as amended.

Section 4.13 Payments. All payments and distributions required to be made pursuant this Term Sheet shall be made in cash and/or other immediately available funds to one (1) or more accounts as directed by the person or entity to whom such amounts are due.

Section 4.14 Counterparts and Electronic Signatures. This Term Sheet may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one (1) and the same instrument. This Term Sheet may be executed by facsimile and/or electronically by any one (1) or more of the Parties.

[Remainder of page intentionally left blank; signature page follows]

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

HIGHLAND CAPITAL MANAGEMENT, LP

By: _____
Name:
Title:

NEXPOINT ADVISORS, L.P.

By: _____
Name:
Title:

Schedule A

Schedule of Shared Resources and Payments

Schedule B

Segregation of Premises Floor Plan

Schedule C

Domain Names

B-1

Summary report:	
Litera® Change-Pro for Word 10.11.0.83 Document comparison done on 2/18/2021 2:46:19 PM	
Style name: WH-Default Style	
Intelligent Table Comparison: Active	
Original DMS: iw://IMANAGEWORKUS.WILMERHALE.COM/ActiveUS/185044344/14	
Modified DMS: iw://IMANAGEWORKUS.WILMERHALE.COM/ActiveUS/185044344/15	
Changes:	
Add	18
Delete	20
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	38

EXHIBIT 19

From: Hogewood, III, A. Lee [mailto:A.Lee.HogewoodIII@klgates.com]

Sent: Friday, February 19, 2021 12:57 PM

To: Silva, Timothy <Timothy.Silva@wilmerhale.com>

Cc: Gregory V. Demo <GDemo@pszjlaw.com>; John A. Morris <jmorris@pszjlaw.com>; Hayley R. Winograd <hwinograd@pszjlaw.com>; Dupuy, Jon-Luc <Jon-Luc.Dupuy@klgates.com>; Rukavina, Davor <drukavina@munsch.com>; Miller, Charles <Charles.Miller@klgates.com>; Zornada, George <George.Zornada@klgates.com>

Subject: RE: Highland -- Shared services transition proposal [KLG-USE_Active01.FID2408261]

Jon-Luc is not available today, but why don't we say 1pm E and whoever can join will do so. If we need a few minutes to assemble folks 1:30 works as well, but we're obviously anxious to move things along if we can and the only two things I am doing today is working on this and the hearing for next Tuesday.

Will you guys send a dial in?

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A. Lee Hogewood III

Partner

K&L Gates LLP

4350 Lassiter at North Hills Avenue, Suite 300

P.O. Box 17047

Raleigh, North Carolina 27619

Phone: 919.743.7306

Fax: 919.516.2006

lee.hogewood@klgates.com

www.klgates.com

Pronouns: he/him/his

From: Silva, Timothy

Sent: Friday, February 19, 2021 12:52 PM

To: Hogewood, III, A. Lee

Cc: Gregory V. Demo ; John A. Morris ; Hayley R. Winograd ; Dupuy, Jon-Luc ; Rukavina, Davor ; Miller, Charles ; Zornada, George

Subject: RE: Highland -- Shared services transition proposal [KLG-USE_Active01.FID2408261]

Lee:

We have feedback from our client. What time works on your side to get on a call to discuss?

Timothy F. Silva | WilmerHale
timothy.silva@wilmerhale.com

60 State Street
Boston, MA 02109 USA
+1 617 526 6502 (t)
+1 617 526 5000 (f)

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From: Hogewood, III, A. Lee <A.Lee.HogewoodIII@klgates.com>
Sent: Friday, February 19, 2021 12:09 PM
To: Gregory V. Demo <GDemo@pszilaw.com>
Cc: Silva, Timothy <Timothy.Silva@wilmerhale.com>; John A. Morris <jmorris@pszilaw.com>; Hayley R. Winograd <hwinograd@pszilaw.com>; Dupuy, Jon-Luc <Jon-Luc.Dupuy@klgates.com>; Rukavina, Davor <drukavina@munsch.com>; Miller, Charles <Charles.Miller@klgates.com>; Zornada, George <George.Zornada@klgates.com>
Subject: RE: Highland -- Shared services transition proposal [KLG-USE_Active01.FID2408261]

EXTERNAL SENDER

I am authorized to put option B back on the table as stated below. Both A and B are on the table for your consideration. Thank you, Lee



A. Lee Hogewood III
Partner
K&L Gates LLP
4350 Lassiter at North Hills Avenue, Suite 300
P.O. Box 17047
Raleigh, North Carolina 27619
Phone: 919.743.7306
Fax: 919.516.2006
lee.hogewood@klgates.com
www.klgates.com
Pronouns: he/him/his

From: Gregory V. Demo <GDemo@pszilaw.com>
Sent: Friday, February 19, 2021 12:06 PM
To: Hogewood, III, A. Lee <A.Lee.HogewoodIII@klgates.com>
Cc: Silva, Timothy <Timothy.Silva@wilmerhale.com>; John A. Morris <jmorris@pszilaw.com>; Hayley R. Winograd <hwinograd@pszilaw.com>; Dupuy, Jon-Luc <Jon-Luc.Dupuy@klgates.com>; Rukavina, Davor <drukavina@munsch.com>; Miller, Charles <Charles.Miller@klgates.com>; Zornada, George <George.Zornada@klgates.com>
Subject: RE: Highland -- Shared services transition proposal [KLG-USE_Active01.FID2408261]

Understood

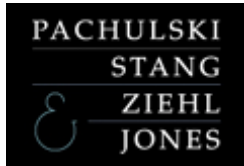
Gregory V. Demo

Pachulski Stang Ziehl & Jones LLP

Tel: 212.561.7730 | Fax: 212.561.7777

GDemo@pszilaw.com

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



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From: Hogewood, III, A. Lee [<mailto:A.Lee.HogewoodIII@klgates.com>]
Sent: Friday, February 19, 2021 12:04 PM
To: Gregory V. Demo
Cc: Silva, Timothy; John A. Morris; Hayley R. Winograd; Dupuy, Jon-Luc; Rukavina, Davor; Miller, Charles; Zornada, George
Subject: RE: Highland -- Shared services transition proposal [KLG-USE_Active01.FID2408261]

Thanks, I'm informed there may be an edit needed to option B so I need to pull that back momentarily. But certainly please determine if option A is attractive in the meantime.



A. Lee Hogewood III

Partner

K&L Gates LLP

4350 Lassiter at North Hills Avenue, Suite 300

P.O. Box 17047

Raleigh, North Carolina 27619

Phone: 919.743.7306

Fax: 919.516.2006

lee.hogewood@klgates.com

www.klgates.com

Pronouns: he/him/his

From: Gregory V. Demo <GDemo@pszjlaw.com>

Sent: Friday, February 19, 2021 12:03 PM

To: Hogewood, III, A. Lee <A.Lee.HogewoodIII@klgates.com>

Cc: Silva, Timothy <Timothy.Silva@wilmerhale.com>; John A. Morris <jmorris@pszjlaw.com>; Hayley R. Winograd <hwinograd@pszjlaw.com>; Dupuy, Jon-Luc <Jon-Luc.Dupuy@klgates.com>; Rukavina, Davor <drukavina@munsch.com>; Miller, Charles <Charles.Miller@klgates.com>; Zornada, George <George.Zornada@klgates.com>

Subject: RE: Highland -- Shared services transition proposal [KLG-USE_Active01.FID2408261]

We will discuss internally and get back to you.

Gregory V. Demo

Pachulski Stang Ziehl & Jones LLP

Tel: 212.561.7730 | Fax: 212.561.7777

GDemo@pszjlaw.com

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



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From: Hogewood, III, A. Lee [<mailto:A.Lee.HogewoodIII@klgates.com>]

Sent: Friday, February 19, 2021 11:58 AM

To: Gregory V. Demo

Cc: Silva, Timothy; John A. Morris; Hayley R. Winograd; Dupuy, Jon-Luc; Rukavina, Davor; Miller, Charles; Zornada, George

Subject: Highland -- Shared services transition proposal [KLG-USE_Active01.FID2408261]

Greg: I understand you have withdrawn your option 2. In the meantime, we would like to propose two other alternatives.

Option A:

Nexpoint parties take 100% of the leased premises and 100% of the rental cost; with remaining debtor employees given a reasonable period of time (30 days) to vacate and with the 100% beginning when they are out. Debtor would have access to its data, servers etc.

Once Debtor's employees were no longer on premises, Dondero could be on site as he chooses and the PI would be modified by consent to so provide.

Term sheet would be executed today with a March 1 effective date, minor revisions to address 100% leasing arrangement, reasonable time for debtor to depart and Dondero access and a corresponding revision to Schedule B providing for the 100% payment obligation Letter extension to 2/28 after term sheet executed

Complaint dismissed and court informed hearing no longer needed for this matter on 2/23.

Option B.

Debtor takes 100% of lease and NextPoint has until 28th to completely vacate.

Term sheet would be executed today with a March 1 effective date, with revisions to document the lack of the sublease and Schedule B removing the lease/sublease concept from the document. Letter extension to 2/28 after term sheet executed.

Complaint dismissed and court informed hearing no longer needed for this matter on 2/23.

Please let me know your thoughts. Regards, Lee



A. Lee Hogewood III

Partner

K&L Gates LLP

4350 Lassiter at North Hills Avenue, Suite 300

P.O. Box 17047

Raleigh, North Carolina 27619

Phone: 919.743.7306

Fax: 919.516.2006

lee.hogewood@klgates.com

www.klgates.com

Pronouns: he/him/his

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EXHIBIT 20

From: Hogewood, III, A. Lee [mailto:A.Lee.HogewoodIII@klgates.com]

Sent: Friday, February 19, 2021 4:15 PM

To: Gregory V. Demo <GDemo@pszjlaw.com>; Silva, Timothy <Timothy.Silva@wilmerhale.com>

Cc: Dupuy, Jon-Luc <Jon-Luc.Dupuy@klgates.com>; Zornada, George <George.Zornada@klgates.com>; Miller, Charles <Charles.Miller@klgates.com>; John A. Morris <jmorris@pszjlaw.com>; Rukavina, Davor <drukavina@munsch.com>; Mather, Emily <Emily.Mather@klgates.com>

Subject: RE: Domain list [KLG-USE_Active01.FID2408261]

Greg: we should cancel this call and I should just call you and John. I will call your line at 4:20. Lee

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K&L GATES

A. Lee Hogewood III

Partner

K&L Gates LLP

4350 Lassiter at North Hills Avenue, Suite 300

P.O. Box 17047

Raleigh, North Carolina 27619

Phone: 919.743.7306

Fax: 919.516.2006

lee.hogewood@klgates.com

www.klgates.com

Pronouns: he/him/his

From: Gregory V. Demo

Sent: Friday, February 19, 2021 3:56 PM

To: Hogewood, III, A. Lee ; Silva, Timothy

Cc: Dupuy, Jon-Luc ; Zornada, George ; Miller, Charles ; John A. Morris ; Rukavina, Davor ; Mather, Emily

Subject: RE: Domain list [KLG-USE_Active01.FID2408261]

Lee – Do you still need the extra time? If so, we can push back 15 minutes, but we’re running up against it.

I spoke to our client about the draft. He had two comments which I hope are not controversial. In revised section 1.2(a), HCMLP wants to put in language clarifying that NexPoint Parties, etc. personnel can come into the office building if they get written permission from HCMLP.

In revised section 1.2(c), there is a worry that certain persons previously employed in HCMLP's legal department will join NewCo and try to gain access to the premises that way. While that is only a theoretical possibility, I've been asked to add language to that section clarifying that HCMLP can still exclude certain parties from the premises.

I hope that we can agree to language on the call and I appreciate the accommodation.

Greg

Gregory V. Demo

Pachulski Stang Ziehl & Jones LLP

Tel: 212.561.7730 | Fax: 212.561.7777

GDemo@pszjlaw.com

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From: Hogewood, III, A. Lee [<mailto:A.Lee.HogewoodIII@klgates.com>]

Sent: Friday, February 19, 2021 3:43 PM

To: Gregory V. Demo; Silva, Timothy

Cc: Dupuy, Jon-Luc; Zornada, George; Miller, Charles; John A. Morris; Rukavina, Davor; Mather, Emily

Subject: RE: Domain list [KLG-USE_Active01.FID2408261]

I'm sorry. I'm having trouble connecting with someone to be sure they are in a position to review. Can we move another 15 minutes. To 4:15. Trying hard to get this done.

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A. Lee Hogewood III

Partner

K&L Gates LLP

4350 Lassiter at North Hills Avenue, Suite 300

P.O. Box 17047

Raleigh, North Carolina 27619

Phone: 919.743.7306

Fax: 919.516.2006

lee.hogewood@klgates.com

www.klgates.com

Pronouns: he/him/his

From: Gregory V. Demo <GDemo@pszilaw.com>
Sent: Friday, February 19, 2021 3:34 PM
To: Hogewood, III, A. Lee <A.Lee.HogewoodIII@klgates.com>; Silva, Timothy <Timothy.Silva@wilmerhale.com>
Cc: Dupuy, Jon-Luc <Jon-Luc.Dupuy@klgates.com>; Zornada, George <George.Zornada@klgates.com>; Miller, Charles <Charles.Miller@klgates.com>; John A. Morris <jmorris@pszilaw.com>; Rukavina, Davor <drukavina@munsch.com>; Mather, Emily <Emily.Mather@klgates.com>
Subject: RE: Domain list [KLG-USE_Active01.FID2408261]

That is a more than fair request. I've moved the invite.

Gregory V. Demo

Pachulski Stang Ziehl & Jones LLP

Tel: 212.561.7730 | Fax: 212.561.7777

GDemo@pszilaw.com

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From: Hogewood, III, A. Lee [<mailto:A.Lee.HogewoodIII@klgates.com>]
Sent: Friday, February 19, 2021 3:33 PM
To: Silva, Timothy; Gregory V. Demo
Cc: Dupuy, Jon-Luc; Zornada, George; Miller, Charles; John A. Morris; Rukavina, Davor; Mather, Emily
Subject: RE: Domain list [KLG-USE_Active01.FID2408261]

Can we please move the call to 4 so we can digest and socialize the draft. I know we're coming down to the wire on wires, but we need some time to read and discuss.

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P.O. Box 17047

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Phone: 919.743.7306
Fax: 919.516.2006
lee.hogewood@klgates.com
www.klgates.com
Pronouns: he/him/his

From: Silva, Timothy <Timothy.Silva@wilmerhale.com>
Sent: Friday, February 19, 2021 3:31 PM
To: Hogewood, III, A. Lee <A.Lee.HogewoodIII@klgates.com>; Gregory V. Demo <GDemo@pszilaw.com>
Cc: Dupuy, Jon-Luc <Jon-Luc.Dupuy@klgates.com>; Zornada, George <George.Zornada@klgates.com>; Miller, Charles <Charles.Miller@klgates.com>; John A. Morris <jmorris@pszilaw.com>; Rukavina, Davor <drukavina@munsch.com>; Mather, Emily <Emily.Mather@klgates.com>
Subject: RE: Domain list [KLG-USE_Active01.FID2408261]

All,

Attached please find the latest draft of the Term Sheet and Schedule A. Our side is reviewing concurrently and reserves the right to further edit.

Regards, Tim

Timothy F. Silva | WilmerHale
timothy.silva@wilmerhale.com

60 State Street
Boston, MA 02109 USA
+1 617 526 6502 (t)
+1 617 526 5000 (f)

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From: Hogewood, III, A. Lee <A.Lee.HogewoodIII@klgates.com>
Sent: Friday, February 19, 2021 3:06 PM
To: Gregory V. Demo <GDemo@pszilaw.com>; Silva, Timothy <Timothy.Silva@wilmerhale.com>
Cc: Dupuy, Jon-Luc <Jon-Luc.Dupuy@klgates.com>; Zornada, George <George.Zornada@klgates.com>; Miller, Charles <Charles.Miller@klgates.com>; John A. Morris <jmorris@pszilaw.com>; Rukavina, Davor <drukavina@munsch.com>; Mather, Emily <Emily.Mather@klgates.com>
Subject: RE: Domain list [KLG-USE_Active01.FID2408261]

EXTERNAL SENDER

I'm going to have to ask that we move the call to 3:45 or 4. I know that puts us at some risk on the wires, but we'll need some time to digest changes and at least one key player has a problem at 3:30 that can't be moved. Thanks, Lee

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A. Lee Hogewood III

Partner
K&L Gates LLP
4350 Lassiter at North Hills Avenue, Suite 300
P.O. Box 17047
Raleigh, North Carolina 27619
Phone: 919.743.7306
Fax: 919.516.2006
lee.hogewood@klgates.com
www.klgates.com
Pronouns: he/him/his

From: Gregory V. Demo <GDemo@pszjlaw.com>
Sent: Friday, February 19, 2021 2:53 PM
To: Hogewood, III, A. Lee <A.Lee.HogewoodIII@klgates.com>; Silva, Timothy <Timothy.Silva@wilmerhale.com>
Cc: Dupuy, Jon-Luc <Jon-Luc.Dupuy@klgates.com>; Zornada, George <George.Zornada@klgates.com>; Miller, Charles <Charles.Miller@klgates.com>; John A. Morris <jmorris@pszjlaw.com>; Rukavina, Davor <drukavina@munsch.com>; Mather, Emily <Emily.Mather@klgates.com>
Subject: RE: Domain list [KLG-USE_Active01.FID2408261]

Lee,

We have an internal call at 3 EST to go off last issues. Our goal is to have documents to you shortly thereafter. Can we pencil in a time at 3:30 EST to get on the phone and work through any open issues with the goal of having this signed by 3:45 EST or so in order to give us enough room on the wires?

We can discuss further on the call but wanted to raise two issues on the domain names. Highlandcapital.com is our main website. We cannot transfer that. We have also been in discussions with Brad Heiss to sell him Eagle Equity, Ohio State, and the related entities. He's asked that the related domain names be transferred to him as part of that deal. We don't mind where they go but need consistent direction. The list is still being reviewed so we may have more.

Greg

Gregory V. Demo

Pachulski Stang Ziehl & Jones LLP

Tel: 212.561.7730 | Fax: 212.561.7777

GDemo@pszjlaw.com

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From: Hogewood, III, A. Lee [<mailto:A.Lee.HogewoodIII@klgates.com>]

Sent: Friday, February 19, 2021 2:04 PM

To: Gregory V. Demo; Silva, Timothy

Cc: Dupuy, Jon-Luc; Zornada, George; Miller, Charles; John A. Morris; Rukavina, Davor; Mather, Emily

Subject: Domain list [KLG-USE_Active01.FID2408261]

The domains we believe we need are shown in green on the attached. If you disagree on any of them let us know. We are looking forward to your turn of the document on the "Option B" approach.

As you know the term sheet preserves everyone's rights on various claims and other litigation and Davor suggested it would be appropriate to track that language in the body of the agreed settlement order, in addition to attaching the term sheet to the order.

Is John preparing the order or would you like for us to take that on. I think we'd like to have all of that nailed down as close to simultaneously as possible.

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Partner

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Phone: 919.743.7306

Fax: 919.516.2006

lee.hogewood@klgates.com

www.klgates.com

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EXHIBIT 21

From: Hogewood, III, A. Lee [mailto:A.Lee.HogewoodIII@klgates.com]

Sent: Friday, February 19, 2021 7:08 PM

To: Gregory V. Demo <GDemo@pszjlaw.com>; Silva, Timothy <Timothy.Silva@wilmerhale.com>; John A. Morris <jmorris@pszjlaw.com>

Cc: Hayley R. Winograd <hwinograd@pszjlaw.com>; Mather, Emily <Emily.Mather@klgates.com>; Miller, Charles <Charles.Miller@klgates.com>; Zornada, George <George.Zornada@klgates.com>; Dupuy, Jon-Luc <Jon-Luc.Dupuy@klgates.com>; drukavina_munsch.com <drukavina@munsch.com>

Subject: Highland: Transition. Clarified proposals.

Dear Greg, Tim and John: I have been instructed to clarify where we are on our proposals and I have confirmed that I have complete and full authority to make them:

(1) So called Option A from my email earlier today pursuant to which the lease and lease expense would be 100% in NexPoint hands.

(2) the 75/25 split but with Dondero having access after a demising wall was constructed to segregate space in a manner agreeable to all parties.

(3) the prior Option B, modified to make clear that that option would not involve payment of post petition amounts but, rather, those amounts would be the subject of litigation over the Admin claim or otherwise.

I have been further instructed to indicate that these proposals remain open until noon Saturday Eastern time. Thank you all for your consideration.

Regards, Lee



A. Lee Hogewood III

Partner

K&L Gates LLP

4350 Lassiter at North Hills Avenue, Suite 300

P.O. Box 17047

Raleigh, North Carolina 27619

Phone: 919.743.7306

Fax: 919.516.2006

lee.hogewood@klgates.com

www.klgates.com

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