

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

TO: ALL RECORD HOLDERS AND ALL BENEFICIAL HOLDERS OF JERNIGAN CAPITAL, INC. (“JERNIGAN”) COMMON STOCK, WHO HELD SUCH SHARE(S) AT ANY TIME BETWEEN AUGUST 3, 2020 (THE DATE OF THE SIGNING OF THE MERGER AGREEMENT WHEREBY JERNIGAN WOULD BE ACQUIRED BY AFFILIATES OF NEXPOINT ADVISORS, L.P.), AND NOVEMBER 6, 2020 (THE EFFECTIVE TIME OF THE CLOSING OF THE MERGER), INCLUDING ANY AND ALL OF THEIR RESPECTIVE SUCCESSORS IN INTEREST, TRUSTEES, EXECUTORS, ADMINISTRATORS, HEIRS, ASSIGNS OR TRANSFEREES (THE “SETTLEMENT CLASS”).

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS LITIGATION. PLEASE NOTE THAT IF YOU ARE A SETTLEMENT CLASS MEMBER, YOU MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE SETTLEMENT DESCRIBED IN THIS NOTICE. TO CLAIM YOUR SHARE OF THE SETTLEMENT PROCEEDS, YOU MUST SUBMIT A VALID PROOF OF CLAIM AND RELEASE FORM (“PROOF OF CLAIM”) **POSTMARKED OR SUBMITTED ONLINE ON OR BEFORE JANUARY 11, 2025.**

This Notice of Pendency and Proposed Settlement of Class Action (“Notice”) has been issued pursuant to an Order of the Chancery Court for the State of Tennessee for the Thirtieth Judicial District in Memphis (the “Court”). The purpose of this Notice is to inform you of the proposed Settlement of the above-captioned Litigation¹ (the “Settlement”) and of the hearing to be held by the Court on December 13, 2024 to consider whether the proposed Settlement, final certification of the Settlement Class, Plan of Allocation, and Plaintiffs and their counsel’s application for attorneys’ fees, expenses, and incentive awards are fair, reasonable, and adequate, and in the best interests of the Settlement Class Members. This Notice describes the rights you may have as a Settlement Class Member and what steps you may take in relation to the Settlement and this Litigation, or, alternatively, what steps you must take if you wish to be excluded from the Settlement Class.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A PROOF OF CLAIM	The only way to receive a payment. Proofs of Claim must be postmarked or submitted online on or before January 11, 2025.
EXCLUDE YOURSELF	Receive no payment. This is the only option that allows you to ever bring a lawsuit against Defendants concerning the legal claims at issue in this litigation. Exclusions must be received no later than November 22, 2024.
OBJECT	Write to Plaintiffs’ Counsel, Defendants’ Counsel, and the Court about why you oppose the Settlement, the Plan of Allocation, and the Fee and Expense Award. You will still be a Settlement Class Member. Objections must be received by the Court and counsel on or before November 22, 2024.
GO TO A HEARING	Ask to speak in Court about the fairness of the Settlement. Requests to speak must be received by the Court and counsel on or before November 22, 2024. You are not required to attend the hearing.
DO NOTHING	Receive no payment from the Settlement. Settlement Class Members who do nothing remain bound by the terms of the Settlement.

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings provided in the Stipulation and Agreement of Compromise, Settlement, and Release (“Stipulation”), which, along with other important documents, is available on the Settlement website, www.rg2claims.com/jernigan.html.

SUMMARY OF THIS NOTICE

Statement of Settlement Class Recovery

Pursuant to the Settlement described herein, the Settlement Amount is \$3.925 million. A Settlement Class Member's actual recovery will be a proportion of the Net Settlement Fund determined by that Claimant's claim as compared to the total claims of all Settlement Class Members who submit acceptable Proofs of Claim. An individual Settlement Class Member may receive more or less than the estimated average amount provided below depending on the number of claims submitted. *See* Plan of Allocation as set forth at page 11 below for more information on your claim.

Statement of Potential Outcome of Litigation

The Settling Parties disagree on both liability and damages and do not agree on the amount of damages per share of Jernigan common stock that would be recoverable if the Settlement Class prevailed on each claim alleged. Defendants deny that they are liable to the Settlement Class and deny that the Settlement Class have suffered any damages.

Reasons for the Settlement

The principal reason for the Settlement is the benefit to be provided to the Settlement Class now. This benefit must be compared to the risk that no recovery might be achieved after a contested trial and appeals, possibly years into the future.

Statement of Attorneys' Fees, Expenses, and Incentive Award Sought

Plaintiffs' Counsel have not received any payment for their services in conducting this Litigation on behalf of the Settlement Class, nor have they been paid for their litigation expenses. If the Settlement is approved by the Court, Plaintiffs' Counsel will apply to the Court for an award of attorneys' fees not to exceed one-third of the Fund and interest thereon, plus expenses not to exceed \$100,000.00 in connection with the Litigation. Since the Litigation's inception in November of 2020, Plaintiffs' Counsel have expended considerable amounts of time and effort in the prosecution of this Litigation on a contingent fee basis and advanced the expenses of the Litigation in the expectation that, if they were successful in obtaining a recovery for the Settlement Class, they would be paid from such recovery. In this type of litigation, it is customary for counsel to be awarded a percentage of the common fund recovery as their attorneys' fees. In addition, as part of Plaintiffs' Counsel's application for an award of fees and expenses, all named plaintiffs may seek up to \$5,000.00 each for reasonable incentive awards for their time and expenses in connection with their representation of the Settlement Class (collectively, the "Fee and Expense Award"). The requested Fee and Expense Award is approximately \$0.06 per allegedly damaged share, but the average cost per allegedly damaged share will vary depending on the number of valid and timely Proofs of Claim submitted.

Further Information

For further information regarding the Litigation, this Notice, or to review the Stipulation, please visit the website: www.rg2claims.com/jernigan.html or contact the Claims Administrator toll-free at 1-800-368-7272. You may also contact Plaintiffs' Counsel: Juan E. Monteverde, Monteverde & Associates PC, The Empire State Building, 350 Fifth Avenue, Suite 4740, New York, NY 10118, Tel.: (212) 971-1341, jmonteverde@monteverdelaw.com or Michael J. Palestina, Kahn Swick & Foti, LLC, 1100 Poydras Street, Suite 960, New Orleans, LA 70163, Tel: (504) 648-1843, Michael.palestina@ksfcounsel.com.

Please Do Not Call the Court or Defendants with Questions About the Settlement.

BASIC INFORMATION

1. Why did I get this Notice?

You or someone in your family may have purchased, sold, or held Jernigan common stock during the time period from and including August 3, 2020, through and including November 6, 2020 ("Settlement Class Period").

The Court directed that the Postcard Notice with links to this Notice be sent to Settlement Class Members because they have a right to know about the proposed Settlement of this class action lawsuit, and about all of their options, before the Court decides whether to approve the Settlement.

This Notice explains the Litigation, the Settlement, Settlement Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the Litigation is the Chancery Court for the State of Tennessee for the Thirtieth Judicial District in Memphis, and the case is known as *In Re: Jernigan Capital, Inc. Shareholder Litigation*, Case No. CH-20-14272-II (the "Action" or "Litigation"). The case has been assigned to Chancellor James R. Newsom, III. Louis Lane, Mary Pat Forkin Arthur, and Sherry Grosse are the Lead Plaintiffs in this Action (referred to as "Plaintiffs" in this Notice),² and the parties who were sued and who have now settled are called the "Defendants."

2. What is this lawsuit about?

On August 3, 2020, Jernigan and affiliates of NexPoint Advisors, L.P. ("NexPoint") announced a merger in which NexPoint would acquire all outstanding shares of Jernigan common stock for \$17.30 per share in cash (the "Acquisition" or "Transaction").

Jernigan issued its Preliminary Proxy Statement in connection with the Acquisition on August 20, 2020, its Definitive Proxy Statement ("Proxy") on September 23, 2020, and a Proxy Supplement on Form 8-K on October 16, 2020.

The Acquisition was approved by Jernigan's stockholders on October 26, 2020. The Merger closed on November 6, 2023, with Jernigan merging with and into NexPoint and becoming a private company.

On November 23, 2020, Plaintiffs filed two separate complaints in the Chancery Court for the State of Tennessee, Thirtieth Judicial District, Memphis, asserting claims for breach of fiduciary duty in connection with the Transaction: (a) *Lane v. Good, et al.*, No. Ch-20-1472 (the "*Lane* Action"); and (b) *Forkin v. Good, et al.*, No. Ch-20-1473.

On February 3, 2021, the two actions were consolidated into the above captioned action pursuant to an Agreed Order and the Class Action Complaint filed in the *Lane* Action was designated the operative complaint.

On February 22, 2021, Plaintiffs served on Defendants their First Request for the Production of Documents Directed to All Defendants, and Defendants served their responses and objections on March 21, 2021.

On April 5, 2021, Defendants filed a motion to dismiss or, alternatively, stay the complaint in favor of an earlier filed federal action alleging violation of Section 14(a) of the Securities Exchange Act of 1934 captioned *Erickson v. Jernigan Cap., Inc. et al*, No. 1:20-cv-09575-JLR-KHP (S.D.N.Y. filed Nov. 13, 2020). The motion was fully briefed on October 10, 2021 and thereafter withdrawn by Defendants.

Following substantial adversarial negotiations, the parties commenced discovery, during which Defendants produced approximately 140,000 pages of documents in response to Plaintiffs' discovery requests.

On October 26, 2023, Plaintiffs filed a motion for class certification pursuant to Tenn. R. Civ. P. 23.04. That motion was withdrawn, and all proceedings stayed, in light of the parties' agreement to mediate.

On February 2, 2024, the parties participated in a mediation before David M. Murphy of Phillips ADR Enterprises, P.C. (PADRE). Plaintiffs retained a damages expert and the parties exchanged comprehensive mediation statements and engaged in arm's length negotiations, but did not reach an agreement to settle. Following the mediation, the Settling Parties continued to engage in informal settlement discussions, and discovery continued.

On March 22, 2024, Plaintiffs filed a renewed motion for class certification pursuant to Tenn. R. Civ. P. 23.04.

² Lead (and named) Plaintiff Patrick Forkin passed away during the pendency of this action.

On or about June 7, 2024, after further ongoing settlement discussions, the Settling Parties reached an agreement in principle to settle the Action for a \$3.925 million common fund.

On June 20, 2024, the Settling Parties memorialized certain material terms of the settlement in principle in a term sheet.

On June 24, 2024, the Settling Parties filed a Notice of Settlement informing the Court that a settlement in principle for a \$3.925 million common fund had been reached to resolve the Action.

On August 12, 2024, the Settling Parties reduced the settlement terms into this Stipulation, which is now subject to this Court's approval.

On August 22, 2024, the Court preliminarily approved the Settlement and authorized the distribution of the Notice.

3. Why is this a class action?

In a class action, one or more people called a plaintiff sues on behalf of people who have similar claims. All of the people with similar claims are referred to as a class or class members. One court resolves the issues for all class members, except for those class members who exclude themselves from the class.

4. Why is there a settlement?

The Court has not decided in favor of or against the Defendants or the Settlement Class. Instead, both sides agreed to the Settlement to avoid the costs and risks of further litigation, including trial and appeals. Plaintiffs agreed to the Settlement because Plaintiffs (advised by Plaintiffs' Counsel) considered the Settlement Amount to be a favorable recovery compared to the risk-adjusted possibility of recovery after trial and appeals, in light of Defendants' legal arguments that the Individual Defendants did not breach their fiduciary duties in connection with the Transaction, and their factual arguments that Defendants believed they complied with all applicable laws, and that the Settlement Class had not sustained any damages. The Defendants have denied and continue to deny any wrongdoing by or liability against them arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Litigation. Plaintiffs and Plaintiffs' Counsel believe the Settlement is in the best interest of all Settlement Class Members, in light of the real possibility that continued litigation could result in no recovery at all.

WHO IS IN THE SETTLEMENT?

To see if you will get money from this Settlement, you first must be a Settlement Class Member.

5. How do I know if I am part of the Settlement?

The Court directed that everyone who fits this description is a Settlement Class Member: all record holders and beneficial owners of Jernigan common stock, who held such share(s) at any time between August 3, 2020 (the date of the signing of the merger agreement whereby Jernigan would be acquired by affiliates of NexPoint), and November 6, 2020 (the effective time of the closing of the merger), including any and all of their respective successors in interest, trustees, executors, administrators, heirs, assigns or transferees. Under the Plan of Allocation proposed by Plaintiffs' Counsel and described below, only Settlement Class Members who were record holders or beneficial holders of Jernigan common stock at the Closing Date on November 6, 2020, and who submit a valid Proof of Claim to the Claims Administrator may share in the recovery. Certain persons are excluded from the Settlement Class, as described below.

6. Are there exceptions to being included?

Excluded from the Settlement Class are: (i) Defendants; (ii) members of the immediate families of each Individual Defendant; (iii) Jernigan's and NexPoint's subsidiaries and affiliates (provided that, for the avoidance of doubt, such subsidiaries and affiliates do not include any Jernigan-sponsored retirement and/or pension plans); (iv) any entity in which any Defendant has a controlling interest; (v) the legal representatives, heirs, successors, administrators,

executors, and assigns of each Defendant; and (vi) any Person or entity who properly excludes themselves by filing a valid and timely request for exclusion (collectively the “Excluded Stockholders”).

7. What if I am still not sure if I am included?

If you are still not sure whether you are included, you can ask for free help. You can contact the Claims Administrator toll-free at 1-866-742-4955 or visit the Settlement website at www.rg2claims.com/jernigan.html, or you can download, fill out and return the Proof of Claim provided on the Settlement website, to see if you qualify.

THE SETTLEMENT BENEFITS – WHAT YOU GET

8. What does the Settlement provide?

In exchange for the Settlement and the release of Defendants’ Released Claims (defined below) as well as dismissal of the Litigation, Defendants have agreed that a payment of \$3.925 million will be made by Jernigan, through its insurance carriers, to be distributed, after taxes, fees, and expenses, among all Authorized Claimants.

9. How much will my payment be?

Pursuant to the Settlement described herein, the Settlement Amount is \$3,925,000.00. Under the Plan of Allocation proposed by Plaintiffs’ Counsel, only Settlement Class Members who were record holders or beneficial holders of Jernigan common stock at the Closing Date on November 6, 2020, and who submit a valid Proof of Claim to the Claims Administrator, may share in the recovery, pro rata with their stock holdings (the proposed “Plan of Allocation”). Your actual recovery will be a proportion of the Net Settlement Fund determined by your claim as compared to the total claims of all eligible Settlement Class Members who submit acceptable Proofs of Claim. You may receive more or less than the estimated average amount provided below depending on the number of claims submitted. Plaintiffs’ Counsel estimates that approximately 22,144,849 shares of Jernigan common stock are in the Settlement Class. Assuming 100% of the shares in the Settlement Class submit a valid proof of claim, the average distribution will be approximately \$0.17 per share, before payment of expenses of notice and administration of the Settlement, Taxes and Tax Expenses, and the Fee and Expense Award described in Question 17 below (estimated to be approximately \$0.06 per share), and interest as may be awarded by the Court (the “Net Settlement Fund”). Historically, fewer than all eligible investors submit claims, resulting in higher average distributions per share.

The Net Settlement Fund will be distributed to Settlement Class Members who submit valid, timely Proof of Claim forms (“Claimants”) on a pro rata basis. However, no distributions will be made to Claimants who would otherwise receive a distribution of less than \$10.00.

Defendants expressly deny that any damages were suffered by Plaintiffs or the Settlement Class.

Payments shall be conclusive against all Claimants. No Person shall have any claim against Plaintiffs, Plaintiffs’ Counsel, Liaison Counsel, the Claims Administrator, Defendants, and Defendants’ Released Persons, or any Person designated by Plaintiffs’ Counsel based on distributions made substantially in accordance with the Stipulation and the Settlement contained therein, or further order(s) of the Court. No Settlement Class Member shall have any claim against Defendants or Released Defendants’ Persons for any Plaintiffs’ Released Claims. All Settlement Class Members who fail to complete and file a valid and timely Proof of Claim shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.

HOW YOU GET A PAYMENT – SUBMITTING A CLAIM FORM

10. How can I receive a payment?

To qualify for a payment, you must submit a Proof of Claim. A Proof of Claim form may be downloaded at www.rg2claims.com/jernigan.html. Read the instructions carefully, fill out the Proof of Claim, include all the documents the form asks for, sign it, and return it so that it is postmarked, if mailed, or received, if submitted online,

no later than January 11, 2025. Pursuant to its directions, the Proof of Claim may be submitted online at www.rg2claims.com/jernigan.html.

11. When would I receive my payment?

The Court will hold a Settlement Hearing on December 13, 2024 at 1030 a.m. Central Time, to decide whether to approve the Settlement. The Settlement Hearing will occur via a remote link as listed in question 20. Settlement Class Members should check the Settlement Class website or the Court's site in advance of the Settlement Hearing as to whether the date or any details have changed. The Settlement Hearing date may change without further notice to the Settlement Class. If the Court approves the Settlement, there might be appeals. It is always uncertain how appeals would be resolved by the appellate court, and resolving them can take time, perhaps more than a year. It also takes time for all the Proofs of Claim to be processed. Please be patient.

12. What am I giving up to receive a payment or to stay in the Settlement Class?

Unless you timely and validly exclude yourself, you are staying in the Settlement Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or Released Defendants' Persons about Plaintiffs' Released Claims in this case. It also means that all of the Court's orders will apply to you and legally bind you and you will release your claims in this case against Defendants and Released Defendants' Persons. The terms of the release are included in the enclosed Proof of Claim form and are also set forth below:

- "Plaintiffs' Released Claims" means any and all claims, rights and causes of action, duties, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages and liabilities, whether known or unknown, contingent or non-contingent, derivative or direct, or suspected or unsuspected, arising under state statutory or state common law, that have been asserted, could have been asserted, or could be asserted in the future by a member of the Settlement Class in his, her or its capacity as a purchaser, seller or holder of Jernigan stock against Jernigan, the Individual Defendants, NexPoint, and/or any and all of their related parties, including, without limitation, any and all of their current or former parents, subsidiaries, predecessors, successors, divisions, investment funds, joint ventures and general or limited partnerships, and each their respective current or former officers, directors, managing directors, trustees, partners, members, managing members, contractors, auditors, principals, managers, agents or other persons acting on their behalf, managing agents, employees, attorneys, accountants, fiduciaries, control persons, stockholders, investment bankers, underwriters, financial or investment advisors, advisors, consultants, insurers in their capacities as such, reinsurers, creditors, administrators, assigns, assignees, transferees, predecessors, predecessors-in-interest, successors, successors-in-interest, trusts, distributees, foundations, corporations, associated entities, commercial bankers, entities providing any fairness opinion, brokers, dealers, lenders, associates, as well as each of the Individual Defendants' immediate past or present family members, spouses, heirs, executors, personal or legal representatives, estates, beneficiaries, predecessors, successors and assigns (collectively, "Released Defendants' Persons"), that arise out of or relate in any way to: (1) the Action, including the claims in the Action and any acts, facts, events, disclosures, or omissions alleged or referenced therein; (2) any duties, fiduciary or otherwise, of Released Defendants' Persons arising from or related to the acquisition of Jernigan by NexPoint (the "Acquisition"); (3) the common stock of Jernigan arising from or related to the Acquisition; or (4) any other claims concerning the Acquisition. Plaintiffs' Released Claims do not include: (a) claims relating to the enforcement of the Settlement; (b) claims between Released Defendants' Persons and their respective insurers; and/or (c) claims that have been asserted in *In re Jernigan Capital Securities Litigation*, No. 1:20-cv-09575 (S.D.N.Y. Nov. 13, 2020) (the "Federal Action"), provided that nothing in the Settlement shall in any way prevent Defendants or their affiliates from taking the position in the Federal Action that any recovery to putative class members in the Federal Action should be reduced or offset by any recovery such putative class members receive in this Action or are eligible to receive as a result of the Settlement of this Action.
- "Defendants' Released Claims" means any and all claims, rights and causes of action, duties, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages and liabilities, whether known or unknown, contingent or non-contingent, or suspected or unsuspected, including all

claims arising under federal or state statutory or common law or any other law, rule or regulation, whether foreign or domestic, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims by Plaintiffs, any other Settlement Class Members, Plaintiffs' Counsel, or Liaison Counsel ("Released Plaintiffs' Persons") against the Defendants, except for: (a) claims relating to the enforcement of the Settlement; and/or (b) Defendants' claims, rights, and defenses in the Federal Action, including that nothing in the Settlement shall in any way prevent Defendants or their affiliates from taking the position in the Federal Action that any recovery to putative class members in the Federal Action should be reduced or offset by any recovery such putative class members receive in this Action or are eligible to receive as a result of the Settlement of this Action.

- "Unknown Claims" means (i) any of the Plaintiffs' Released Claims which Plaintiffs or any of their agents or attorneys, do not know or suspect to exist in such Person's favor at the time of the release of the Plaintiffs' Released Claims; and (ii) any of the Defendants' Released Claims that the Defendants do not know or suspect to exist in his, her, or its favor at the time of the release of Defendants' Released Claims, which, in the case of both (i) and (ii), if known by such Person, might have affected such Person's decision with respect to this Settlement, including, without limitation, such Person's decision not to object to this Settlement or not to exclude himself, herself, or itself from the Settlement Class. Unknown Claims include those Plaintiffs' Released Claims and Defendants' Released Claims in which some or all of the facts comprising the claim may be suspected, or even undisclosed or hidden. With respect to any and all Plaintiffs' Released Claims and Defendants' Released Claims, Plaintiffs and Defendants shall expressly, and each of the Released Plaintiffs' Persons and Released Defendants' Persons shall be deemed to have, and by operation of the Order and Final Judgment shall have, expressly waived to the fullest extent permitted by law, the provisions, rights, and benefits of California Civil Code § 1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Plaintiffs and Defendants shall expressly, and each of the Released Plaintiffs' Persons and Released Defendants' Persons shall be deemed to have, and by operation of the Order and Final Judgment, shall have expressly waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to California Civil Code § 1542. Released Plaintiffs' Persons and the Released Defendants' Persons may hereafter discover facts in addition to or different from those which such party now knows or believes to be true with respect to the subject matter of Plaintiffs' Released Claims and Defendants' Released Claims, but Plaintiffs and Defendants shall expressly, and each of the Released Plaintiffs' Persons and Released Defendants' Persons shall be deemed to have, and by operation of the Order and Final Judgment shall have fully, finally, and forever settled and released any and all Plaintiffs' Released Claims or Defendants' Released Claims, as the case may be, including Unknown Claims, whether or not suspected or unsuspected, contingent or non-contingent and whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, reckless, intentional, with or without malice, or a breach of any duty, law, or rule, without regard to the subsequent discovery or existence of such different or additional facts, whether or not previously or currently asserted in any action. Plaintiffs and Defendants acknowledge, and the Released Plaintiffs' Persons and Released Defendants' Persons shall be deemed by operation of the Order and Final Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.

You may maintain your own lawsuit only if you exclude yourself from the Settlement.

EXCLUDING YOURSELF FROM THE SETTLEMENT CLASS

If you do not want a payment from this Settlement, and you want to keep the right to sue any of the Released Defendants' Persons, on your own, about the legal issues in this Litigation, then you must take steps to remove yourself from the Settlement. This is called excluding yourself.

13. How do I get out of the proposed Settlement?

To exclude yourself from the Settlement, you must send a letter by mail saying that you want to be excluded from the Settlement Class in *In Re: Jernigan Capital, Inc. Shareholder Litigation*, Case No. CH-20-14272-II. You must provide the following information: (a) name; (b) address; (c) telephone number; (d) the amount of Jernigan common stock bought, sold, or held during the period from and including August 3, 2020, through and including November 6, 2020; and (e) a statement that you wish to be excluded from the Settlement Class. You must mail your exclusion request postmarked no later than November 22, 2024 to:

*Jernigan Capital, Inc. Shareholder Litigation
c/o RG2 Claims Administration
P.O. Box 59479
Philadelphia, PA 19102-9479*

You cannot exclude yourself on the phone or by e-mail. If you ask to be excluded, you will not receive any settlement payment, and you may not object to the Settlement. If you are excluded from the Settlement Class, you will not be legally bound by the terms of this Settlement.

14. If I do not exclude myself, can I sue the Defendants and the Defendants' Released Persons for the same thing later?

No. Unless you exclude yourself, you give up any rights to sue any of the Defendants and the Released Defendants' Persons for any and all Plaintiffs' Released Claims. If you have a pending lawsuit against the Defendants or the Released Defendants' Persons regarding any Plaintiffs' Released Claims, speak to your lawyer in that case immediately. You must exclude yourself from this Litigation to continue your own lawsuit. Remember, the exclusion deadline is November 22, 2024.

15. If I exclude myself, can I get money from the proposed Settlement?

No. If you exclude yourself, you may not send in a Proof of Claim to ask for any money.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

Yes. Monteverde & Associates PC and Kahn Swick & Foti, LLC are serving as Co-Class Counsel and Stranch, Jennings & Garvey PLLC is serving as Liaison Counsel, to lead the Litigation that Plaintiffs brought on behalf of themselves and all other Settlement Class Members. You will not be charged directly for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

This Action has been pending since 2020. Plaintiffs' Counsel have not been paid for their services on behalf of Plaintiffs and the Settlement Class, nor for their substantial expenses. The fee requested is to compensate Plaintiffs' Counsel for their work investigating the facts, litigating the case from inception in 2020 and negotiating the Settlement.

Plaintiffs' Counsel will request the Court to award attorneys' fees not to exceed one-third of the Settlement Amount, plus expenses not to exceed \$100,000.00 in connection with the Litigation, plus interest on such fees and expenses at the same rate as earned by the Fund. Such sums as may be approved by the Court will be paid from the Fund.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or any part of it.

18. How do I tell the Court that I object to the proposed Settlement?
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You can ask the Court to deny approval by filing an objection. You cannot ask the Court to order a different settlement; the Court can only approve or reject the Settlement. If the Court denies approval, no settlement payments will be sent out and the Litigation will continue. If that is what you want to happen, you must object.

Any objection to the proposed Settlement must be in writing. If you file a timely written objection, you may, but are not required to, appear at the Settlement Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney. All written objections and supporting papers must (a) clearly identify the case name and number (*In Re: Jernigan Capital, Inc. Shareholder Litigation*, Case No. CH-20-14272-II), (b) include your name, address, telephone number, and your signature, (c) identify the date(s), price(s), and number(s) of shares of Jernigan common stock you held, acquired, or sold during the Settlement Class Period, and state the reasons why you object, and (d) you must also include copies of documents demonstrating such holding(s), acquisition(s), and/or sale(s). Your objection must be filed with the Court and mailed or delivered and emailed to each of the following addresses such that it is received no later than November 22, 2024.

COURT	PLAINTIFFS' COUNSEL	DEFENDANTS' COUNSEL
Clerk of Court Chancery Court of Shelby County, Tennessee Shelby County Courthouse 140 Adams Avenue, Room 308 Memphis, TN 38103	Juan E. Monteverde Monteverde & Associates PC The Empire State Building 350 Fifth Avenue, Suite 4740 New York, NY 10118 jmonteverde@monteverdelaw.com Michael Palestina Kahn Swick & Foti, LLC 1100 Poydras Street, Suite 960 New Orleans, LA 70163 michael.palestina@ksfcounsel.com	Matthew L. DiRisio Winston & Strawn LLP 200 Park Avenue New York, NY 10166-4193 mdirisio@winston.com

19. What is the difference between objecting and excluding myself?

Objecting is simply telling the Court that you do not like something about the proposed Settlement, the Plan of Allocation, or the Fee and Expense Award. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class.

THE COURT'S SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the proposed Settlement. You may attend and you may ask to speak, but you do not have to.

20. When and where will the Court decide whether to approve the proposed Settlement?

The Court will hold a Settlement Hearing at 10:30 a.m. Central Time, on December 13, 2024, at the Chancery Court for the State of Tennessee for the Thirtieth Judicial District in Memphis, Shelby County Courthouse, via ZOOM with remote link: <https://www.zoomgov.com/j/16020156999?pwd=aitzNDBDOWFLb08xWHRsZDA4RkNOdz09> (Meeting ID: 160 2015 6999 / Passcode: Bike). At the hearing the Court will consider: (a) whether the Court should grant final approval of the proposed Settlement on the terms and conditions provided for in the Stipulation as fair,

reasonable, and adequate and in the best interests of the Settlement Class Members; (b) whether the Settlement Class should be finally certified for purposes of Settlement, and whether the designation of Plaintiffs as Class representatives and Plaintiffs' Counsel as Co-Class Counsel should be made final; (c) whether the Court should approve the Plan of Allocation of the Settlement as fair, reasonable, and adequate and in the best interests of the Settlement Class Members; (d) whether the Court should enter an Order and Final Judgment dismissing the Action on the merits and with prejudice as to the Defendants and effectuating the releases described in the Stipulation; (e) whether the Court should grant the application for the Fee and Expense Award; and (f) such other matters as may properly come before the Court.

21. Do I have to come to the hearing?

No. Plaintiffs' Counsel will answer questions the Court may have, but you are welcome to come at your own expense. If you send an objection or statement in support of the Settlement, you are not required to come to Court to discuss it. As long as you mailed your objection on time, the Court will consider it. You may also pay your own lawyer to attend, but you are not required to do so. Settlement Class Members do not need to appear at the hearing or take any other action to indicate their approval.

22. May I speak at the hearing?

If you object to the Settlement, the Plan of Allocation, or the Fee and Expense Award, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (see Question 18 above) a statement saying that it is your "Notice of Intention to Appear in the *In Re: Jernigan Capital, Inc. Shareholder Litigation*." Persons who intend to object to the Settlement, the Plan of Allocation, and/or any Fee and Expense Award, and desire to present evidence at the Settlement Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Hearing.

You cannot speak at the hearing if you exclude yourself.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing, you will get no money from this Settlement. But, unless you exclude yourself, you will not be able to start a lawsuit or be part of any other lawsuit against the Defendants or any other Defendants' Released Persons about the issues raised in this case ever again.

GETTING MORE INFORMATION

24. Are there more details about the proposed Settlement?

This Notice summarizes the proposed Settlement. For the precise terms and conditions of the Settlement, please see the Stipulation and Agreement of Compromise, Settlement, and Release available at www.rg2claims.com/jernigan.html, or the office of the Clerk of Court of the Chancery Court of Shelby County Tennessee, Shelby County Courthouse, 140 Adams Avenue, Room 308, Memphis, TN 38103, between 8:00 a.m. and 4:30 p.m., Monday through Friday, excluding Court holidays.

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS.

25. How do I get more information?

For more information, you can visit www.rg2claims.com/jernigan.html or call toll-free 1-866-742-4955. You can also contact the attorneys for Plaintiffs, listed below:

Juan E. Monteverde
Monteverde & Associates PC
350 Fifth Ave, Suite 4740
New York, NY 10118
(212) 971-1341
jmonteverde@monteverdelaw.com

Michael Palestina
Kahn Swick & Foti, LLC
1100 Poydras Street, Suite 960
New Orleans, LA 70163
(504) 455-1400
michael.palestina@ksfcounsel.com

PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG SETTLEMENT CLASS MEMBERS

Plaintiffs' Counsel have proposed a Plan of Allocation described below in Question 26, which will be submitted for the Court's approval. The Net Settlement Fund (the Settlement Amount plus interest less Taxes, Tax Expenses, Notice and Administration Costs, and the Fee and Expense Award) will be distributed to Settlement Class Members who, in accordance with the terms of the Stipulation, are entitled to a distribution from the Net Settlement Fund pursuant to any plan of allocation or any order of the Court and who submit a valid and timely Proof of Claim under the Plan of Allocation described below.

26. How will my claim be calculated?

As stated above, the Settlement Amount is \$3,925,000. Under the Plan of Allocation proposed by Plaintiffs' Counsel, only Settlement Class Members who were record holders or beneficial holders of Jernigan common stock at the Closing Date on November 6, 2020, and who submit a valid Proof of Claim to the Claims Administrator, may share in the recovery, pro rata with their stock holdings (the proposed "Plan of Allocation"). Your actual recovery will be a proportion of the Net Settlement Fund determined by your claim as compared to the total claims of all eligible Settlement Class Members who submit acceptable Proofs of Claim. You may receive more or less than the estimated average amount provided below depending on the number of claims submitted. The Court may approve this proposed Plan of Allocation, or modify it, without additional notice to the Settlement Class. Any order modifying the Plan of Allocation will be posted on the Settlement website, www.rg2claims.com/jernigan.html.

As of November 6, 2020, the Closing Date, there were approximately 23,263,130 shares of Jernigan common stock outstanding. Of those 23,263,130 shares of Jernigan common stock outstanding, Jernigan's directors and officers owned approximately 1,118,281 shares (excluded shares), meaning that the Settlement Class is comprised of 22,144,849 shares of Jernigan common stock as of November 6, 2020. Assuming that all of the shares held by Settlement Class Members participate in the Settlement, Plaintiffs' Counsel estimates that the average distribution will be approximately \$0.17 per share of Jernigan common stock before the deduction of Court-approved fees and expenses, as described in Question 17 above (estimated to be approximately \$0.06 per share), and the cost of notice and claims administration. Historically, less than all eligible investors submit claims, resulting in higher average distributions per share. The Net Settlement Fund will be distributed to Settlement Class Members who submit valid, timely Proof of Claim forms ("Claimants") on a pro rata basis. However, no distributions will be made to Claimants who would otherwise receive a distribution of less than \$10.00.

Payments shall be conclusive against all Authorized Claimants. No Person shall have any claim against any of Plaintiffs, Plaintiffs' Counsel, Liaison Counsel, the Claims Administrator, Defendants, or Released Defendants' Persons, or any Person designated by Plaintiffs' Counsel based on distributions made substantially in accordance with the Stipulation and the Settlement contained therein, or further order(s) of the Court. No Settlement Class Member

shall have any claim against Defendants or Released Defendants' Persons for any Plaintiffs' Released Claims. All Settlement Class Members who fail to complete and submit a valid and timely Proof of Claim shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.

SPECIAL NOTICE TO NOMINEES

The Court has ordered that if you held any Jernigan common stock at any point in time from August 3, 2020, through November 6, 2020, as nominee for a beneficial owner, then, within fifteen (15) calendar days after you receive the Postcard Notice, you must either: (1) send a copy of the Postcard Notice by first class mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

*Jernigan Capital, Inc. Shareholder Litigation
c/o RG2 Claims Administration
P.O. Box 59479
Philadelphia, PA 19102-9479*

If you choose to mail the Postcard Notice yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of the Postcard Notice as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Postcard Notice and which would not have been incurred but for the obligation to forward the Postcard Notice, upon submission of appropriate documentation to the Claims Administrator.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

DATED: AUGUST 22, 2024

BY ORDER OF THE COURT
CHANCERY COURT FOR THE STATE OF
TENNESSEE