

Message

From: J. Kyle Bass [k@haymancapital.com]
Sent: 12/15/2015 4:40:12 PM
To: andrewleft@gmail.com
Subject: Private Jets and Unpaid Shareholder Loans - UDF
Attachments: A Response to Management - (FINAL 12 15 15).pdf; ATT00001.txt

Hopefully you will like this! Tweet it out if you wish. I would love that.

Reaching Across the Aisle of Your Private Jet Does Not Equal an Arms' Length Transaction United Development Funding (UDF)

On December 14, 2015, United Development Funding (UDF) management filed a Form 8-K and press release with management's rambling response attempting to further lull investors with the old saw, "they just don't understand our business." Management has been misleading investors for years, and its response continues further down the path of deception. Not only were management's responses deceptive; in some cases, the responses were comical. Certain responses have already been debunked on the Harvest Exchange, posted subsequent to the filing of the Form 8-K. Other hollow responses will be discredited in this post and more will follow in the coming days, weeks and months.

However, there was at least one material omission from management's responses – Deficiency Notes – that needs to be highlighted:

Management failed to discuss the **millions of dollars that insiders lost** on behalf of public shareholders. The UDF affiliated companies at issue are generally in the business of non-regulated, non-bank lending. Pre-financial crisis, the insiders issued loans from public entities (which they managed but DID NOT own) to their own private entities (which they not only managed but also owned). Management suffered tremendous losses on the loans issued to their own private entities and have been deceiving new unsuspecting investors regarding the reality of their "spectacular" track record ever since. The losses that resulted from poor investment decisions by management eight years ago are still shown as "assets" of the public company. Management calls them "deficiency notes" and "recourse obligations." In reality, these are just I-OWE-YOUs that management has never repaid.

Deficiency Notes – "The Check Is In The Mail", For The Last Eight Years

UDF's management began deceiving its fund investors essentially from the beginning. United Mortgage Trust (UMT), a UDF affiliate with public shareholders and UDF-managed entity, provides the earliest example. Pre-dating the financial crisis, management caused UDF-managed entities to issue loans to insiders, including entities owned by Hollis Greenlaw and Todd Etter, CEO and Chairman respectively, and these insiders in turn loaned these funds to third-parties that turned out to not be creditworthy. When these loans went bad during and subsequent to the financial crisis, the insiders had to foreclose on the collateral which resulted in considerable realized losses to the insiders and their private entities. To date, these losses have never been recognized by UMT, the public entity. Historical losses by the insiders' private entities (\$73 million in I-OWE-YOUs never recognized) and other loans to insiders (\$80 million) in their entirety make up for a whopping \$153 million, or 84% of UMT's assets.

In an attempt to cover up these losses, management has issued to themselves opaque and official sounding instruments called unsecured deficiency notes and recourse obligations ("Deficiency Notes") in the amount of approximately \$73 million bearing interest at a rate of 1.75% (apparently, insiders and management believe, despite the realized losses, that they are more creditworthy than the U.S. government). This **balance remains unpaid and uncollected for the last 8 years following the financial crisis, despite the non-market interest rate of 1.75%**. Why has management not moved to collect on the \$73 million Deficiency Note balance? The obvious answer is because Hollis Greenlaw and his insider friends would be forced to collect on themselves. Give up the private jets, country clubs, fancy cars and mansions? Nah, "We're Good."

A Deficiency Note is effectively an IOU that management and insiders have not been able to repay. Here is how UMT describes them in its latest Form 10-Q for the quarter ended September 30, 2015:

When principal and interest on an underlying loan is due in full, at maturity or otherwise, the corresponding obligation owed by the originating company to [UMT] is also due in full. If the

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borrower or **[UMT] forecloses on property securing an underlying loan**, or if [UMT] forecloses on property securing a purchased loan, **and the proceeds from the sale are insufficient to pay the loan in full**, the originating company has the option of (1) repaying the outstanding balance owed to [UMT] associated with the underlying loan or purchased loan, as the case may be, **or (2) delivering to [UMT] an unsecured deficiency note in the amount of the deficiency.**

A Deficiency Note is better defined as a mulligan issued by management to itself. UMT Holdings (UMTH) is the management entity that ultimately owes a considerable amount of these Deficiency Notes to UDF-managed entities and is **owned by 10 management insiders**, including Hollis Greenlaw and Todd Etter who combine to own 60% of UMTH. UMTH is the external manager of all four public UDF affiliated programs, and accordingly, UMTH's primary asset is the fee stream from UDF's public affiliates. Should investors in UDF lose faith in management and replace them, the external manager does not have any apparent means to repay the Deficiency Notes, which represent realized but never recognized (or collected) losses. **If any reasonable, non-conflicted fiduciary were appointed to manage UMT, that fiduciary would move swiftly to demand payment and collect on the Deficiency Notes.**

Leading to further questions about management credibility, **the interest rates on Deficiency Notes owed by Hollis Greenlaw and his management crew of insiders (1.75%) are significantly lower than the interest rates on Deficiency Notes owed by "non-related parties" (14.0%).** Does management pretend that insider Deficiency Notes which bear interest at a rate dramatically below a market rate are arms' length transactions?

When losses are realized, (i) why is management rewarded with 1.75% interest loans (ii) why is there such a large disparity in rates between Deficiency Notes owed by insiders (Hollis Greenlaw and Todd Etter, et al.) and Deficiency Notes owed by "non-related" parties, (iii) why do UDF-managed entities not recognized the losses from its prior failures, and (iv) why would public shareholders of UDF-managed entities pay a "trust administration fee" to management as compensation to manage their historical losses?

Collectively, insiders, including Hollis Greenlaw and Todd Etter, CEO and Chairman respectively, owe \$153 million to public shareholders in the form of I-OWE-YOUs and other loans. These obligations show up as "assets" of UDF-managed entities and account for 84% of total UMT "assets."

| UNITED MORTGAGE TRUST CONSOLIDATED BALANCE SHEETS | | |
|--|-----------------------------------|--------------------------------|
| | September 30, 2015 (unaudited) | December 31, 2014 (audited) |
| Assets: | | |
| Cash and cash equivalents | \$ 611,761 | \$ 984,841 |
| Mortgage investments: | | |
| Investment in trust receivable | 330,082 | 536,084 |
| Investment in residential mortgages | - | 159,375 |
| Interim mortgages, related party | - | 15,830,254 |
| Allowance for loan losses | - | (105,462) |
| Total mortgage investments, net | 330,082 | 16,420,251 |
| Lines of credit receivable, related parties | 80,387,639 | 90,844,122 |
| Lines of credit receivable | 19,044,088 | 15,706,986 |
| Accrued interest receivable | 2,411,297 | 4,234,105 |
| Accrued interest receivable, related parties | 1,847,240 | 13,025,687 |
| Reserves - accrued interest receivable | (1,832,025) | (5,027,174) |
| Recourse obligations, related parties | 31,588,811 | 20,190,990 |
| Real estate owned, net | 4,139,755 | 4,439,004 |
| Deficiency notes | 2,325,770 | 3,258,330 |
| Deficiency note, related party | 41,347,144 | 28,739,855 |
| Allowance for loan losses - deficiency notes | (1,207,949) | (591,447) |
| Other assets | 302,059 | 394,783 |
| Total assets | \$ 182,329,752 | \$ 192,620,333 |

WHILE A SMALL GROUP OF INSIDERS, INCLUDING CEO HOLLIS GREENLAW, OWE \$73 MILLION IN I-OWE-YOUS TO PUBLIC SHAREHOLDERS, WHY IS HE FLYING AROUND IN A PRIVATE JET?



AND WHY HAS THE CEO OF UDF (HOLLIS GREENLAW) OWNED A PRIVATE JET WITH THE CEO OF UDF'S LARGEST BORROWER (MEHRDAD MOAYEDI)? THE RELATIONSHIP IS MUCH DEEPER...



AND APPEARS TO BE IN STARK CONTRAST TO UDF'S DISCLOSURE THAT THERE ARE NOT "ANY MATERIAL CONFLICTS OF INTEREST BETWEEN OUR EXECUTIVES AND OUR LARGEST GROUP OF RELATED BORROWERS OR ITS PRINCIPAL."

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AIRCRAFT SECURITY AGREEMENT
(Continued)

Loan No: 3770177001 Page 7

Grantor. The word "Grantor" means G-III N77BT, LLC, a Delaware limited liability company.
Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the indebtedness.
Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.
Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents.
Lender. The word "Lender" means Mutual of Omaha Bank, its successors and assigns.
Note. The word "Note" means the Note executed by G-III N77BT, LLC, a Delaware limited liability company in the principal amount of \$1,275,000.00 dated August 8, 2012, together with all renewals, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.
Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guarantees, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AIRCRAFT SECURITY AGREEMENT AND GRANTOR AGREES TO ITS TERMS. THIS AIRCRAFT SECURITY AGREEMENT IS DATED AUGUST 8, 2012.

GRANTOR:

G-III N77BT, LLC, a DELAWARE LIMITED LIABILITY COMPANY

CHRISMAC COMPANY, LLC, AN TEXAS LIMITED LIABILITY COMPANY, Member of G-III N77BT, LLC, a Delaware limited liability company

By: Hollie M. Greenlaw, Managing Member of
CHRISMAC COMPANY, LLC, a Texas limited liability company

LENDER:

MUTUAL OF OMAHA BANK

By: Robert B. Wright
Authorized Signer

5225-770 Lending, Inc. 1-800-855-8800 (toll-free) Federal Reserve, Box 17071, ST. Louis, Missouri 63187-0701 © 2012 LUMINA Security, LLC (Circular 170-02)

THE RELATIONSHIP BETWEEN GREENLAW AND MOAYEDI GOES BEYOND JUST THE COMMON OWNERSHIP OF A PRIVATE JET AND FAR BEYOND THAT OF A LENDER AND BORROWER; NUMEROUS OTHER EXAMPLES EXIST. MANAGEMENT MUST HAVE A DIFFERENT DEFINITION OF "MATERIAL" THAN SHAREHOLDERS.

| ASSIGNMENT OF SPECIAL REGISTRATION NUMBERS | | | | | | | | | |
|--|---|--|--------------------------------------|--------------------------------------|--|---|---|---|---|
|  U.S. Department of Transportation Federal Aviation Administration | <table border="1"><tr><td>Aircraft Make and Model</td><td>GULFSTREAM AMERICAN CORP. G-1159A</td></tr><tr><td>Serial Number</td><td>429</td></tr><tr><td>Issue Date</td><td>Oct 24, 2013</td></tr></table> | Aircraft Make and Model | GULFSTREAM AMERICAN CORP. G-1159A | Serial Number | 429 | Issue Date | Oct 24, 2013 | | |
| Aircraft Make and Model | GULFSTREAM AMERICAN CORP. G-1159A | | | | | | | | |
| Serial Number | 429 | | | | | | | | |
| Issue Date | Oct 24, 2013 | | | | | | | | |
| ICAO AIRCRAFT ADDRESS CODE FOR N77HQ - 5246344 | | | | | | | | | |
| <table border="1"><tr><td>G-III N77BT LLC 2711 CENTERVILLE RD STE 400 WILMINGTON DE 19808-1443 [Barcode]</td></tr></table> | G-III N77BT LLC 2711 CENTERVILLE RD STE 400 WILMINGTON DE 19808-1443 [Barcode] | <table border="1"><tr><td>Special Registration Number N77HQ</td></tr><tr><td>Present Registration Number N77BT</td></tr><tr><td>This is your authority to change the United States registration number on the above described aircraft to the special registration number shown.</td></tr><tr><td>Copy signature of this firm is the aircraft together with the old registration certificate as interim authority to operate the aircraft pending receipt of revised certificate of registration.</td></tr><tr><td>Obtain a revised certificate of airworthiness from your nearest Flight Standards District Office.</td></tr><tr><td>The latest FAA Form 8130-6, Application For Airworthiness on file is dated: May 27, 1984</td></tr><tr><td>The aircraft's classification and category: STD TRANSP</td></tr></table> | Special Registration Number N77HQ | Present Registration Number N77BT | This is your authority to change the United States registration number on the above described aircraft to the special registration number shown. | Copy signature of this firm is the aircraft together with the old registration certificate as interim authority to operate the aircraft pending receipt of revised certificate of registration. | Obtain a revised certificate of airworthiness from your nearest Flight Standards District Office. | The latest FAA Form 8130-6, Application For Airworthiness on file is dated: May 27, 1984 | The aircraft's classification and category: STD TRANSP |
| G-III N77BT LLC 2711 CENTERVILLE RD STE 400 WILMINGTON DE 19808-1443 [Barcode] | | | | | | | | | |
| Special Registration Number N77HQ | | | | | | | | | |
| Present Registration Number N77BT | | | | | | | | | |
| This is your authority to change the United States registration number on the above described aircraft to the special registration number shown. | | | | | | | | | |
| Copy signature of this firm is the aircraft together with the old registration certificate as interim authority to operate the aircraft pending receipt of revised certificate of registration. | | | | | | | | | |
| Obtain a revised certificate of airworthiness from your nearest Flight Standards District Office. | | | | | | | | | |
| The latest FAA Form 8130-6, Application For Airworthiness on file is dated: May 27, 1984 | | | | | | | | | |
| The aircraft's classification and category: STD TRANSP | | | | | | | | | |
| INSTRUCTIONS: SIGN AND RETURN THE ORIGINAL of this form to the Civil Aviation Registry, AFS-750, within 5 days after the special registration number is placed on the aircraft. A revised certificate will then be issued. The authority to use the special number expires: Oct 24, 2014 | | | | | | | | | |
| <table border="1"><tr><td>CERTIFICATION: I certify that the special registration number was placed on the aircraft described above.</td></tr><tr><td>Signature of Owner <u>Mohamed Moayed</u></td></tr><tr><td>Title of Owner MANAGING MEMBER</td></tr><tr><td>Date Aircraft was Assigned 2/3/14</td></tr></table> | CERTIFICATION: I certify that the special registration number was placed on the aircraft described above. | Signature of Owner <u>Mohamed Moayed</u> | Title of Owner MANAGING MEMBER | Date Aircraft was Assigned 2/3/14 | <table border="1"><tr><td>RETURN FORM TO: Civil Aviation Registry, AFS-750 P.O. Box 26504 Oklahoma City, Oklahoma 73125-0504</td></tr></table> | RETURN FORM TO: Civil Aviation Registry, AFS-750 P.O. Box 26504 Oklahoma City, Oklahoma 73125-0504 | | | |
| CERTIFICATION: I certify that the special registration number was placed on the aircraft described above. | | | | | | | | | |
| Signature of Owner <u>Mohamed Moayed</u> | | | | | | | | | |
| Title of Owner MANAGING MEMBER | | | | | | | | | |
| Date Aircraft was Assigned 2/3/14 | | | | | | | | | |
| RETURN FORM TO: Civil Aviation Registry, AFS-750 P.O. Box 26504 Oklahoma City, Oklahoma 73125-0504 | | | | | | | | | |

Reaching Across the Aisle of Your Private Jet Does Not Equal an Arms' Length Transaction
United Development Funding (UDF)

| Officers and Directors | |
|--|--|
| G-III N77BT, LLC Report Year: 2015 | |
| Return to Taxable Entity Search Results | |
| Information on this site is obtained from the most recent Public Information Report (PIR) processed by the Secretary of State (SOS). PIRs filed with annual franchise tax report are available on this site. The information will be updated as changes are received from the SOS. For more information, contact the Secretary of State, Open Government Division, PO Box 13528, Austin, Texas 78711. | |
| Title | Name and Address |
| DIRECTOR | HOLLIS GREENLAW 1301 MUNICIPAL WAY STE 200 GRAPEVINE, TX 76051 |
| MANAGER | HOLLIS GREENLAW 1301 MUNICIPAL WAY STE 200 GRAPEVINE, TX 76051 |
| texas.gov Statewide Search from the Texas State Library State Link Policy Texas Homeland Security | |

Other Management Responses Discredited

Management's response disclosed for the first time that the largest borrower for UDF III, UDF IV, and UDF V is one and the same, Merhddad Moayeddi and his affiliated entities doing business as Centurion American ("Centurion"). Why was this information not disclosed previously? Management's response detailed exactly the contention made in the Harvest Exchange post (<http://hvst.co/1IQPULr>). However, rather than address the pertinent questions, management deceptively tried to make it seem like it had already disclosed to each shareholder group (UDF III, UDF IV and UDF V) that the largest borrower of each was also the largest borrower of all three companies. **Management had never disclosed this at any time in UDF's history. Period. Should a shareholder of UDF IV be required to read UDF III and UDF V's financial disclosures in order to learn material omitted facts about the lending relationship between its largest borrower and its affiliates.** Management did not address the consequences of this revelation: the existence of an inherent default risk across the funds associated with this concentration in a single borrower.

How does management justify the inherent default risk across the funds created by the lack of lending diversity? According to management, UDF "concentrate[s] [its] lending to **seasoned and accomplished** builders and **developers**. [UDF's] largest group of related borrowers represents one of the largest single-family developers in North Texas." Management would have investors believe that its largest borrower, Centurion, is a "seasoned and accomplished" developer. If so, why does a "seasoned and accomplished" developer borrow capital to finance residential development at 13% interest? Considering the \$585 million of debt owed to UDF by Centurion / Mehrdad Moayeddi, UDF's largest individual borrower, this high interest rate results in approximately \$75 million in contractually obligated annual interest expense. Actual, seasoned and accomplished developers in Dallas-Fort Worth (one of the hottest sub-markets in the country) finance developments with a combination of debt with interest rates below 5% and equity – equity which Centurion does not appear to have.

Management asserts that the posts on Harvest Exchange "clearly demonstrate a lack of understanding of the residential development project life cycle." It appears that management demonstrates "a lack of understanding"

of the credit quality of real estate developers that borrower at 13% as a primary financing source. Mezzanine financing, while utilized in real estate, is rarely a primary source of project finance – except for UDF's largest borrower, Centurion, who happens to borrow at 13% mezzanine levels – as a primary source of project finance.

Management acknowledges that Centurion does not actually pay cash interest in many cases, which helps explain how Centurion funds the 13% interest cost: "[m]ost of our loans allow for interest accrual, which causes the loan balance to increase. Some projects may start development right away[.]" Most loans accrue larger and larger balances. Management fails to address the consequence of this statement. If it is accruing non-cash interest income on a material number of loans, how is it financing the distributions required in order to maintain its taxable status as a REIT related to that non-cash current income? Everybody understands the negative carry nature of real estate development and the concepts of interest reserves and non-cash interest accrual; UDF is recognizing non-cash income and having to fund distributions by sourcing new capital, given the income is by definition, not cash. Management fails to explain how the unit economics can possibly work given the significant time mismatch between income "earned" vs. cash interest generated.

And how does management assess and justify the accrued balances of the loans? Well, management "evaluate[s] each loan and its underlying collateral or business purpose on a quarterly basis." See background on insider Deficiency Notes and management's accounting treatment thereof. Despite the poor track record, management defended the business model and its ability to accrue interest (and accurately mark) loans up to much larger and larger accrued balances. Management deceptively characterizes the practice of transferring loans with years of accrued interest from fund to fund and providing liquidity from one to another as the "advantage of investing in projects previously underwritten and actively monitored by UDF." Management omits any mention of the 10-15% in broker fees and origination fees in order for the "next UDF investors" to invest in "existing UDF loans," capital which was already subjected to the 10-15% in fees. Management further fails to explain how it could possibly justify the friction of incurring such high fees multiple times if a loan could really stand on its own and service itself. Hollis Greenlaw and his management crew prey on mom and pop investors by using the complexity of hundreds of entities to obscure the fact that they raise capital from new funds in order to pay off old funds.

Unfortunately for UDF investors, there are a material number of instances in which management has used funds from the next fund to acquire "accrued-up"(i.e. UNPAID) loans from a prior fund, including cases in which loans issued by UDF to Centurion are collateralized by land that has never been developed (for years, not quarters). One example, Shahan Prairie, has already been made publicly available: (<http://hvst.co/1IQPYL6>). This UNDEVELOPED land has been owned by Centurion and financed by various UDF funds for over 10 years. In their response, management did not refute this balance sheet paralyzing fact, but instead made the preposterous claim that it was all part of "the lifecycle of a single-family residential development, from land acquisition and development to the sale of finished lots to homebuilders." This claim is pure comedy – there is simply no development. As evidenced by the photographs from November 2015, ***Shahan Prairie continues to consist of undeveloped land and, by its own admission, has not generated any revenue in the past 10 years. Management provides no explanation (because it cannot) as to how it makes economic sense to finance this project at a 13% interest rate for 10 years without ever generating any income.*** No sane developer would seriously argue that a 10-year development life cycle for undeveloped land that has not generated any income – all the while accruing interest at 13% – makes any sense whatsoever. Well, that's what UDF's management would have shareholders believe. The 10-year "life cycle" includes a lot of bobbing and weaving, about everything except roads, utilities, houses, people, and cash generated. Visit Shahan Prairie. See for yourself.

Reaching Across the Aisle of Your Private Jet Does Not Equal an Arms' Length Transaction
United Development Funding (UDF)

Shahan Prairie is just one example of many to come. Loans to Centurion regularly (i) do not generate any cash (principal or interest), (ii) are extended without any extension fees (try that one with a bank), and (iii) accrue larger and larger balances (year after year). All while the land remains undeveloped for years (some now approaching a decade). ***Are investors (and the authorities) really going to believe that loans that behave in this manner are arm's length?***

Management's so-called response includes a partial explanation that "[b]ecause extensions are a normal part of our business, we generally do not charge an extension fee." Extensions are also a normal part of bank lending. When a bank grants an extension, it typically does so for a fee.

The old saying "if you owe the bank \$100 that's your problem. If you owe the bank \$100 million, that's the bank's problem" probably best sums up the relationship between UDF and Centurion. Shareholders (and the authorities) have to ask themselves whether loans to Centurion behave this way because they are, in fact, not arm's length transactions? Or is it because Centurion owes a mountain of debt to UDF (\$585 million) that Centurion cannot repay? Or is it because Moayeddi co-owned a private jet with UDF's CEO Hollis Greenlaw? Or is it because Moayeddi and Greenlaw have other financial relationships?

Stay tuned. Additional detail is in the appendix.

MORE RESPONSES TO COME WHILE OTHER DETAILED RESPONSES TO MANAGEMENT CAN BE VIEWED AT:
(<http://hvst.co/1IQPXXr> / <http://hvst.co/1IQQ2KN>).

To submit a tip to the SEC's Office of the Whistleblower: <https://www.sec.gov/about/offices/owb/owb-tips.shtml>.

SEC Office of the Whistleblower

100 F Street NE
Mail Stop 5553
Washington, DC 20549
Fax: (703) 813-9322

Reaching Across the Aisle of Your Private Jet Does Not Equal an Arms' Length Transaction
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APPENDIX I – DETAIL ON DEFICIENCY NOTES, RELATED PARTY

The financial table included below is the balance sheet for UMT Holdings (UMTH) for the period ended December 31, 2014 which was attached as Exhibit 99.1 to UMT's Form 10-K for the period ended December 31, 2014. The hole in UMTH's balance sheet is primarily due to the deficiency note owed to UMTH which is classified as "Notes payable – related parties".

UMT HOLDINGS, L.P.
CONSOLIDATED BALANCE SHEETS

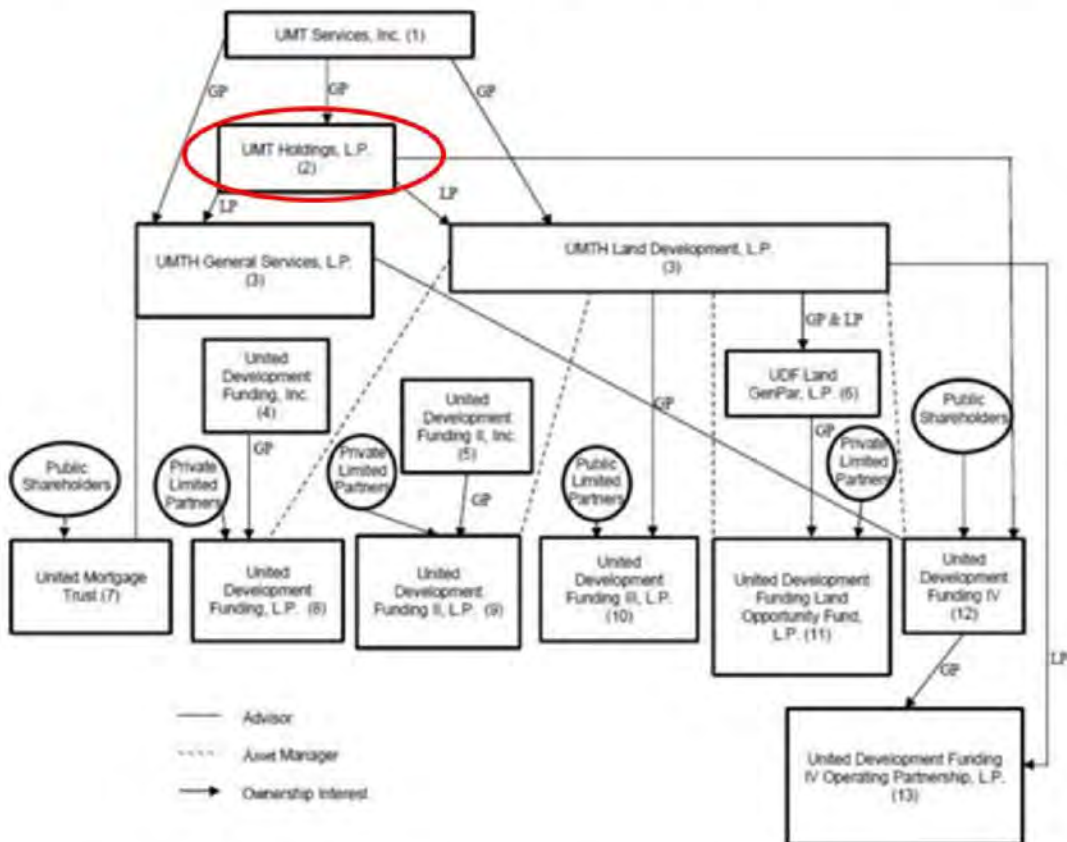
| | December 31, | |
|--|----------------------|----------------------|
| | 2014 | 2013 |
| Assets | | |
| Cash and cash equivalents | \$ 411,665 | \$ 789,496 |
| Accounts receivable | 164,640 | 41,392 |
| Accounts receivable - related parties | 18,051,480 | 11,184,064 |
| Profits interest receivable - related parties | 75,647 | 75,647 |
| Investment in partnerships | 1,239,434 | 846,435 |
| Notes receivable, net of reserves for loan losses of \$121,428 and \$124,764, respectively | 11,417,789 | 11,657,783 |
| Notes receivable - related parties | - | 4,219,971 |
| Property and equipment, net of accumulated depreciation of \$1,516,380 and \$1,337,915, respectively | 449,396 | 373,286 |
| Other assets, net of accumulated amortization of \$2,011,045 and \$1,985,974, respectively | 639,843 | 694,421 |
| Total assets | \$ 32,449,894 | \$ 29,882,495 |
| Liabilities and Partners' Deficit | | |
| Accounts payable and accrued liabilities | \$ 3,425,784 | \$ 2,192,894 |
| Accounts payable - related parties | 9,783,187 | 10,294,069 |
| Lines-of-credit | 5,343,808 | 6,430,475 |
| Notes payable | 330,454 | 166,441 |
| Notes payable - related parties | 54,895,255 | 57,431,245 |
| Total liabilities | 73,787,488 | 76,515,124 |
| Commitments and contingencies | | |
| Partners' deficit: | | |
| General partner's deficit | (4,746,848) | (10,165,880) |
| Series A limited partners' deficit | (20,670,000) | (20,670,000) |
| Class C limited partners' deficit | (12,783,542) | (12,677,643) |
| Class D limited partners' deficit | (3,137,204) | (3,119,106) |
| Total partners' deficit | (41,337,594) | (46,632,629) |
| Total liabilities and partners' deficit | \$ 32,449,894 | \$ 29,882,495 |

See accompanying notes to consolidated financial statements.

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United Development Funding (UDF)

Below is an organization chart that shows how UMTH fits into the complex web of affiliates.



Below is a disclosure from UDF IV's 10-K filed for the period ended December 31, 2014 that shows exactly who owns UMTH, notice the insiders.

- (2) UMT Services serves as the general partner and owns 0.1% of the limited partnership interests in UMT Holdings, L.P. ("UMT Holdings"). The remaining 99.9% of the limited partnership interests in UMT Holdings are held as follows as of December 31, 2014: Mr. Etter (30.00%), Mr. Greenlaw (30.00%), Craig A. Pettit (5.00%), Timothy J. Kopacka (4.84%), Michael K. Wilson (7.41%), Christine A. Griffin (1.95%), Cara D. Obert (4.82%), William E. Lowe (1.06%), Ben L. Wissink (10.09%) and Melissa H. Youngblood (4.83%).

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Below is UMT's disclosure on what a deficiency note actually is: a realized loss. This disclosure is sourced from UMT's Form 10-Q for the quarter ended September 30, 2015:

5. Deficiency Notes – Related Party and Non Related Party

The Company has made loans in the normal course of business to related parties and non-related parties, the proceeds from which have been used to originate underlying loans that are pledged to the Company as security for such obligations. When principal and interest on an underlying loan is due in full, at maturity or otherwise, the corresponding obligation owed by the originating company to the Company is also due in full. If the borrower or the Company foreclosed on property securing an underlying loan, or if the Company foreclosed on property securing a purchased loan, and the proceeds from the sale were insufficient to pay the loan in full, the originating company had the option of (1) repaying the outstanding balance owed to the Company associated with the underlying loan or purchased loan, as the case may be, or (2) delivering to the Company an unsecured deficiency note in the amount of the deficiency.

As of September 30, 2015, the Company had two deficiency notes with non-related parties totaling approximately \$3,236,000. One note in the amount of approximately \$1,703,000 bears interest at a rate of 14% per annum. The second note in the amount of approximately \$1,533,000 had a reserve of approximately \$1,204,000. The Company does not accrue interest on this second note as the underlying collateral value approximates the note balance, net of reserves.

As of December 31, 2014, the Company had two deficiency notes with non-related parties totaling of approximately \$3,258,000. One note in the amount of approximately \$1,725,000 bears interest at a rate of 14% per annum. The second note in the amount of approximately \$1,533,000 had a reserve of approximately \$591,000. The Company does not accrue interest on this second note as the underlying collateral value approximates the note balance, net of reserves.

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http://www.sec.gov/Archives/edgar/data/101390/000114420415065262/v423429_10q.htm

14/56

12/14/2015

www.sec.gov/Archives/edgar/data/101390/000114420415065262/v423429_10q.htm

As of December 31, 2007, UMTH Lending Company, L.P. ("UMTHLC") issued to the Company a variable amount promissory note in the amount of \$5,100,000 to evidence its deficiency obligations to the Company. The initial principal amount of the note was approximately \$1,848,000. The principal balance as of December 31, 2014 was approximately \$28,740,000. Effective January 1, 2015, UMT entered into a loan modification agreement ("Agreement") with UMTH in which the UMTHLC indebtedness is evidenced by two notes – Note 1 which bears interest at the rate of 1.75% and Note 2 which bears interest at the rate of 2.70%. Both notes mature on December 31, 2017. Under the terms of the modification agreement the following amounts were rolled into the modified UMTHLC Deficiency Note: (1) accrued interest of approximately \$3,333,000, (2) the principal balance and related accrued interest of the UMTHLC Secured Line of Credit Promissory Note of approximately \$11,376,000. As of September 30, 2015, the total outstanding principal balance of the modified UMTHLC Deficiency Notes was approximately \$41,347,000. From December 31, 2007 through September 30, 2015 the Company has received approximately \$11,930,000 in aggregate principal and interest payments under the UMTHLC Promissory Note. Please see Note 4 above for additional information regarding the Agreement.

On a quarterly basis, the Company conducts a review of the underlying borrowers and third party guarantors in order to assess their ability to perform their obligations under the terms of the Deficiency Notes based on updated five year forecasts of future cash flows of the underlying borrowers and guarantors. Such ability to perform is principally dependent upon the borrower's and obligor's ability to realize cash flows from distributions derived from the pledged collateral sufficient to meet their respective current operational needs, as well as to provide liquidity to fund the debt service requirements under the Company's notes. Such review includes, but is not limited to the following related to the guarantor: analyzing current financial statements and operating results, analyzing projected future operating results and validating the assumptions used to generate such projections, forecasting future cash flows and assessing the adequacy of these cash flows to service the Company's notes, conducting discussions with and obtaining representations from the guarantors' management with respect to their current and projected operating results. Based on such reviews, the Company has concluded that the guarantor has the ability to perform under their repayment obligations and that the Deficiency Note balance is fully realizable over their terms. Accordingly, the Company has not recorded any reserves on these loans.

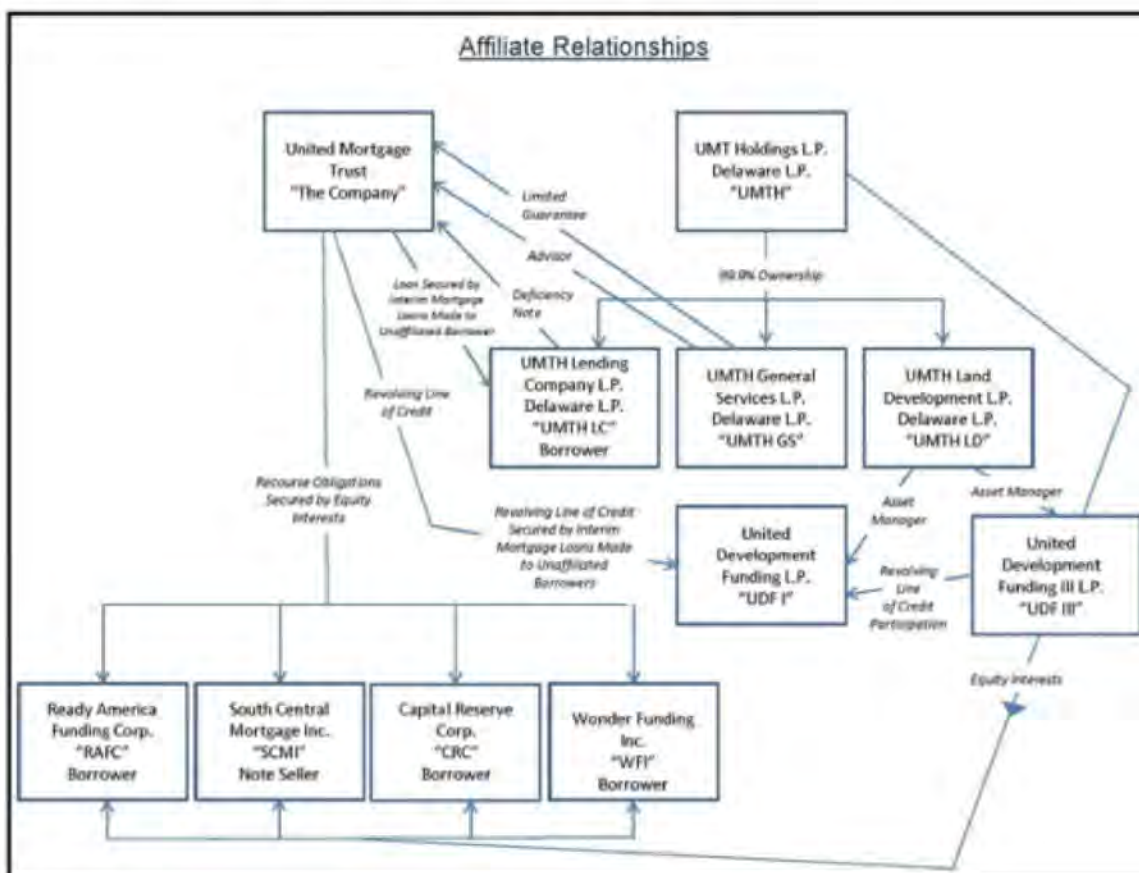
Reaching Across the Aisle of Your Private Jet Does Not Equal an Arms' Length Transaction

United Development Funding (UDF)

UMTH owns 99.9% of UMTH Lending Company, L.P. (UMTHLC) which directly faces UMT which is why the deficiency note is consolidated in UMTH's financial statements.

| United Mortgage Trust Related Party Relationships | | | |
|---|---|--|---------------------|
| Company | Affiliation | Governance | Ownership |
| UMT Holdings, L.P. ("UMTH") | 99.9% owner of our borrower, UMTHLC and our advisor, UMTHGS | UMT Services, Inc. serves as General Partner | 10 Limited Partners |
| UMTH Lending Company, L.P. ("UMTHLC") | Borrower | UMT Services, Inc. serves as General Partner | 99.9% owned by UMTH |

Below is a complex web of other affiliated relationships involving UMTH and UMT that further question management's credibility. Note that UMT is owed a revolving line of credit by UDF I and note that UDF III owns an equity interest in four affiliates owned by insiders: RAFC, SCMI, CRC, and WFI. Also note that these four entities all owe "recourse obligations" to UMT. What is a "recourse obligation"? It is the same thing as a "deficiency note," a realized loss that was not recognized by UMT. And why does UDF III own equity in entities that are unable to repay "recourse obligations" to UMT?



Reaching Across the Aisle of Your Private Jet Does Not Equal an Arms' Length Transaction

United Development Funding (UDF)

APPENDIX II – EXAMPLES OF LOAN PATTERNS FOR CENTURION

“A ROLLING LOAN GATHERS NO LOSS.”

The tables below were created by reviewing up to twelve SEC filings for each individual UDF IV loans (Forms 10-Q and Forms 10-K). The information in the tables below is sourced directly from UDF IV tabular disclosures. Unfortunately, UDF IV does not make it this easy to see the trends and to see exactly what is happening from period to period. A typical investor of UDF (retail moms and pops) is not proficient in reviewing SEC filings and combing through numerous different filings to understand what is happening which is partly why the issues with UDF are hard to recognize.

Each loan detailed below is owed by UDF's largest group of related borrowers. The following eleven loans account for an outstanding balance of \$166 million at September 30, 2015, according to UDF IV's Form 10-Q, representing 26% of the outstanding balance of all UDF IV loans and 40% of all loans issued to UDF IV's largest borrower. While significantly more loans also demonstrate irregularities, this sample set is representative of loans to this developer. As discussed previously, loans to this developer regularly (i) do not generate any cash (principal or interest), (ii) are extended without fees, and (iii) accrue larger and larger balances. All while, in numerous instances, land remains undeveloped for years, in numerous instances.

| Entity | Date | Security | Collateral | Outstanding | | Cash Receipts | | | |
|-------------------|------------|----------|------------------|---------------|---------------|---------------|-------|-------|-------|
| | | | | Balance | Maturity Date | 2015A | 2014A | 2013A | 2012A |
| CTMGT Alpha Ranch | 12/31/2012 | 2nd Lien | 1,122 acres | \$ 10,960,159 | 7/31/14 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Alpha Ranch | 3/31/2013 | 2nd Lien | 1,122 acres | \$ 12,275,621 | 7/31/14 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Alpha Ranch | 6/30/2013 | 2nd Lien | 1,122 acres | \$ 12,533,731 | 7/31/14 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Alpha Ranch | 9/30/2013 | 2nd Lien | 1,122 acres | \$ 14,111,540 | 7/31/14 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Alpha Ranch | 12/31/2013 | 2nd Lien | 1,122 acres | \$ 14,402,932 | 7/31/14 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Alpha Ranch | 3/31/2014 | 2nd Lien | 1,122 acres | \$ 14,647,153 | 7/31/14 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Alpha Ranch | 6/30/2014 | 2nd Lien | 3,026 paper lots | \$ 14,948,798 | 7/31/14 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Alpha Ranch | 9/30/2014 | 2nd Lien | 3,026 paper lots | \$ 17,423,383 | 10/31/14 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Alpha Ranch | 12/31/2014 | 2nd Lien | 3,026 paper lots | \$ 18,101,263 | 10/31/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Alpha Ranch | 3/31/2015 | 2nd Lien | 3,026 paper lots | \$ 18,344,045 | 10/31/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Alpha Ranch | 6/30/2015 | 2nd Lien | 3,026 paper lots | \$ 19,182,736 | 10/31/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Alpha Ranch | 9/30/2015 | 2nd Lien | 3,026 paper lots | \$ 21,757,358 | 10/31/15 | \$ - | \$ - | \$ - | \$ - |

| Entity | Date | Security | Collateral | Outstanding | | Cash Receipts | | | |
|-----------------------|------------|----------|----------------------------|---------------|---------------|---------------|-------|-------|-------|
| | | | | Balance | Maturity Date | 2015A | 2014A | 2013A | 2012A |
| One Windsor Hills LP. | 12/31/2012 | 2nd Lien | 1,583 acres across 3 notes | \$ 18,328,202 | 5/9/15 | \$ - | \$ - | \$ - | \$ - |
| One Windsor Hills LP. | 3/31/2013 | 2nd Lien | 1,583 acres across 3 notes | \$ 18,595,887 | 5/9/15 | \$ - | \$ - | \$ - | \$ - |
| One Windsor Hills LP. | 6/30/2013 | 2nd Lien | 1,583 acres across 3 notes | \$ 20,037,367 | 5/9/15 | \$ - | \$ - | \$ - | \$ - |
| One Windsor Hills LP. | 9/30/2013 | 2nd Lien | 1,583 acres across 3 notes | \$ 20,791,692 | 5/9/15 | \$ - | \$ - | \$ - | \$ - |
| One Windsor Hills LP. | 12/31/2013 | 2nd Lien | 1,990 acres across 4 notes | \$ 23,258,122 | 5/9/15 | \$ - | \$ - | \$ - | \$ - |
| One Windsor Hills LP. | 3/31/2014 | 2nd Lien | 1,990 acres across 4 notes | \$ 23,826,489 | 5/9/15 | \$ - | \$ - | \$ - | \$ - |
| One Windsor Hills LP. | 6/30/2014 | 2nd Lien | 1,952 acres across 4 notes | \$ 25,471,898 | 5/9/15 | \$ - | \$ - | \$ - | \$ - |
| One Windsor Hills LP. | 9/30/2014 | 2nd Lien | 1,952 acres across 4 notes | \$ 25,735,171 | 5/9/15 | \$ - | \$ - | \$ - | \$ - |
| One Windsor Hills LP. | 12/31/2014 | 2nd Lien | 1,954 acres across 4 notes | \$ 27,855,350 | 5/9/15 | \$ - | \$ - | \$ - | \$ - |
| One Windsor Hills LP. | 3/31/2015 | 2nd Lien | 1,954 acres across 4 notes | \$ 28,251,889 | 5/9/15 | \$ - | \$ - | \$ - | \$ - |
| One Windsor Hills LP. | 6/30/2015 | 2nd Lien | 1,954 acres across 4 notes | \$ 30,274,387 | 5/9/16 | \$ - | \$ - | \$ - | \$ - |
| One Windsor Hills LP. | 9/30/2015 | 2nd Lien | 1,954 acres across 4 notes | \$ 30,644,991 | 5/9/16 | \$ - | \$ - | \$ - | \$ - |

Reaching Across the Aisle of Your Private Jet Does Not Equal an Arms' Length Transaction

United Development Funding (UDF)

| Entity | Date | Security | Collateral | Outstanding | | Cash Receipts | | | |
|----------------|------------|--------------|-------------------------------|---------------|---------------|---------------|-------|-------|-------|
| | | | | Balance | Maturity Date | 2015A | 2014A | 2013A | 2012A |
| CTMGT Granbury | 12/31/2012 | 1st Lien | 552 acres | \$ 7,194,564 | 5/21/13 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Granbury | 3/31/2013 | 1st Lien | 552 acres | \$ 7,364,766 | 5/21/13 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Granbury | 6/30/2013 | 1st Lien | 552 acres | \$ 8,450,985 | 5/21/14 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Granbury | 9/30/2013 | 1st Lien | 552 acres | \$ 8,872,308 | 5/21/14 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Granbury | 12/31/2013 | 1st Lien | 552 acres | \$ 9,296,497 | 5/21/14 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Granbury | 3/31/2014 | 1st Lien | 552 acres | \$ 9,510,523 | 5/21/14 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Granbury | 6/30/2014 | 1st/2nd Lien | 3,231 Paper Lots, 1,541 Acres | \$ 12,213,029 | 5/21/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Granbury | 9/30/2014 | 1st/2nd Lien | 3,231 Paper Lots, 1,541 Acres | \$ 12,323,386 | 5/21/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Granbury | 12/31/2014 | 1st/2nd Lien | 2,094 Acres | \$ 13,900,296 | 5/21/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Granbury | 3/31/2015 | 1st/2nd Lien | 2,094 Acres | \$ 14,016,085 | 5/21/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Granbury | 6/30/2015 | 1st/2nd Lien | 2,094 Acres | \$ 15,817,653 | 5/21/16 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Granbury | 9/30/2015 | 1st/2nd Lien | 2,094 Acres | \$ 15,930,883 | 5/21/15 | \$ - | \$ - | \$ - | \$ - |

| Entity | Date | Security | Collateral | Outstanding | | Cash Receipts | | | |
|------------------|------------|----------|---------------------------------|---------------|---------------|---------------|-------|-------|-------|
| | | | | Balance | Maturity Date | 2015A | 2014A | 2013A | 2012A |
| CTMGT Montalcino | 12/31/2012 | 2nd Lien | 478 Acres | \$ 23,531,488 | 12/13/14 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Montalcino | 3/31/2013 | 2nd Lien | 478 Acres | \$ 24,605,284 | 12/13/14 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Montalcino | 6/30/2013 | 2nd Lien | 478 Acres | \$ 25,166,455 | 12/13/14 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Montalcino | 9/30/2013 | 2nd Lien | 478 Acres | \$ 26,230,516 | 12/13/14 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Montalcino | 12/31/2013 | 2nd Lien | 41 Finished Lots, 129 Paper Lot | \$ 30,231,437 | 12/13/14 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Montalcino | 3/31/2014 | 2nd Lien | 36 Finished Lots, 129 Paper Lot | \$ 31,828,627 | 12/13/14 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Montalcino | 6/30/2014 | 2nd Lien | 34 Finished Lots, 129 Paper Lot | \$ 25,086,276 | 12/13/14 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Montalcino | 9/30/2014 | 2nd Lien | 34 Finished Lots, 125 Paper Lot | \$ 25,221,928 | 12/13/14 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Montalcino | 12/31/2014 | 2nd Lien | 33 Finished Lots, 125 Paper Lot | \$ 28,589,524 | 6/13/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Montalcino | 3/31/2015 | 2nd Lien | 30 Finished Lots, 125 Paper Lot | \$ 28,594,520 | 6/13/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Montalcino | 6/30/2015 | 2nd Lien | 28 Finished Lots, 125 Paper Lot | \$ 28,299,279 | 12/13/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Montalcino | 9/30/2015 | 2nd Lien | 24 Finished Lots, 125 Paper Lot | \$ 28,323,188 | 12/13/15 | \$ - | \$ - | \$ - | \$ - |

| Entity | Date | Security | Collateral | Outstanding | | Cash Receipts | | | |
|---------------|------------|----------|------------------|---------------|---------------|---------------|-------|-------|-------|
| | | | | Balance | Maturity Date | 2015A | 2014A | 2013A | 2012A |
| CTMGT Regatta | 12/31/2012 | 2nd Lien | 346 acres | \$ 1,878,285 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Regatta | 3/31/2013 | 2nd Lien | 346 acres | \$ 3,784,917 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Regatta | 6/30/2013 | 2nd Lien | 346 acres | \$ 4,604,430 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Regatta | 9/30/2013 | 2nd Lien | 346 acres | \$ 4,698,100 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Regatta | 12/31/2013 | 2nd Lien | 346 acres | \$ 5,320,012 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Regatta | 3/31/2014 | 2nd Lien | 346 acres | \$ 5,444,909 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Regatta | 6/30/2014 | 2nd Lien | 1,870 Paper Lots | \$ 5,596,879 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Regatta | 9/30/2014 | 2nd Lien | 1,870 Paper Lots | \$ 5,600,134 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Regatta | 12/31/2014 | 2nd Lien | 1,870 Paper Lots | \$ 6,399,688 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Regatta | 3/31/2015 | 2nd Lien | 1,870 Paper Lots | \$ 8,367,412 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Regatta | 6/30/2015 | 2nd Lien | 1,870 Paper Lots | \$ 9,962,479 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Regatta | 9/30/2015 | 2nd Lien | 1,870 Paper Lots | \$ 10,066,569 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |

| Entity | Date | Security | Collateral | Outstanding | | 2015A | 2014A | 2013A | 2012A |
|------------------|------------|--------------|-------------------------|--------------|---------------|-------|-------|-------|-------|
| | | | | Balance | Maturity Date | | | | |
| CTMGT Regatta II | 12/31/2012 | 2nd Lien | 516 acres | \$ 3,447,598 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Regatta II | 3/31/2013 | 2nd Lien | 516 acres | \$ 6,617,242 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Regatta II | 6/30/2013 | 1st/2nd Lien | 10.97 acres + 516 acres | \$ 6,703,193 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Regatta II | 9/30/2013 | 1st/2nd Lien | 10.97 acres + 516 acres | \$ 6,806,692 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Regatta II | 12/31/2013 | 1st/2nd Lien | 10.97 acres + 516 acres | \$ 7,694,714 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Regatta II | 3/31/2014 | 1st/2nd Lien | 10.97 acres + 516 acres | \$ 7,766,713 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Regatta II | 6/30/2014 | 1st/2nd Lien | 10.97 acres + 516 acres | \$ 7,851,031 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Regatta II | 9/30/2014 | 1st/2nd Lien | 10.97 acres + 516 acres | \$ 7,900,630 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Regatta II | 12/31/2014 | 1st/2nd Lien | 10.97 acres + 516 acres | \$ 8,954,283 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Regatta II | 3/31/2015 | 1st/2nd Lien | 10.97 acres + 516 acres | \$ 9,050,282 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Regatta II | 6/30/2015 | 1st/2nd Lien | 10.97 acres + 516 acres | \$ 9,122,166 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Regatta II | 9/30/2015 | 1st/2nd Lien | 10.97 acres + 516 acres | \$ 9,172,204 | 10/25/15 | \$ - | \$ - | \$ - | \$ - |

Reaching Across the Aisle of Your Private Jet Does Not Equal an Arms' Length Transaction

United Development Funding (UDF)

| Entity | Date | Security | Collateral | Outstanding | | Cash Receipts | | | |
|-------------------------|------------|----------|----------------|--------------|---------------|---------------|-------|-------|-------|
| | | | | Balance | Maturity Date | 2015A | 2014A | 2013A | 2012A |
| CTMGT Williamsburg, LLC | 12/31/2012 | 1st lien | 244 acres | \$ 3,916,158 | 2/7/15 | n/a | n/a | n/a | \$ - |
| CTMGT Williamsburg, LLC | 3/31/2013 | 1st lien | 244 acres | \$ 4,415,014 | 2/7/15 | n/a | n/a | \$ - | \$ - |
| CTMGT Williamsburg, LLC | 6/30/2013 | 1st lien | 244 acres | \$ 4,415,014 | 2/7/15 | n/a | n/a | \$ - | \$ - |
| CTMGT Williamsburg, LLC | 9/30/2013 | 1st lien | 244 acres | \$ 4,415,014 | 2/7/15 | n/a | n/a | \$ - | \$ - |
| CTMGT Williamsburg, LLC | 12/31/2013 | 1st lien | 244 acres | \$ 4,427,905 | 2/7/15 | n/a | n/a | \$ - | \$ - |
| CTMGT Williamsburg, LLC | 3/31/2014 | 1st lien | 244 acres | \$ 4,967,653 | 2/7/15 | n/a | \$ - | \$ - | \$ - |
| CTMGT Williamsburg, LLC | 6/30/2014 | 1st lien | 803 paper lots | \$ 4,967,653 | 2/7/15 | n/a | \$ - | \$ - | \$ - |
| CTMGT Williamsburg, LLC | 9/30/2014 | 1st lien | 803 paper lots | \$ 4,986,931 | 2/7/15 | n/a | \$ - | \$ - | \$ - |
| CTMGT Williamsburg, LLC | 12/31/2014 | 1st lien | 803 paper lots | \$ 4,989,209 | 2/7/15 | n/a | \$ - | \$ - | \$ - |
| CTMGT Williamsburg, LLC | 3/31/2015 | 1st lien | 803 paper lots | \$ 5,636,045 | 2/7/17 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Williamsburg, LLC | 6/30/2015 | 1st lien | 803 paper lots | \$ 5,636,045 | 2/7/17 | \$ - | \$ - | \$ - | \$ - |
| CTMGT Williamsburg, LLC | 9/30/2015 | 1st lien | 803 paper lots | \$ 5,636,045 | 2/7/17 | \$ - | \$ - | \$ - | \$ - |

| Entity | Date | Security | Collateral | Outstanding | | Cash Receipts | | | |
|----------------------------|------------|----------|----------------|--------------|---------------|---------------|-------|-------|-------|
| | | | | Balance | Maturity Date | 2015A | 2014A | 2013A | 2012A |
| CTMGT Williamsburg 1B FL-2 | 12/31/2013 | 1st lien | 43,747 acres | \$ 2,156,138 | 10/31/16 | \$ - | \$ - | \$ - | n/a |
| CTMGT Williamsburg 1B FL-2 | 3/31/2014 | 1st lien | 43,747 acres | \$ 2,157,268 | 10/31/16 | \$ - | \$ - | \$ - | n/a |
| CTMGT Williamsburg 1B FL-2 | 6/30/2014 | 1st lien | 141 paper lots | \$ 2,162,518 | 10/31/16 | \$ - | \$ - | \$ - | n/a |
| CTMGT Williamsburg 1B FL-2 | 9/30/2014 | 1st lien | 141 paper lots | \$ 2,191,638 | 10/31/16 | \$ - | \$ - | \$ - | n/a |
| CTMGT Williamsburg 1B FL-2 | 12/31/2014 | 1st lien | 141 paper lots | \$ 2,482,555 | 10/31/16 | \$ - | \$ - | \$ - | n/a |
| CTMGT Williamsburg 1B FL-2 | 3/31/2015 | 1st lien | 141 paper lots | \$ 3,611,119 | 10/31/16 | \$ - | \$ - | \$ - | n/a |
| CTMGT Williamsburg 1B FL-2 | 6/30/2015 | 1st lien | 141 paper lots | \$ 4,064,756 | 10/31/16 | \$ - | \$ - | \$ - | n/a |
| CTMGT Williamsburg 1B FL-2 | 9/30/2015 | 1st lien | 141 paper lots | \$ 5,048,270 | 10/31/16 | \$ - | \$ - | \$ - | n/a |

| Entity | Date | Security | Collateral | Outstanding | | Cash Receipts | | | |
|-----------------------|------------|----------|----------------|--------------|---------------|---------------|-------|-------|-------|
| | | | | Balance | Maturity Date | 2015A | 2014A | 2013A | 2012A |
| CTMGT Frisco 122, LLC | 6/30/2013 | 2nd Lien | 350 Paper Lots | \$ 3,122,872 | 2/28/14 | \$ - | \$ - | \$ - | n/a |
| CTMGT Frisco 122, LLC | 9/30/2013 | 2nd Lien | 350 Paper Lots | \$ 3,140,164 | 2/28/14 | \$ - | \$ - | \$ - | n/a |
| CTMGT Frisco 122, LLC | 12/31/2013 | 2nd Lien | 350 Paper Lots | \$ 3,207,615 | 2/28/14 | \$ - | \$ - | \$ - | n/a |
| CTMGT Frisco 122, LLC | 3/31/2014 | 2nd Lien | 350 Paper Lots | \$ 3,338,579 | 2/28/15 | \$ - | \$ - | \$ - | n/a |
| CTMGT Frisco 122, LLC | 6/30/2014 | 2nd Lien | 350 Paper Lots | \$ 4,366,505 | 2/28/15 | \$ - | \$ - | \$ - | n/a |
| CTMGT Frisco 122, LLC | 9/30/2014 | 2nd Lien | 350 Paper Lots | \$ 4,591,528 | 2/28/15 | \$ - | \$ - | \$ - | n/a |
| CTMGT Frisco 122, LLC | 12/31/2014 | 2nd Lien | 350 Paper Lots | \$ 4,816,235 | 2/28/15 | \$ - | \$ - | \$ - | n/a |
| CTMGT Frisco 122, LLC | 3/31/2015 | 2nd Lien | 350 Paper Lots | \$ 4,896,696 | 5/30/15 | \$ - | \$ - | \$ - | n/a |
| CTMGT Frisco 122, LLC | 6/30/2015 | 2nd Lien | 350 Paper Lots | \$ 5,565,803 | 5/30/15 | \$ - | \$ - | \$ - | n/a |
| CTMGT Frisco 122, LLC | 9/30/2015 | 2nd Lien | 350 Paper Lots | \$ 5,750,184 | 3/31/16 | \$ - | \$ - | \$ - | n/a |

| Entity | Date | Security | Collateral | Outstanding | | Cash Receipts | | | |
|----------------------------|------------|---------------|-----------------------------|---------------|---------------|---------------|-------|-----------|-------|
| | | | | Balance | Maturity Date | 2015A | 2014A | 2013A | 2012A |
| TR Paper Lot Participation | 12/31/2012 | Equity Pledge | 472 acres | \$ 10,619,663 | 1/28/13 | \$ - | \$ - | \$ - | \$ - |
| TR Paper Lot Participation | 3/31/2013 | Equity Pledge | 472 acres | \$ 10,632,663 | 1/28/14 | \$ - | \$ - | \$ - | \$ - |
| TR Paper Lot Participation | 6/30/2013 | Equity Pledge | 472 acres | \$ 10,979,096 | 1/28/14 | \$ - | \$ - | \$ - | \$ - |
| TR Paper Lot Participation | 9/30/2013 | Equity Pledge | 472 acres | \$ 12,863,610 | 1/28/14 | \$ - | \$ - | \$ - | \$ - |
| TR Paper Lot Participation | 12/31/2013 | Equity Pledge | 472 acres, 10 finished lots | \$ 12,617,401 | 1/28/14 | \$ - | \$ - | \$719,432 | \$ - |
| TR Paper Lot Participation | 3/31/2014 | Equity Pledge | 472 acres, 10 finished lots | \$ 12,815,485 | 1/28/15 | \$ - | \$ - | \$719,432 | \$ - |
| TR Paper Lot Participation | 6/30/2014 | Equity Pledge | 472 acres, 10 finished lots | \$ 13,104,722 | 1/28/15 | \$ - | \$ - | \$719,432 | \$ - |
| TR Paper Lot Participation | 9/30/2014 | Equity Pledge | 472 acres, 9 finished lots | \$ 14,820,986 | 1/28/15 | \$ - | \$ - | \$719,432 | \$ - |
| TR Paper Lot Participation | 12/31/2014 | Equity Pledge | 401 acres, 10 finished lots | \$ 15,013,983 | 1/28/16 | \$ - | \$ - | \$719,432 | \$ - |
| TR Paper Lot Participation | 3/31/2015 | Equity Pledge | 401 acres, 10 finished lots | \$ 15,259,609 | 1/28/16 | \$ - | \$ - | \$719,432 | \$ - |
| TR Paper Lot Participation | 6/30/2015 | Equity Pledge | 401 acres, 10 finished lots | \$ 15,581,688 | 1/28/16 | \$ - | \$ - | \$719,432 | \$ - |
| TR Paper Lot Participation | 9/30/2015 | Equity Pledge | 401 acres, 10 finished lots | \$ 17,762,455 | 1/28/16 | \$ - | \$ - | \$719,432 | \$ - |

| Entity | Date | Security | Collateral | Outstanding | | Cash Receipts | | | |
|------------------------|------------|----------|----------------|---------------|---------------|---------------|-------|-------|-------|
| | | | | Balance | Maturity Date | 2015A | 2014A | 2013A | 2012A |
| CTMGT Frontier 80, LLC | 9/30/2013 | 1st Lien | 288 paper lots | \$ 6,552,835 | 9/6/14 | \$ - | \$ - | \$ - | n/a |
| CTMGT Frontier 80, LLC | 12/31/2013 | 1st Lien | 288 paper lots | \$ 7,651,793 | 9/6/14 | \$ - | \$ - | \$ - | n/a |
| CTMGT Frontier 80, LLC | 3/31/2014 | 1st Lien | 288 paper lots | \$ 8,267,525 | 9/6/14 | \$ - | \$ - | \$ - | n/a |
| CTMGT Frontier 80, LLC | 6/30/2014 | 1st Lien | 288 paper lots | \$ 8,282,102 | 9/6/14 | \$ - | \$ - | \$ - | n/a |
| CTMGT Frontier 80, LLC | 9/30/2014 | 2nd Lien | 288 paper lots | \$ 12,452,679 | 2/18/17 | \$ - | \$ 0 | \$ - | n/a |
| CTMGT Frontier 80, LLC | 12/31/2014 | 2nd Lien | 288 paper lots | \$ 12,962,679 | 2/18/17 | \$ - | \$ 0 | \$ - | n/a |
| CTMGT Frontier 80, LLC | 3/31/2015 | 2nd Lien | 288 paper lots | \$ 13,472,679 | 2/18/17 | \$ - | \$ 0 | \$ - | n/a |
| CTMGT Frontier 80, LLC | 6/30/2015 | 2nd Lien | 288 paper lots | \$ 13,823,929 | 2/18/17 | \$ - | \$ 0 | \$ - | n/a |
| CTMGT Frontier 80, LLC | 9/30/2015 | 2nd Lien | 288 paper lots | \$ 15,608,611 | 2/18/17 | \$ - | \$ 0 | \$ - | n/a |