

September 28, 2022

To Our Valued Shareholders,

I am writing to provide an update on the business of United Development Funding IV (“UDF IV” or the “Trust”). In January of this year, the Board of Trustees appointed Stacey Dwyer as Chief Financial Officer and me, Jim Kenney, as Chief Executive Officer. I was also elected to the UDF IV Board of Trustees as a Managing Trustee. The Board of Trustees also elected Larry Jones as an Independent Trustee and appointed him Chairman of the Board.

Since the change in leadership, several positive developments have occurred which, although they do not offset the challenges of the past 6 ½ years, position us to continue to successfully operate the Trust’s business and build value for our shareholders. For example, we have engaged a new audit firm, and it has already started the preliminary work to audit the Trust’s financial statements for the year ending December 31, 2022. In addition, we have originated several new loans for phases of projects in DFW, San Antonio and Houston. These new loans complement and support the Trust’s current portfolio and will not only generate income for the Trust but will also facilitate the realization of principal and interest payments on existing loans as these projects move closer to completion.

As you know, the Trust reinstated regular quarterly cash distributions beginning in the third quarter of 2019. UDF IV’s new leadership has continued this practice, and the September 2022 distribution will bring total distributions to approximately \$172 million from inception to date.

The Board of Trustees and management team are experienced and engaged, and UMTH General Services, L.P., our Advisor, has a very strong and talented employee base. We are all committed to protecting and realizing the value of the Trust’s assets, making regular distributions as approved by our Board, and providing liquidity for our shareholders.

This letter provides an update regarding events since our last letter to you, including a financial update, a portfolio update, updates regarding distributions, the UDF Fair Fund, the hostile tender offer for UDF IV’s common shares and the status of outstanding litigation involving UDF.

In this letter, “UDF” refers to United Development Funding, L.P., United Development Funding II, L.P., United Development Funding III, L.P., United Development Funding IV, United Development Funding Income Fund V, United Mortgage Trust, United Development Funding Land Opportunity Fund, L.P., and United Development Funding Land Opportunity Fund Investors, L.L.C.

“Hayman” refers to Hayman Capital Management, L.P., Hayman Offshore Management, Inc., Hayman Capital Master Fund, L.P., Hayman Capital Partners, L.P., Hayman Capital Offshore Partners, LP and Hayman Investments, LLC.

### **Financial Update**

On July 11, 2022, UDF IV engaged Bodwell Vasek Wells DeSimone LLP (“BVWD”) to audit the consolidated financial statements of the Trust for fiscal year 2022, which will include the Trust’s consolidated balance sheet as of December 31, 2022, and the related consolidated statements of operations, shareholder’s equity and cash flows for the year then ended, and the related notes to the consolidated financial statements. A copy of the 2022 financial statements will be distributed to UDF IV shareholders upon completion of the audit, currently estimated to be in the third quarter of 2023.

Enclosed with this letter is UDF IV’s unaudited consolidated balance sheet as of December 31, 2021. Also enclosed are the unaudited balance sheets as of December 31 for each year in the period from 2015 through 2021 and unaudited consolidated

statements of operations for the years ended December 31, 2015 through 2021. The unaudited financial information for the periods ending on or before December 31, 2021 relates to periods prior to the management changes described above.

As of December 31, 2021, UDF IV had total assets of approximately \$356.4 million, consisting of cash and cash equivalents of approximately \$58.6 million, notes receivable (net of reserves) of approximately \$259.3 million (including notes receivable due from related parties of approximately \$9.1 million), investments in partnerships of approximately \$20.2 million, accrued interest receivable of approximately \$15.2 million, accounts receivable due from related parties of approximately \$1.2 million associated with miscellaneous fees and reimbursements, and other assets of approximately \$1.8 million.

UDF IV's total liabilities as of December 31, 2021, were approximately \$8.9 million. Shareholders' equity as of December 31, 2021, was approximately \$347.4 million. As of December 31, 2021, UDF IV's book value was \$11.33 per share, based on 30,662,497 common shares outstanding.

UDF IV's balance sheet as of December 31, 2021 and all other financial information included in this letter, including the financial information for the years ended December 31, 2015 – 2021, is unaudited and was prepared by the Trust's Advisor. No accounting firm has audited or reviewed this information. As part of the 2022 audit process, BVWD will test the 2022 opening balance as reported on the Trust's year-end 2021 unaudited balance sheet, which may result in adjustments to the financial information included in this letter.

### **Portfolio Update**

UDF IV's borrowers continue to develop and / or sell the assets securing the loans in UDF IV's portfolio. As of December 31, 2021, UDF IV's portfolio consisted of thirty-nine (39) loans, some of which are secured by (1) senior or subordinate liens on real property or pledges of equity interests in entities that own the real property and/or (2) rights to receive reimbursements from Municipal Utility Districts ("MUDs") or other reimbursement districts, and some of which are unsecured. Currently, 100% of the loans in the UDF IV portfolio are associated with projects in Texas.

As of December 31, 2021, the residential real estate projects associated with the UDF IV portfolio provide for the development of approximately 15,165 lots and were in various stages of the development process. Some of the projects include a combination of finished lots and paper lots (fully entitled land approved by the applicable municipality for lots that are not yet constructed in the field) designated for future phases of continued development and construction. Several of the residential real estate projects are multi-phase communities and the development and/or sale of the remaining phases is expected to continue over the next several years. No assurance can be provided regarding the timing or amount of repayments of UDF IV's loans.

In addition to the real property collateral securing certain loans, several of these projects are located in special utility districts, such as a MUD, and the developers' rights to receive reimbursements from these districts may be pledged as collateral for the developers' loans from UDF IV. Generally, to encourage development in the district, a MUD agrees to reimburse certain developer's costs to develop a project located in the MUD, including certain costs to provide water, sewage, drainage and other services within its boundaries. As the MUD sells municipal bonds based upon tax collections and appraised values of completed homes within the applicable district, the MUD makes reimbursement payments to the developer. These reimbursement payments will first be used to satisfy the developers' senior lender obligations, if any, and then to satisfy the developers' obligations to UDF IV. While UDF IV expects to receive revenue from these MUD reimbursements over several years, no assurance can be provided that the assessed value of the completed homes will support the sale of municipal bonds sufficient in value for the applicable MUD to pay the full amount of eligible reimbursements due to the borrower and pledged to UDF IV.

Since inception, the Trust and several of its affiliates, including United Development Funding I, United Development Funding II, United Development Funding III and United Development Funding V (collectively, the "UDF Lenders") have provided loans to CTMGT, LLC, an unaffiliated Texas limited liability company, and its subsidiaries, as co-borrowers. As of December 31, 2021, the UDF IV portfolio included thirty-four (34) loans to CTMGT and its affiliates, some of which were adversely impacted by the attack by J. Kyle Bass and his hedge fund Hayman Capital (together "Bass/Hayman") for the reasons described below. Effective December 31, 2020, the UDF Lenders entered into agreements with CTMGT and its subsidiaries pursuant to which various loans made by the UDF Lenders to CTMGT were modified. The UDF Lenders, including UDF IV, agreed to reduce the

interest rate on certain CTMGT loans to 7%, with retroactive application as of January 1, 2017. In turn, the borrowers pledged additional collateral to UDF IV and agreed to present additional residential development projects to the UDF Lenders which, if accepted by the UDF Lenders and the borrowers on mutually agreed upon terms, will be added as additional collateral to support the repayment of loans held by the UDF Lenders.

The borrowers' obligation to submit residential development projects to the UDF Lenders terminates on the earlier of December 31, 2027, or the date that the borrowers have provided \$175 million of acceptable collateral to the UDF Lenders to secure obligations under certain loans made by the UDF Lenders to CTMGT. In addition, the UDF Lenders agreed that a \$10 million personal guaranty previously provided by CTMGT's principal covering substantially all loans made by the UDF Lenders to CTMGT and its subsidiaries would be released upon the satisfaction of various conditions. In the future, if the borrowers successfully acquire and pledge additional collateral to support the CTMGT loans, the value of the additional pledges allocated to UDF IV will be included in UDF IV's balance sheet, subject to and in accordance with U.S. Generally Accepted Accounting Principles.

UDF IV continues to originate loans for the acquisition and development of single-family residential lots, as well as to finance finished lots and municipal reimbursements. Since inception, UDF IV has originated approximately 205 loans or investments for a total commitment of \$1.45 billion, has funded approximately \$1.27 billion under those existing and newly originated loans and has received approximately \$1.26 billion in repayments on the loans and investments.

### **Distributions**

Since inception, UDF IV has paid cash distributions to its shareholders totaling approximately \$169.7 million, including approximately \$2 million paid in each of the first two quarters of 2022. On August 19, 2022, our Board of Trustees authorized an additional cash distribution of approximately \$2 million (\$.065 per share) payable on September 30, 2022, to shareholders of record at the close of business on September 23, 2022. The Trust intends to continue paying cash distributions quarterly from available cash, as determined by the Trust's Board of Trustees. No assurance can be provided regarding the timing or amount of future distributions to shareholders.

### **UDF Fair Fund**

In 2018, UDF IV and certain of its affiliates entered into a settlement agreement with the SEC in which they neither admitted nor denied the SEC's allegations relating to United Development Funding III and UDF IV's disclosures to their respective investors. At UDF's request, the civil penalties, disgorgement and prejudgment interest collected pursuant to the settlement were deposited in a fund (the "UDF Fair Fund") so such funds could be distributed to eligible UDF IV investors. On May 28, 2021, Strategic Claims Services was appointed as the distribution agent for the UDF Fair Fund. On July 27, 2021, the SEC filed a Motion with the U.S. District Court for the Northern District of Texas seeking approval of the proposed plan to distribute the funds in the UDF Fair Fund.

More information on the UDF Fair Fund and the proposed distribution plan can be found at: <https://www.udffairfund.com>.

### **NexPoint Hostile Tender Offer**

On December 14, 2020, hedge fund NexPoint Strategic Opportunity Fund ("NexPoint SOF") announced the commencement of an offer to purchase any and all of UDF IV common shares for \$1.10 per share (the "Tender Offer"), which it extended nineteen (19) times. As explained in multiple press releases issued by UDF IV since December 17, 2020, the Board believed that NexPoint SOF's extended tender offer price of \$1.10 per share represented a substantial discount to the current value of UDF IV and recommended Trust shareholders reject the unsolicited Tender Offer. On September 23, 2022, NexPoint Advisors, L.P. ("NexPoint"), investment adviser to the NexPoint Diversified Real Estate Trust ("NXDT"), formerly NexPoint SOF, announced the withdrawal of its tender offer.

### **Litigation**

#### Department of Justice Litigation

In January 2022, four UDF executives were convicted of securities fraud in a criminal trial (the "former executives"). The trial court concluded that the conduct for which the former executives were convicted did not result in any losses to UDF or its

investors and, thus, ordered no restitution. The former executives have resigned from the officer, director, and trustee positions they held at UDF and with our Advisor and are appealing their convictions.

#### UDF Lawsuit Against Bass/Hayman

The attack by Bass/Hayman in December 2015 was very disruptive to the performance of the Trust. In November 2017, UDF filed a lawsuit in the County Court of Dallas County, Texas (the “Trial Court”) against Bass/Hayman claiming Bass/Hayman made false statements that disparaged UDF’s business and interfered with its contracts and business relations, and that those statements were made with malice and caused extensive damage to UDF’s business. After considering the Trust’s options and based on the advice of litigation counsel, our Advisor and our Board decided that the former UDF executives’ convictions may present significant obstacles to pursuing the Bass/Hayman lawsuit and that it was in the best interests of UDF investors, including the Trust’s shareholders, not to further pursue claims against Bass/Hayman. On May 27, 2022, UDF dismissed without prejudice all its claims in the trial court.

#### NexPoint Litigation

On July 8, 2020, NexPoint sent a letter that was publicly filed with the Securities and Exchange Commission (“SEC”) to UDF IV’s Board of Trustees (the “Board”) indicating NexPoint’s interest in taking over management of UDF IV. Based on, among other things, discovery in the Bass/Hayman litigation and statements made by James Dondero, NexPoint’s President, UDF IV is aware of evidence of meaningful connections among NexPoint and its affiliates (collectively, “NexPoint/Dondero”) and Bass/Hayman. UDF IV expressed the Board’s concerns in its response to NexPoint and requested information from NexPoint regarding its agreements and relationships with Bass/Hayman and others UDF IV believes may have been involved in the attack by Bass/Hayman in December 2015 against UDF. Despite being asked several times, NexPoint/Dondero have not provided the requested information.

On July 28, 2022, the Trust informed counsel for NexPoint and several of its related entities (collectively, “NexPoint Entities”) that it was unclear whether the NexPoint Entities acquired an ownership position in UDF IV shares that violates UDF IV’s Declaration of Trust, which limits the value and number of UDF IV shares that a shareholder may beneficially own. Specifically, UDF IV requested clarification about which of the NexPoint Entities and/or their control persons, including James Dondero, own UDF IV shares and the specific number of shares held. Again, the Trust has not received a response from NexPoint.

On October 8, 2020, NexPoint SOF, an affiliate of NexPoint, filed a complaint for mandamus in the District Court of Tarrant County, Texas seeking to compel UDF IV to make its books and records available for inspection. On June 29, 2021, NexPoint SOF filed a non-suit without prejudice notifying the court that it no longer desired to pursue the action. The next day, June 30, 2021, NexPoint SOF filed a complaint for Writ of Mandamus against UDF IV in the Circuit Court for Baltimore City, Maryland seeking to compel UDF IV to provide its books and records to NexPoint. Despite its concerns about the legality of NexPoint’s investment and demand, UDF IV produced certain books and records to NexPoint, including UDF’s bylaws and unaudited consolidated balance sheet as of December 31, 2020.

On October 27, 2021, NexPoint SOF filed an emergency motion in the Circuit Court for Baltimore City seeking an expedited appointment of a receiver over UDF IV. On January 28, 2022, after hearing argument on the motion, the Court denied the receivership motion, noting, among other things, NexPoint SOF had in place a tender offer for acquisition of UDF IV shares and did not meet the clear burden of demonstrating on-going fraud, spoliation or the risk of dissipation under Maryland law.

On October 9, 2020, NexPoint filed a defamation lawsuit against UDF IV and a member of the Advisor (“Advisor Member”). On December 14, 2020, UDF IV filed a motion to dismiss NexPoint’s claims against it pursuant to the Texas Citizen’s Participation Act. On April 27, 2021, the 48th Judicial District Court ruled in favor of UDF IV and the Advisor Member and granted their motion to dismiss. The court also ordered NexPoint to pay the attorneys’ fees that UDF IV and the Advisor Member incurred defending themselves against the NexPoint lawsuit. NexPoint requested a jury trial to determine the legal fees subject to this award, and on August 23, 2022, a jury ordered NexPoint to pay UDF IV and the Advisor Member \$347,000 in attorneys’ fees.

On August 17, 2022, NXDT and NexPoint Real Estate Opportunities, LLC, affiliates of NexPoint, filed a complaint in the District Court of Dallas County, Texas against the Trust’s advisor (“UMTH General Services, L.P.”), asset manager (“UMTH Land Development, L.P.”) and the holding company (“UMT Holdings, L.P.”) that owns these entities and four of the Advisor’s current

and former executives (collectively, the “Advisor Defendants”), for breach of fiduciary duty, aiding and abetting a breach of fiduciary duty, breach of the Trust’s advisory agreement, and civil conspiracy (the “August 2022 NexPoint Complaint”). The plaintiffs are represented by, among others, Jeffrey Tillotson, counsel for Bass/Hayman in the civil matter previously mentioned. The Advisor Defendants intend to vigorously defend themselves against these allegations.

On September 15, 2022, NexPoint filed a motion for a temporary injunction to prevent the Trust from paying the expenses of the former executives in connection with their appeals of their respective convictions, and to prevent the Trust from paying legal fees associated with the Advisor Defendants’ defense of the claims made by NexPoint in the August 2022 NexPoint Complaint.

### Megatel

In March 2020, Megatel Homes, LLC, and two of its affiliates (collectively, “Megatel”) filed a federal lawsuit (the “Megatel Action”) against the principal of one of the Trust’s current borrowers (“UDF Borrower Principal”) and several UDF entities, as well as present and former executives of the General Partner of UDF I, UDF II, UDF III and the Advisors to UDF IV and V (such present and former executives, the “UDF Principals”). The sole cause of action pleaded against UDF and the UDF Principals is RICO conspiracy under 18 U.S.C. § 1962(d) regarding eleven real estate development projects, including properties that serve as collateral for UDF loans. UDF and the UDF Principals deny all claims and contentions alleged by Megatel and intend to vigorously defend themselves against these allegations.

### Bivens

In April 2020, UDF and certain UDF executives filed a lawsuit against certain federal agents, referred to as a “Bivens” action, seeking damages arising from the agents’ alleged unconstitutional actions concealing J. Kyle Bass’ involvement in the agents’ investigation of UDF. In December 2021, the court granted the government’s motion to dismiss the Bivens lawsuit with prejudice.

### **Conclusion**

As previously stated, our goal is to protect and realize the value in the Trust’s assets, continue to provide regular distributions as approved by our Board, and provide liquidity for our shareholders. If you have questions or comments, please call our Investor Relations department at (800) 859-9338.

Jim Kenney, Chief Executive Officer of UDF IV

### Forward-Looking Statements

This letter contains forward-looking statements relating to, among other things: the 2022 audit process; UDF IV’s portfolio, origination of new loans by UDF IV and the payment of MUD reimbursements owed to UDF IV; the Trust’s plans to pay future distributions to shareholders; the hostile tender offer for UDF IV’s common shares; and outstanding litigation involving UDF. These forward-looking statements are based on management’s current expectations and are not guarantees of future performance or future events. Such forward-looking statements generally can be identified by our use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “anticipate,” “estimate,” “believe,” or other similar words. Readers should be aware that there are various factors, many of which are beyond UDF IV’s control, which could cause actual results to differ materially from any forward-looking statements made in this correspondence. Accordingly, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this correspondence. Forward-looking statements in this document speak only as of the date on which such statements were made, and UDF IV undertakes no obligation to update any such statements that may become untrue because of subsequent events.

**UNITED DEVELOPMENT FUNDING IV**  
**CONSOLIDATED BALANCE SHEETS**  
**(Unaudited)**

	<b>December 31</b>
	<b>2021</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 58,594,463
Accrued interest and other receivables, non-related and related party	16,471,381
Notes receivable, non-related and related party, net of reserve for loan losses	259,289,996
Partnership investments	20,176,222
Other assets	<u>1,826,556</u>
Total assets	<u><u>\$ 356,358,618</u></u>
 <b>Liabilities and Shareholders' Equity</b>	
Accounts payable	\$ 661,101
Accrued liabilities, non-related and related party	<u>8,276,118</u>
Total liabilities	8,937,219
Commitments and contingencies	-
Shareholders' equity	389,291,545
Less treasury stock, at cost	<u>(41,870,146)</u>
Total shareholders' equity	<u><u>347,421,399</u></u>
Total liabilities and shareholders' equity	<u><u>\$ 356,358,618</u></u>

This financial information should be read in conjunction with the UDF IV Investor Letter dated September 28, 2022. No accounting firm has reviewed or audited this information. In addition, adjustments may be made to the balance sheet information as of December 31, 2021 in connection with the audit of UDF IV's financial statements for the year ending December 31, 2022.



**UNITED DEVELOPMENT FUNDING IV**

**CONSOLIDATED BALANCE SHEETS  
(Unaudited)**

	<b>December 31</b>	<b>December 31</b>	<b>December 31</b>	<b>December 31</b>	<b>December 31</b>	<b>December 31</b>	<b>December 31</b>
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Assets</b>							
Cash and cash equivalents	\$ 14,367,591	\$ 19,950,680	\$ 9,216,523	\$ 15,791,258	\$ 22,072,045	\$ 41,205,071	\$ 58,594,463
Accrued interest and other receivables, non-related and related party	21,143,824	14,996,344	16,790,789	12,579,264	14,213,430	9,463,041	16,471,381
Notes receivable, non-related and related party, net of reserve for loan losses	510,843,882	368,086,114	376,755,580	376,907,426	349,944,519	330,529,330	259,289,996
Loan participation interest, related party, net of reserve for loan losses	22,101,402	16,112,881	-	-	-	-	-
Partnership investments	-	-	-	8,687,532	9,900,402	21,335,722	20,176,222
Lot inventory	-	18,244,437	22,156,325	4,392,111	-	-	-
Other assets	1,710,527	1,322,283	1,228,205	743,500	371,114	484,666	1,826,556
<b>Total assets</b>	<b>\$ 570,167,225</b>	<b>\$ 438,712,739</b>	<b>\$ 426,147,423</b>	<b>\$ 419,101,091</b>	<b>\$ 396,501,508</b>	<b>\$ 403,017,830</b>	<b>\$ 356,358,618</b>
<b>Liabilities and Shareholders' Equity</b>							
Accounts payable	\$ 89,823	\$ 419,022	\$ 469,042	\$ 706,202	\$ 820,607	\$ 387,950	\$ 661,101
Accrued interest payable	745,552	60,677	19,969	-	-	-	-
Accrued liabilities, non-related and related party	1,991,917	4,684,912	4,445,684	14,682,086	5,065,438	3,523,748	8,276,118
Line of credit	78,858,326	11,632,470	307,385	-	-	-	-
Note payable	67,440,101	8,135,322	1,355,990	-	-	-	-
Escrow payable	-	-	-	650,000	-	-	-
Distributions payable	1,687,172	-	-	-	-	-	-
<b>Total liabilities</b>	<b>150,812,891</b>	<b>24,932,403</b>	<b>6,598,070</b>	<b>16,038,289</b>	<b>5,886,045</b>	<b>3,911,698</b>	<b>8,937,219</b>
Commitments and contingencies	-	-	-	-	-	-	-
Shareholders' equity	460,756,120	455,182,121	460,951,138	444,464,589	432,017,249	440,507,917	389,291,545
Less treasury stock, at cost	(41,401,786)	(41,401,786)	(41,401,786)	(41,401,786)	(41,401,786)	(41,401,786)	(41,870,146)
<b>Total shareholders' equity</b>	<b>419,354,334</b>	<b>413,780,336</b>	<b>419,549,353</b>	<b>403,062,803</b>	<b>390,615,463</b>	<b>399,106,132</b>	<b>347,421,399</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 570,167,225</b>	<b>\$ 438,712,739</b>	<b>\$ 426,147,423</b>	<b>\$ 419,101,091</b>	<b>\$ 396,501,508</b>	<b>\$ 403,017,830</b>	<b>\$ 356,358,618</b>

This financial information should be read in conjunction with the UDF IV Investor Letter dated September 28, 2022. No accounting firm has reviewed or audited this information. In addition, adjustments may be made to the balance sheet information as of December 31, 2021 in connection with the audit of UDF IV's financial statements for the year ending December 31, 2022.

**UNITED DEVELOPMENT FUNDING IV**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(Unaudited)

	<b>For the Year Ended December 31, 2015</b>	<b>For the Year Ended December 31, 2016</b>	<b>For the Year Ended December 31, 2017</b>	<b>For the Year Ended December 31, 2018</b>	<b>For the Year Ended December 31, 2019</b>	<b>For the Year Ended December 31, 2020</b>	<b>For the Year Ended December 31, 2021</b>
<b>Interest income:</b>							
Interest income - non-related and related party	\$ 72,551,874	\$ 33,928,913	\$ 31,011,082	\$ 29,692,087	\$ 32,412,842	\$ 24,224,145	\$ 28,167,212
Total interest income	<u>72,551,874</u>	<u>33,928,913</u>	<u>31,011,082</u>	<u>29,692,087</u>	<u>32,412,842</u>	<u>24,224,145</u>	<u>28,167,212</u>
<b>Interest expense:</b>							
Interest expense	10,404,838	5,600,243	597,868	23,007	-	-	-
Net interest income	62,147,037	28,328,670	30,413,213	29,669,080	32,412,842	24,224,145	28,167,212
Provision for loan losses	81,657,481	1,348,656	4,550,255	2,285,280	23,485,291	585,043	36,462,158
Provision for other losses	-	1,702,217	-	11,744,178	-	-	-
Net interest income after provision for loan losses	<u>(19,510,445)</u>	<u>25,277,798</u>	<u>25,862,959</u>	<u>15,639,622</u>	<u>8,927,551</u>	<u>23,639,102</u>	<u>(8,294,946)</u>
<b>Noninterest income:</b>							
Commitment fee income - non-related and related party	2,224,242	953,059	321,273	181,736	95,444	29,203	-
Investment income	-	-	-	-	1,212,870	11,435,320	-
Lot inventory sales income	10,621,316	-	22,724,960	21,435,634	4,610,082	-	-
Other income	-	-	-	-	-	157,950	208,900
Total noninterest income	<u>12,845,558</u>	<u>953,059</u>	<u>23,046,232</u>	<u>21,617,370</u>	<u>5,918,395</u>	<u>11,622,473</u>	<u>208,900</u>
<b>Noninterest expense:</b>							
Advisory fee - related party	9,417,982	7,481,472	6,684,589	6,605,938	6,501,905	6,570,213	6,543,214
General and administrative - non-related and related party	7,233,192	18,141,690	15,007,977	15,165,122	11,702,211	14,101,939	28,917,274
Lot inventory sales cost	10,621,316	-	21,859,658	20,338,455	4,600,000	-	-
Litigation settlement expense	-	-	-	11,685,532	500,000	115,000	-
Total noninterest expense	<u>27,272,490</u>	<u>25,623,162</u>	<u>43,552,224</u>	<u>53,795,048</u>	<u>23,304,116</u>	<u>20,787,151</u>	<u>35,460,488</u>
Net income (loss)	<u>\$ (33,937,376)</u>	<u>\$ 607,694</u>	<u>\$ 5,356,967</u>	<u>\$ (16,538,056)</u>	<u>\$ (8,458,169)</u>	<u>\$ 14,474,424</u>	<u>\$ (43,546,534)</u>

This financial information should be read in conjunction with the UDF IV Investor Letter dated September 28, 2022. No accounting firm has reviewed or audited this information.