

CAUSE NO. CC-17-06253C

UNITED DEVELOPMENT FUNDING, L.P, §
A DELAWARE LIMITED PARTNERSHIP; §
UNITED DEVELOPMENT FUNDING II, §
L.P, A DELAWARE LIMITED §
PARTNERSHIP; UNITED DEVELOPMENT §
FUNDING III, L.P, A DELAWARE §
LIMITED PARTNERSHIP; UNITED §
DEVELOPMENT FUNDING IV, A §
MARYLAND REAL ESTATE §
INVESTMENT TRUST; UNITED §
DEVELOPMENT FUNDING INCOME §
FUND V, A MARYLAND REAL ESTATE §
INVESTMENT TRUST; UNITED §
MORTGAGE TRUST, A MARYLAND §
REAL STATE INVESTMENT TRUST; §
UNITED DEVELOPMENT FUNDING §
LAND OPPORTUNITY FUND, L.P., A §
DELAWARE LIMITED PARTNERSHIP; §
UNITED DEVELOPMENT FUNDING §
LAND OPPORTUNITY FUND §
INVESTORS, L.L.C., A DELAWARE §
LIMITED LIABILITY COMPANY §

Plaintiffs, §

v. §

J. KYLE BASS; HAYMAN CAPITAL §
MANAGEMENT, L.P.; HAYMAN §
OFFSHORE MANAGEMENT, INC.; §
HAYMAN CAPITAL MASTER FUND, L.P.; §
HAYMAN CAPITAL PARTNERS, L.P.; §
HAYMAN CAPITAL OFFSHORE §
PARTNERS, L.P.; HAYMAN §
INVESTMENTS, LLC §

Defendants. §

**IN THE COUNTY COURT OF
DALLAS COUNTY, TEXAS**

COUNTY COURT OF LAW NO. 3

**AFFIDAVIT OF HOLLIS M.
GREENLAW**

filings show the repayment of principal and interest from Centurion. See, e.g. Annex 13, UDF IV's December 31, 2014 financials, showing cash receipts from Centurion. Public records (which Bass claims he researched) would also show recorded UDF lien releases from lot sales that resulted in cash payments to UDF. Defendants also ignored the parts of UDF's business – finished lot loans and homebuilding loans – that typically generate current cash. Defendants focused on the part of UDF's business that naturally consumes cash – acquisition and development loans.⁷

False Statements in “The Case Against UDF IV” Link on the “UDF Exposed” Home Page

126. The website also contains links to a section called “The Case Against UDF IV.” A true and correct copy of this section of the website is attached hereto as Annex 30. Defendants stated on page four of this post that UDF shareholders were being “victimized” by UDF's “scheme” and that “[t]he combination of near-term debt maturities and the financial distress of major debtors creates significant bankruptcy risk for UDF IV; a bankruptcy would leave its shares virtually worthless.” These statements were false.

127. In truth, there was no significant bankruptcy risk for UDF IV and shares were not “virtually worthless,” nor could they be, given the extensive loan portfolio generally backed by real estate collateral supporting the value of the shares. UDF was not “victimizing” its shareholders.

128. Defendants stated on page twelve of this post that Centurion was paying “two times the market rate in this low interest rate environment” when agreeing to pay 13% interest on

⁷ Even for acquisition and development loans, some cash would often be generated via MUDs and PIDs.