



HAYMAN
CAPITAL MANAGEMENT, L.P.

A Rolling Loan Gathers No Loss:

Irregular Patterns Related to UDF's Largest Borrower

January 2016

"Only when the tide goes out do you discover who's been swimming naked."

– Warren Buffet

LOANS ACCRUE LARGER AND LARGER BALANCES WITHOUT GENERATING ANY CASH INCOME

In a Form 8-K filed with the SEC, UDF explained that “most of our loans allow for interest accrual, which causes the loan balance to increase.”

- **Loans to UDF’s largest borrower accounts for 43% of UDF III, 67% of UDF IV, and 62% of UDF V**
 - Loans owed by UDF’s largest borrower, Centurion American, typically do not generate actual cash income.
 - When loans owed by Centurion American are due, the loans are almost always not repaid.
 - When loans are not repaid, the loans are repeatedly extended, without an extension fee.
- **UDF management regularly misleads investors.** UDF management would like investors to believe that the irregular loan patterns related to its largest borrower are standard and in the normal course.
- **In a typical development loan, interest is “accrued” and then paid (typically within 30-45 days); in the case of UDF, interest is typically not paid but instead, is added to the loan balance, on a regular basis for years.**
- **The following examples are all related to UDF’s largest borrower, Centurion American. These loans account for over 25% of UDF IV’s loan portfolio and are representative of and material to UDF IV’s portfolio.**
- **The irregular patterns of these loans lead to questions as to (i) whether the loans are non-performing, (ii) whether the loans are at “arms’ length” and (iii) whether Centurion American is just a straw-borrower.**



“A ROLLING LOAN GATHERS NO LOSS”

The tables included on the following pages were created by reviewing up to twelve SEC filings for each individual UDF IV loan (Forms 10-Q and Forms 10-K). The information is sourced directly from UDF IV tabular disclosures. Unfortunately, UDF IV does not make it easy to see the trends or what is happening from period to period; our analysis makes it easier to see the trends.

Each loan summarized below is owed by UDF’s largest group of related borrowers (detail on each loan is provided on the following pages). These loans (and entities) 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, Centurion American. These loans were (i) all issued either in 2012 or 2013, (ii) have collectively generated less than \$1 million in cash receipts and (iii) have collectively increased from \$92 million to \$166 million at September 30, 2015, an increase of \$74 million, or an increase of over 80% (excluding any “unpaid” balances in “accrued interest” on the balance sheet).

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 millions)	Ex. 1	Ex. 2	Ex. 3	Ex. 4	Ex. 5	Ex. 6	Ex. 7	Ex. 8	Ex. 9	Ex. 10	Ex. 11	Total
Original Date	12/31/12	12/31/12	12/31/12	12/31/12	12/31/12	12/31/12	12/31/12	12/31/13	6/30/13	12/31/12	9/30/13	
Original Balance	\$11.0	\$18.3	\$7.2	\$23.5	\$1.9	\$3.4	\$3.9	\$2.2	\$3.1	\$10.6	\$6.6	\$91.7
Cash Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.7	\$0	\$0.7
Balance 9/30/15	\$21.8	\$30.6	\$15.9	\$28.3	\$10.1	\$9.2	\$5.6	\$5.0	\$5.8	\$17.8	\$15.6	\$ 165.7



EXAMPLE 1: CTMGT ALPHA RANCH, LLC

CTMGT Alpha Ranch is a Centurion American and Mehrdad Moayedı entity.

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	\$ -	\$ -	\$ -	\$ -

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- UDF MANAGEMENT

Loans to UDF’s largest borrower regularly (i) do not generate any cash (principal or interest), (ii) are extended without fees, and (iii) accrue larger and larger balances for years.

– “A Rolling Loan Gathers No Loss”



EXAMPLE 2: ONE WINDSOR HILLS, LP

One Windsor Hills L.P. is a Centurion American and Mehrdad Moayedı entity.

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

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EXAMPLE 3: CTMGT GRANBURY, LLC

CTGMT Granbury, LLC is a Centurion American and Mehrdad Moayed entity.

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	\$ -	\$ -	\$ -	\$ -

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EXAMPLE 4: CTMGT MONTALCINO, LLC

CTGMT Montalcino, LLC is a Centurion American and Mehrdad Moayed entity.

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	\$ -	\$ -	\$ -	\$ -

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EXAMPLE 5: CTMGT REGATTA, LLC

CTGMT Regatta, LLC is a Centurion American and Mehrdad Moayed entity.

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	\$ -	\$ -	\$ -	\$ -

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EXAMPLE 6: CTMGT REGATTA II, LLC

CTGMT Regatta II, LLC is a Centurion American and Mehrdad Moayed entity.

Entity	Date	Security	Collateral	Outstanding					
				Balance	Maturity Date	2015A	2014A	2013A	2012A
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	\$ -	\$ -	\$ -	\$ -

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EXAMPLE 7: CTMGT WILLIAMSBURG, LLC

CTGMT Williamsburg, LLC is a Centurion American and Mehrdad Moayed entity.

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	\$ -
CTMGT Williamsburg, LLC	3/31/2013	1st lien	244 acres	\$ 4,415,014	2/7/15	\$ -	\$ -	\$ -	\$ -
CTMGT Williamsburg, LLC	6/30/2013	1st lien	244 acres	\$ 4,415,014	2/7/15	\$ -	\$ -	\$ -	\$ -
CTMGT Williamsburg, LLC	9/30/2013	1st lien	244 acres	\$ 4,415,014	2/7/15	\$ -	\$ -	\$ -	\$ -
CTMGT Williamsburg, LLC	12/31/2013	1st lien	244 acres	\$ 4,427,905	2/7/15	\$ -	\$ -	\$ -	\$ -
CTMGT Williamsburg, LLC	3/31/2014	1st lien	244 acres	\$ 4,967,653	2/7/15	\$ -	\$ -	\$ -	\$ -
CTMGT Williamsburg, LLC	6/30/2014	1st lien	803 paper lots	\$ 4,967,653	2/7/15	\$ -	\$ -	\$ -	\$ -
CTMGT Williamsburg, LLC	9/30/2014	1st lien	803 paper lots	\$ 4,986,931	2/7/15	\$ -	\$ -	\$ -	\$ -
CTMGT Williamsburg, LLC	12/31/2014	1st lien	803 paper lots	\$ 4,989,209	2/7/15	\$ -	\$ -	\$ -	\$ -
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	\$ -	\$ -	\$ -	\$ -

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EXAMPLE 8: CTMGT WILLIAMSBURG 1B FL-2, LLC

CTGMT Williamsburg 1B FL-2, LLC is a Centurion American and Mehrdad Moayed entity.

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

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EXAMPLE 9: CTMGT FRISCO 122, LLC

CTGMT Frisco 122, LLC is a Centurion American and Mehrdad Moayedi entity.

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

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EXAMPLE 10: TRAVIS RANCH (TR) PARTICIPATION

CTGMT Travis Ranch (TR), LLC is a Centurion American and Mehrdad Moayed entity.

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	\$ -

“Most of our loans allow for interest accrual, which causes the loan balance to increase.”

- UDF MANAGEMENT

Loans to UDF’s largest borrower regularly (i) do not generate any cash (principal or interest), (ii) are extended without fees, and (iii) accrue larger and larger balances for years.

– “A Rolling Loan Gathers No Loss”

EXAMPLE 11: CTMGT FRONTIER 80, LLC

CTGMT FRONTIER 80, LLC is a Centurion American and Mehrdad Moayed entity.

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

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