

****IMPORTANT UPDATE FOR SHAREHOLDERS OF UNITED DEVELOPMENT FUNDING IV (UDF IV)**
OPPORTUNITY TO RESTORE ACCOUNTABILITY AND TRANSPARENCY AT UPCOMING ANNUAL MEETING**

June 6, 2024

Dear Fellow Shareholders:

The corporate governance failures at United Development Funding IV (“UDF IV” or the “Company”) have left shareholders suffering for years with little hope for recovering value. These failures are highlighted in lawsuits from the Securities and Exchange Commission and Department of Justice, resulting in multimillion-dollar fines, criminal convictions, and prison sentences for several former executives. Sadly, these actions have fallen short in providing adequate resolution for shareholders.

As major shareholders ourselves, NexPoint Real Estate Opportunities, LLC (together with our affiliates “NexPoint”) has been working to establish proper oversight and accountability at UDF IV. While management and the Board have resisted our efforts, we are notifying you of a major development that finally gives shareholders a chance to take action to address the corporate governance failures by electing new trustees to the UDF IV board who will represent your interests and provide a path to recovering value.

- **For the first time in over eight years, you have the power to enact positive change at UDF IV.** A recent order from the Circuit Court for Baltimore City, Maryland requires the Company to hold its next Annual Meeting of Shareholders on or before December 31, 2024, during which four of the five trustees must stand for election. While the meeting date has not been announced, we want you to be prepared to exercise your right to vote. We will notify you once the date of the meeting is set. *To receive updates via email, complete the contact form at udfaccountability.com or email udfinvestors@nexpoint.com.*
- **NexPoint intends to nominate four highly qualified and independent trustees** to replace incumbent trustees Lawrence S. Jones, Philip K. Marshall, J. Heath Malone, and Steven J. Finkle, who we believe have repeatedly violated their fiduciary duties. The incumbent trustees’ actions have continually advanced their own interests and those of UDF IV management at the expense of shareholders.
- **The incumbent trustees must be replaced. They created an insular governance structure and served as an impediment to liquidity for long-suffering shareholders.** In response to basic shareholder requests for accountability, the incumbents changed the Company bylaws, entrenching themselves and disenfranchising shareholders by impeding your voting rights. In fact, three of UDF IV’s independent trustees have not stood for election since 2015; one independent trustee has *never* been elected by shareholders. The incumbents’ failure to protect investors’ interests has resulted in, among other things, a de-registered, illiquid stock, and their entrenchment tactics have—until now—limited all recourse available to shareholders to enforce basic rights.
- **The Board’s egregious actions continued even *after* the Company’s executives were convicted and sent to prison for fraud.** Under the Board’s leadership, the Company’s advisor and management carried out a massive multi-year deception and fraud through the UDF IV “investment” program. Worse, once this deception was uncovered, the Board sat idle, allowing the advisor and much of the management team to remain in place, protecting their interests at the expense of shareholders. Of note, the Board also appears to have supported former UDF IV management in improperly using shareholder money to pay legal fees to defend the criminal charges that ultimately sent former management to prison.
- **NexPoint’s actions have already positively impacted shareholders and resulted in the upcoming, Court-ordered 2024 Annual Meeting. We now need your support to replace the incumbent trustees and put UDF IV on a path to recovering value.** Our nominees have decades of relevant professional experience and will seek to restore proper governance and establish a path to liquidity. It is time for UDF IV to have a Board that serves the interests of all shareholders—not just entrenched management. The upcoming Annual Meeting is shareholders’ opportunity to reclaim your rightful ownership of the Company following years of corrupt governance and stagnant illiquidity. We hope you will support us in this endeavor.

Sincerely, NexPoint Real Estate Opportunities, LLC

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