

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS

In re United Development Funding IV
Securities Litigation

Master File Case No.: 3:15-cv-4030-M

(Consolidation of Civil Action Nos.
3:15-cv-04030-M, 3:15-cv-04055-M, and
3:16-cv-00456-M)

Honorable Barbara M.G. Lynn

MARK HAY and PAUL BROWN,
individually and on behalf of all others
similarly situated,

Civil Action No.: 4:16-cv-00188-M

Plaintiffs,

v.

UNITED DEVELOPMENT FUNDING
IV, et al.,

Defendants.

**INTERNET NOTICE OF
(I) PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT; (II) SETTLEMENT
FAIRNESS HEARING; AND (III) MOTION FOR AN AWARD OF
ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that the United States District Court for the Northern District of Texas (the "Court") has consolidated and conditionally certified the above-captioned securities cases as class actions (the "UDF Class Actions"), for settlement purposes. If you or a family member purchased or otherwise acquired shares of (i) United Development Funding IV ("UDF IV") common stock between March 8, 2011 and February 4, 2016, inclusive, and allegedly were damaged thereby (the "UDF IV Settlement Class"), and/or (ii) United Development Funding Income Fund V ("UDF V") common stock between July 24, 2014 and March 8, 2016, inclusive, and allegedly were damaged thereby (the "UDF V Settlement Class," and together with the UDF IV Settlement Class, the "Settlement Classes"), your legal rights may be affected by the Court's rulings in these cases, including your right to receive cash and/or other compensation from the proposed settlement discussed below.¹

NOTICE OF SETTLEMENT: Please also be advised that the Court-appointed Lead Plaintiff, Louis J. D'Annibale ("Lead Plaintiff"), and Plaintiffs Mark Hay and Paul Brown (collectively, the "Hay Plaintiffs," and together with

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement, dated August 13, 2018 (the "Stipulation"), which is available at www.strategicclaims.net. In the event of any inconsistency between this Notice and the Stipulation, the Stipulation shall control.

Lead Plaintiff, the “Plaintiffs”), on behalf of themselves and the Settlement Classes, have reached a proposed settlement of the UDF Class Actions for a payment to (i) the UDF IV Settlement Class of \$7,041,437 in cash, and a contingent payment of \$3,000,000, and (ii) the UDF V Settlement Class of \$3,394,288 in cash. If approved by the Court, the settlement will resolve all claims in the UDF Class Actions (the “Settlement”).

PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash and other compensation from the Settlement. If you are a member of a Settlement Class, your legal rights will be affected whether or not you act.

If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact UDF, any other Defendants in the UDF Class Actions, or their counsel. All questions should be directed to counsel for the Plaintiffs (“Plaintiffs’ Counsel”) or the Claims Administrator (see ¶ 86 below).

1. **Description of the UDF Class Actions and the Settlement Classes:** This Notice relates to a proposed Settlement of claims in pending putative securities class actions brought by investors alleging, among other things, that defendants UDF IV, Hollis M. Greenlaw and Cara D. Obert violated the federal securities laws, and that defendants UDF IV and UDF V, together with their affiliates, UMT Services, Inc., UMT General Services, L.P., UMT Land Development, L.P., UMT Holdings, L.P., UDF Holdings, L.P., UDFH General Services, L.P., UDFH Land Development, and certain officers and/or present or former trustees of the foregoing entities, Steven J. Finkle, J. Heath Malone, Phillip K. Marshall, Hollis M. Greenlaw, Todd Etter, Cara D. Obert, David A. Hanson, Scot W. O’Brien, J. Brandon Jester, Michael K. Wilson, Ben L. Wissink, Eustace W. Mita and Melissa H. Youngblood (collectively, the “UDF Defendants”), and the former independent auditor to UDF IV and UDF V, Whitley Penn, LLP (the “Accountant Defendant”), AR Capital, LLC, American Reality Capital Residential Advisors, LLC, Nicholas S. Schorsch, Edward M. Weil, William M. Kahane, Peter M. Budko and Brian S. Block (collectively, the “Underwriter Defendants”), Centurion American Development Group, and Mehrdad Moayedi (collectively, the “Centurion Defendants” and together with the UDF Defendants, Accountant Defendant and Underwriter Defendants, the “Defendants”), violated the Texas Securities Act by, among other things, making false and misleading statements regarding UDF IV and UDF V. A more detailed description of the UDF Class Actions is set forth in ¶¶ 11-37 below. The proposed Settlement, if approved by the Court, will settle claims of the Settlement Classes, as defined in ¶ 38 below.

2. **Statement of the Settlement Classes’ Recovery:** Subject to Court approval, Plaintiffs, on behalf of themselves and the Settlement Classes, have agreed to settle the UDF Class Actions in exchange for the following consideration: the UDF IV Settlement Class will receive \$7,041,437 in cash, and a contingent payment of \$3,000,000 cash (the “Contingent Payment”), if UDF IV achieves \$75,000,000 in cumulative cash flow from operations between January 1, 2017 and December 31, 2019 (“CCFFO Target”); the UDF V Settlement Class will receive a settlement payment of \$3,394,288 in cash. The consideration being paid to the UDF IV Settlement Class, together with consideration being paid to the UDF V Settlement Class, are defined collectively as the “Settlement Amounts” and are to be deposited (less the Contingent Payment, unless and until the condition precedent to such payment is met) into an escrow account. The Net Settlement Fund (*i.e.*, the Settlement Amounts, plus any and all interest earned thereon (the “Settlement Fund”) less (a) any Taxes, (b) any Notice and Administration Costs, (c) any Litigation Expenses awarded by the Court, and (d) any attorneys’ fees awarded by the Court, will be distributed in accordance with a plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Settlement Classes. The proposed plan of allocation (the “Plan of Allocation”) is set forth on ¶¶ 63-67 below.

3. **Estimate of Average Amount of Recovery Per Share:** Based on Plaintiffs’ damages expert’s estimates of the number of shares of UDF IV and/or UDF V purchased during the Settlement Class Periods that may have been affected by the alleged conduct at issue in the UDF Class Actions and assuming that all Settlement Class Members elect to participate in the Settlement, the estimated average recovery for the UDF IV Settlement Class per eligible share is \$0.33 if the Contingent Payment is made and \$0.23 if the Contingent Payment is not made (both estimates are before the deduction of any Court-approved fees, expenses and costs as described herein). The estimated average recovery for the UDF V Settlement Class (before the deduction of any Court-approved fees, expenses and costs) per eligible share is \$1.15. Settlement Class Members should note, however, that the foregoing average recovery per share is only an estimate. Settlement Class Members may recover more or less than this estimated amount depending on, among other factors, which UDF shares they purchased, when and at what prices they purchased/acquired or sold their shares of UDF IV and/or UDF V, the total number of Settlement Class Members who submit Proof of Claim and Release Forms (“Claim Forms” or “Proofs of Claim”), and the

number of shares of UDF IV and/or UDF V purchased or sold by such Class Members during the relevant class periods. Distributions to Settlement Class Members will be made based on the Plan of Allocation set forth herein (see ¶¶ 63-67 below) or such other plan of allocation as may be ordered by the Court.

4. **Average Amount of Damages Per Share:** The Parties do not agree on the average amount of damages per share that would be recoverable if Plaintiffs were to prevail in the UDF Class Actions. Among other things, Defendants do not agree with the assertion that they violated the federal and Texas securities laws or that any damages were suffered by any members of the Settlement Classes as a result of their conduct.

5. **Attorneys' Fees and Expenses Sought:** Plaintiffs' Counsel, which have been prosecuting the UDF Class Actions on a wholly contingent basis since their inception in 2015 and 2016, have not received any payment of attorneys' fees for their representation of the Settlement Classes and have advanced the funds to pay expenses necessarily incurred to prosecute the UDF Class Actions. Glancy Prongay & Murray LLP, RoscaLaw, LLC and the Kehoe Law Firm, P.C. ("Lead Counsel"), will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed 30% of the Settlement Fund. In addition, Lead Counsel will apply for reimbursement of Litigation Expenses paid or incurred in connection with the institution, prosecution and resolution of the claims against the Defendants, in an amount not to exceed \$175,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Plaintiffs directly related to their representation of the Settlement Classes. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. Estimates of the average cost per affected share of UDF IV, if the Court approves Lead Counsel's fee and expense application, is \$0.105 per share if the contingent payment is made, \$0.07 per share if it isn't, and \$0.36 per share of UDF V.

6. **Identification of Attorneys' Representatives:** Plaintiffs and the Settlement Classes are represented by Leanne Solish, Esq. of Glancy Prongay & Murray LLP, and Avi Wagner, Esq. of The Wagner Firm, 1925 Century Park East, Suite 2100, Los Angeles, CA 90067, (888) 773-9224, settlements@glancylaw.com and avi@thewagnerfirm.com; Michael Yarnoff, Esq. of The Kehoe Law Firm, P.C., Two Penn Center Plaza, Suite 1020, 1500 JFK Boulevard, Philadelphia, Pennsylvania 19102, myarnoff@kehoelawfirm.com; and Alan L. Rosca, Esq. of RoscaLaw, LLP, 23250 Chagrin Boulevard, Suite 100, Beachwood, Ohio 44122, arosca@roscalaw.com.

7. **Reasons for the Settlement:** Plaintiffs' principal reason for entering into the Settlement is the substantial immediate cash benefit for the Settlement Classes without the risk or the delays inherent in further litigation. Moreover, the substantial cash benefit provided under the Settlement must be considered against the significant risk that a smaller recovery – or indeed no recovery at all – might be achieved after contested motions, trials of the UDF Class Actions and the likely appeals that would follow a trial. This process could be expected to last several years. Defendants, who deny all allegations of wrongdoing or liability whatsoever and maintain that they have meritorious defenses, are entering into the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:

<p>SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN FEBRUARY 21, 2019.</p>	<p>This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member and you remain in a Settlement Class, you will be bound by the Settlement as approved by the Court whether or not you submit a Claim Form, and you will give up any Plaintiffs’ Released Claims (defined in ¶ 46 below) that you have against Defendants and the other Defendants’ Released Persons (defined in ¶ 47 below), so it is in your interest to submit a Claim Form.</p>
<p>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASSES BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN JANUARY 25, 2019.</p>	<p>If you exclude yourself from the Settlement Class or Classes of which you are a member, you will not receive any payment from the Settlement Fund applicable to that Settlement Class. This is the only option that allows you ever to be part of any other lawsuit against any of the Defendants or the other Defendants’ Released Persons concerning the Plaintiffs’ Released Claims.</p>
<p>OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN JANUARY 25, 2019.</p>	<p>If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys’ fees and reimbursement of Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation or the fee and expense request unless you are a Settlement Class Member and do not exclude yourself from the Settlement Classes.</p>
<p>GO TO A HEARING ON FEBRUARY 15, 2019 AT 9:00 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN JANUARY 25, 2019.</p>	<p>Filing a written objection and notice of intention to appear by January 25, 2019 allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys’ fees and reimbursement of Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.</p>
<p>DO NOTHING.</p>	<p>If you are a member of one or both of the Settlement Classes and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Classes, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the UDF Class Actions.</p>

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WHY DID I GET THIS NOTICE?

8. The Court directed that the Postcard Notice be mailed to you and that this Notice be posted on the settlement website because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired shares of UDF IV and/or UDF V common stock during the Settlement Class Periods (as defined in ¶ 38 below). The Court has directed us to send you the Postcard Notice and post this Notice on the website because, as a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how these class action lawsuits may generally affect your legal rights. If the Court approves the Settlement, and the Plan of Allocation (or some other plan of allocation), the claims administrator selected by Plaintiffs and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

9. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from one or both of the Settlement Classes if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation and the motion by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses (the "Settlement Hearing"). See paragraph 77 below for details about the Settlement Hearing, including the date and location of the hearing.

10. This Notice is not an expression of any opinion by the Court concerning the merits of any claim in the UDF Class Actions, and the Court has not yet decided whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

WHAT IS THIS CASE ABOUT?

11. This litigation stems from allegations that UDF IV and UDF V were operating Ponzi-like schemes. Two separate, but related cases are pending against UDF IV and UDF V in the Court alleging violations of federal and Texas securities laws. These class actions are referred to below as the "*UDF IV* Action" and the "*Hay* Action." The *UDF IV* Action and the *Hay* Action were consolidated for settlement purposes only under Master File Case No. 3:15-cv-4030-M.

12. On December 21, 2015, Plaintiff Michael Carter (“Carter”) filed a putative class action complaint on behalf of investors in the United States District Court for the Northern District of Texas alleging violations of the Securities Exchange Act of 1934 (the “Exchange Act”), pursuant to §§10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder (17 C.F.R. §240.10b-5) as against UDF IV, Hollis M. Greenlaw and Cara D. Obert (the “UDF IV Defendants”). The action was styled *Carter v. United Development Funding IV, et al.*, No. 3:15-cv-4030-M (“Carter Action”).

13. On February 12, 2016, Plaintiff Carter filed his Amended Class Action Complaint (the “UDF IV Amended Complaint”). The UDF IV Amended Complaint asserted claims pursuant to §§10(b) and 20(a) of the Exchange Act, and Rule 10b-5 promulgated thereunder, on behalf of a class of all individuals and/or entities who or which purchased or otherwise acquired UDF IV securities between June 4, 2014 and February 4, 2016, inclusive, and who were damaged thereby. Plaintiff Carter alleged, *inter alia*, that the UDF IV Defendants made false and misleading statements and failed to disclose material adverse facts about the Company’s business and operations during the class period.

14. On March 8, 2016, Plaintiff Mark Hay (“Hay”) filed a putative class action complaint on behalf of investors in the United States District Court for the Northern District of Texas alleging, *inter alia*, violations of the Texas Securities Act pursuant to Tex. Rev. Civ. Art. 581-33, *et seq.*, as against: UDF IV, UMT Services, Inc., UMT Holdings, L.P., UMT General Services, L.P., UMT Land Development, L.P., Hollis M. Greenlaw, Todd Etter, Cara D. Obert, Michael K. Wilson, Ben L. Wissink, Robert A. Laak, David Hanson, Scot W. O’Brien, Phillip K. Marshall, J. Heath Malone, Steven J. Finkle, Melissa H. Youngblood, J. Brandon Jester, Centurion American Development Group, Mehrdad Moayedi, Whitley Penn, LLP, Daniel S. Beaton, Edward Michael Weil, Jr., Nicholas S. Schorsch, William M. Kahane, John Henry Grady, Louisa Quarto, Joseph Neary, Kamal Jafarnia, Brian S. Block, William A. MacGillivray and Ralph L. Roth. The Hay Action was styled *Hay v. United Development Funding IV, et al.*, No. 4:16-cv-00188-M, and initially was assigned to the docket of the Honorable Judge Reed C. O’Connor (“Hay Action”).

15. On March 14, 2016, the Court consolidated two other putative class action cases entitled *The Charles G. and Rose M. Fairbanks Living Trust v. United Development Funding, et al.*, No. 3:15-cv-4055-M and *James Anderson and Jennifer Anderson v. United Development Funding et al.*, No. 3:16-cv-456-M with the Carter Action into a single action styled *In re United Development Funding IV Securities Litigation*, Master File No. 3:15-cv-4030-M (“UDF IV Action”). The Court also appointed Louis J. D’Annibale as Lead Plaintiff and Glancy Prongay & Murray, LLP as Lead Counsel, and appointed the Kendall Law Group PLLC as liaison counsel, pursuant to the Private Securities Litigation Reform Act of 1995, as amended, 15 U.S.C. § 78u-4.

16. On April 6, 2016, the Court entered a stipulated scheduling order in the UDF IV Action setting deadlines for Lead Plaintiff to file a second amended complaint and for the defendants in the UDF IV Action to file anticipated motions to dismiss the second amended complaint, and establishing a briefing schedule on any such motions.

17. On June 2, 2016, the Court entered an order in the UDF IV Action permitting Lead Plaintiff to defer filing his second amended complaint until sixty days after the release of UDF IV audited financial statements for the annual period ending December 15, 2015 and for the quarter which ended on March 31, 2016.

18. On June 8, 2016, Plaintiff Hay, joined by Plaintiff Paul Brown (“Brown” and together with Hay, the “Hay Plaintiffs”), filed an Amended Class Action Complaint (the “Hay Amended Complaint”) under the Texas Securities Act. The Hay Amended Complaint purported to allege claims under the Texas Securities Act pursuant to Tex. Rev. Civ. Art. 581-33 *et seq.* as against: UDF IV, UDF V, UMT Services, Inc., UMT Holdings, L.P., UMT LD, UDF Holdings, L.P., UDFH General Services, L.P., UDFH Land Development, L.P., Hollis M. Greenlaw, Todd Etter, Cara D. Obert, Michael K. Wilson, Ben L. Wissink, David Hanson, Scot W. O’Brien, Phillip K. Marshall, J. Heath Malone, Steven J. Finkle, Eustace W. Mita, Melissa H. Youngblood, J. Brandon Jester, Centurion American Development Group, Mehrdad Moayedi, AR Capital, LLC, American Realty Capital Residential Advisors, LLC, Edward Michael Weil, Jr., Nicholas S. Schorsch, William M. Kahane, Louisa Quarto, Kamal Jafarnia, Brian S. Block, Peter M. Budko, and Whitley Penn, LLP (the “Hay Defendants”). The Hay Amended Complaint alleged that the Hay Defendants were involved in a Ponzi-like scheme in which Defendants raised money from investors for new real estate investment trusts to prop up older, failed real estate investment trusts. Further, the Hay Amended Complaint alleged that Defendants used a complex network of related entities to carry out the fraudulent scheme.

19. On July 14, 2016, District Judge O’Connor transferred the Hay Action to the docket of Chief Judge Barbara M.G. Lynn, who was presiding (and continues to preside) over the UDF IV Action.

20. On November 9, 2016, all Parties to both the *Hay* Action and *UDF IV* Action participated in a mediation session with David R. Seidler, Esq. While the Parties did not settle the matter on November 9, 2016, the Parties continued negotiations amongst themselves.

21. On March 13, 2017, Defendant Whitley Penn, LLP filed its motion to dismiss the Hay Amended Complaint.

22. On April 3, 2017, the remaining Hay Defendants filed their respective motions to dismiss. In all, sixteen separate motions to dismiss were filed by the Hay Defendants.

23. Following the motions to dismiss, the Hay Plaintiffs and the Underwriter Defendants reinitiated settlement discussions with the assistance of mediator David Seidler. Following extensive settlement discussions, on April 12, 2017, Mr. Seidler presented a mediator's proposal to all sides. The parties to the *Hay* Action accepted the mediator's proposal and agreed to enter into a memorandum of understanding premised on the concept that that a global resolution would be finalized.

24. On May 10, 2017, after continuing settlement negotiations between the Hay Plaintiffs and the Centurion Defendants with the assistance of the mediator, Mr. Seidler submitted a mediator's proposal to both sides. The parties to the *Hay* Action accepted the mediator's proposal.

25. On May 30, 2017, the Hay Plaintiffs and Lead Plaintiff entered into an memorandum of understanding setting forth the terms of a settlement with Defendant Whitley Penn, LLP.

26. On June 2, 2017, the Hay Plaintiffs filed their omnibus brief in opposition to the remaining Defendants' motions to dismiss.

27. In August 2017, Plaintiffs' Counsel participated in a multi-hour interview of Tim McCormick of Thompson & Knight, counsel to a committee of the Board of UDF IV investigating allegations that UDF exhibited Ponzi-like characteristics. During the interview, Mr. McCormick discussed the committee's investigation and responded to questions posed by Plaintiffs' Counsel. As a part of its investigation, the committee reviewed a large quantity of documents, a subset of which was produced to Plaintiffs' Counsel for review at the Chicago and Los Angeles offices of K&L Gates, LLP.

28. On September 11, 12 and 13, 2017, Plaintiffs' Counsel attended a document production by the UDF Defendants at the K&L Gates office in Chicago, Illinois. Plaintiffs' Counsel reviewed approximately 200,000 pages of documents.

29. On December 15, 2017, the *Hay* Plaintiffs and the UDF Defendants filed a joint status report informing the Court that they had reached an agreement in principle, but still needed additional time to negotiate and enter into a memorandum of understanding memorializing the essential terms of the agreement in principle.

30. On February 26 and 27, 2018, Plaintiffs' Counsel conducted a further review of the documents produced by the UDF Defendants at the Los Angeles, California office of K&L Gates.

31. Thereafter, the Parties in the *UDF IV* Action and the Plaintiffs and UDF Defendants in the *Hay* Action continued to negotiate a memorandum of understanding that was agreeable to all sides.

32. On March 19, 2018, the Parties filed a supplemental status report in the *UDF IV* Action informing the Court that their extensive settlement negotiations had resulted in the Parties' execution of memoranda of understanding resolving the claims asserted in the *UDF IV* Action as well as the *Hay* Action. Further, the Parties requested that the Court consolidate the *Hay* Action and *UDF IV* Action for settlement purposes only.

33. On March 29, 2018, the Court entered an order consolidating the *UDF IV* Action and the *Hay* Action for the presentation of the proposed settlements.

34. Based on the Plaintiffs' investigation and the mediation of the case, and Plaintiffs' direct oversight of the prosecution of this matter and with the advice of their counsel, each of the Plaintiffs has agreed to settle and release the claims raised in the UDF Class Actions pursuant to the terms and provisions of the Stipulation, after considering, among other things, (a) the substantial financial benefit that Plaintiffs and the other members of the Settlement Classes will receive under the proposed Settlement; and (b) the significant risks and costs of continued litigation and trial.

35. Defendants are entering into the Stipulation solely to eliminate the uncertainty, burden and expense of further protracted litigation. Defendants deny all claims and contentions alleged by Plaintiffs in the UDF Class Actions and maintain that they have meritorious defenses. Defendants deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the UDF Class Actions. The Defendants expressly deny that Plaintiffs have asserted any valid claims as to any of them, and expressly deny any and all allegations of fault, liability, wrongdoing or damages

whatsoever. Defendants also deny, among other things, that they have engaged in any conduct that violated state or federal laws, including but not limited to securities laws, that Plaintiffs suffered damages, that the price of UDF IV or UDF V stock was artificially inflated by reason of alleged misrepresentations, non-disclosures, or otherwise, and that Plaintiffs and the members of the Settlement Classes were harmed by the conduct alleged in the UDF Class Actions. The Defendants recognize, however, the time and expense of continued proceedings and uncertainty and risks inherent in litigation, especially in complex cases like the UDF Class Actions. By agreeing to the contemplated Settlement, Defendants do not admit or concede the accuracy or sufficiency of any of the allegations in the Complaints in the UDF Class Actions or any other action, or any wrongdoing, liability or violations of any law.

36. The Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of the Defendants, or any other of the Defendants' Released Persons (defined in ¶ 47 below), with respect to any claim, contention or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Defendants have, or could have, asserted. Similarly, the Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any Plaintiff of any infirmity in any of the claims asserted in the UDF Class Actions, or an admission or concession that any of the Defendants' defenses to liability had any merit.

37. On September 25, 2018, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Settlement Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

**HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?
WHO IS INCLUDED IN THE SETTLEMENT CLASSES?**

38. If you are a member of the UDF IV Settlement Class and/or the UDF V Settlement Class (collectively, the "Settlement Classes"), you are subject to the Settlement, unless you timely request to be excluded.

The UDF IV Settlement Class consists of:

all persons and entities who or which purchased or otherwise acquired shares of UDF IV common stock from March 8, 2011 through and including February 4, 2016 (the "UDF IV Settlement Class Period") and allegedly were damaged thereby.

The UDF V Settlement Class consists of:

all persons and entities who or which purchased or otherwise acquired shares of UDF V common stock from July 24, 2014 through and including March 8, 2016 (the "UDF V Settlement Class Period") and allegedly were damaged thereby.

Excluded from the Settlement Classes are Defendants; members of the Immediate Family of each of the Defendants; the Officers and/or directors of Defendants; any person, firm, trust, corporation, Officer, director or other individual or entity in which any Defendant has a controlling interest or which is related to or affiliated with any of the Defendants; and the legal representatives, agents, affiliates, heirs, successors-in-interest or assigns of any such excluded party. Also excluded from the Settlement Classes are any persons or entities who or which exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice. *See* "What If I Do Not Want To Be A Member Of A Settlement Class? How Do I Exclude Myself?," on page 16 below.

PLEASE NOTE: RECEIPT OF THE POSTCARD NOTICE OR THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU ARE A SETTLEMENT CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE ALONG WITH THE REQUIRED SUPPORTING DOCUMENTATION, AS SET FORTH THEREIN, POSTMARKED NO LATER THAN FEBRUARY 21, 2019.

WHAT ARE PLAINTIFFS' REASONS FOR THE SETTLEMENT?

39. Plaintiffs and Lead Counsel believe that the claims asserted against Defendants have merit. They recognize, however, the expense and length of continued proceedings necessary to pursue their claims against the Defendants through trial and appeals, as well as the very substantial risks they would face in establishing liability and damages. Plaintiffs and Lead Counsel also recognize that Defendants have numerous avenues of attack that could preclude any recovery with respect to Plaintiffs' claims. For example, Defendants may assert that their statements were not materially false and misleading, and that even if a statement was materially false or misleading, it was not made with the requisite state of mind to support the securities fraud claims alleged. Moreover, even if the hurdles to establishing liability were overcome, the amount of damages that could be attributed to any allegedly false statement would be hotly contested. Plaintiffs would have to prevail at several stages – motions to dismiss and for summary judgment, trial, and if they prevailed on those, on the appeals that would likely follow. Moreover, given Defendants' limited insurance coverage and the unknown financial positions of UDF IV and V, even if Plaintiffs were to prevail at trial and on appeal, there is no guarantee that Plaintiffs could recover an amount in excess of the Settlement. Thus, there are very significant risks attendant to the continued prosecution of the Action.

40. In light of these risks, the amount of the Settlement consideration and the immediacy of recovery to the Settlement Classes (relative to the time that would otherwise be required to prevail at trial and in any subsequent appeals), Plaintiffs and Lead Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Settlement Classes. Plaintiffs and Lead Counsel believe that the Settlement provides a substantial benefit to the Settlement Classes, as compared to the risk that the claims in the Action would produce a lesser recovery, or no recovery at all, after summary judgment, trial and appeals, which could possibly take years to resolve.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

41. If there were no Settlement and Plaintiffs failed to establish any essential legal or factual element of their claims against Defendants, neither Plaintiffs nor the other members of the Settlement Classes would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, either at summary judgment, at trial or on appeal, the Settlement Classes could recover substantially less than the amount provided in the Settlement, or nothing at all.

HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED BY THE UDF CLASS ACTIONS AND THE SETTLEMENT?

42. As a Settlement Class Member, you are represented by Plaintiffs and Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?," below.

43. If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you may exclude yourself from the Settlement Classes by following the instructions in the section entitled, "What If I Do Not Want To Be A Member Of A Settlement Class? How Do I Exclude Myself?," below.

44. If you are a Settlement Class Member and you wish to object to the Settlement, the Plan of Allocation, or Lead Counsel's application for attorneys' fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Settlement Classes, you may present your objections by following the instructions in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?," below.

45. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Classes, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the "Judgment"). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Plaintiffs and each of the other Settlement Class Members, on behalf of themselves, and on behalf of each of their respective present and former parent entities, subsidiaries, divisions, related or affiliated entities, partners, limited partners, general partners, the present and former members, owners, investors, principals, employees, officers, directors, executive directors, managing directors, advisors of any kind,

attorneys, partners, agents, servants, subrogees, indemnitors, and insurers, and the heirs, executors, estates, administrators, personal or legal representatives, trusts, family members, predecessors, successors and assigns of each of them, and anyone claiming through or on behalf of any of them, shall release, and be deemed to have and, by operation of the Judgment to be entered in connection with the Settlements, shall have fully, finally and forever released, waived, relinquished, dismissed, and discharged each and every one of Plaintiffs' Released Claims (as defined in ¶ 46 below) as against all Defendants' Released Persons (as defined in ¶ 47 below), whether or not such Settlement Class Member executes and delivers a Claim Form or receives any portion of the settlement consideration, and will be forever barred and enjoined, without the necessity of posting a bond, from commencing, instituting, intervening in, participating in, prosecuting, or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind or character (whether brought directly, in a representative capacity, derivatively, or in any other capacity), asserting any of the Plaintiffs' Released Claims against any of the Defendants' Released Persons.

46. "Plaintiffs' Released Claims" means any and all claims, actions, causes of action, controversies, demands, duties, debts, damages, obligations, contracts, agreements, promises, issues, judgments, liabilities, losses, sums of money, matters, suits, proceedings, and rights of every nature and description, whether known claims or Unknown Claims, suspected or unsuspected, concealed or unconcealed, direct or indirect, foreseen or unforeseen, fixed or contingent, matured or unmatured, accrued or unaccrued, liquidated or unliquidated, whether based on federal, state, local or foreign statutory law, rule, regulation, common law, or equity and whether direct, indirect, representative, class or individual, to the fullest extent permitted by law, that Plaintiffs or any other member of the Settlement Class: (i) asserted in the UDF Class Actions; or (ii) that could have been asserted in the UDF Class Actions on behalf of any shareholder in UDF IV and/or UDF V related to or by reason of such shareholder's purchase or sale of shares during the relevant Class Periods, including but not limited to the claims that were made in the UDF Class Actions. Plaintiffs' Released Claims do not include any Claims: (a) relating to the enforcement of the Stipulation or its terms; (b) against anyone who is not a Defendants' Released Person; and (c) of any person or entity who or which submits a request for exclusion that is accepted by the Court. Plaintiffs' Released Claims do not include any claims asserted in the UDF Derivative Actions. Plaintiffs' Released Claims do not include pending or potential claims brought in FINRA customer arbitration against any retail brokers or broker-dealers other than the Defendants and any individuals or entities that were employed by, or were the employer of, any of the Defendants

47. "Defendants' Released Persons" means each of the Defendants and their past, present or future trustees, directors, officers, employees, partners, members, principals, agents, insurers, reinsurers, attorneys, accountants, legal representatives, predecessors, successors, parents, subsidiaries, divisions, assigns, related or affiliated entities, spouses, heirs, any member of his or her Immediate Family, including descendants, any trust of which that person is a settlor or which is for the benefit of that person and/or member(s) of that person's family, and any person who, together with any of the foregoing, is or may be liable to a Settlement Class Member. Defendants' Released Persons will not include any retail brokers or broker-dealers other than the Defendants and any individuals or entities that were employed by, or were the employer of, any of the Defendants.

48. "Unknown Claims" means any Released Claims which any of the Plaintiffs, other Settlement Class Members, Defendants, or other Releasees, does not know or suspect to exist in his, her or its favor at the time of the release of each or any of the other Releasees, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to the Settlement. "Unknown Claims" include, but are not limited to, any claims based on or relating to in any way to the investigations by the U.S. Securities and Exchange Commission and the U.S. Department of Justice, as discussed in paragraphs 6, 8, 39 and 41 of the *UDF IV* Amended Class Action Complaint and paragraphs 18-19 and 218-220 of the *Hay* Amended Class Action Complaint, and/or any settlement, lawsuit, allegations, or charges resulting from either of those investigations. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Plaintiffs and each of the Defendants expressly waive, and each of the other Settlement Class Members and each of the other Releasees shall be deemed to have waived, and have expressly waived, any and all provisions, rights, and benefits conferred by any law or any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Plaintiffs, any other Settlement Class Member, the Defendants, and their respective Releasees may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with

respect to the subject matter of the Released Claims, but the parties stipulate and agree that, upon the Effective Date of the Settlement, Plaintiffs and each of the Defendants shall expressly waive, and each of the other Settlement Class Members and Releasees shall be deemed to have waived, and by operation of the Judgment, or if applicable, the Alternative Judgment, shall have expressly waived any and all Released Claims without regard to the subsequent discovery or existence of such different or additional facts. Plaintiffs and each of the Defendants acknowledge, and each of the other Settlement Class Members and each of the other Releasees shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and is a material term of the Settlement.

49. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such, shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Defendants' Released Claim against Plaintiffs and their respective attorneys and the other Plaintiffs' Released Persons, and shall forever be barred and enjoined from prosecuting any or all of the Defendants' Released Claims against any of the Plaintiffs' Released Persons. This release shall not apply to any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

50. "Defendants' Released Claims" means all claims and causes of action of every nature and description, whether known or unknown, whether arising under federal, state, common, or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against the Defendants. Defendants' Released Claims do not include any claims relating to the enforcement of the Stipulation of Settlement or its terms or any claims against any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court. Moreover, Defendants' Released Claims do not include any claims arising from or relating to the claims set forth in *United Development Funding, L.P. et al. v. J. Kyle Bass et al.*, Dallas County Court No. CC-17-06253-B (filed November 28, 2017), along with claims in intervention, third party claims, cross-claims, and counterclaims asserted by any of the Defendants in connection therewith, and nothing herein shall be interpreted as limiting or affecting the claims asserted by the plaintiffs in that action in any way, as it currently exists or as it may be amended.

51. "Plaintiffs' Released Persons" means Plaintiffs and all other Class Members, Plaintiffs' Counsel, and each of their respective present and former parents, subsidiaries, divisions, related entities, and affiliates, partners, limited partners, general partners, the present and former members, owners, investors, principals, employees, officers, directors, executive directors, managing directors, advisors of any kind, attorneys, partners, agents, servants, subrogees, indemnitors, and insurers, of each of them, and the heirs, executors, estates, administrators, personal or legal representative, trusts, family members, predecessors, successors and assigns of each of them, and anyone claiming through or on behalf of any of them. Plaintiffs' Released Persons does not include any person or entity who or which submits a request for exclusion that is accepted by the Court.

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

52. To be eligible for a payment from the proceeds of the Settlement, you must be a member one of at least one of the Settlement Classes and you must timely complete and return the Claim Form with adequate supporting documentation **postmarked no later than February 21, 2019**. You may obtain the Claim Form from the website maintained by the Claims Administrator for the Settlement, www.strategicclaims.net, or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-866-274-4004. Please retain all records of your ownership of and transactions in shares of UDF IV and/or UDF V common stock, as they may be needed to document your Claim. If you request exclusion from one or both of the Settlement Classes, as applicable, or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

HOW MUCH WILL MY PAYMENT BE?

53. At this time, it is not possible to make any determination as to how much any individual Settlement Class Member may receive from the Settlement.

54. Pursuant to the Settlement, Defendants have agreed to pay or cause to be paid a settlement payment to the UDF IV Settlement Class of \$7,041,437 in cash, and a contingent payment of \$3,000,000 in cash if UDF IV achieves the \$75,000,000 CCFFO Target, cumulative cash flow from UDF IV operations during the period of

January 1, 2017 through December 31, 2019, and a settlement payment to the UDF V Settlement Class of \$3,394,288 in cash (the “Settlement Amounts”). The Settlement Amounts (less the Contingent Payment, unless and until the condition precedent to such payment is met) will be deposited into an escrow account. The Settlement Amounts plus any interest earned thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the “Net Settlement Fund” (that is, the Settlement Fund less (a) all federal, state and/or local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable fees and expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing notice to Settlement Class Members and administering the Settlement on behalf of Settlement Class Members; and (c) any attorneys’ fees and Litigation Expenses awarded by the Court) will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

55. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the Effective Date of the Settlement (as defined in ¶ 44 of the Stipulation) has occurred.

56. Neither Defendants nor any other person or entity that paid any portion of the Settlement Amounts on their behalf are entitled to get back any portion of the Settlement Fund once the Court’s order or Judgment approving the Settlement becomes Final (as defined in ¶ 1(v) of the Stipulation). Defendants shall not have any liability, obligation or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund, or a plan of allocation.

57. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

58. Unless the Court otherwise orders, any Settlement Class Member who does not request exclusion from the Settlement Classes and fails to submit a Claim Form postmarked on or before February 21, 2019 shall be fully and forever barred from receiving payments pursuant to the Settlement, but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Settlement Class Member releases the Plaintiffs’ Released Claims (as defined in ¶ 46 above) against the Defendants’ Released Persons (as defined in ¶ 47 above) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Plaintiffs’ Released Claims against any of the Defendants’ Released Persons whether or not such Settlement Class Member submits a Claim Form.

59. Participants in and beneficiaries of a plan covered by ERISA (“ERISA Plan”) should NOT include any information relating to their transactions in UDF IV and UDF V shares held through the ERISA Plan in any Claim Form that they may submit in the UDF Class Actions. They should include ONLY those shares that they purchased or acquired outside of the ERISA Plan. Claims based on any ERISA Plan’s purchases or acquisitions of UDF IV and UDF V shares during the Settlement Class Periods may be made by the plan’s trustees. To the extent any of the Defendants or any of the other persons or entities excluded from the Settlement Classes are participants in the ERISA Plan, such persons or entities shall not receive, either directly or indirectly, any portion of the recovery that may be obtained from the Settlement by the ERISA Plan.

60. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Settlement Class Member.

61. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim Form.

62. Only Settlement Class Members, *i.e.*, persons and entities who purchased or otherwise acquired UDF IV and UDF V shares during the applicable Settlement Class Periods and allegedly were damaged as a result of such purchases or acquisitions will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Settlement Classes by definition or that exclude themselves from the Settlement Classes pursuant to request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms. The only securities that are included in the Settlement are shares of UDF IV and/or UDF V common stock.

PROPOSED PLAN OF ALLOCATION

63. The objective of the Plan of Allocation is to equitably distribute the UDF IV and UDF V Settlement proceeds to those Settlement Class Members who allegedly suffered economic losses as a proximate result of the alleged wrongdoing. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

64. The Plan of Allocation generally measures the amount of loss that a Settlement Class Member can claim for purposes of making *pro rata* allocations of the Net Settlement Fund to Authorized Claimants. The Plan of Allocation is not a formal damage analysis. Recognized Loss Amounts are based primarily on the price declines observed over the period during which Plaintiffs allege corrective information was entering the market place. In this case, Plaintiffs allege that Defendants made false statements and omitted material facts with respect to UDF IV from March 8, 2011 through and including February 4, 2016, and with respect to UDF V from July 24, 2014 through and including March 8, 2016, which had the effect of artificially inflating the prices of shares held in UDF IV and UDF V.

65. The Plan of Allocation for the UDF IV and UDF V Settlements is a matter separate and apart from each of the proposed Settlements, and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed Settlements. The Court may approve the Plan of Allocation with or without modifications agreed to among the Parties, or another plan of allocation, without further notice to Settlement Class Members. Any orders regarding a modification of the Plan of Allocation will be posted to the Claims Administrator's website, www.strategicclaims.net.

66. For each of the proposed Settlement Classes, the Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's Recognized Loss. The Recognized Loss formula for each of the Settlement Classes is set forth below. An Authorized Claimant's "Recognized Loss" under the Plan of Allocation shall be the sum of his, her or its Recognized Loss Amounts for all of the UDF IV or UDF V shares, as applicable, purchased or otherwise acquired by the Authorized Claimant during the Class Periods. To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's Recognized Loss. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total Recognized Loss of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's Recognized Loss bears to the total Recognized Losses of all Authorized Claimants for each of the proposed Settlement Classes (*i.e.*, "*pro rata* share"). No distribution will be made on a claim where the potential distribution amount is less than ten dollars (\$10.00) in cash.

67. If any funds remain in the Net Settlement Fund by reason of uncashed checks, or otherwise, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants who are entitled to participate in the distribution of the Net Settlement Fund cash their distribution checks, then any balance remaining in the Net Settlement Fund six (6) months after the initial distribution of such funds shall be used: (i) first, to pay any additional Notice and Administration Costs incurred in administering the Settlement; (ii) second, to pay any amounts mistakenly omitted from the initial distribution to Authorized Claimants or to pay any late, but otherwise valid and fully documented claims received after the cut-off date used to make the initial distribution, provided that such distributions to any late post-distribution claimants meet all of the other criteria for inclusion in the initial distribution, including the \$10.00 minimum check amount set forth in the Notice; and (iii) finally, to make a second distribution to Authorized Claimants who cashed their checks from the initial distribution and who would receive at least \$10.00 from such second distribution, after payment of the estimated costs or fees to be incurred in administering the Net Settlement Fund and in making this second distribution, if such second distribution is economically feasible. If six (6) months after such second distribution, if undertaken, or if such second distribution is not undertaken, any funds remaining in the Net Settlement Fund after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants who are entitled to participate in this Settlement cash their checks, shall be donated to a non-profit charitable organization(s) selected by Class Counsel.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

A. THE BASIS FOR CALCULATING YOUR RECOGNIZED LOSS FOR UDF IV:

- (I) **Recognized Loss for UDF IV shares purchased or otherwise acquired during the UDF IV Settlement Class Period (March 8, 2011 through February 4, 2016, inclusive) will be calculated as follows:**
- (A) For shares purchased or otherwise acquired during the UDF IV Class Period and sold during the UDF Class Period, the Recognized Loss per share will be the *lesser* of: (1) the inflation per share upon purchase (as estimated by Plaintiffs and set forth in Inflation Table A in the Appendix below) less the inflation per share upon sale (as estimated by Plaintiffs and set forth in Inflation Table A in the Appendix below); or (2) the purchase price per share minus the sales price per share.
 - (B) For shares purchased or otherwise acquired during the UDF IV Settlement Class Period and sold during the period February 5, 2016 to February 18, 2016, inclusive, the Recognized Loss will be the *lesser* of: (1) the inflation per share upon purchase (as estimated by Plaintiffs and set forth in Inflation Table A in the Appendix below); or (2) the difference between the purchase price per share and the average closing stock price as of date of sale provided in Table B in the Appendix below.
 - (C) For shares purchased or otherwise acquired during the UDF IV Settlement Class Period and retained as of the close of trading on February 18, 2016², the Recognized Loss will be the *lesser* of: (1) the inflation per share upon purchase (as estimated by Plaintiffs and set forth in Inflation Table A in the Appendix below); or (2) the purchase price per share minus \$6.52³ per share.

To the extent a claimant had a trading gain or “broke even” from his, her or its overall transactions in the UDF IV shares during the UDF IV Settlement Class Period, the value of the Recognized Loss will be zero and the claimant will not be entitled to a share of the Net Settlement Fund. To the extent that a claimant suffered a trading loss on his, her or its overall transactions in the UDF IV’s shares during the UDF IV Settlement Class Period, but that trading loss was less than the Recognized Loss calculated above, then the Recognized Loss shall be limited to the amount of the claimant’s actual trading loss.

For purposes of calculating your Recognized Loss, the date of purchase, acquisition or sale is the “contract” or “trade” date and not the “settlement” or “payment” date. The receipt or grant by gift, inheritance or operation of law of the UDF IV shares shall not be deemed a purchase, acquisition or sale of shares for the calculation of an Authorized Claimant’s Recognized Loss, unless (i) the donor or decedent purchased or otherwise acquired such UDF IV shares during the UDF IV Settlement Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such shares of UDF IV; and (iii) it is specifically so provided in the instrument of gift or assignment.

The date of covering a “short sale” is deemed to be the date of purchase or acquisition(s) of the share(s) of UDF IV. The date of a “short sale” is deemed to be the date of sale of the share(s) of UDF IV. Under the Plan of Allocation, however, the Recognized Loss Amount on “short sales” is zero. In the event that a Claimant has an opening short position in shares of UDF IV, the earliest Settlement Class Period purchases or acquisitions of that security shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

² This was the last day of trading of UDF IV shares before shares were suspended from trading during the period February 19, 2016 to October 18, 2016, inclusive.

³ Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, “in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated” (“Look-Back Period”). UDF IV was halted from trading from February 19, 2016 to October 18, 2016, inclusive, and did not have a full 90-day Look-Back Period. UDF IV shares did continue to trade after the UDF IV Class Period from February 5, 2016 through February 18, 2016, inclusive. Although this period is a shorter Look Back Period, it is the best available Look-Back period in these circumstances. The mean (average) daily closing trading price of UDF IV shares during this shorter Look-Back Period was \$6.52.

For purposes of calculating your Recognized Loss, all purchases, acquisitions and sales shall be matched on a First In First Out (“FIFO”) basis in chronological order. Therefore, on the Proof of Claim enclosed with this Notice, you must provide all your purchases, acquisitions and sales of UDF IV shares during the period March 8, 2011 through and including February 18, 2016.

B. THE BASIS FOR CALCULATING YOUR RECOGNIZED LOSS FOR UDF V:

- (I) **Recognized Loss for UDF V shares purchased or otherwise acquired during the UDF V Settlement Class Period (July 24, 2014 through March 8, 2016, inclusive) will be calculated as follows:**
- (A) For shares purchased or otherwise acquired during the UDF V Settlement Class Period and sold during the UDF V Settlement Class Period, the Recognized Loss per share will be the *lesser* of: (1) the purchase price per share minus the sales price per share; or (2) \$19.00 per share⁴.
 - (B) For shares purchased or otherwise acquired during the UDF V Settlement Class Period and retained as of the close of trading on March 8, 2016, the Recognized Loss will be the *lesser* of: (1) the purchase price per share less \$1.00 per share⁵; or (2) \$19.00 per share.

To the extent a claimant had a trading gain or “broke even” from his, her or its overall transactions in the UDF V shares during the UDF V Settlement Class Period, the value of the Recognized Loss will be zero and the claimant will not be entitled to a share of the Net Settlement Fund. To the extent that a claimant suffered a trading loss on his, her or its overall transactions in the UDF V’s shares during the UDF V Settlement Class Period, but that trading loss was less than the Recognized Loss calculated above, then the Recognized Loss shall be limited to the amount of the claimant’s actual trading loss.

For purposes of calculating your Recognized Loss, the date of purchase, acquisition or sale is the “contract” or “trade” date and not the “settlement” or “payment” date. The receipt or grant by gift, inheritance or operation of law of the UDF V shares shall not be deemed a purchase, acquisition or sale of shares for the calculation of an Authorized Claimant’s Recognized Loss, unless (i) the donor or decedent purchased or otherwise acquired such UDF V shares during the UDF V Settlement Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such shares of UDF V; and (iii) it is specifically so provided in the instrument of gift or assignment.

The date of covering a “short sale” is deemed to be the date of purchase or acquisition(s) of the share(s) of UDF V. The date of a “short sale” is deemed to be the date of sale of the share(s) of UDF V. Under the Plan of Allocation, however, the Recognized Loss Amount on “short sales” is zero. In the event that a Claimant has an opening short position in shares of UDF V, the earliest Settlement Class Period purchases or acquisitions of that security shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

For purposes of calculating your Recognized Loss, all purchases and sales shall be matched on a FIFO basis in chronological order. Therefore, on the Proof of Claim enclosed with this Notice, you must provide all your purchases, acquisitions and sales of UDF V shares during the period July 24, 2014 through and including March 8, 2016.

ADDITIONAL PROVISIONS

68. Option contracts are not securities eligible to participate in the Settlement. With respect to UDF IV and/or UDF V shares purchased or sold through the exercise of an option, the purchase/sale date of the UDF IV or UDF V shares is the exercise date of the option and the purchase/sale price of the UDF IV and/or UDF V shares is the exercise price of the option.

69. For purposes of determining whether a Claimant had a trading gain with respect to his, her, or its overall transactions in UDF IV or UDF V shares during the Settlement Class Period or suffered a trading loss, the Claims Administrator shall determine the difference between (i) the Total Purchase Amount⁶ and (ii) the sum of the Total

⁴ \$19.00 represents the maximum damage amount for each UDF V share. This amount represents UDF V’s \$20 per share selling price to UDF V purchasers less Plaintiffs’ estimate of the value per UDF V share of \$1.00 on or about March 8, 2016.

⁵ This represents Plaintiffs’ estimate of the value per share on or about March 8, 2016.

⁶ The “Total Purchase Amount” for UDF IV or UDF V shares (by security) is the total amount the Claimant paid (excluding commissions and other charges) for the UDF IV or UDF V shares, purchased or acquired during the Settlement Class Periods.

Sales Proceeds⁷ and Total Holding Value.⁸ This difference shall be deemed a Claimant's trading gain or loss with respect to his, her, or its overall transactions in UDF IV or UDF V shares during the Settlement Class Periods.

70. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Plaintiffs, Plaintiffs' Counsel, Plaintiffs' damages expert, Defendants, Defendants' Counsel, or any of the other Releasees, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Plaintiffs, Defendants and their respective counsel, and all other Defendants' Released Persons, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the Plan of Allocation, or the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator, the payment or withholding of taxes owed by the Settlement Fund, or any losses incurred in connection therewith.

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASSES SEEKING?
HOW WILL THE LAWYERS BE PAID?**

71. Plaintiffs' Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Settlement Classes, nor have Plaintiffs' Counsel been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Lead Counsel will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed 30% of the Settlement Fund. At the same time, Lead Counsel also intends to apply for reimbursement of Litigation Expenses in an amount not to exceed \$175,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Plaintiffs directly related to their representation of the Settlement Classes. The Court will determine the amount of any award of attorneys' fees or reimbursement of Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

**WHAT IF I DO NOT WANT TO BE A MEMBER OF A SETTLEMENT CLASS?
HOW DO I EXCLUDE MYSELF?**

72. **Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Settlement Classes, addressed to *UDF IV and UDF V Settlements-EXCLUSIONS, c/o Strategic Claims Services, P.O. Box 230, Media, PA 19063*. The exclusion request must be *received no later than January 25, 2019*. You will not be able to exclude yourself from the Settlement Classes after that date. Each Request for Exclusion must (a) state the name, address and telephone number of the person or entity requesting exclusion and, in the case of entities, the name and telephone number of the appropriate contact person; (b) state that such person or entity "requests exclusion from the Settlement Classes in *UDF IV and/or UDF V Settlements* (as applicable), Master File Case No. 3:15-cv-4030"; (c) identify and state the number of UDF IV and/or UDF V shares that the person or entity requesting exclusion purchased/acquired and/or sold during the Settlement Class Periods (*i.e.*, with respect to UDF IV shares, between March 8, 2011 through and including February 4, 2016, and with respect to UDF V shares, July 24, 2014 through and including March 8, 2016), as well as the dates and prices of each such purchase/acquisition and sale; and (d) be signed by the person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is**

⁷ The Claims Administrator shall match any sales of UDF IV or UDF V shares during the Settlement Class Periods, first against the Claimant's opening position in the like security (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (excluding commissions and other charges) for the remaining sales of UDF IV or UDF V shares sold during the Settlement Class Periods shall be the "Total Sales Proceeds" for each such security.

⁸ "Total Holding Value" is, for the calculation of UDF IV common stock, the total of the holding values attributed to UDF IV common stock purchased during the Settlement Class Period and held as of the close of trading on February 18, 2016, which shall be \$6.52 per share (the average daily closing trading price of UDF IV common stock between February 5, 2016, and February 18, 2016, inclusive); for the calculation of UDF V common stock, the total of the holding values attributed to UDF V common stock purchased during the Settlement Class Period and held as of the close of trading on March 8, 2016, which shall be \$1.00 per share (the estimated, per-share value of UDF V common stock on March 8, 2016).

otherwise accepted by the Court. Please note: if you are a member of both the UDF IV and UDF V Settlement Classes, you need to specify if you want to be excluded from one specific class, or both classes.

73. If you do not want to be part of the one or both of the Settlement Classes, as applicable, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Plaintiffs' Released Claim against any of the Defendants' Released Persons.

74. If you ask to be excluded from one or both of the Settlement Classes, you will not be eligible to receive any payment out of the Net Settlement Fund with respect to the Settlement Class(es) from which you request exclusion.

75. Under the Stipulation, Plaintiffs' Counsel may seek retraction of any Request for Exclusion until an agreed-upon deadline passes. Defendants have the right to terminate the Settlement if valid and non-retracted Requests for Exclusion are received from persons and entities entitled to be members of the Settlement Classes representing shares in an amount that exceeds an amount agreed to by Plaintiffs and Defendants.

WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT? DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?

76. **Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing.**

77. The Settlement Hearing will be held on February 15, 2019 at 9:00 a.m., before the Honorable Barbara M.G. Lynn at the United States District Court for the Northern District of Texas, United States Courthouse, Courtroom 1570, 1100 Commerce Street, Dallas, TX 75242. The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Settlement Classes.

78. Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Northern District of Texas at the address set forth below on or before January 25, 2019. You must also serve the papers on Plaintiffs' Counsel and on Defendants' Counsel at the addresses set forth below so that the papers are *received on or before January 25, 2019*.

Clerk's Office

United States District Court
Northern District of Texas
Clerk of the Court
United States Courthouse
1100 Commerce Street, Room 1452
Dallas, TX 75242

Plaintiffs' Counsel

Glancy Prongay & Murray LLP
Leanne Solish, Esq.
1925 Century Park East,
Suite 2100
Los Angeles, CA 90067

The Wagner Firm
Avi Wagner, Esq.
1925 Century Park East,
Suite 2100
Los Angeles, CA 90067

Kehoe Law Firm, P.C.
Michael Yarnoff, Esq.
Two Penn Center Plaza,
Suite 1020
1500 JFK Boulevard
Philadelphia, PA 19102

RoscaLaw, LLP
Alan L. Rosca, Esq.
23250 Chagrin Boulevard
Suite 100
Beachwood, OH 44122

Defendants' Counsel

K&L Gates LLP

Paul J. Walsen, Esq.
70 West Madison Street,
Suite 3300
Chicago, Illinois 60602

Burleson, Pate & Gibson LLP

Michael P. Gibson, Esq.
900 Jackson Street, Suite
330
Dallas, Texas 75202

Fitzpatrick, Jacks, Smith & Uhl

Michael J. Uhl, Esq.
500 North Akard Street,
Suite 2150
Dallas, Texas 75201

Jones Day

Evan P. Singer, Esq.
2727 North Harwood
Street, Suite 500
Dallas, Texas 75201

Hallett & Perrin PC

Stewart H. Thomas, Esq.
1445 Ross Avenue, Suite
2400
Dallas, Texas 75202

Spencer & Associates

Arnold A. Spencer, Esq.
201 Main Street, Suite
1440
Fort Worth, Texas 76102

Bryan Cave Leighton Paisner LLP

Andrew G. Spaniol, Esq.
2200 Ross Avenue, Suite
3300
Dallas, Texas 75201

Bell, Nunnally & Martin LLP

Jeffrey J. Ansley, Esq.
3232 McKinney Avenue,
Suite 1400
Dallas, Texas 75202

Stanton LLP

Matthew G. Nielsen, Esq.
1717 Main Street, Suite
3800
Dallas, Texas 75201

Jackson Walker LLP

Jay DeWald, Esq.
2323 Ross Avenue, Suite
600
Dallas, Texas 75201

Gray Reed & McGraw, P.C.

Gene Besen, Esq.
1601 Elm Street, Suite
4600
Dallas, Texas 75201

Vinson & Elkins LLP

John C. Wander, Esq.
2001 Ross Avenue, Suite
3700
Dallas, Texas 75201

Akin Gump Strauss Hauer & Feld LLP

M. Scott Barnard
1700 Pacific Avenue,
Suite 4100
Dallas, Texas 75201

Locke Lord LLP

Michael V. Powell, Esq.
2200 Ross Avenue, Suite
2800
Dallas, Texas 75201

Steptoe & Johnson LLP

Michael C. Miller, Esq.
1114 Avenue of the
Americas
New York, New York
10036

Shamoun Norman

Brian K. Norman, Esq.
1800 Valley View Lane,
Suite 200
Farmers Branch, Texas
75234

79. Any objection (a) must state the name, address and telephone number of the person or entity objecting and must be signed by the objector; (b) must contain a statement of the Settlement Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (c) must include documents sufficient to prove membership in one of the Settlement Classes, including the number of UDF IV and/or UDF V shares that the objecting Settlement Class Member purchased/acquired and/or sold during the Settlement Class Periods, as well as the dates and prices of each such purchase/acquisition and sale. You may not object to the Settlement, the Plan of Allocation or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses if you exclude yourself from the Settlement Classes or if you are not a member of the Settlement Classes.

80. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, unless the Court orders otherwise.

81. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, and if you timely file and serve a written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Plaintiffs' Counsel and Defendants' Counsel at the addresses set forth in ¶ 78 above so that it is **received on or before January 25, 2019**. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

82. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth in ¶ 78 above so that the notice is **received on or before January 25, 2019**.

83. The Settlement Hearing may be adjourned by the Court without further written notice to the Settlement Classes. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

84. Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

85. If you purchased or otherwise acquired the common stock of (i) UDF IV from March 8, 2011 through and including February 4, 2016 and/or (ii) UDF V from July 24, 2014 through and including March 8, 2016, for the beneficial interest of persons or organizations other than yourself, you must either (a) within seven (7) calendar days of receipt of notice, request from the Claims Administrator sufficient copies of the Postcard Notice to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Postcard Notices forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of notice, provide a list of the names, mailing addresses and email addresses of all such beneficial owners to *UDF IV and UDF V Settlements*, c/o Strategic Claims Services, P.O. Box 230, 600 N. Jackson Street, Suite 205, Media, PA 19063. If you choose the second option, the Claims Administrator will send a copy of the Postcard Notice to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, up to a maximum of \$0.45 per notice, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Any dispute concerning the reasonableness of reimbursement costs shall be resolved by the Court. Copies of the Postcard Notice may also be obtained from the website maintained by the Claims Administrator, www.strategicclaims.net, or by calling the Claims Administrator toll-free at 1-866-274-4004.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

86. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this UDF Class Actions, you are referred to the papers on file in the UDF Class Actions, including the Stipulation, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the Northern District of Texas, United States Courthouse, 1100 Commerce Street, Dallas, TX 75242. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator, www.strategicclaims.net.

All inquiries concerning this Notice and the Claim Form should be directed to:

UDF IV and UDF V Settlements
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 205
Media, PA 19063
866-274-4004
www.strategicclaims.net

and/or

Leanne Solish, Esq.
GLANCY PRONGAY
& MURRAY LLP
1925 Century Park East, Suite 2100
Los Angeles, CA 90067
(888) 773-9224
settlements@glancylaw.com

**DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE CLERK OF THE COURT,
DEFENDANTS OR THEIR COUNSEL REGARDING THIS NOTICE.**

Dated: September 25, 2018

By Order of the Court
United States District Court
Northern District of Texas

APPENDIX

INFLATION TABLE A	
UDF IV Shares Purchased During the Class Period	
Period	Inflation
March 8, 2011 to December 9, 2015, inclusive	\$11.80 per share
December 10, 2015	\$5.74 per share
December 11, 2015 to February 4, 2016, inclusive	\$3.14 per share

TABLE B	
2/5/2016	\$7.08
2/8/2016	\$7.17
2/9/2016	\$7.03
2/10/2016	\$6.97
2/11/2016	\$6.94
2/12/2016	\$6.90
2/16/2016	\$6.92
2/17/2016	\$6.94
2/18/2016	\$6.52

**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**
Master File No. 3:15-cv-04030-M

PROOF OF CLAIM AND RELEASE

Deadline for Submission: February 21, 2019

IF YOU PURCHASED OR OTHERWISE ACQUIRED SHARES OF UNITED DEVELOPMENT FUNDING IV (“UDF IV”) COMMON STOCK FROM MARCH 8, 2011, THROUGH AND INCLUDING FEBRUARY 4, 2016 (THE “UDF IV CLASS PERIOD”) AND WERE DAMAGED THEREBY, AND/OR YOU PURCHASED SHARES OF UNITED DEVELOPMENT FUNDING INCOME FUND V (“UDF V”) COMMON STOCK FROM JULY 24, 2014, THROUGH AND INCLUDING MARCH 8, 2016 (THE “UDF V CLASS PERIOD”) AND WERE DAMAGED THEREBY, YOU MAY BE A SETTLEMENT CLASS MEMBER AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT PROCEEDS.

YOU MUST COMPLETE AND SUBMIT THIS PROOF OF CLAIM AND RELEASE FORM (“PROOF OF CLAIM”) IN ORDER TO BE ELIGIBLE FOR ANY SETTLEMENT BENEFITS.

YOU MUST COMPLETE AND SIGN THIS PROOF OF CLAIM AND MAIL IT BY FIRST CLASS MAIL, POSTMARKED NO LATER THAN FEBRUARY 21, 2019, TO THE CLAIMS ADMINISTRATOR AT THE FOLLOWING ADDRESS:

UDF IV and UDF V Settlements
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 205
Media, PA 19063
Fax: (610) 565-7985
Email: info@strategicclaims.net

FAILURE TO SUBMIT YOUR POSTMARKED PROOF OF CLAIM BY FEBRUARY 21, 2019 WILL SUBJECT YOUR CLAIM TO REJECTION AND MAY PRECLUDE RECEIPT OF ANY MONEY IN CONNECTION WITH THE SETTLEMENT OF THIS ACTION. DO NOT MAIL OR DELIVER YOUR CLAIM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL AS ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR CLAIM ONLY TO THE CLAIMS ADMINISTRATOR.

CLAIMANT’S STATEMENT

1. I (we) purchased shares of UDF IV and/or UDF V common stock and was (were) damaged thereby. (Do not submit this Proof of Claim if you did not purchase UDF IV and/or UDF V shares during the designated Class Periods described above).
2. By submitting this Proof of Claim, I (we) state that I (we) believe in good faith that I am (we are) a Settlement Class Member(s) as defined above and in the Internet Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Fairness Hearing; and (III) Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses (the “Notice”), or am (are) acting for such person(s); that I am (we are) not a Defendant(s) in the Actions or anyone excluded from the

Class, as defined in the Notice; that I (we) have read and understand the Notice; that I (we) believe that I am (we are) entitled to receive a share of the Net Settlement Fund, as defined in the Notice; that I (we) elect to participate in the proposed Settlements described in the Notice; and that I (we) have not filed a request for exclusion. (If you are acting in a representative capacity on behalf of a Settlement Class Member [e.g., as an executor, administrator, trustee, or other representative], you must submit evidence of your current authority to act on behalf of that Settlement Class Member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.)

3. I (we) consent to the jurisdiction of the Court with respect to all questions concerning the validity of this Proof of Claim. I (we) understand and agree that my (our) claim may be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to my (our) status as a Settlement Class Member(s) and the validity and amount of my (our) claim. No discovery shall be allowed on the merits of the Litigation or Settlement in connection with processing of the Proof of Claim.
4. I (we) have set forth where requested below all relevant information with respect to each purchase of UDF IV and/or UDF V shares, and each sale, if any, of such securities. I (we) agree to furnish additional information to the Claims Administrator to support this claim if requested to do so.
5. I (we) have enclosed photocopies of the stockbroker's confirmation slips, stockbroker's statements, or other documents evidencing each purchase, sale or retention of UDF IV and UDF V shares listed below in support of my (our) claim. (IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN A COPY OR EQUIVALENT DOCUMENTS FROM YOUR BROKER BECAUSE THESE DOCUMENTS ARE NECESSARY TO VERIFY AND PROCESS YOUR CLAIM.)
6. I (we) understand that the information contained in this Proof of Claim is subject to such verification as the Claims Administrator may request or as the Court may direct, and I (we) agree to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your Recognized Loss. In some cases, the Claims Administrator may condition acceptance of the claim based upon the production of additional information, including, where applicable, information concerning transactions in any derivatives securities such as options.)
7. Upon the occurrence of the Court's approval of the Settlement, as detailed in the Notice, I (we) agree and acknowledge that my (our) signature(s) hereto shall effect and constitute a full and complete release, remise and discharge by me (us) and my (our) heirs, joint tenants, tenants in common, beneficiaries, executors, administrators, predecessors, successors, attorneys, insurers and assigns (or, if I am (we are) submitting this Proof of Claim on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by its, his, her or their heirs, executors, administrators, predecessors, successors, and assigns) of each of the "Defendants' Released Persons" of all "Plaintiffs' Released Claims," as defined in the Notice.

PART I: CLAIMANT INFORMATION

Beneficial Owner's Name (First, Middle, Last):		
Record Owner's Name (if different from beneficial owner listed above):		
Address:		
City:	State:	ZIP:
Foreign Province:	Foreign Country:	
Day Phone:	Evening Phone:	
Email:		
Social Security Number (for individuals):	OR	Taxpayer Identification Number (for estates, trusts, corporations, etc.):

Specify one of the following:

IRA
 Joint Tenancy
 Employee
 Individual
 Other _____
(please explain)

PART IIa. SCHEDULE OF TRANSACTIONS IN UDF IV SHARES

Beginning Holdings:

A. State the total number of shares of UDF IV common stock owned at the close of trading on March 7, 2011, long or short (*must be documented*).

--

Purchases:

B. Separately list each and every open market purchase or acquisition of UDF IV shares during the period from March 8, 2011, through and including February 18, 2016, and provide the following information (*must be documented*):

Trade Date* (List Chronologically) (Month/Day/Year)	Number of Shares Purchased	Price per Share	Total Cost (Excluding Commissions, Taxes, and Fees)

* The "Trade Date" is the date of purchase, acquisition, or sale, as applicable.

Sales:

- C. Separately list each and every sale of UDF IV shares during the period from March 8, 2011 through and including February 18, 2016, and provide the following information (*must be documented*):

Trade Date* (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Price per Share	Amount Received (Excluding Commissions, Taxes, and Fees)

* The "Trade Date" is the date of purchase, acquisition, or sale, as applicable.

Ending Holdings:

- D. State the total number of shares of UDF IV common stock owned at the close of trading on February 18, 2016, long or short (*must be documented*).

PART Iib. SCHEDULE OF TRANSACTIONS IN UDF V SHARES**Beginning Holdings:**

- A. State the total number of shares of UDF V common stock owned at the close of trading on July 23, 2014, long or short (*must be documented*).

Purchases:

- B. Separately list each and every open market purchase or acquisition of shares of UDF V common stock from July 24, 2014, through and including March 8, 2016, and provide the following information (*must be documented*):

Trade Date* (List Chronologically) (Month/Day/Year)	Number of Shares Purchased	Price per Share	Total Cost (Excluding Commissions, Taxes, and Fees)

* The "Trade Date" is the date of purchase, acquisition, or sale, as applicable.

Sales:

- C. Separately list each and every sale of shares of UDF V common stock from July 24, 2014, through and including March 8, 2016, and provide the following information (*must be documented*):

Trade Date* (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Price per Share	Amount Received (Excluding Commissions, Taxes, and Fees)

* The "Trade Date" is the date of purchase, acquisition, or sale, as applicable.

Ending Holdings:

D. State the total number of shares of UDF V common stock owned at the close of trading on March 8, 2016, long or short (*must be documented*).

If additional space is needed, attach separate, numbered sheets, giving all required information, substantially in the same format, and print your name and Social Security or Taxpayer Identification number at the top of each sheet.

YOU MUST READ AND SIGN THE CERTIFICATION ON PAGE 25. FAILURE TO SIGN THE CERTIFICATION MAY RESULT IN A DELAY IN PROCESSING OR REJECTION OF YOUR CLAIM

PART III: CERTIFICATION

I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(c) of the Internal Revenue Code because: (a) I am (We are) exempt from backup withholding, or (b) I (We) have not been notified by the I.R.S. that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the I.R.S. has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

UNDER THE PENALTIES OF PERJURY UNDER THE LAWS OF THE UNITED STATES, I (WE) CERTIFY THAT ALL OF THE INFORMATION I (WE) PROVIDED ON THIS PROOF OF CLAIM AND RELEASE FORM IS TRUE, CORRECT AND COMPLETE.

Signature of Claimant (If this claim is being made on behalf of Joint Claimants, then each must sign):

(Signature)

(Signature)

(Capacity of person(s) signing, e.g., beneficial purchaser(s), executor, administrator, trustee, etc.)

Check here if proof of authority to file is enclosed.
(See Item 2 under Claimant's Statement)

Date: _____

**ACCURATE CLAIMS PROCESSING TAKES A
SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.**

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UDF IV and UDF V Settlements
c/o Strategic Claims Services
600 N. Jackson Street, Suite 205
Media, PA 19063

IMPORTANT LEGAL NOTICE – PLEASE FORWARD

Reminder Checklist:

1. Please sign and date the certification above. If this Proof of Claim is submitted on behalf of joint claimants, then both claimants must sign.
2. Remember to attach supporting documentation, if available.
3. DO NOT send original stock certificates.
4. Keep a copy of everything you submit for your records, including your Proof of Claim and Release form.
5. If you desire an acknowledgment of receipt of your mailed claim form, please send it Certified Mail, Return Receipt Requested.
6. If you move after submitting this Proof of Claim and Release, please notify the Claims Administrator of the change in your address