EXHIBIT 2

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, Plaintiffs, v. UNITED DEVELOPMENT FUNDING IV, et al., Defendants.	Civil Action No.: 4:16-cv-00188-M

STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement, dated as of August 13, 2018, which is entered into by and among: Louis J. D'Annibale, Lead Plaintiff in the putative class action litigation *In re United Development Funding IV Securities Litigation*, No. 3:15-cv-4030-M (the "*UDF IV* Action"), on behalf of himself and Class Members in the *UDF IV* Action, and United Development Funding IV ("UDF IV"), Hollis M. Greenlaw, and Cara D. Obert, Defendants in the *UDF IV* Action (collectively, the "UDF IV Defendants"); and Mark Hay and Paul Brown, Plaintiffs in the putative class action captioned *Hay v. United Development Funding, et al.*, No. 4:16-cv-00188-M (the "*Hay* Action"), on behalf of themselves and Class Members in the *Hay* Action, and UDF IV, United Development Funding Income Fund V ("UDF V"), UMT Services,

Inc., UMTH General Services, L.P., UMTH Land Development, L.P., UMT Holdings, L.P., UDF Holdings, L.P., UDFH General Services, L.P., UDFH Land Development, L.P., Steven J. Finkle, J. Heath Malone, Phillip K. Marshall, Hollis M. Greenlaw, Todd Etter, Cara D. Obert, David A. Hanson, Scot W. O'Brien, Brandon Jester, Michael K. Wilson, Ben L. Wissink, Eustace W. Mita, Melissa H. Youngblood, Whitley Penn, LLP, AR Capital, LLC, American Reality Capital Residential Advisors, LLC, Nicholas S. Schorsch, Edward M. Weil, Jr., William M. Kahane, Peter M. Budko, Brian S. Block, Centurion American Custom Homes, Inc. d/b/a Centurion American Development Group and Mehrdad Moayedi, each a Defendant in the *Hay* Action, by and through their undersigned attorneys, sets forth all of the terms of a settlement of the above-captioned consolidated actions (the "UDF Class Actions") and embodies the terms and conditions of the settlement.[1] Subject to the approval of the Court and the terms and conditions expressly provided herein, this Stipulation is intended to fully, finally and forever compromise, settle, release, remise, resolve, and dismiss with prejudice the UDF Class Actions and all claims that were, or could have been, asserted therein against Defendants and other Released Parties (as defined herein) related to or by reason of Settlement Class Members purchases or sales of shares of UDF Securities during the relevant Settlement Class Periods.

WHEREAS:

A. On December 21, 2015, Plaintiff Michael Carter ("Carter") filed a putative class action complaint on behalf of investors in UDF IV in the United States District Court for the Northern District of Texas, purporting to allege 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 the UDF IV Defendants. The action

[1] All terms with initial capitalization not otherwise defined herein shall have the meanings ascribed to them in ¶ 1 herein.

was styled *Carter v. United Development Funding IV, et al.*, No. 3:15-cv-4030-M ("*Carter* Action").

B. On February 12, 2016, Plaintiff Carter filed his Amended Class Action Complaint (the "UDF IV Amended Complaint") (ECF No. 6). The UDF IV Amended Complaint purported to assert 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 that 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 UDF IV's business and operations during the class period.

C. On March 8, 2016, Plaintiff Mark Hay ("Hay") filed an initial putative class action complaint on behalf of investors in UDF IV in the United States District Court for the Northern District of Texas, purporting to allege, *inter alia*, violations of the Texas Securities Act pursuant to Tex. Rev. Civ. Stat. Art. 581-33, *et seq.* as against: UDF IV, UMT Services, Inc., UMT Holdings, L.P., UMTH General Services, L.P., UMTH 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.

D. In February and March 2016, various motions for appointment of lead plaintiff and lead plaintiff's counsel were filed in the *Carter* Action (ECF Nos. 7, 10, 15), including Louis J. D'Annibale's motion for appointment of lead plaintiff (ECF No. 18). The Court ruled on these motions by order entered March 14, 2016 (ECF No. 28) ("Lead and Consolidation Order").

E. The Lead and Consolidation Order entered by the Court on March 14, 2016, consolidated the cases *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 the action styled *In re United Development Funding IV Securities Litigation,* Master File No. 3:15-cv-4030-M, appointed Louis J. D'Annibale as Lead Plaintiff and Glancy Prongay & Murray, LLP as lead counsel, pursuant to the Private Securities Litigation Reform Act of 1995, as amended, 15, U.S.C. § 78u-4, and appointed the Kendall Law Group PLLC as liaison counsel.

F. On April 6, 2016 the Court entered a stipulated briefing schedule order in the UDF IV Action setting deadlines for Lead Plaintiff to file his second amended complaint and for the parties in the *UDF IV* Action to file motion to dismiss briefing directed against the second amended complaint (ECF No. 38).

G. On June 2, 2016, the Court entered an order in the *UDF IV* Action extending the filing deadlines to permit Lead Plaintiff to defer filing his second amended complaint until sixty days after UDF IV releases its audited financial statements for the annual period ending December 15, 2015 and for the quarter which ended March 31, 2016 (ECF No. 45).

H. 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 (ECF No. 25). The *Hay* Amended

Complaint purported to allege claims against: UDF IV, UDF V, UMT Services, Inc., UMT Holdings, L.P., UMTH General Services, L.P., UMTH Land Development, L.P., 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 M. Weil, Jr., Nicholas S. Schorsch, William M. Kahane, Louisa H. Quarto, Kamal Jafarnia, Brian S. Block, Peter M. Budko, and Whitley Penn, LLP (the "*Hay* Defendants").

I. On July 14, 2016, Judge O'Connor transferred the *Hay* Action to the docket of Chief Judge Barbara M.G. Lynn, who was then presiding (and now presides) over the *UDF IV* Action (ECF No. 33).

J. On July 19, 2016, the Court in the *Hay* Action entered an order granting the parties' joint motion to stay proceedings, which stayed the proceedings for 120 days to allow the parties in the *Hay* Action an opportunity to consider and discuss early resolution of the matter, and, if warranted, formal mediation (ECF No. 35).

K. On November 9, 2016, all Parties (as defined below) from 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.

L. On November 16, 2016, the parties in the *Hay* Action filed an agreed motion to stay the case pending further settlement discussions (ECF No. 37). On November 21, 2016, the Court granted the motion, and ordered that the *Hay* Action be stayed until January 3, 2017. The

Court further ordered the *Hay* Defendants to file their motions to dismiss or otherwise respond to the *Hay* Amended Complaint no later than February 17, 2017 (ECF No. 38).

M. On January 12, 2017, the *Hay* Defendants filed a motion to extend stay of proceedings (ECF No. 39). By order entered January 24, 2017, the motion was granted, and all proceedings in the *Hay* Action were stayed until February 17, 2017 (ECF No. 40).

N. On February 27, 2017, the Court in the *Hay* Action denied Defendants' further request to continue the stay of proceedings. The Court set April 3, 2017 as the deadline for the *Hay* Defendants to move, answer or otherwise respond to the *Hay* Amended Complaint (ECF No. 42).

O. On March 13, 2017, Defendant Whitley Penn, LLP filed its motion to dismiss the *Hay* Amended Complaint (ECF No. 50). On April 3, 2017, the remaining *Hay* Defendants filed their respective motions to dismiss (ECF Nos. 52-56, 58, 60, 62-72). In all, sixteen separate motions to dismiss were filed by the *Hay* Defendants.

P. Following the filing of the motions to dismiss, the *Hay* Plaintiffs and the Underwriter Defendants (as defined below), including AR Capital, LLC, American Realty Capital Residential Advisors, LLC and the Individual Underwriter Defendants reinitiated settlement discussions with the assistance of the mediator, David Seidler. Following extensive settlement discussions, on April 12, 2017, Mr. Seidler presented a mediator's proposal to all sides. The *Hay* Plaintiffs and AR Capital, LLC, American Realty Capital Residential Advisors, LLC, Nicholas S. Schorsch, Edward M. Weil, William M. Kahane, Peter M. Budko, and Brian S. Block reached an agreement in principle and agreed to enter into a memorandum of understanding premised on the concept that that a global resolution would be finalized.

Q. On April 17, 2017, the *Hay* Plaintiffs filed a notice of settlement in principle with Defendant Whitley Penn, LLP and a joint stipulation to extend time for the *Hay* Plaintiffs to respond to Whitley Penn, LLP's motion to dismiss (ECF Nos. 73, 77).

R. On April 24, 2017, the Court entered an order in the *Hay* Action directing the parties to file a report on the status of their settlement efforts by May 31, 2017 (ECF No. 80).

S. On April 24, 2017, the *Hay* Plaintiffs filed a motion to extend time to respond to the motions to dismiss, which was granted by order entered April 26, 2017 (ECF No. 79). The Court ordered that the *Hay* Plaintiffs file their oppositions by June 2, 2017 and provided that the *Hay* Defendants would have thirty (30) days thereafter to file replies.

T. On April 24, 2017, the Court entered an order in the *UDF IV* Action requesting a report on the status of UDF IV's financial reports, the filing of which triggers the filing deadlines for the second amended complaint and related motion to dismiss briefing (ECF No. 62).

U. On May 5, 2017, the UDF IV parties filed their status report apprising the Court of UDF IV's financial reports' status, their continued informal exchange of information and settlement discussions. Moreover, the parties indicated that consolidation of the *UDF IV* Action with *Hay* Action should be deferred to a later date (ECF No. 63).

V. On May 10, 2017, after continuing settlement negotiations between the *Hay* Plaintiffs and the Centurion Defendants (as defined below) with the assistance of the mediator, Mr. Seidler submitted a mediator's proposal to both sides. The *Hay* Plaintiffs and the Centurion Defendants accepted the mediator's proposal.

W. On May 30, 2017, the *Hay* Plaintiffs and Lead Plaintiff entered into a memorandum of understanding with Defendant Whitley Penn, LLP.

X. On May 31, 2017, the *Hay* Plaintiffs and Whitley Penn, LLP filed a joint status report advising the Court of the executed memorandum of understanding with Whitley Penn, LLP (ECF No. 91).

Y. On June 2, 2017, the *Hay* Plaintiffs filed their omnibus brief in opposition to the UDF Defendants' motions to dismiss (ECF No. 93). On June 23, 2017, the UDF Defendants filed an agreed motion to extend the time to file reply briefs until August 31, 2017, which was granted by order entered June 26, 2017 (ECF No. 97).

Z. In August 2017, Plaintiffs' Counsel participated in a multi-hour interview of Tim McCormick of Thompson & Knight, LLP, independent counsel to a special committee formed by the Board of Trustees of UDF IV to investigate 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 vast quantity of documents, a significant subset of which was produced to Plaintiffs' Counsel for review (as detailed below) at the Chicago and Los Angeles offices of K&L Gates, LLP.

AA. On August 31, 2017, the *Hay* Plaintiffs and Whitley Penn filed a joint status report informing the Court of the continuing efforts to achieve a potential global settlement (ECF No. 104). The report advised the Court that Plaintiffs' Counsel had interviewed Mr. McCormick, and that the UDF Defendants were making an extensive production of documents available to Plaintiffs' Counsel in furtherance of efforts to reach a global resolution of the claims involving the UDF entities.

BB. 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.

CC. On September 18, 2017, the *Hay* Plaintiffs and AR Capital, LLC, American Realty Capital Residential Advisors, LLC, Nicholas S. Schorsch, Edward M. Weil, William M. Kahane, Peter M. Budko, and Brian S. Block entered into a memorandum of understanding.

DD. On October 30, 2017, the *Hay* Plaintiffs and Whitley Penn filed an updated joint status report providing the Court with further details of the progress of the settlement negotiations (ECF No. 107). On the same date, the Court extended the time for the UDF Defendants to file replies to the *Hay* Plaintiffs' omnibus opposition brief until December 15, 2017 (ECF No. 106).

EE. On November 8, 2017, the *Hay* Plaintiffs filed a Notice of Dismissal Without Prejudice of Defendants Kamal Jafarnia and Louisa H. Quarto pursuant to Fed. R. Civ. Proc. 41(a)(1)(A) (ECF No. 108).

FF. 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 enter into a formal written agreement (ECF No. 104).

GG. 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.

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

II. On March 19, 2018, the Parties in the *UDF IV* Action filed a supplemental status report informing the Court that their extensive settlement negotiations had resulted in the execution of memoranda of understanding resolving the claims asserted by Lead Plaintiff against the UDF IV Defendants in the *UDF IV* Action as well as the claims asserted by the *Hay* Plaintiffs in the *Hay* Action (ECF No. 64). Further, the Parties requested that the Court consolidate the *Hay* Action and *UDF IV* Action for settlement purposes only.

JJ. 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 (ECF No. 65).

KK. This Stipulation (together with the exhibits hereto) embodies the final and binding agreement between the Parties. This Stipulation constitutes a compromise of matters that are in dispute between the Parties. Neither this Stipulation nor any act performed or document executed pursuant to or in furtherance of this Stipulation or the Settlement shall constitute an admission or finding of any wrongful conduct, act, or omission.

LL. Based upon their investigation, prosecution and mediation of the case, Plaintiffs and Lead Counsel have concluded that the terms and conditions of this Stipulation are fair, reasonable and adequate to Plaintiffs and the other members of the Settlement Classes, and in their best interests. Based on 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 this Stipulation, after considering, among other things: (a) the substantial financial benefit that Plaintiffs and the other members of the Settlement Class will receive under the proposed Settlement; and (b) the significant risks and costs of continued litigation and trial. This 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.

MM. 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, *inter alia*, 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. The Defendants are entering into this Stipulation solely to eliminate the uncertainty, burden and expense of further protracted litigation.

NN. Each of the Parties recognizes and acknowledges that the UDF Class Actions have been initiated, filed and prosecuted by Plaintiffs in good faith and defended by Defendants in good faith, that the UDF Class Actions are being voluntarily settled with the advice of counsel, and that the terms of the Settlement are fair, adequate, and reasonable.

NOW THEREFORE, it is hereby STIPULATED AND AGREED, by and among Plaintiffs (individually and on behalf of all other members of the Settlement Classes) and Defendants, by and through their respective undersigned attorneys and subject to the approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, that, in consideration of the benefits flowing to the Parties from the Settlement, all Plaintiffs' Released Claims as against the Defendants' Released Persons and all Defendants' Released Claims as against the Plaintiffs' Released Persons shall be settled and released, upon and subject to the terms and conditions set forth below.

DEFINITIONS

1. As used in this Stipulation and any exhibits attached hereto and made a part hereof, the following capitalized terms shall have the following meanings:

(a) "Accountant Defendant" means Whitley Penn, LLP.

(b) "Authorized Claimant" means any Settlement Class Member who is a Claimant and whose claim for recovery has been allowed pursuant to the terms of this Stipulation, and any order of the Court.

(c) "CCFFO Target" means seventy-five million ($75,000,000) in cumulative cash flow from UDF IV operations at any time during the period that commenced on January 1, 2017 and ends on December 31, 2019.

(d) "Centurion" means Centurion American Custom Homes, Inc., d/b/a Centurion American Development Group.

(e) "Centurion Defendants" means Centurion and Mehrdad Moayedi, the Chairman and CEO of Centurion.

(f) "Claim" means a Proof of Claim Form submitted to the Claims Administrator.

(g) "Claimant" means any Settlement Class Member who files a Proof of Claim in such form and manner, and within such time, as the Court shall permit.

(h) "Claims Administrator" means Strategic Claims Services, which shall administer the Settlement, including sending a mailed Postcard Notice to Settlement Class Members, in the form of either Exhibit A-4 hereto, arranging for publication of the Summary Notice in the form of Exhibit A-3 hereto, processing claims and performing such other administrative functions as are required under this Stipulation.

(i) "Claim Form" or "Proof of Claim Form" means the form, substantially in the form attached hereto as Exhibit A-2, that a Claimant or Settlement Class Member must complete and submit should that Claimant or Settlement Class Member seek to share in a distribution of the Net Settlement Fund.

(j) "Class Member" means any Person who falls within the definition of any of the Settlement Classes as set forth in ¶ zz of this Stipulation.

(k) "Class Distribution Order" means an order entered by the Court authorizing and directing that the Net Settlement Fund be distributed, in whole or in part, to Authorized Claimants.

(l) "Complaints" means the February 12, 2016, *UDF IV* Amended Class Action Complaint (ECF No. 6), and the June 8, 2016, *Hay* Amended Class Action Complaint (ECF No. 25).

(m) "Court" means the United States District Court for the Northern District of Texas.

(n) "Defendants" means the UDF Defendants, the Accountant Defendant, the Centurion Defendants and the Underwriter Defendants.

(o) "Defendants' Counsel" means K&L Gates, LLP (counsel to UDF IV, UDF V, UMT Services, Inc., UMT Holdings, L.P., UMTH General Services, L.P., UMTH Land Development, L.P., UDF Holdings, L.P., UDFH General Services, L.P., UDFH Land Development, L.P., Steven J. Finkle, J. Heath Malone, and Phillip K. Marshall) Burleson, Pate & Gibson, LLP (counsel to Hollis M. Greenlaw), Fitzpatrick, Jacks, Smith & Uhl, LLP (counsel to Todd Etter), Jones Day (counsel to Cara D. Obert), Hallett & Perrin PC (counsel to Scot W. O'Brien and Eustace W. Mita), Spencer & Associates (counsel to David A. Hanson), Bryan Cave Leighton Paisner LLP (counsel to Michael K. Wilson), Bell Nunnally & Martin LLP (counsel to J. Brandon Jester), Stanton LLP and Jackson Walker LLP (counsel to Ben L. Wissink), Gray Reed & McGraw, P.C. (counsel to Melissa H. Youngblood), Locke Lord LLP and Steptoe & Johnson LLP (counsel to Brian S. Block), Shamoun & Norman LLP (counsel to the Centurion Defendants), Vinson & Elkins LLP (counsel to Whitley Penn LLP), and Akin Gump Strauss Hauer & Feld, LLP (counsel to AR Capital, LLC, American Realty Capital Residential Advisors, LLC, Nicholas S. Schorsch, Edward M. Weil, William M. Kahane, Louisa Quarto, and Peter M. Budko).

(p) "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.

(q) "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.

(r) "Effective Date" shall have the meaning set forth in ¶ 44 of this Stipulation.

(s) "Escrow Account" means an account maintained at The Huntington National Bank wherein the Settlement Amounts shall be deposited and held in escrow under the direction of Lead Counsel.

(t) "Escrow Agent" means The Huntington National Bank.

(u) "Escrow Agreement" means the agreement between Lead Counsel and the Escrow Agent setting forth the terms under which the Escrow Agent shall maintain the Escrow Account.

(v) "Final," with respect to the Judgment or, if applicable, the Alternate Judgment, or any other court order, means: (i) if no appeal is filed, the expiration date of the time provided for filing or noticing any appeal under the Federal Rules of Appellate Procedure, *i.e.*, thirty (30) days after entry of the judgment or order; or (ii) if there is an appeal from the judgment or order, (a) the date of final dismissal of all such appeals, or the final dismissal of any proceeding on certiorari or otherwise, whichever is later, or (b) the date the judgment or order is finally affirmed on an appeal, the expiration of the time to file a petition for a writ of certiorari or other form of review, or the denial of a writ of certiorari or other form of review, and, if certiorari or other form of review is granted, the date of final affirmance following review pursuant to that grant. However, any appeal or proceeding seeking subsequent judicial review pertaining solely to an order issued with respect to (i) attorneys' fees, costs or expenses, or (ii) the plan of allocation of Settlement proceeds (as submitted or subsequently modified), shall not in any way delay or preclude a judgment from becoming Final for purposes of this Settlement.

(w) "Hay Defendants" means UDF IV, UDF V, UMT Services, Inc., UMT Holdings, L.P., UMTH General Services, L.P., UMTH Land Development, L.P., 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 A. 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 M. Weil, Jr., Nicholas S. Schorsch, William M. Kahane, Brian S. Block, Peter M. Budko, and Whitley Penn, LLP.

(x) "Hay Plaintiffs" means Plaintiffs Mark Hay and Paul Brown.

(y) "Immediate Family" means children, grandchildren, stepchildren, parents, grandparents, stepparents, spouses, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, and sisters-in-law. As used in this paragraph, "spouse" shall mean a husband, a wife, or a partner in a state-recognized domestic relationship or civil union.

(z) "Internet Long Form Notice" or "Internet Notice" means the "Notice of Pendency and Proposed Settlement of Class Action, Motion for Attorneys' Fees and Expenses, and Notice of Settlement Fairness Hearing," which will be available to Settlement Class Members on the settlement website maintained by the Claims Administrator substantially in the form attached hereto as Exhibit A-1, and subject to the approval of the Court in light of the circumstances present at the time of its Preliminary Approval Order.

(aa) "Judgment" means the final judgment, substantially in the form attached hereto as Exhibit B, to be entered by the Court approving the Settlement.

(bb) "Lead Counsel" means the law firms of Glancy Prongay & Murray LLP in the *UDF IV* Action and the law firms of RoscaLaw, LLC and Kehoe Law Firm, P.C. in the *Hay* Action.

(cc) "Lead Plaintiff" means Louis J. D'Annibale.

(dd) "Litigation Expenses" means costs and expenses incurred in connection with commencing, prosecuting and settling the UDF Class Actions (which may include the

costs and expenses of Lead Plaintiff and the *Hay* Plaintiffs directly related to their representation of the Settlement Classes), for which Lead Counsel intends to apply to the Court for reimbursement from the Settlement Fund.

(ee) "Net Settlement Fund" means the Settlement Fund less: (i) any Taxes; (ii) any Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court; and (iv) any attorneys' fees awarded by the Court.

(ff) "Notice and Administration Costs" means the costs, fees and expenses that are incurred by the Claims Administrator and/or Lead Counsel in connection with: (i) providing notices to the Settlement Classes; and (ii) administering the Settlement, including but not limited to the Claims process, as well as the costs, fees and expenses incurred in connection with the Escrow Account.

(gg) "Notices" means the Internet Long Form Notice, Summary Notice, and Postcard Notice, collectively, substantially in the form attached hereto as Exhibits, A-1, A-3 and A-4.

(hh) "Officer" means any officer as that term is defined in Securities and Exchange Act Rule 16a-1(f).

(ii) "Opt-Out" means any Person who or which otherwise would be a Settlement Class Member and who or which has timely and validly requested exclusion from the Settlement Class(es) of which he, she or it is a member in accordance with the provisions of the Preliminary Approval Order and the notice given pursuant thereto, or who or which are otherwise permitted by the Court to exclude themselves from the Settlement Class(es).

(jj) "Parties" means Defendants and Plaintiffs, on behalf of themselves and the Settlement Classes.

(kk) "Person" means an individual, corporation, fund, limited liability company, professional corporation, limited liability partnership, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assigns.

(ll) "Plaintiffs" means Lead Plaintiff and the Hay Plaintiffs.

(mm) "Plaintiffs' Counsel" means Lead Counsel, the Wagner Firm, Kendall Law Group, PPLC, LewinsLaw, and any other attorneys appearing for Plaintiffs in the UDF Class Actions.

(nn) "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 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 of Settlement 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.

(oo) "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.

(pp) "Plan of Allocation" means a plan described in the Internet Long Form Notice or any other plan or formula for allocating the Net Settlement Fund to Authorized Claimants as the Court may approve.

(qq) "Postcard Notice" means "Postcard Notice of Pendency and Proposed Settlement of Class Action," which will be mailed to Settlement Class Members substantially in the form attached hereto as Exhibit A-4, subject to the approval of the Court in light of the circumstances present at the time of its Preliminary Approval Order.

(rr) "Preliminary Approval Order" means the proposed order preliminarily approving the Settlement and directing notice thereof to the Settlement Classes substantially in the form attached hereto as Exhibit A.

(ss) "Proof of Claim" means the Proof of Claim and Release Form to be submitted by Claimants, substantially in the form attached hereto as Exhibit A-2.

(tt) "PSLRA" means the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, as amended.

(uu) "Released Claims" means Plaintiffs' Released Claims and Defendants' Released Claims. Released Claims include, but are not limited to, Unknown Claims.

(vv) "Releasees" means Plaintiffs' Released Persons and Defendants' Released Persons.

(ww) "Releases" means the releases set forth in ¶¶ 5-7 of this Stipulation.

(xx) "Settlement" means the settlement contemplated by this Stipulation.

(yy) "Settlement Amounts" mean: (i) the sum of six million ($6,000,000) comprised of three million ($3,000,000) from UDF IV and three million ($3,000,000) from UDF V, funded in two (2) tranches; (ii) cash in the amount of $143,400 payable from the Centurion Defendants and/or their insurers; (iii) cash in the amount of $667,325 payable from the Underwriter Defendants and/or their insurers; (iv) cash in the amount of $750,000 payable from the Accountant Defendant and/or its insurers; and (v) for the UDF IV Settlement Class only, cash payments totaling two million eight hundred seventy-five thousand ($2,875,000) to be paid in four installments, and a contingent payment of three million ($3,000,000) payable to UDF IV Settlement Class Members only in the event that UDF IV achieves the CCFFO Target.

(zz) "Settlement Classes" means the UDF IV Settlement Class together with the UDF V Settlement Class.

(aaa) "Settlement Class Member" means any Person who or which is a member of any of the Settlement Classes. "Settlement Class Members" means all such Persons who or which are members of any of the Settlement Classes.

(bbb) "Settlement Class Periods" means, with respect to the UDF IV Settlement Class, the period from March 8, 2011 through February 4, 2016, inclusive; and with respect to the UDF V Settlement Class, the period from July 24, 2014 through March 8, 2016, inclusive.

(ccc) "Settlement Fund" means the Settlement Amounts transferred to the Escrow Account pursuant to this Stipulation and any interest or other income earned thereon.

(ddd) "Settlement Hearing" means the hearing at or after which the Court will make a final decision pursuant to Rule 23 of the Federal Rules of Civil Procedure as to whether the Settlement contained in the Stipulation is fair, reasonable and adequate, and therefore, should receive final approval from the Court.

(eee) "Settling Party" means any one of, and "Settling Parties" means all of, the parties to the Stipulation, namely the Defendants and Plaintiffs (on behalf of themselves and the Settlement Class).

(fff) "Summary Notice" means the Summary Notice of Pendency and Settlement of Action and Settlement Hearing that the Claims Administrator will cause to be published electronically on the *PR Newswire*, for national distribution, substantially in the form attached hereto as Exhibit A-3.

(ggg) "Taxes" mean (i) all federal, state, and/or local taxes of any kind on any income earned by the Settlement Fund; and (ii) the reasonable and necessary costs and expenses incurred in connection with determining the amount of, and paying, any taxes owed by the Net Settlement Fund (including, without limitation, the reasonable and necessary costs and expenses of tax attorneys and accountants).

(hhh) "UDF IV" means United Development Funding IV.

(iii) "UDF V" means United Development Funding Income Fund V.

(jjj) "UDF Class Actions" means the putative class actions captioned *In re United Development Funding IV Securities Litigation* and *Hay v. United Development Funding IV, et al.*, as consolidated for settlement purposes only under No. 3:15-cv-4030-M, and includes all actions consolidated therein.

(kkk) "UDF Defendants" means UDF IV, UDF V, UMT Services, Inc., UMT Holdings, L.P., UMTH General Services, L.P., UMTH Land Development, L.P., 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 A. Hanson, Scot W. O'Brien, Phillip K. Marshall, J. Heath Malone, Steven J. Finkle, Eustace W. Mita, Melissa H. Youngblood, and J. Brandon Jester.

(lll) "UDF IV Defendants" means UDF IV, Hollis M. Greenlaw and Cara D. Obert.

(mmm)"UDF Derivative Actions" means the derivative actions captioned *Evans v. Greenlaw, et al.*, No. 3:16-cv-00635 (N.D. Tex.) (the "*Evans* Action"); *Headley v. Greenlaw, et al.*, No. 017-289273-16 (Tarrant County, Tex.) (the "*Headley* Action"); *Knoll v. Greenlaw, et al.*, No. 048-286599-16 (Tarrant County, Tex.); *Floreale v. Greenlaw, et al.*, No.

342-284220-16 (Tarrant County, Tex.); *Frey v. Greenlaw, et al.*, No. 096-287723-16 (Tarrant County, Tex.); and *Baxter v. Greenlaw, et al.*, No. 3:17-cv-02433-M (N.D. Tex.).

(nnn) "UDF Securities" means UDF IV shares issued/acquired between March 8, 2011 and February 4, 2016 inclusive; and UDF V shares issued/acquired between July 25, 2014 and March 8, 2016, inclusive.

(ooo) "UDF IV Settlement Class" means all Persons who purchased or otherwise acquired UDF IV securities between March 8, 2011 and February 4, 2016, inclusive, and who allegedly were damaged thereby. Excluded from the UDF IV Settlement Class 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 UDF IV Settlement Class are any persons and entities who or which exclude themselves by submitting a request for exclusion that is accepted by the Court.

(ppp) "UDF V Settlement Class" means all Persons who purchased or otherwise acquired shares of UDF V from July 24, 2014 and March 8, 2016, inclusive, and were allegedly damaged thereby. Excluded from the UDF V Settlement Class 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 UDF V Settlement Class are any

persons and entities who or which exclude themselves by submitting a request for exclusion that is accepted by the Court.

(qqq) "UDF IV Settlement Class Members" means any Person who or which is a member of the UDF IV Settlement Class.

(rrr) "UDF V Settlement Class Members" means any Person who or which is a member of the UDF V Settlement Class.

(sss) "Underwriter Defendants" means AR Capital, LLC, American Realty Capital Residential Advisors, LLC, Nicholas S. Schorsch, Edward M. Weil, William M. Kahane, Peter M. Budko and Brian S. Block, and former defendants, Daniel S. Beaton, John H. Grady, Kamal Jafarnia, William A. MacGillivray, Joseph Neary, Louisa H. Quarto, and Ralph L. Roth.

(ttt) "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 and 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.

(uuu) "Qualified Settlement Fund" means a qualified settlement fund within the meaning of Treasury Regulation § 1.458B-1.

CLASS CERTIFICATION

2. Solely for purposes of the Settlement and for no other purpose, Defendants stipulate and agree to: (a) certification of the UDF Class Actions as class actions pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure on behalf of the Settlement

Classes; (b) certification of Plaintiffs as Class Representatives for the Settlement Classes; and (c) appointment of Lead Counsel as co-lead Class Counsel for the Settlement Classes pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

PRELIMINARY APPROVAL OF SETTLEMENT

3. Promptly upon execution of this Stipulation, Plaintiffs will move for preliminary approval of the Settlement, certification of the Settlement Classes for settlement purposes only, and the scheduling of a hearing for consideration of final approval of the Settlement, which motion shall be unopposed by Defendants. Concurrently with the motion for preliminary approval, Plaintiffs shall apply to the Court for, and Defendants shall agree to, entry of the Preliminary Approval Order, substantially in the form attached hereto as Exhibit A.

RELEASE OF CLAIMS

4. The obligations incurred pursuant to this Stipulation are in consideration of: (i) the full and final disposition of the UDF Class Actions as against Defendants; and (ii) the Releases provided for herein.

5. Pursuant to the Judgment, or the Alternate Judgment, if applicable, without further action by anyone, 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 against all Defendants' Released Persons, 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 or 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. 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.

6. Pursuant to the Judgment, or the Alternate Judgment, if applicable, without further action by anyone, 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.

7. The Plaintiffs and Defendants and each of them do hereby assume the risks and agree that this agreement shall apply to all unknown or unanticipated results of the transactions and occurrences described above, as well as those known and anticipated, and upon the advice of counsel, each party does hereby knowingly waive any and all rights and protections under California Civil Code § 1542, which section has been duly explained and read as follows: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

8. Notwithstanding ¶¶ 5-6 above, nothing in the Judgment, or the Alternate Judgment, if applicable, shall bar any action by any of the Parties to enforce or effectuate the terms of this Stipulation or the Judgment, or Alternate Judgment, if applicable.

9. Notwithstanding anything stated anywhere herein, the UDF Defendants and the Centurion Defendants are not releasing 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), and nothing herein shall be interpreted as limiting or affecting the claims alleged by the plaintiffs in that action in any way, as it currently exists or as it may be amended.

THE SETTLEMENT CONSIDERATION

10. In consideration of the settlement of the Plaintiffs' Released Claims against Defendants and the other Defendants' Released Persons, Defendants shall cause the Settlement Amounts to be transferred into the Escrow Account.

11. In consideration of the settlement of the Plaintiffs' Released Claims against Defendants and the other Defendants' Released Persons, the UDF Defendants shall pay or cause to be paid into the Escrow Account, cash in the amount of $6 million ($6,000,000), comprised of $3 million ($3,000,000) from UDF IV and $3 million ($3,000,000) from UDF V, a portion of which shall have been received by UDF IV and UDF V as a result of the settlement of the UDF Derivative Actions. The UDF Defendants shall transfer the funds into the Settlement Fund in two tranches.

12. The UDF Defendants shall cause the first tranche of the Settlement Amount ($4,000,000), to be paid to the Escrow Account by wire transfer or check sent by overnight mail within thirty (30) calendar days after the later of: (i) entry of the Preliminary Approval Order approving this Settlement; or (ii) the UDF Defendants' Counsel's receipt from Lead Counsel of the information necessary to effectuate a transfer of funds to the Escrow Account, including wiring instructions that include the bank name and ABA routing number, account name and number, and a signed W-9 reflecting a valid taxpayer identification number for the qualified settlement fund in which the first tranche of the UDF Defendants' Settlement Amount is to be deposited.

13. The UDF Defendants shall cause the second tranche of the UDF Defendants' Settlement Amount ($2,000,000), to be paid to the Escrow Account by wire transfer or check sent by overnight mail within thirty (30) days after the later of: (i) entry of the Judgment, which the Parties will request the Court to enter following final approval of the settlements of the UDF Derivative Actions; or (ii) the Escrow Agent has provided UDF Defendants' Counsel with complete wire and transfer information and instructions and a completed Form W-9.

14. In further consideration for the release of claims by UDF IV Settlement Class Members, the UDF Defendants shall pay or cause to be paid into the Escrow Account cash in the total amount of two million eight hundred seventy five thousand dollars ($2,875,000), to be paid as follows: (i) one million dollars ($1,000,000) within thirty (30) calendar days after the later of: (a) entry of the Judgment, which the Parties will request the Court to enter following final approval of the settlements of the UDF Derivative Actions; or (b) the UDF Defendants' Counsel's receipt from Lead Counsel of the information necessary to effectuate a transfer of funds to the Escrow Account, including wiring instructions that include the bank name and ABA routing number, account name and number, and a signed W-9 reflecting a valid taxpayer identification number for the qualified settlement fund in which the first tranche of the UDF Defendants' Settlement Amount is to be deposited; (ii) five hundred thousand dollars ($500,000) within thirty (30) calendar days after the close of UDF IV's first full fiscal quarter to elapse after entry of the Judgment; (iii) five hundred thousand dollars ($500,000) within thirty (30) calendar days after the close of UDF IV's second full fiscal quarter to elapse after entry of the Judgment; and (iv) eight hundred seventy five thousand dollars ($875,000) within 30 days after the close of UDF IV's third full fiscal quarter to elapse after entry of the Judgment.

15. The UDF Defendants shall, in consideration for the release of claims by UDF IV Settlement Class Members, make a contingent payment by UDF IV in the amount of $3 million ($3,000,000), payable to UDF IV Settlement Class only in the event that UDF IV achieves cumulative cash flow from operations of $75 million ($75,000,000), the CCFFO Target, at any time during the period that commenced on January 1, 2017 and ends on December 31, 2019, to be paid to the Escrow Agent within six (6) months after the CCFFO Target has been reached.

16. In consideration of the settlement of the Plaintiffs' Released Claims against Defendants and the other Defendants' Released Persons, the Centurion Defendants shall pay, or cause to be paid, the Centurion Defendants' Settlement Amount, cash in the amount of $143,400, into the Escrow Account no later than thirty (30) business days after the later of: (a) the date of entry by the Court of an order preliminarily approving this Settlement; or (b) the Centurion Defendants' Counsel's receipt from Lead Counsel of the information necessary to effectuate a transfer of funds to the Escrow Account, including wiring instructions that include the bank name and ABA routing number, account name and number, and a signed W-9 reflecting a valid taxpayer identification number for the qualified settlement fund in which the Settlement Amount is to be deposited.

17. In consideration of the settlement of the Plaintiffs' Released Claims against Defendants and the other Defendants' Released Persons, the Underwriter Defendants shall pay, or cause to be paid, the Underwriter Defendants' Settlement Amount, cash in the amount of $667,325, into the Escrow Account no later than thirty (30) business days after the later of: (a) the date of entry by the Court of an order preliminarily approving this Settlement; or (b) the Underwriter Defendants' Counsel's receipt from Lead Counsel of the information necessary to effectuate a transfer of funds to the Escrow Account, including wiring instructions that include the bank name and ABA routing number, account name and number, and a signed W-9 reflecting a valid taxpayer identification number for the qualified settlement fund in which the Settlement Amount is to be deposited.

18. In consideration of the settlement of the Plaintiffs' Released Claims against Defendants and the other Defendants' Released Persons, the Accountant Defendant shall pay, or cause to be paid, the Accountant Defendants' Settlement Amount, cash in the amount of

$750,000, into the Escrow Account no later than thirty (30) business days after the later of: (a) the date of entry by the Court of an order preliminarily approving this Settlement; or (b) the Accountant Defendants' Counsel's receipt from Lead Counsel of the information necessary to effectuate a transfer of funds to the Escrow Account, including wiring instructions that include the bank name and ABA routing number, account name and number, and a signed W-9 reflecting a valid taxpayer identification number for the qualified settlement fund in which the Settlement Amount is to be deposited.

USE OF SETTLEMENT FUND

19. The Settlement Fund shall be used to pay: (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. The balance remaining in the Settlement Fund, that is, the Net Settlement Fund, shall be distributed to Authorized Claimants as provided in ¶¶ 29-40 below.

20. Except as provided herein or pursuant to orders of the Court, the Net Settlement Fund shall remain in the Escrow Account prior to the Effective Date. All funds held by the Escrow Agent shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds shall be distributed or returned pursuant to the terms of this Stipulation and/or further order of the Court. The Escrow Agent shall invest any funds in the Escrow Account exclusively in United States Treasury Bills (or a mutual fund invested solely in such instruments) and shall collect and reinvest all interest accrued thereon, except that any residual cash balances up to the amount that is insured by the FDIC may be deposited in any account that is fully insured by the FDIC. In the event that the yield on United States Treasury Bills is negative, in lieu of purchasing such Treasury Bills, all or any portion of the funds held by the Escrow Agent may be deposited in any account that is fully insured by the

FDIC or backed by the full faith and credit of the United States. Additionally, if short-term placement of the funds is necessary, all or any portion of the funds held by the Escrow Agent may be deposited in any account that is fully insured by the FDIC or backed by the full faith and credit of the United States.

21. The Parties agree that the Settlement Fund is intended to be a Qualified Settlement Fund within the meaning of Treasury Regulation § 1.468B-1 and that Lead Counsel, as administrator of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall be solely responsible for filing or causing to be filed all informational and other tax returns as may be necessary or appropriate (including, without limitation, the returns described in Treasury Regulation § 1.468B-2(k)) for the Settlement Fund. Lead Counsel shall also be responsible for causing payment to be made from the Settlement Fund of any Taxes owed with respect to the Settlement Fund. The Defendants' Released Persons shall not have any liability or responsibility for any such Taxes. Upon written request, Defendants will provide to Lead Counsel the statement described in Treasury Regulation § 1.468B-3(e). Lead Counsel, as administrator of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall timely make such elections as are necessary or advisable to carry out this paragraph, including, as necessary, making a "relation back election," as described in Treasury Regulation § 1.468B-1(j), to cause the Qualified Settlement Fund to come into existence at the earliest allowable date, and shall take or cause to be taken all actions as may be necessary or appropriate in connection therewith.

22. All Taxes shall be paid out of the Settlement Fund, and shall be timely paid by the Escrow Agent pursuant to the disbursement instructions to be set forth in the Escrow Agreement, and without further order of the Court. Any tax returns prepared for the Settlement Fund (as well

as the election set forth therein) shall be consistent with the previous paragraph and in all events shall reflect that all Taxes on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided herein. The Defendants' Released Persons shall have no responsibility or liability for the acts or omissions of Counsel or its agents with respect to the payment of Taxes, as described herein.

23. The Settlement is not a claims-made settlement. Upon the occurrence of the Effective Date, no Defendant, Defendants' Released Person, or any other Person who or which paid any portion of the Settlement Amount shall have any right to the return of the Settlement Fund or any portion thereof for any reason whatsoever, including without limitation, the number of Claim Forms submitted, the collective amount of Recognized Claims of Authorized Claimants, the percentage of recovery of losses, or the amounts to be paid to Authorized Claimants from the Net Settlement Fund.

24. Notwithstanding the fact that the Effective Date of the Settlement has not yet occurred, Lead Counsel may pay from the Settlement Fund, without further approval from Defendants or further order of the Court, all reasonable Notice and Administration Costs actually incurred and paid or payable. Such costs and expenses shall include, without limitation, the actual costs of printing and mailing the Postcard Notice, publishing the Summary Notice, reimbursements to nominee owners for forwarding the Notice to their beneficial owners, the administrative expenses incurred and fees charged by the Claims Administrator in connection with providing notice, administering the Settlement (including processing the submitted Claims), and the fees, if any, of the Escrow Agent. In the event that the Settlement is terminated pursuant to the terms of this Stipulation, all Notice and Administration Costs paid or incurred, including any related fees, shall not be returned or repaid to Defendants, any of the other Defendants'

Released Persons, or any other person or entity who or which paid any portion of the Settlement Amounts.

ATTORNEYS' FEES AND LITIGATION EXPENSES

25. The procedure for and the allowance or disallowance by the Court of any applications by Lead Counsel for attorneys' fees and Litigation Expenses to be paid out of the Settlement Fund are not part of the Settlement, and are to be considered by the Court separately from the Court's consideration of the fairness, reasonableness and adequacy of the Settlement.

26. Lead Counsel will apply to the Court for a collective award of attorneys' fees to Plaintiffs' Counsel to be paid from (and out of) the Settlement Fund. Lead Counsel also will apply to the Court for reimbursement of Litigation Expenses, which may include a request for reimbursement of Plaintiffs' costs and expenses directly related to their representation of the Settlement Class, to be paid from (and out of) the Settlement Fund. Defendants will take no position with respect to Lead Counsel's request for an award of attorneys' fees and reimbursement of Litigation Expenses. Lead Counsel's application for an award of attorneys' fees and/or Litigation Expenses is not the subject of any agreement between Defendants and Plaintiffs other than what is set forth in this Stipulation.

27. Any attorneys' fees and Litigation Expenses that are awarded by the Court shall be paid to Lead Counsel immediately upon award, notwithstanding the existence of any timely filed objections thereto, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof, subject to Plaintiffs' Counsel's obligation to make appropriate refunds or repayments to the Settlement Fund, plus accrued interest at the same net rate as is earned by the Settlement Fund, if the Settlement is terminated pursuant to the terms of this Stipulation or if, as a result of any appeal or further proceedings on remand, or successful collateral attack, the award

of attorneys' fees and/or Litigation Expenses is reduced or reversed and such order reducing or reversing the award has become Final. Plaintiffs' Counsel shall make the appropriate refund or repayment in full no later than thirty (30) days after: (a) receiving from Defendants' Counsel notice of the termination of the Settlement; or (b) any order reducing or reversing the award of attorneys' fees and/or Litigation Expenses has become Final. An award of attorneys' fees and/or Litigation Expenses is not a necessary term of this Stipulation and is not a condition of the Settlement embodied herein. Neither Plaintiffs nor Lead Counsel may cancel or terminate the Settlement based on this Court's or any appellate court's ruling with respect to attorneys' fees and/or Litigation Expenses.

28. Lead Counsel shall allocate the attorneys' fees awarded amongst Plaintiffs' Counsel in a manner which it, in good faith, believes reflects the contributions of such counsel to the institution, prosecution, and settlement of the UDF Class Actions. Defendants' Released Persons shall have no responsibility for or liability whatsoever with respect to the allocation or award of attorneys' fees or Litigation Expenses. The attorneys' fees and Litigation Expenses that are awarded to Plaintiffs' Counsel shall be payable solely from the Escrow Account.

NOTICE AND SETTLEMENT ADMINISTRATION

29. As part of the Preliminary Approval Order, Plaintiffs shall seek appointment of a Claims Administrator. The Claims Administrator shall administer the Settlement, including but not limited to the process of receiving, reviewing and approving or denying Claims, under Plaintiffs' Counsel's supervision and subject to the jurisdiction of the Court. Other than the UDF Defendants' obligation to provide securities holders records as provided in ¶ 30 below, none of the Defendants, nor any other Defendants' Released Persons, shall have any involvement in or any responsibility, authority or liability whatsoever for the selection of the Claims Administrator,

the Plan of Allocation, the administration of the Settlement, the Claims process, or disbursement of the Net Settlement Fund, and shall have no liability whatsoever to any person or entity, including, but not limited to, Plaintiffs, any other Settlement Class Members, or Plaintiffs' Counsel in connection with the foregoing. Defendants' Counsel shall cooperate in the administration of the Settlement to the extent reasonably necessary to effectuate its terms.

30. In accordance with the terms of the Preliminary Approval Order to be entered by the Court, Lead Counsel shall cause the Claims Administrator to mail the Postcard Notice to those members of the Settlement Classes as may be identified through reasonable effort. Lead Counsel shall also cause the Claims Administrator to have the Summary Notice published in accordance with the terms of the Preliminary Approval Order to be entered by the Court. For the purposes of identifying and providing notice to the Settlement Classes, within ten (10) business days of the date of entry of the Preliminary Approval Order, the UDF Defendants shall provide or cause to be provided to the Claims Administrator in electronic format (at no cost to the Settlement Fund, Counsel or the Claims Administrator) a list of persons identified as shareholders of UDF IV who purchased their shares prior to the time UDF IV became listed on the NASDAQ stock exchange, as current shareholders of UDF IV, and as shareholders of UDF V. The UDF Defendants make no representation as to the accuracy of the shareholder information they provide.

31. The Claims Administrator shall receive Claims and determine first, whether the Claim is a valid Claim, in whole or part, and second, each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's Recognized Claim compared to the total Recognized Claims of all Authorized Claimants (as set forth in the Plan of Allocation

described in the Internet Notice attached hereto as Exhibit A-1, or in such other plan of allocation as the Court approves).

32. The Plan of Allocation proposed in the Internet Notice is not a necessary term of the Settlement or of this Stipulation and it is not a condition of the Settlement or of this Stipulation that any particular plan of allocation be approved by the Court. Plaintiffs and Lead Counsel may not cancel or terminate the Settlement (or this Stipulation) based on this Court's or any appellate court's ruling with respect to the Plan of Allocation or any other plan of allocation in this Action. Defendants and the other Defendants' Released Persons shall not object in any way to the Plan of Allocation or any other plan of allocation in this Action. No Defendant, nor any other Defendants' Released Persons, shall have any involvement with or liability, obligation or responsibility whatsoever for the application of the Court-approved plan of allocation.

33. Any Settlement Class Member who does not submit a valid Claim Form will not be entitled to receive any distribution from the Net Settlement Fund, but will otherwise be bound by all of the terms of this Stipulation and Settlement, including the terms of the Judgment or, the Alternate Judgment, if applicable, to be entered in the UDF Class Actions and the releases provided for herein and therein, and will be permanently barred and enjoined from bringing any action, claim, or other proceeding of any kind against the Defendants' Released Persons with respect to the Plaintiffs' Released Claims in the event that the Effective Date occurs with respect to the Settlement.

34. Lead Counsel shall be responsible for supervising the administration of the Settlement and the disbursement of the Net Settlement Fund subject to Court approval. No Defendant, or any other Defendants' Released Person, shall be permitted to review, contest, or object to any Claim Form, or any decision of the Claims Administrator or Counsel with respect

to accepting or rejecting any Claim for payment by a Settlement Class Member. Lead Counsel shall have the right, but not the obligation, to waive what it deems to be formal or technical defects in any Claim Forms submitted in the interests of achieving substantial justice.

35. For purposes of determining the extent, if any, to which a Settlement Class Member shall be entitled to be treated as an Authorized Claimant, the following conditions shall apply:

(a) A Settlement Class Member must indicate his, her, or its intention to become a Claimant by submitting a Claim Form, substantially in the form attached hereto as Exhibit A-2, supported by such documents as are designated therein, including proof of the Claimant's loss, or such other documents or proof as the Claims Administrator or Counsel, in their discretion, may deem acceptable;

(b) All Claim Forms must be submitted by the date set by the Court in the Preliminary Approval Order and specified in the Internet Notice. Any Settlement Class Member who fails to submit a Claim Form by such date shall be forever barred from receiving any distribution from the Net Settlement Fund or payment pursuant to this Stipulation (unless by Order of the Court such Settlement Class Member's Claim Form is accepted), but shall in all other respects be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or Alternate Judgment, if applicable, and the Releases provided for herein and therein, and will be permanently barred and enjoined from bringing any action, claim or other proceeding of any kind against any Defendants' Released Persons with respect to any Plaintiffs' Released Claim.

Provided that it is mailed by the claim-submission deadline, a Claim Form shall be deemed to be submitted when postmarked, if received with a postmark indicated on the envelope and if mailed by first-class mail and addressed in accordance with the instructions thereon. In all other cases, the Claim Form shall be deemed to have been submitted on the date when actually received by the Claims Administrator;

(c) Each Claim Form shall be submitted to and reviewed by the Claims Administrator who shall determine in accordance with this Stipulation and the plan of allocation the extent, if any, to which each Claim shall be allowed, subject to review by the Court pursuant to subparagraph (e) below as necessary;

(d) Claim Forms that do not meet the submission requirements may be rejected. Prior to rejecting a Claim in whole or in part, the Claims Administrator shall communicate with the Claimant in writing, to give the Claimant the opportunity to remedy any curable deficiencies in the Claim Form submitted. The Claims Administrator shall notify, in a timely fashion and in writing, all Claimants whose Claim the Claims Administrator proposes to reject in whole or in part, setting forth the reasons therefor, and shall indicate in such notice that the Claimant whose Claim is to be rejected has the right to a review by the Court if the Claimant so desires and complies with the requirements of subparagraph (e) below; and

(e) If any Claimant whose Claim has been rejected in whole or in part desires to contest such rejection, the Claimant must, within twenty (20) days after the date of mailing of the notice required in subparagraph (d) above,

serve upon the Claims Administrator a notice and statement of reasons indicating the Claimant's grounds for contesting the rejection along with any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a Claim cannot be otherwise resolved, Lead Counsel shall thereafter present the request for review to the Court.

36. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to the Claimant's Claim, and the Claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided, however, that such investigation and discovery shall be limited to that Claimant's status as a Settlement Class Member and the validity and amount of the Claimant's Claim. No discovery shall be allowed on the merits of this Action or of the Settlement in connection with the processing of Claim Forms.

37. Lead Counsel will apply to the Court, on notice to Defendants' Counsel, for a Class Distribution Order: (a) approving the Claims Administrator's administrative determinations concerning the acceptance and rejection of the Claims submitted; (b) approving payment of any administration fees and expenses associated with the administration of the Settlement from the Escrow Account; and (c) if the Effective Date has occurred, directing payment of the Net Settlement Fund to Authorized Claimants from the Escrow Account.

38. Payment pursuant to the Class Distribution Order shall be final and conclusive against all Settlement Class Members. All Settlement Class Members whose Claims are not approved by the Court for payment shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or Alternate Judgment, if applicable, to be entered in this Action and the Releases provided for herein and therein, and will be permanently

barred and enjoined from bringing any action against any and all Defendants' Released Persons with respect to any and all of the Plaintiffs' Released Claims.

39. No person or entity shall have any claim against Plaintiffs, Lead Counsel, Plaintiffs' Counsel, the Claims Administrator, or any other agent designated by Plaintiffs' Counsel, or the Defendants' Released Persons and/or their respective counsel, arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or any order of the Court. Plaintiffs and Defendants, and their respective counsel, and Plaintiffs' damages expert and all other Releasees shall have no liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund, the plan of allocation, or the determination, administration, calculation, or payment of any claim by or the nonperformance of the Claims Administrator, the payment or withholding of taxes (including interest and penalties) owed by the Settlement Fund, or any losses incurred in connection therewith.

40. All proceedings with respect to the administration, processing and determination of Claims and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of Claims, shall be subject to the jurisdiction of the Court. All Settlement Class Members and Parties to this Settlement expressly waive trial by jury (to the extent any such right may exist) and any right of appeal or review with respect to such determinations.

41. Defendants shall be responsible for sending any notices required by the Class Action Fairness Act and for all costs and expenses related thereto.

TERMS OF THE JUDGMENT

42. If the Settlement contemplated by this Stipulation is approved by the Court, Lead Counsel and Defendants' Counsel shall request that the Court enter a Judgment substantially in the form attached hereto as Exhibit B.

43. Pursuant to 15 U.S.C. § 78u-4(f)(7), the Judgment shall provide that all statutory or common law claims, including claims for indemnity or contribution, by any Person against any of the Releasees, or by any of the Releasees against any Person, arising from the Settlement, shall be permanently barred, extinguished, discharged and satisfied. The Judgment shall further provide that it shall not bar any contribution claim by a Defendant against any Releasee whose liability for the Released Claims has been extinguished by the Settlement. In accordance with 15 U.S.C. § 78u-4(f)(7)(B), any final verdict or judgment that might be obtained by or on behalf of a Settlement Class or a Settlement Class Member against any Person based upon or arising out of any Released Claim shall be reduced, prior to entry of judgment, by the greater of (i) the amount that corresponds to the percentage of responsibility for the damages caused to the Settlement Class or the Settlement Class Member assigned to any Releasee; or (ii) the amount paid to the Settlement Class by or on behalf of each such Releasee.

CONDITIONS OF SETTLEMENT AND EFFECT OF DISAPPROVAL, CANCELLATION, OR TERMINATION

44. The Effective Date of the Settlement shall be deemed to occur on the occurrence or waiver of all of the following events:

(a) The Court has granted final approval of the settlements in the following derivative actions: the *Evans* Action and the *Headley* Action.

(b) the Court has entered the Preliminary Approval Order, substantially in the form set forth in Exhibit A attached hereto, as required by ¶ 3 above;

(c) the Settlement Amounts have been deposited into the Escrow Account in accordance with the provisions of ¶ 10 above;

(d) Defendants have not exercised their option to terminate the Settlement pursuant to the provisions of this Stipulation (including the Supplemental Agreement described in ¶ 48 below);

(e) Plaintiffs have not exercised their option to terminate the Settlement pursuant to the provisions of this Stipulation; and

(f) the Court has approved the Settlement as described herein, following notice to the Settlement Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure, and the Judgment has been entered and has become Final, or the Court has entered an Alternate Judgment and none of the Parties seek to terminate the Settlement and the Alternate Judgment has become Final.

45. Upon the occurrence of all of the events referenced in ¶ 44 above, any and all remaining interest or right of Defendants in or to the Settlement Fund, if any, shall be absolutely and forever extinguished and the Releases herein shall be effective.

46. If (i) Defendants exercise their right to terminate the Settlement as provided in this Stipulation; (ii) Plaintiffs exercise their right to terminate the Settlement as provided in this Stipulation; (iii) the Court disapproves the Settlement; or (iv) the Effective Date as to the Settlement otherwise fails to occur, then:

(a) The Settlement and the relevant portions of this Stipulation shall be canceled and terminated.

(b) Plaintiffs and Defendants shall revert to their respective positions in the Action as of April 17, 2017 (Accountant Defendant), April 18, 2017 (Underwriter Defendants), May 15, 2017 (Centurion Defendants) and December 15, 2017 (UDF Defendants).

(c) The terms and provisions of this Stipulation, with the exception of this ¶ 46 and ¶¶ 24, 27, 49 and 71, shall have no further force and effect with respect to the Parties and shall not be used in the UDF Class Actions or in any other proceeding for any purpose, and any Judgment, or Alternate Judgment, if applicable, or order entered by the Court in accordance with the terms of this Stipulation shall be treated as vacated, *nunc pro tunc*.

(d) Within five (5) business days after joint written notification of termination is sent by Defendants' Counsel and Lead Counsel to the Escrow Agent, the Settlement Fund (including accrued interest thereon and any funds received by Lead Counsel consistent with ¶ 27 above), less any Notice and Administration Costs actually incurred, paid or payable and less any Taxes paid, due or owing, shall be refunded by the Escrow Agent to Defendants (or such other persons or entities as Defendants may direct) in proportion to the amounts paid by Defendants pursuant to ¶¶ 11-18 above. In the event that the funds received by Lead Counsel consistent with ¶ 27 above have not been refunded to the Settlement Fund within the five (5) business days specified in this paragraph, those funds shall be refunded by the Escrow Agent to Defendants (or such other persons or entities as Defendants may direct) immediately upon their deposit into the Escrow Account consistent with ¶ 27 above.

47. It is further stipulated and agreed that Plaintiffs, provided they unanimously agree, and Defendants, provided they unanimously agree, shall each have the right to terminate the Settlement and this Stipulation, by providing written notice of their election to do so ("Termination Notice") to the other Parties to this Stipulation within thirty (30) days of: (a) the

Court's final refusal to enter the Preliminary Approval Order in any material respect; (b) the Court's final refusal to approve the Settlement or any material part thereof; (c) the Court's final refusal to enter the Judgment in any material respect as to the Settlement; (d) the date upon which the Judgment is modified or reversed in any material respect by the United States Court of Appeals for the Fifth Circuit or the United States Supreme Court; or (e) the date upon which an Alternate Judgment is modified or reversed in any material respect by the United States Court of Appeals for the Fifth Circuit or the United States Supreme Court, and in such event the provisions of ¶ 46 above shall apply. However, any decision or proceeding, whether in this Court or any appellate court, with respect to an application for attorneys' fees or reimbursement of Litigation Expenses or with respect to any plan of allocation shall not be considered material to the Settlement, shall not affect the finality of any Judgment or Alternate Judgment, if applicable, and shall not be grounds for termination of the Settlement.

48. In addition to the grounds set forth in ¶ 47 above, each Defendant shall have, in his, her or its sole and absolute discretion, the option to terminate the Settlement in the event that Settlement Class Members timely and validly requesting exclusion from the Settlement Class meet the conditions set forth in the Defendants' confidential supplemental agreement with Plaintiffs (the "Supplemental Agreement"), in accordance with the terms of that agreement. The Supplemental Agreement, which is being executed concurrently herewith, shall not be filed with the Court and its terms shall not be disclosed in any other manner (other than the statements herein and in the Internet Notice, to the extent necessary, or as otherwise provided in the Supplemental Agreement) unless and until the Court otherwise directs or a dispute arises between Plaintiffs and the Defendants concerning its interpretation or application, in which event the Parties shall submit the Supplemental Agreement to the Court *in camera* and request that the

Court afford it confidential treatment. Plaintiffs' Counsel shall have the opportunity to seek retraction of any request for exclusion until the deadline for such retractions as set forth in the Supplemental Agreement. Any Defendant may request from time to time summaries or copies of any and all requests for exclusion received, together with any written retractions of requests for exclusion, which shall be delivered to all Defendants promptly upon request. A listing of Opt-Outs shall be provided to the Defendants and the Court in connection with and before or at the time of the Settlement Hearing.

NO ADMISSION OF WRONGDOING

49. Neither the memoranda of understanding ("MOUs"), other documents evidencing settlements in principle, this Stipulation (whether or not consummated), including the exhibits hereto and the Plan of Allocation contained therein (or any other plan of allocation that may be approved by the Court), the negotiations leading to the execution of the MOUs, this Stipulation, nor any proceedings taken pursuant to or in connection with the MOUs, this Stipulation and/or approval of the Settlement (including any arguments proffered in connection therewith) shall be:

(a) offered against any of the Defendants' Released Persons as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Defendants' Released Persons with respect to the truth of any fact alleged by Plaintiffs or the validity of any claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted in the UDF Class Actions or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind by any of the Defendants' Released Persons, or in any way referred to for any other reason as against any of the Defendants' Released Persons, in any civil, criminal, or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation;

(b) offered against any of the Plaintiffs' Released Persons, as evidence of, or construed as, or deemed to be evidence of any presumption, concession or admission by any of the Plaintiffs' Released Persons that any of their claims are without merit, that any of the Defendants' Released Persons had meritorious defenses, or that damages recoverable under the Complaints would not have exceeded the Settlement Amounts, or with respect to any liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Plaintiffs' Released Persons, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation; or

(c) construed against any of the Releasees as an admission, concession, or presumption that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; *provided, however*, that if this Stipulation is approved by the Court, the Parties, and the Releasees and their respective counsel may refer to it to effectuate the protections from liability granted hereunder or otherwise to enforce the terms of the Settlement.

MISCELLANEOUS PROVISIONS

50. All of the exhibits attached hereto are material and integral parts hereof and are hereby incorporated by reference as though fully set forth herein. Notwithstanding the foregoing, in the event that there exists a conflict or inconsistency between the terms of this Stipulation and the terms of any exhibit attached hereto, the terms of the Stipulation shall prevail.

51. Defendants warrant that, as to the payments made or to be made by or on behalf of them, at the time of entering into this Stipulation and at the time of such payment they, or to their knowledge any persons or entities contributing to the payment of the Settlement Amounts,

were not insolvent, nor will the payment required to be made by or on behalf of them render them insolvent, within the meaning of and/or for the purposes of the United States Bankruptcy Code, including §§ 101 and 547 thereof. This representation is made by each of the Defendants and not by their counsel.

52. In the event of the entry of a final order of a court of competent jurisdiction determining that the transfer of money to the Settlement Fund or any portion thereof by or on behalf of Defendants constituted a preference, voidable transfer, fraudulent transfer, or similar transaction and any portion thereof is required to be returned, and such amount is not promptly deposited into the Settlement Fund by others, then, at the election of Plaintiffs, the Parties shall jointly move the Court to vacate and set aside the Releases given and the Judgment or Alternate Judgment, if applicable, entered in favor of Defendants and the other Releasees pursuant to this Stipulation, in which event the releases and Judgment, or Alternate Judgment, if applicable, shall be null and void, and the Parties shall be restored to their respective positions in the litigation as provided in ¶ 46 above and any cash amounts in the Settlement Fund (less any Taxes paid, due or owing with respect to the Settlement Fund and less any Notice and Administration Costs actually incurred, paid or payable) shall be returned as provided in ¶ 46.

53. The Parties intend this Stipulation and the Settlement to be a final and complete resolution of all disputes asserted or which could be asserted by Plaintiffs and any other Settlement Class Members against the Defendants' Released Persons with respect to the Plaintiffs' Released Claims. Accordingly, Plaintiffs and their counsel and Defendants and their counsel agree not to state in any complaint, petition, or answer, in any forum, that the UDF Class Actions were brought by Plaintiffs or defended by Defendants in bad faith or without a reasonable basis. No Party shall assert any claims of any violation of Rule 11 of the Federal

Rules of Civil Procedure relating to the institution, prosecution, defense, or settlement of the UDF Class Actions. The Parties agree that the amounts paid and the other terms of the Settlement were negotiated at arm's-length and in good faith by the Parties, including in part through a mediation process supervised and conducted by David R. Seidler, Esq., and reflect the Settlement that was reached voluntarily after extensive negotiations and consultation with experienced legal counsel, who were fully competent to assess the strengths and weaknesses of their respective clients' claims or defenses.

54. Any Releasee may file the Stipulation and/or the Judgment in any action or other proceeding that may be brought against them in order to support a defense, argument, or counterclaim based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense, argument or counterclaim.

55. While retaining their right to deny that the claims asserted in the UDF Class Actions were meritorious, Defendants and their counsel, in any statement made to any media representative (whether or not for attribution) will not assert that the UDF Class Actions were commenced or prosecuted in bad faith, nor will they deny that the UDF Class Actions were commenced and prosecuted in good faith and are being settled voluntarily after consultation with competent legal counsel. In all events, Plaintiffs and their counsel and Defendants and their counsel shall not make any accusations of wrongful or actionable conduct by either Party concerning the prosecution, defense, and resolution of the UDF Class Actions, and shall not otherwise suggest that the Settlement constitutes an admission of any claim or defense alleged.

56. The terms of the Settlement, as reflected in this Stipulation, may not be modified or amended, nor may any of its provisions be waived except by a writing signed on behalf of both Plaintiffs and Defendants (or their successors-in-interest).

57. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

58. The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court, and the Court shall retain jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and Litigation Expenses to Plaintiffs' Counsel and enforcing the terms of this Stipulation, including the Plan of Allocation (or such other plan of allocation as may be approved by the Court) and the distribution of the Net Settlement Fund to Settlement Class Members. The Parties agree that any action based on this Stipulation or to enforce any of its terms shall be brought in this Court.

59. The waiver by one Party of any breach of this Stipulation by any other Party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

60. This Stipulation and its exhibits and the Supplemental Agreement constitute the entire agreement among Plaintiffs and Defendants concerning the Settlement and this Stipulation and its exhibits. All Parties acknowledge that no other agreements, representations, warranties, or inducements have been made by any Party hereto concerning this Stipulation, its exhibits, or the Supplemental Agreement other than those contained and memorialized in such documents. It is understood by the Parties that, except for matters expressly represented herein, the facts or law with respect to which this Stipulation is entered into may turn out to be other than or different from the facts now known to each party or believed by such party to be true; each party therefore expressly assumes the risk of the facts or law turning out to be so different, and agrees that this

Stipulation shall be in all respects effective and not subject to termination by reason of such different facts or law.

61. This Stipulation may be executed in one or more counterparts, including by signature transmitted via facsimile, or by a .pdf/.tif image of the signature transmitted via email. All executed counterparts and each of them shall be deemed to be one and the same instrument.

62. This Stipulation shall be binding upon and inure to the benefit of the successors and assigns of the Parties, including any and all Releasees and any corporation, partnership, or other entity into or with which any Party hereto may merge, consolidate or reorganize.

63. The construction, interpretation, operation, effect and validity of this Stipulation, the Supplemental Agreement and all documents necessary to effectuate it shall be governed by the substantive laws of the State of Texas without regard to conflicts of laws, except to the extent that federal law requires that federal law govern.

64. Any action arising under or to enforce this Stipulation or any portion thereof, shall be commenced and maintained only in the Court.

65. This Stipulation shall not be construed more strictly against one Party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Parties, it being recognized that it is the result of arm's-length negotiations between the Parties and all Parties have contributed substantially and materially to the preparation of this Stipulation.

66. Lead Counsel, on behalf of their respective Settlement Classes, are expressly authorized by their respective clients to take all appropriate action required or permitted to be taken by the Settlement Classes pursuant to this Stipulation to effectuate its terms and also are authorized to enter into any modifications or amendments to the Stipulation on behalf of the

Settlement Classes which they deem to be appropriate. Lead Counsel, Lead Plaintiff and the *Hay* Plaintiffs represent and warrant that none of Plaintiffs' claims or causes of action referred to herein or that could have been alleged in the UDF Class Actions have been assigned, encumbered or in any manner transferred in whole or in part.

67. All counsel and any other person executing this Stipulation and any of the exhibits hereto, or any related Settlement documents, warrant and represent that they have the full authority to do so and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Stipulation to effectuate its terms.

68. Lead Counsel and Defendants' Counsel agree to cooperate fully with one another in seeking Court approval of the Preliminary Approval Order and the Settlement, as embodied in this Stipulation, and to use best efforts to promptly agree upon and execute all such other documentation as may be reasonably required to obtain final approval by the Court of the Settlement.

69. If any Party is required to give notice to another Party under this Stipulation, such notice shall be in writing and shall be deemed to have been duly given upon receipt of hand delivery or email transmission, with confirmation of receipt. Notice shall be provided as follows:

If to Plaintiffs or Plaintiffs' Counsel:

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If to Defendants:

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Counsel for Centurion

70. Except as otherwise provided herein, each Party shall bear its own costs.

71. Whether or not the Stipulation is approved by the Court and whether or not the Stipulation is consummated, or the Effective Date occurs, the Parties and their counsel shall use their best efforts to keep all negotiations, discussions, acts performed, agreements, drafts, documents signed and proceedings in connection with the Stipulation confidential, except as otherwise provided herein.

72. All agreements made and orders entered during the course of the UDF Class Actions relating to the confidentiality of information shall survive this Settlement.

73. Unless otherwise stated herein, any breach of any provision of this Stipulation by any Party hereto shall not constitute grounds for rescission of this Stipulation, but shall constitute grounds only for specific performance of this Stipulation.

74. No opinion or advice concerning the tax consequences of the proposed Settlement to individual Settlement Class Members is being given or will be given by the Parties or their counsel; nor is any representation or warranty in this regard made by virtue of this Stipulation. Each Settlement Class Member's tax obligations, and the determination thereof, are the sole responsibility of the Settlement Class Member, and it is understood that the tax consequences may vary depending on the particular circumstances of each individual Settlement Class Member.

IN WITNESS WHEREOF, the Settling Parties have executed this Stipulation by their undersigned counsel effective as of the date set forth below.

Dated: August13, 2018

Respectfully submitted,

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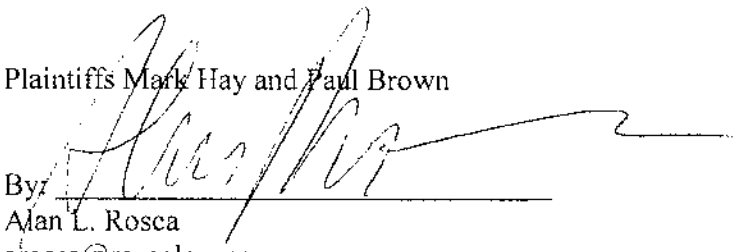
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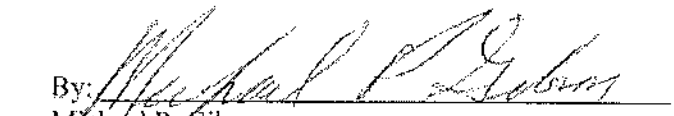
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EXHIBIT A

Exhibit A

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, Plaintiffs, v. UNITED DEVELOPMENT FUNDING IV, et al., Defendants.	Civil Action No.: 4:16-cv-00188-M

[PROPOSED] ORDER PRELIMINARILY APPROVING SETTLEMENT AND PROVIDING FOR NOTICE

WHEREAS, the Court consolidated the above-captioned actions (the "UDF Class Actions") for settlement purposes only;

WHEREAS, Louis J. D'Annibale, Lead Plaintiff in the putative class action litigation *In re United Development Funding IV Securities Litigation*, No. 3:15-cv-4030-M (the "*UDF IV* Action"), on behalf of himself and Class Members in the *UDF IV* Action, and United Development Funding IV ("UDF IV"), Hollis M. Greenlaw, and Cara D. Obert, Defendants in the *UDF IV* Action (collectively, the "UDF IV Defendants"); and Mark Hay and Paul Brown,

Plaintiffs in the putative class action captioned *Hay v. United Development Funding, et al.*, No. 4:16-cv-00188-M (the "*Hay* Action"), on behalf of themselves (the "Hay Plaintiffs," and together with Lead Plaintiff, the "Plaintiffs") and Class Members in the *Hay* Action, and UDF IV, United Development Funding Income Fund V ("UDF V"), UMT Services, Inc., UMTH General Services, L.P., UMTH Land Development, L.P., UMT Holdings, L.P., UDF Holdings, L.P., UDFH General Services, L.P., UDFH Land Development, L.P., Steven J. Finkle, J. Heath Malone, Phillip K. Marshall, Hollis M. Greenlaw, Todd Etter, Cara D. Obert, David A. Hanson, Scot W. O'Brien, Brandon Jester, Michael K. Wilson, Ben L. Wissink, Eustace W. Mita, Melissa H. Youngblood, Whitley Penn, LLP, AR Capital, LLC, American Reality Capital Residential Advisors, LLC, Nicholas S. Schorsch, Edward M. Weil, Jr., William M. Kahane, Peter M. Budko, Brian S. Block, Centurion American Custom Homes, Inc. d/b/a Centurion American Development Group and Mehrdad Moayedi, each a Defendant in the *Hay* Action (collectively, "the *Hay* Defendants," and together with the UDF IV Defendants, the "Defendants;" and together with Plaintiffs, the "Parties"), have determined to settle all claims asserted against Defendants in the UDF Class Actions with prejudice on the terms and conditions set forth in the Stipulation and Agreement of Settlement dated August 13, 2018 (the "Stipulation"), subject to approval of this Court (the "Settlement");

WHEREAS, Plaintiffs have made an application, pursuant to Rule 23 of the Federal Rules of Civil Procedure, for an order preliminarily approving the Settlement in accordance with the Stipulation, certifying the Settlement Classes for purposes of the Settlement only, and allowing notice to Settlement Class Members as more fully described herein;

WHEREAS, the Court has reviewed and considered: (a) Plaintiffs' motion for preliminary approval of the Settlement, and the papers filed and arguments made in connection therewith; and (b) the Stipulation and the exhibits attached thereto; and

WHEREAS, unless otherwise defined herein, all capitalized words contained herein shall have the same meanings as they have in the Stipulation;

NOW THEREFORE, IT IS HEREBY ORDERED:

1. **Class Certification for Settlement Purposes** – Pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure, the Court certifies, solely for purposes of effectuating the proposed Settlement, Settlement Classes consisting of:

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

(b) 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 (the "UDF V Settlement Class").

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 that is accepted by the Court.

2. **Class Findings** – Solely for purposes of the proposed Settlement of the UDF Class Actions, the Court finds that each element required for certification of the Settlement Classes pursuant to Rule 23 of the Federal Rules of Civil Procedure has been met: (a) the members of each of the Settlement Classes are so numerous that joinder would be impracticable; (b) there are questions of law and fact common to each of the Settlement Classes which predominate over any individual questions; (c) the claims of the Lead Plaintiff and *Hay* Plaintiffs are typical of the claims of the UDF IV and UDF V Settlement Classes, respectively; (d) Plaintiffs and Lead Counsel have and will fairly and adequately represent and protect the interests of the Settlement Classes; and (e) a class action is superior to other available methods for the fair and efficient adjudication of each of the consolidated actions.

3. The Court hereby finds and concludes that pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, Lead Plaintiff Louis J. D'Annibale and the *Hay* Plaintiffs, Mark Hay and Paul Brown, are adequate class representatives and certifies them as Class Representatives for the UDF IV and UDF V Settlement Classes, respectively. The Court also appoints Lead Counsel as Class Counsel for the Settlement Classes, pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

4. **Preliminary Approval of the Settlement** – The Court hereby preliminarily approves the Settlement, as embodied in the Stipulation, as being fair, reasonable and adequate to the Settlement Classes, subject to further consideration at the Settlement Hearing to be conducted as described below.

5. **Settlement Hearing** – The Court will hold a settlement hearing (the "Settlement Hearing") on _____, 2018 at __:__ _.m. in Courtroom 1572 of the United States Courthouse, 1100 Commerce Street, Dallas, TX 75242, for the following purposes: (a) to determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable and adequate to the Settlement Classes, and should be approved by the Court; (b) to determine whether a Judgment substantially in the form attached as Exhibit B to the Stipulation should be entered dismissing the UDF Class Actions with prejudice against Defendants and providing for Releases as set forth therein and in the Stipulation; (c) to determine whether the proposed Plan of Allocation for the proceeds of the Settlement is fair and reasonable and should be approved; (d) to determine whether the motion by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses should be approved; and (e) to consider any other matters that may properly be brought before the Court in connection with the Settlement. Notice of the Settlement and the Settlement Hearing shall be given to Settlement Class Members as set forth in paragraph 7 of this Order.

6. The Court may adjourn the Settlement Hearing without further notice to the Settlement Classes, and may approve the proposed Settlement with such modifications as the Parties may agree to, if appropriate, without further notice to the Settlement Classes.

7. **Retention of Claims Administrator and Manner of Giving Notice** – Lead Counsel is hereby authorized to retain Strategic Claims Services (the "Claims Administrator") to supervise and administer the notice procedure in connection with the proposed Settlement as well as the processing of Claims as more fully set forth below. Notice of the Settlement and the Settlement Hearing shall be given by Lead Counsel as follows:

(a) within ten (10) business days of the date of entry of this Order, the UDF Defendants shall provide or cause to be provided to the Claims Administrator in electronic format (at no cost to the Settlement Fund, Lead Counsel or the Claims Administrator) a list of persons identified as known shareholders of UDF IV who purchased their shares prior to the time UDF IV became listed on the NASDAQ stock exchange, of current known shareholders of UDF IV, and of known shareholders of UDF V;

(b) not later than twenty (20) business days after the date of entry of this Order (the "Notice Date"), the Claims Administrator shall cause a copy of the Postcard Notice, substantially in the form attached hereto as Exhibit A-4, respectively, to be mailed by first-class mail to potential Settlement Class Members at the addresses set forth in the records provided by the UDF Defendants or in the records which the UDF Defendants caused to be provided, or who otherwise may be identified through further reasonable effort;

(c) contemporaneously with the mailing of the Postcard Notice, the Claims Administrator shall cause copies of the Internet Long Form Notice and the Claim Form to be posted on a website to be established for purposes of the Settlement, from which copies of the Internet Long Form Notice and Claim Form can be downloaded;

(d) not later than ten (10) business days after the Notice Date, the Claims Administrator shall cause the Summary Notice, substantially in the form attached hereto as Exhibit A-3, to be published once in *Investor's Business Daily* and to be transmitted once over the *PR Newswire*; and

(e) not later than seven (7) calendar days prior to the Settlement Hearing, Lead Counsel shall serve on Defendants' Counsel and file with the Court proof, by affidavit or declaration, of such mailing and publication.

8. **Approval of Form and Content of Notice** – The Court (a) approves, as to form and content, the Internet Long Form Notice, the Claim Form, the Summary Notice and Postcard Notice, attached hereto as Exhibits A-1, A-2, A-3 and A-4 respectively, and (b) finds that the mailing and distribution of the Postcard Notice, the publication of the Internet Long Form Notice and Claim Form on the settlement website and the publication of the Summary Notice in the manner and form set forth in paragraph 7 of this Order (i) is the best notice practicable under the circumstances; (ii) constitutes notice that is reasonably calculated, under the circumstances, to apprise Settlement Class Members of the pendency of the UDF Class Actions, of the effect of the proposed Settlement (including the Releases to be provided thereunder), of Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, of their right to object to the Settlement, the Plan of Allocation and/or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses, of their right to exclude themselves from the Settlement Class, and of their right to appear at the Settlement Hearing; (iii) constitutes due, adequate and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement; and (iv) satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, as amended, and all other applicable law and rules. The date and time of the Settlement Hearing shall be included in the Postcard Notice, Internet Notice, and Summary Notice before they are mailed and published, respectively.

9. **Nominee Procedures** – Brokers and other nominees who purchased or otherwise acquired shares of UDF IV and/or UDF V common stock during the Settlement Class Periods for the benefit of another person or entity shall (a) within seven (7) calendar days of

receipt of the Postcard 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 forms forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of the Postcard Notice, send a list of the names and addresses of all such beneficial owners to the Claims Administrator in which event the Claims Administrator shall promptly mail the Postcard Notice to such beneficial owners. Upon full compliance with this Order, such nominees may seek reimbursement of their reasonable expenses actually incurred in complying with this Order by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Such properly documented expenses incurred by nominees in compliance with the terms of this Order shall be paid from the Settlement Fund, with any disputes as to the reasonableness or documentation of expenses incurred subject to review by the Court.

10. **Participation in the Settlement** – Settlement Class Members who wish to participate in the Settlement and to be eligible to receive a distribution from the Net Settlement Fund must complete and submit a Claim Form in accordance with the instructions contained therein. Unless the Court orders otherwise, all Claim Forms must be postmarked no later than one hundred twenty (120) calendar days after the Notice Date. Notwithstanding the foregoing, Lead Counsel may, at its discretion, accept for processing late Claims, provided such acceptance does not delay the distribution of the Net Settlement Fund to the Settlement Classes. By submitting a Claim, a person or entity shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim and the subject matter of the Settlement.

11. Each Claim Form submitted must satisfy the following conditions: (a) it must be properly completed, signed and submitted in a timely manner in accordance with the provisions

of the preceding paragraph; (b) it must be accompanied by adequate supporting documentation for the transactions and holdings reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional and holding information found in a broker confirmation slip or account statement, or such other documentation as is deemed adequate by Lead Counsel or the Claims Administrator; (c) if the person executing the Claim Form is acting in a representative capacity, a certification of his, her or its current authority to act on behalf of the Settlement Class Member must be included in the Claim Form to the satisfaction of Lead Counsel or the Claims Administrator; and (d) the Claim Form must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury.

12. Any Settlement Class Member who or which does not timely and validly submit a Claim Form or who or which submits a Claim that is not otherwise approved by the Court: (a) shall be deemed to have waived his, her or its right to share in the Net Settlement Fund; (b) shall be forever barred from participating in any distributions therefrom; (c) shall be bound by the provisions of the Stipulation and the Settlement and all proceedings, determinations, orders and judgments in the Action relating thereto, including, without limitation, the Judgment or Alternate Judgment, if applicable, and the Releases provided for therein, whether favorable or unfavorable to the Settlement Classes; and (d) will be barred from commencing, maintaining or prosecuting any of the Plaintiffs' Released Claims against each and all of the Defendants' Released Persons, as more fully described in the Stipulation and Internet Notice. Notwithstanding the foregoing, late Claim Forms may be accepted for processing as set forth in paragraph 10 above.

13. **Exclusion From the Settlement Class** – Any member of the Settlement Classes who wishes to exclude himself, herself or itself from one or both of the Settlement Classes must request exclusion in writing within the time and in the manner set forth in the Internet Notice, which shall provide that: (a) any such request for exclusion from one or both of the Settlement Classes, as applicable, must be mailed or delivered such that it is received no later than twenty-one (21) calendar days prior to the Settlement Hearing, to: *UDF IV and UDF V Settlements,* EXCLUSIONS, c/o Strategic Claims Services, P.O. Box 230, Media, PA 19063, and (b) each request for exclusion must (i) 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; (ii) state that such person or entity "requests exclusion from the Settlement Class in *UDF IV and UDF V Settlements*, Master File Case No. 3:15-cv-4030-M"; (iii) state the number of shares of UDF IV and/or UDF V common stock that the person or entity requesting exclusion purchased/acquired and/or sold during the Settlement Class Periods, as well as the dates and prices of each such purchase/acquisition and sale; and (iv) be signed by the person or entity requesting exclusion or an authorized representative. A request for exclusion shall not be effective unless it provides all the required information and is received within the time stated above, or is otherwise accepted by the Court.

14. Any person or entity who or which timely and validly requests exclusion in compliance with the terms stated in this Order and is excluded from one or both of the Settlement Classes shall not, as applicable, be a Settlement Class Member, shall not be bound by the terms of the Settlement or any orders or judgments in the UDF Class Actions and shall not receive any payment out of the Net Settlement Fund.

15. Each Defendant shall have, in his, her or its sole and absolute discretion, the option to terminate the Settlement in the event that Settlement Class Members timely and validly requesting exclusion from the Settlement Class meet the conditions set forth in the Defendants' confidential supplemental agreement with Plaintiffs (the "Supplemental Agreement"), in accordance with the terms of that agreement. The Supplemental Agreement shall not be filed with the Court and its terms shall not be disclosed in any other manner (other than the statements herein and in the Internet Notice, to the extent necessary, or as otherwise provided in the Supplemental Agreement) unless and until the Court otherwise directs or a dispute arises between Plaintiffs and the Defendants concerning its interpretation or application, in which event the Parties shall submit the Supplemental Agreement to the Court *in camera* and request that the Court afford it confidential treatment.

16. Lead Counsel may seek retraction of any request for exclusion at any time prior to the Settlement Hearing. Any such retraction must be in writing and signed by the person or entity seeking to retract his, her or its request for exclusion, or an authorized representative. Not later than seven (7) calendar days prior to the Settlement Hearing, Lead Counsel shall serve on Defendants' Counsel and file with the Court a listing of all persons or entities who or which timely and validly requested exclusion from one or both of the Settlement Classes (and who have not retracted such request), which listing shall: (i) 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; (ii) indicate the Settlement Class or Settlement Classes to which each request for exclusion relates; and (iii) state number of shares of UDF IV and/or UDF V common stock that the person or entity requesting exclusion purchased/acquired and/or

sold during the applicable Settlement Class Periods, as well as the dates and prices of each such purchase/acquisition and sale.

17. Any Settlement Class Member who or which does not timely and validly request exclusion from one or both of the Settlement Classes, as applicable, in the manner stated in this Order, or has submitted a signed retraction of such a request before the Settlement Hearing: (a) shall be deemed to have waived his, her or its right to be excluded from the one or both of the Settlement Classes; (b) shall be forever barred from requesting exclusion from one or both of the Settlement Classes in this or any other proceeding; (c) shall be bound by the provisions of the Stipulation and Settlement and all proceedings, determinations, orders and judgments in the UDF Class Actions, including, but not limited to, the Judgment or Alternate Judgment, if applicable, and the Releases provided for therein, whether favorable or unfavorable to the Settlement Class; and (d) will be barred from commencing, maintaining or prosecuting any of the Plaintiffs' Released Claims against any of the Defendants' Released Persons, as more fully described in the Stipulation and Internet Notice.

18. **Appearance and Objections at Settlement Hearing** – Any Settlement Class Member who does not request exclusion from the UDF IV and/or UDF V Settlement Class(es) to which he, she or it is a member, may enter an appearance in the UDF Class Actions, at his, her or its own expense, individually or through counsel of his, her or its own choice, by filing with the Clerk of Court and delivering a notice of appearance to both Lead Counsel and Defendants' Counsel, at the addresses set forth in paragraph 19 below, such that it is received no later than twenty-one (21) calendar days prior to the Settlement Hearing, or as the Court may otherwise direct. Any Settlement Class Member who does not enter an appearance will be represented by Lead Counsel.

19. Any Settlement Class Member who does not request exclusion from the Settlement Class (or who timely retracts any such request for exclusion in accordance with the provisions of this Order) may file a written objection to the proposed Settlement, the proposed Plan of Allocation, and/or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses and appear and show cause, if he, she or it has any cause, why the proposed Settlement, the proposed Plan of Allocation and/or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses should not be approved; *provided, however*, that no Settlement Class Member shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement, the proposed Plan of Allocation and/or the motion for attorneys' fees and reimbursement of Litigation Expenses unless that person or entity has filed a written objection with the Court and served copies of such objection on Lead Counsel and Defendants' Counsel at the addresses set forth below such that they are received no later than twenty-one (21) calendar days prior to the Settlement Hearing.

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Counsel for Mark Hay and Paul Brown

Defendants' Counsel

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Counsel for Defendant Whitley Penn

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

Counsel for Defendant Centurion American Development Group

20. Any objections, filings and other submissions by the objecting Settlement Class Member: (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 or both of the Settlement Classes, including the number of shares of UDF IV and/or UDF V common stock 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. Objectors who enter an appearance and desire to present evidence at the Settlement Hearing in support of their objection must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and any exhibits they intend to introduce into evidence at the hearing.

21. Any member of the UDF IV and/or UDF V Settlement Classes, as applicable, who or which does not make his, her or its objection in the manner provided herein shall be deemed to have waived his, her or its right to object to any aspect of the proposed Settlement, the proposed Plan of Allocation, and Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, and shall be forever barred and foreclosed from objecting to the fairness, reasonableness or adequacy of the Settlement, the Plan of Allocation or the requested attorneys' fees and Litigation Expenses, or from otherwise being heard concerning the Settlement, the Plan of Allocation or the requested attorneys' fees and Litigation Expenses in this or any other proceeding. A Member of the UDF IV and/or UDF V Settlement Classes may object only to those portions of the Settlement, the Plan of Allocation or the requested attorneys' fees and Litigation Expenses that pertain to the Settlement Class(es) of which he, she or it is a member.

22. **Stay and Temporary Injunction** – Until otherwise ordered by the Court, the Court stays all proceedings in the UDF Class Actions other than proceedings necessary to carry out or enforce the terms and conditions of the Stipulation. Pending final determination of whether the Settlement should be approved, the Court bars and enjoins Plaintiffs, and all other members of the Settlement Classes, from commencing or prosecuting any and all of the Plaintiffs' Released Claims against each and all of the Defendants' Released Persons.

23. **Settlement Administration Fees and Expenses** – All reasonable costs incurred in identifying Settlement Class Members and notifying them of the Settlement as well as in administering the Settlement shall be paid as set forth in the Stipulation without further order of the Court.

24. **Settlement Fund** – The contents of the Settlement Fund held by Huntington National Bank (which the Court approves as the Escrow Agent), shall be deemed and considered to be *in custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as they shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

25. **Taxes** – Lead Counsel is authorized and directed to prepare any tax returns and any other tax reporting form for or in respect to the Settlement Fund, to pay from the Settlement Fund any Taxes owed with respect to the Settlement Fund, and to otherwise perform all obligations with respect to Taxes and any reporting or filings in respect thereof without further order of the Court in a manner consistent with the provisions of the Stipulation.

26. **Termination of Settlement** – If the Settlement is terminated as provided in the Stipulation, the Settlement is not approved, or the Effective Date of the Settlement otherwise fails to occur, this Order shall be vacated, rendered null and void and be of no further force and

effect, except as otherwise provided by the Stipulation, and this Order shall be without prejudice to the rights of Plaintiffs, the other Settlement Class Members and Defendants, and the Parties shall revert to their respective positions in the UDF Class Actions as of April 17, 2017 (Accountant Defendant), April 18, 2017 (Underwriter Defendants), May 15, 2017 (Centurion Defendants) and December 15, 2017 (UDF Defendants), as provided in the Stipulation.

27. **Use of this Order** – Neither this Order, the confidential Memoranda of Understanding ("MOUs"), the Stipulation (whether or not consummated), including the exhibits thereto and the Plan of Allocation contained therein (or any other plan of allocation that may be approved by the Court), the negotiations leading to the execution of the MOUs and the Stipulation, nor any proceedings taken pursuant to or in connection with the MOUs, the Stipulation and/or approval of the Settlement (including any arguments proffered in connection therewith): (a) shall be offered against any of the Defendants' Released Persons as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Defendants' Released Persons with respect to the truth of any fact alleged by Plaintiffs or the validity of any claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted in the UDF Class Actions or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Defendants' Released Persons or in any way referred to for any other reason as against any of the Defendants' Released Persons, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; (b) shall be offered against any of the Plaintiffs' Released Persons, as evidence of, or construed as, or deemed to be evidence of any presumption, concession or admission by any of the Plaintiffs' Released Persons that any of their claims are without merit, that any of the Defendants' Released

Persons had meritorious defenses, or that damages recoverable under the Complaint would not have exceeded the Settlement Amount, or in any way referred to for any other reason as against any of the Plaintiffs' Released Persons, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; or (c) shall be construed against any of the Releasees as an admission, concession, or presumption that the consideration to be given under the Settlement represents the amount which could be or would have been recovered after trial; *provided, however*, that if the Stipulation is approved by the Court, the Parties and the Releasees and their respective counsel may refer to it, and the Judgment as applicable, to effectuate the protections from liability granted thereunder or otherwise to enforce the terms of the Settlement. Furthermore, notwithstanding anything stated anywhere herein, the Defendants do not, by virtue of the Stipulation or the Settlement, release 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), and nothing herein shall be interpreted as limiting or affecting Defendants' claims in that action in any way, as it currently exists or as it may be amended.

28. **Supporting Papers** – Lead Counsel shall file and serve the opening papers in support of the proposed Settlement, the Plan of Allocation, and Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses no later than thirty-five (35) calendar days prior to the Settlement Hearing; and reply papers, if any, shall be filed and served no later than seven (7) calendar days prior to the Settlement Hearing.

29. The Court retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement.

SO ORDERED this _____ day of _____, 2018.

_____

The Honorable Barbara M.G. Lynn
United States District Judge

EXHIBIT A-1

Exhibit A-1

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, Plaintiffs, v. UNITED DEVELOPMENT FUNDING IV, et al., Defendants.	Civil Action No.: 4:16-cv-00188-M

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 25, 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 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., UMTH General Services, L.P., UMTH 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

[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.

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 $0.23 per share if the contingent payment is made, $0.16 per share if it isn't, and $0.79 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:	
SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN _____, 2018.	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.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASSES BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS *RECEIVED* NO LATER THAN _____, 2018.	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.

OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS *RECEIVED* NO LATER THAN _____, 2018.	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.
GO TO A HEARING ON _____, 2018 AT __:__ __.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS *RECEIVED* NO LATER THAN _____, 2018.	Filing a written objection and notice of intention to appear by _____, 2018 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.
DO NOTHING.	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.

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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 Texas 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., UMTH General Services, L.P., UMTH 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 and 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., UMTH 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 _____, 20__, 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 25, 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 [__] 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 _____, 20__.

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 entities affiliated with or under common ownership or corporate control by the Underwriter 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 does not include individuals or entities involved in the sale or promotion of UDF IV or V securities unless such persons were employed by, were the employer of, were affiliated with or under common ownership or corporate control by, any of the Defendants, except that no pending or potential claims brought in FINRA customer arbitration against any entities affiliated with or under common ownership or corporate control by the Underwriter Defendants are released.

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 _____, 2018**. 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 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 _____, 2018 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 25, 2014 through and including March 8, 2016, and 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 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, 2016[2], the

[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.

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 $6.52[3] 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 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.

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:

[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.

(I) Recognized Loss for UDF V shares purchased or otherwise acquired during the UDF V Settlement Class Period (July 25, 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 share[4].

(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 share[5]; 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 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

[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.

this Notice, you must provide all your purchases, acquisitions and sales of UDF V shares during the period July 25, 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 Amount[6] and (ii) the sum of the Total Sales Proceeds[7] 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

[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.

[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.

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 _____, 2018.** 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 25, 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 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 _____, 2018 at __:__ _.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 _____, 2018. 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 _____, 2018**.

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

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Suite 1020
1500 JFK Boulevard
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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 _____, 2018**. 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 _____, 2018**.

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 25, 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
(800) 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: _____, 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

EXHIBIT A-2

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: _____

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 25, 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 _____, 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 _____ 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 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 24, 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 25, 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 25, 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 __. 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.

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

EXHIBIT A-3

Exhibit A-3

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, Plaintiffs, v. UNITED DEVELOPMENT FUNDING IV, et al., Defendants.	Civil Action No.: 4:16-cv-00188-M

SUMMARY 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

TO: 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 and allegedly were damaged thereby (the "UDF IV Settlement Class") and all persons and entities who or which purchased or otherwise acquired shares of UDF V common stock from July 25, 2014 through and including March 8, 2016 and allegedly were damaged thereby (the "UDF V Settlement Class" and together with the UDF IV Settlement Class, the "Settlement Classes"):

PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS WILL BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Northern District of Texas (the "Court"), that the above-captioned litigation (the "UDF Class Actions"), consolidated for the

purpose of presenting the proposed settlements to the Court, and which has been certified, for settlement purposes only, as a class action on behalf of the Settlement Classes, except for certain persons and entities who are excluded from the Settlement Classes by definition as set forth 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 "Internet Notice"). You may review and obtain a copy of the Internet Notice in the manner described below.

YOU ARE ALSO NOTIFIED that Plaintiffs and the Defendants in the UDF Class Actions have reached a proposed settlement that, if approved, will resolve all claims in the UDF Class Actions, in return for a payment to the UDF IV Settlement Class of $7,041,437 in cash, and a contingent payment of $3,000,000, and to the UDF V Settlement Class, a payment of $3,394,288 in cash (the "Settlement").

A hearing will be held on _____, 2018 at __:__ _.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, to determine (i) whether the proposed Settlement should be approved as fair, reasonable, and adequate; (ii) whether the Action should be dismissed with prejudice against Defendants, and the Releases specified and described in the Stipulation and Agreement of Settlement dated August 13, 2018 (and in the Internet Notice) should be granted; (iii) whether the proposed Plan of Allocation should be approved as fair and reasonable; and (iv) whether Lead Counsel's application for an award of attorneys' fees and reimbursement of expenses should be approved.

If you are a member of a Settlement Class, your rights will be affected by the Court's rulings in these cases and the proposed Settlement, and you may be entitled to share in the Settlement Fund. You may obtain copies of the Internet Notice and Claim Form by contacting the Claims Administrator at *UDF IV and UDF V Settlements*, c/o Strategic Claims Services, P.O. Box 230, 600 N. Jackson Street, Suite 205, Media, PA 19063, Tel: 866-274-4004, Fax: 610-565-7985; info@strategicclaims.net. Copies of the Internet Notice and Claim Form can also be downloaded from the website maintained by the Claims Administrator, www.strategicclaims.net.

If you are a member of a Settlement Class, in order to be eligible to receive a payment under the proposed Settlement, you must submit a Claim Form *postmarked* no later than _____, 2018 to the Claims Administrator. If you are a Settlement Class Member and do not submit a proper Claim Form, you will not be eligible to share in the distribution of the net proceeds of the Settlement, but you will nevertheless be bound by any judgments or orders entered by the Court in the UDF Class Actions.

If you are a member of a Settlement Class and wish to exclude yourself from the Settlement Class, you must submit a request for exclusion such that it is *received* no later than _____, 2018, in accordance with the instructions set forth in the Internet Notice. If you properly exclude yourself from a Settlement Class, you will not be bound by any judgments or orders entered by the Court in the UDF Class Actions and you will not be eligible to share in the proceeds of the Settlement.

Any objections to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel's motion for attorneys' fees and reimbursement of expenses, must be filed with the

Court and delivered to Plaintiff's Counsel and Defendants' Counsel so that they are *received* no later than _____, 2018, in accordance with the instructions set forth in the Internet Notice.

Please do not contact the Court, the Clerk's office, UDF, or its counsel regarding this notice. All questions about this notice, the proposed Settlement, or your eligibility to participate in the Settlement should be directed to Lead Counsel or the Claims Administrator.

Requests for the Internet Notice and Claim Form should be made 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

Inquiries, other than requests for the Internet Notice and Claim Form, should be made to Lead Counsel:

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

By Order of the Court

EXHIBIT A-4

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

[Postage Prepaid]

COURT-ORDERED LEGAL NOTICE

Important Notice about a Securities Class Action Settlement.

You may be entitled to a CASH payment. This Notice may affect your legal rights. Please read it carefully.

UDF IV & UDF V Settlements,
Case No. 3:15-cv-4030-M

Name
Address
City, State
Zip

THIS CARD PROVIDES ONLY LIMITED INFORMATION ABOUT THE SETTLEMENT. PLEASE VISIT www.strategicclaims.net ***FOR MORE INFORMATION.***

There has been a proposed Settlement of claims against United Development Funding IV and United Development Funding Income Fund V ("UDF IV" & "UDF V" and collectively, "UDF" or the "Company"), certain executives and directors of UDF, and UDF's underwriters and accountant ("Defendants") with respect to alleged violations of federal and Texas state securities laws. The Settlement would resolve lawsuits in which Plaintiffs allege that Defendants made statements that were false and/or misleading and/or omitted information that was needed to render certain statements not misleading in, among other places, the Company's financial statements. Defendants deny any wrongdoing. You received this Notice because you or a family member may have purchased or otherwise acquired shares of (i) UDF IV common stock between March 8, 2011 through and including February 4, 2016 (the "UDF IV Settlement Class"), and/or (ii) UDF V common stock between July 25, 2014 and March 8, 2016, inclusive (the "UDF V Settlement Class"), and allegedly were damaged thereby.

Defendants have agreed to pay the UDF IV Settlement Class $7,041,437 in cash, and a contingent payment of $3,000,000, and pay the UDF V Settlement Class $3,394,288 in cash to settle the consolidated case and obtain a release of asserted and related claims. After deduction of any Court-approved attorneys' fees and litigation expenses, the settlement proceeds will be divided amongst UDF IV and V Class Members who submit a valid Proof of Claim and Release ("Proof of Claim"). The Stipulation and Agreement of Settlement, which is available at www.strategicclaims.net, describes all of the details of the proposed Settlement. Your share of the Settlement proceeds will depend on whether you held shares of UDF IV and/or UDF V common stock, the number of valid Proofs of Claim submitted, and the timing and amount of your UDF IV and/or UDF V stock transactions, among other things. Generally, the more UDF shares you held, the more money you will receive. If every eligible Class Member submits a valid Proof of Claim, the average recovery will be $0.33 per share of UDF IV if the contingent payment is made, $0.23 per share of UDF IV if the contingent payment is not made, and $1.15 per share of UDF V, before expenses and other Court-ordered deductions. The number of claimants who send in claims varies widely from case to case. Your award will be determined *pro rata* based on the number of claims submitted. This is further explained in the detailed Internet Notice found on the Settlement website.

To qualify for payment, you must submit a Proof of Claim to the Claims Administrator. A copy of the Proof of Claim can be found on the website www.strategicclaims.net or will be mailed to you upon request to the Claims Administrator, Strategic Claims Services (call toll-free (866) 274-4004 or email info@strategicclaims.net). PROOFS OF CLAIMS MUST BE POSTMARKED BY _____, 2018. If you do not want to be legally bound by the Settlement, you must exclude yourself by _____, 2018, or you will not be able to sue the Defendants about the legal claims in this case. If you exclude yourself, you cannot get money from this Settlement. If you want to object to the Settlement, you may file an objection by _____, 2018. The detailed Internet Notice explains how to exclude yourself or object.

The Court will hold a hearing in this case on _____, 2018 to consider whether to approve the Settlement and a request by the lawyers representing the Class for up to 30% of the Settlement Fund in attorneys' fees, plus actual expenses and certain Plaintiffs' expenses, for litigating the case and negotiating the Settlement. You may attend the hearing and ask to be heard by the Court, but you do not have to. For more information, call toll-free (866) 274-4004 or visit the Settlement website, www.strategicclaims.net.

YOU MAY OBTAIN A FULL, PRINTED COPY OF THE INTERNET NOTICE AND PROOF OF CLAIM AT NO CHARGE BY CALLING TOLL FREE, (866) 274-4004.

EXHIBIT B

Exhibit B

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, Plaintiffs, v. UNITED DEVELOPMENT FUNDING IV, et al., Defendants.	Civil Action No.: 4:16-cv-00188-M

FINAL JUDGMENT APPROVING CLASS ACTION SETTLEMENT

WHEREAS, the Court consolidated the above-captioned actions (the "UDF Class Actions") for settlement purposes only;

WHEREAS, (a) Lead Plaintiff Louis J. D'Annibale and Plaintiffs Mark Hay and Paul Brown (together with Lead Plaintiff, the "Plaintiffs"), on behalf of themselves and the Settlement Classes, and (b) defendants United Development Funding IV ("UDF IV") and United Development Funding Income Fund V ("UDF V"), together with their affiliates, including UMT Services, Inc., UMTH General Services, L.P., UMTH Land Development, L.P., UMT Holdings, L.P., UDF Holdings, L.P., UDFH General Services, L.P., UDFH Land Development, L.P., and

certain current or former officers and/or trustees of UDF IV and/or UDF V, Steven J. Finkle, J. Heath Malone, Phillip K. Marshall, Hollis M. Greenlaw, Todd Etter, Cara D. Obert, David A. Hanson, Scot O'Brien, Brandon Jester, Michael K. Wilson, Ben L. Wissink, Eustace W. Mita and Melissa H. Youngblood, certain underwriters of UDF IV and UDF V, AR Capital, LLC, American Reality Capital Residential Advisors, LLC, Nicholas S. Schorsch, Edward M. Weil, William M. Kahane, Peter M. Budko, Brian S. Block, the former auditor of UDF IV and UDF V, Whitley Penn LLP, Centurion American Development Group and Mehrdad Moayedi (collectively, the "Defendants"; and together with Plaintiffs, the "Parties") have entered into a Stipulation and Agreement of Settlement dated August 13, 2018 (the "Stipulation"), that provides for a complete dismissal with prejudice of the claims asserted against Defendants in the UDF Class Actions on the terms and conditions set forth in the Stipulation, subject to the approval of this Court (the "Settlement");

WHEREAS, unless otherwise defined in this Judgment, the capitalized terms herein shall have the same meaning as they have in the Stipulation;

WHEREAS, by Order dated _____ __, 2018 (the "Preliminary Approval Order"), this Court: (a) preliminarily approved the Settlement; (b) certified the Settlement Classes solely for purposes of effectuating the Settlement; (c) ordered that notice of the proposed Settlement be provided to potential Settlement Class Members; (d) provided Settlement Class Members with the opportunity either to exclude themselves from the Settlement Classes or to object to the proposed Settlement; and (e) scheduled a hearing regarding final approval of the Settlement;

WHEREAS, due and adequate notice has been given to the Settlement Classes;

WHEREAS, the Court conducted a hearing on _____ __, 2018 (the "Settlement Hearing") to consider, among other things, (a) whether the terms and conditions of the

Settlement are fair, reasonable and adequate to the Settlement Classes, and should therefore be approved; and (b) whether a judgment should be entered dismissing the UDF Class Actions with prejudice as against the Defendants; and

WHEREAS, the Court having reviewed and considered the Stipulation, all papers filed and proceedings held herein in connection with the Settlement, all oral and written comments received regarding the Settlement, and the record in the UDF Class Actions, and good cause appearing therefor;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. **Jurisdiction** – The Court has jurisdiction over the subject matter of the UDF Class Actions, and all matters relating to the Settlement, as well as personal jurisdiction over all of the Parties and each of the Settlement Class Members.

2. **Incorporation of Settlement Documents** – This Judgment incorporates and makes a part hereof: (a) the Stipulation filed with the Court on _____, 2018; and (b) the Postcard Notice, Internet Notice and the Summary Notice, all of which were filed with the Court on _____, 2018.

3. **Class Certification for Settlement Purposes** – The Court hereby affirms its determinations in the Preliminary Approval Order certifying, for the purposes of the Settlement only, the UDF Class Actions as a class action pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure on behalf of the following Settlement Classes:

(a) 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 and were damaged thereby; and

(b) all persons and entities who or which purchased or otherwise acquired shares of UDF V common stock from July 25, 2014 through and including March 8, 2016 and 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 the persons and entities listed on Exhibit 1 hereto who or which are excluded from either or both of the Settlement Classes pursuant to request.

4. **Adequacy of Representation** – Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, the Court hereby affirms its determinations in the Preliminary Approval Order certifying Lead Plaintiff and the *Hay* Plaintiffs (collectively "Plaintiffs") as Class Representatives for the UDF IV and UDF V Settlement Classes, respectively, and appointing Lead Counsel as Class Counsel for the Settlement Classes. Plaintiffs and Lead Counsel have fairly and adequately represented the Settlement Classes both in terms of litigating the UDF Class Actions and for purposes of entering into and implementing the Settlement and have satisfied the requirements of Federal Rules of Civil Procedure 23(a)(4) and 23(g), respectively.

5. **Notice** – The Court finds that the dissemination of the Postcard Notice, Internet Long Form Notice and the publication of the Summary Notice: (a) were implemented in accordance with the Preliminary Approval Order; (b) constituted the best notice practicable

under the circumstances; (c) constituted notice that was reasonably calculated, under the circumstances, to apprise Settlement Class Members of (i) the pendency of the UDF Class Actions; (ii) the effect of the proposed Settlement (including the Releases to be provided thereunder); (iii) Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses; (iv) their right to object to any aspect of the Settlement, the Plan of Allocation and/or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses; (v) their right to exclude themselves from a or the Settlement Class(es); and (vi) their right to appear at the Settlement Hearing; (d) constituted due, adequate, and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement; and (e) satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, as amended, and all other applicable law and rules.

6. **Final Settlement Approval and Dismissal of Claims** – Pursuant to, and in accordance with, Rule 23 of the Federal Rules of Civil Procedure, this Court hereby fully and finally approves the Settlement set forth in the Stipulation in all respects (including, without limitation: the amount of the Settlement; the Releases provided for therein; and the dismissal with prejudice of the claims asserted against Defendants in the UDF Class Actions), and finds that the Settlement is, in all respects, fair, reasonable and adequate to the Settlement Classes. The Parties are directed to implement, perform and consummate the Settlement in accordance with the terms and provisions contained in the Stipulation.

7. The UDF Class Actions and all of the claims asserted against Defendants in the UDF Class Actions by Plaintiffs and the other Settlement Class Members are hereby dismissed

with prejudice. The Parties shall bear their own costs and expenses, except as otherwise expressly provided in the Stipulation.

8. **Binding Effect** – The terms of the Stipulation and of this Judgment shall be forever binding on Defendants, Plaintiffs and all other Settlement Class Members (regardless of whether or not any individual Settlement Class Member has submitted (or submits) a Claim Form or seeks or obtains a distribution from the Net Settlement Fund), as well as their respective successors and assigns. The persons and entities listed on Exhibit 1 hereto are excluded from one or both of the Settlement Classes pursuant to request and are not bound by the terms of the Stipulation or this Judgment.

9. **Releases** – The Releases set forth in paragraphs 5 and 6 of the Stipulation, together with the definitions contained in paragraph 1 of the Stipulation relating thereto, and the limitation on the scope of the Release given by the UDF Defendants and the Centurion Defendants set forth in paragraph 9 of the Stipulation, are expressly incorporated herein in all respects. The Releases are effective as of the Effective Date. Accordingly, this Court orders that:

(a) Without further action by anyone, and subject to paragraph 10 below, upon the Effective Date of the Settlement, Plaintiffs and each of the other Settlement Class Members, on behalf of themselves, and 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 this Judgment, shall have, fully, finally and forever released, waived, relinquished, dismissed and discharged each and every one of Plaintiffs' Released Claims as against all Defendants' Released Persons, whether or not such Settlement Class Member executes and delivers (or had executed and delivered) a claim form or receives (or has received) 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 or 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. This release shall not apply to any person or entity who or which submitted a request for exclusion from one or both of the Settlement Classes, as applicable, that has been accepted by the Court.

(b) Without further action by anyone, and subject to paragraph 10 below, 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 submitted a request for exclusion from one or both of the Settlement Classes, as applicable, that has been accepted by the Court.

10. Notwithstanding paragraphs 9(a) – (b) above, nothing in this Judgment shall bar any action by any of the Parties to enforce or effectuate the terms of the Stipulation or this Judgment. Furthermore, notwithstanding anything stated anywhere herein, Defendants are not releasing 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), and nothing herein shall be interpreted as limiting or affecting Defendants' claims in that action in any way, as it currently exists or as it may be amended.

11. **Claim Bar** – All statutory or common law claims, including claims for indemnity or contribution, by any Person against any of the Releasees, or by any of the Releasees against any Person, arising from the Settlement, shall be permanently barred, extinguished, discharged and satisfied; provided, however, that this Judgement shall not bar any contribution claim by a Defendant against any Releasee whose liability for the Released Claims has been extinguished by the Settlement. In accordance with 15 U.S.C. § 78u-4(f)(7)(B), any final verdict or judgment that might be obtained by or on behalf of a Settlement Class or a Settlement Class Member against any Person based upon or arising out of any Released Claim shall be reduced, prior to entry of judgment, by the greater of (a) the amount that corresponds to the percentage of responsibility for the damages caused to the Settlement Class or the Settlement Class Member assigned to any Releasee; or (b) the amount paid to the Settlement Class by or on behalf of each such Releasee.

12. **Rule 11 Findings** – The Court finds and concludes that the Parties and their respective counsel have complied in all respects with the requirements of Rule 11 of the Federal

Rules of Civil Procedure in connection with the institution, prosecution, defense, and settlement of the Action.

13. **No Admissions** – Neither this Judgment, the confidential Memoranda of Understanding ("MOUs") or other settlement papers between the Parties, the Stipulation (whether or not consummated), including the exhibits thereto and the Plan of Allocation contained therein (or any other plan of allocation that may be approved by the Court), the negotiations leading to the execution of the MOUs and the Stipulation, nor any proceedings taken pursuant to or in connection with the MOUs, the Stipulation and/or approval of the Settlement (including any arguments proffered in connection therewith):

(a) shall be offered against any of the Defendants' Released Persons as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Defendants' Released Persons with respect to the truth of any fact alleged by Plaintiffs or the validity of any claim that was or could have been asserted, or the deficiency of any defense that has been or could have been asserted in the UDF Class Actions or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Defendants' Released Persons, or in any way referred to for any other reason as against any of the Defendants' Released Persons, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation;

(b) shall be offered against any of the Plaintiffs' Released Persons, as evidence of, or construed as, or deemed to be evidence of any presumption, concession or admission by any of the Plaintiffs' Released Persons that any of their claims are without merit, that any of the Defendants' Released Persons had meritorious defenses, or that damages recoverable under the Complaint would not have exceeded the Settlement Amounts, or in any way referred to for any

other reason as against any of the Plaintiffs' Released Persons, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; or

(c) shall be construed against any of the Releasees as an admission, concession, or presumption that the consideration to be given under the Settlement represents the amount which could be or would have been recovered after trial; provided, however, that the Parties and the Releasees and their respective counsel may refer to this Judgment and the Stipulation to effectuate the protections from liability granted hereunder and thereunder or otherwise to enforce the terms of the Settlement.

14. **Retention of Jurisdiction** – Without affecting the finality of this Judgment in any way, this Court retains continuing and exclusive jurisdiction over: (a) the Parties for purposes of the administration, interpretation, implementation and enforcement of the Settlement; (b) the disposition of the Settlement Fund; (c) any motion for an award of attorneys' fees and/or Litigation Expenses by Lead Counsel in the UDF Class Actions that will be paid from the Settlement Fund; (d) any motion to approve the Plan of Allocation; (e) any motion to approve the Class Distribution Order; and (f) the Settlement Class Members for all matters relating to the UDF Class Actions.

15. Separate orders shall be entered regarding approval of a Plan of Allocation and the motion of Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses. Such orders shall in no way affect or delay the finality of this Judgment and shall not affect or delay the Effective Date of the Settlement.

16. **Modification of the Agreement of Settlement** – Without further approval from the Court, Plaintiffs and Defendants are hereby authorized to agree to and adopt such

amendments or modifications of the Stipulation or any exhibits attached thereto to effectuate the Settlement that: (a) are not materially inconsistent with this Judgment; and (b) do not materially limit the rights of Settlement Class Members in connection with the Settlement. Without further order of the Court, Plaintiffs and Defendants may agree to reasonable extensions of time to carry out any provisions of the Settlement.

17. **Termination of Settlement** – If the Settlement is terminated as provided in the Stipulation or the Effective Date of the Settlement otherwise fails to occur, this Judgment shall be vacated, rendered null and void and be of no further force and effect, except as otherwise provided by the Stipulation, and this Judgment shall be without prejudice to the rights of Lead Plaintiffs, the other Settlement Class Members and Defendants, and the Parties shall revert to their respective positions in the UDF Class Actions as April 17, 2017 (Accountant Defendant), April 18, 2017 (Underwriter Defendants), May 15, 2017 (Centurion Defendants) and December 15, 2017 (UDF Defendants), as provided in the Stipulation.

18. **Entry of Final Judgment** – There is no just reason to delay the entry of this Judgment as a final judgment in the UDF Class Actions. Accordingly, the Clerk of the Court is directed to immediately enter this final judgment in the UDF Class Actions.

SO ORDERED this _____ day of _____, 2018.

_____

The Honorable Barbara M.G. Lynn
United States District Judge

Exhibit 1

[List of Persons and Entities Excluded from the Settlement Class Pursuant to Request]