

Rubicon Mortgage Fund, LLC

Financial Statements

December 31, 2018



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INDEPENDENT AUDITOR'S REPORT

To the Members of
Rubicon Mortgage Fund, LLC
Lafayette, California

We have audited the accompanying financial statements of Rubicon Mortgage Fund, LLC (a California limited liability company) (the "Fund"), which comprise the balance sheet as of December 31, 2018, and the related statements of income and changes in members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rubicon Mortgage Fund, LLC as of December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Armanino LLP

Armanino^{LLP}
San Ramon, California

February 19, 2019

Rubicon Mortgage Fund, LLC
Balance Sheet
December 31, 2018

ASSETS

Cash and cash equivalents	\$ 11,714,078
Mortgage interest receivable	523,874
Other receivables	30,125
Mortgage loans receivable, net	<u>72,882,963</u>
 Total assets	 <u><u>\$ 85,151,040</u></u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities	
Accounts payable and other accrued liabilities	\$ 117,329
Management and performance fees payable	59,885
Subscription borrowings	2,915,494
Deferred interest income	<u>794,798</u>
Total liabilities	3,887,506
 Members' equity	 <u>81,263,534</u>
 Total liabilities and members' equity	 <u><u>\$ 85,151,040</u></u>

The accompanying notes are an integral part of these financial statements.

Rubicon Mortgage Fund, LLC
Statement of Income and Changes in Members' Equity
For the Year Ended December 31, 2018

Revenues	
Mortgage interest income	\$ 7,410,467
Other income	<u>51,504</u>
Total revenues	<u>7,461,971</u>
Operating expenses	
Management fees	1,459,500
Provision for loan losses	140,620
Performance fees	514,896
Professional fees	197,507
Other operating expenses	<u>193,488</u>
Total operating expenses	<u>2,506,011</u>
Income from operations	4,955,960
Gain on sale of real estate owned	<u>149,982</u>
Income before LLC fees and taxes	5,105,942
LLC fees and taxes	<u>11,790</u>
Net income	5,094,152
Members' equity, beginning of year	64,369,949
Members' capital contributions	21,424,651
Members' earnings distributions	(2,428,267)
Members' capital withdrawals	<u>(7,196,951)</u>
Members' equity, end of year	<u>\$ 81,263,534</u>

The accompanying notes are an integral part of these financial statements.

Rubicon Mortgage Fund, LLC
Statement of Cash Flows
For the Year Ended December 31, 2018

Cash flows from operating activities	
Net income	\$ 5,094,152
Adjustments to reconcile net income to net cash provided by operating activities	
Provision for loan losses	140,620
Gain on sale of real estate owned	(149,982)
Amortization of deferred loan origination fees	(1,333,247)
Changes in operating assets and liabilities	
Mortgage interest receivable	(100,435)
Other receivables	(13,717)
Accounts payable and other accrued liabilities	(686)
Management and performance fees payable	168,135
Deferred interest income	129,704
Net cash provided by operating activities	<u>3,934,544</u>
Cash flows from investing activities	
Loans originated	(52,511,162)
Principal collected on loans	41,572,006
Proceeds from sale of real estate owned	207,291
Net cash used in investing activities	<u>(10,731,865)</u>
Cash flows from financing activities	
Increase in subscription borrowings	2,762,467
Members' capital contributions	21,424,651
Members' earnings distributions	(2,428,267)
Members' capital withdrawals	(7,196,951)
Net cash provided by financing activities	<u>14,561,900</u>
Net increase in cash and cash equivalents	7,764,579
Cash and cash equivalents, beginning of year	<u>3,949,499</u>
Cash and cash equivalents, end of year	<u>\$ 11,714,078</u>

Supplemental disclosures of cash flow information

Cash paid during the year for	
Interest	\$ 19,331
Taxes	\$ 11,790

Supplemental schedule of noncash investing and financing activities

Sale of real estate owned financed through mortgage loans receivable	\$ 262,500
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The accompanying notes are an integral part of these financial statements.

Rubicon Mortgage Fund, LLC
Notes to Financial Statements
December 31, 2018

1. NATURE OF OPERATIONS

Rubicon Mortgage Fund, LLC (the "Fund") is a California limited liability company that was organized to engage in business as a mortgage lender for the purpose of making and arranging various types of loans to the general public and businesses, acquire existing loans and selling loans, all of which are or will be secured, in whole or in part, by real property throughout the United States, primarily in California. The Fund is subject to various rules and regulations, primarily at the state level, relating to its business as a mortgage lender.

The Fund is managed by Rubicon Reality Advisors, Inc., a California corporation (the "Manager"). The Fund receives certain operating and administrative services from the Manager, some of which are not reimbursed to the Manager. The Fund's financial position and results of operations would likely be different absent this relationship with the Manager.

Term of the fund

The Fund shall continue until December 31, 2027, with a provision for one extension of 10 years, at the sole discretion of the Manager, with further extensions provided by majority vote of the members, unless dissolved under provisions of the operation agreement at an earlier date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management estimates and related risks

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions about the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Such estimates relate principally to the determination of the allowance for loan losses and fair value of real estate owned. Although these estimates reflect management's best estimates, it is at least reasonably possible that a material change to these estimates could occur in the near term.

The fair value of real estate, in general, is impacted by current real estate and financial market conditions. Should these markets experience significant declines, the resulting collateral values of the Fund's loans will likely be negatively impacted. The impact to such values could be significant and as a result, the Fund's actual loan losses could differ significantly from management's current estimates.

Cash and cash equivalents

The Fund considers all highly liquid financial instruments with remaining maturities of three months or less to be cash equivalents. Cash on deposit occasionally exceeds federally insured limits. The Fund believes that it mitigates this risk by maintaining deposits with major financial institutions.

Rubicon Mortgage Fund, LLC
Notes to Financial Statements
December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Mortgage loans receivable

Mortgage loans, which the Fund has the intent and ability to hold for the foreseeable future or to maturity, generally are stated at their outstanding unpaid principal balance with interest thereon being accrued as earned. Mortgage loans receivable make up the only class of financing receivables within the Fund's lending portfolio. As a result, further segmentation of the loan portfolio is not considered necessary.

If the probable ultimate recovery of the carrying amount of a loan, with due consideration for the fair value of collateral, is less than amounts due according to the contractual terms of the loan agreement and the shortfall in the amounts due are not insignificant, the carrying amount of the investment shall be reduced to the present value of estimated future cash flows discounted at the loan's effective interest rate. If a loan is collateral dependent, it is valued at the estimated fair value of the related collateral.

Interest is accrued daily based on the principal of the loans. If events and or changes in circumstances cause management to have serious doubts about the further collectibility of the contractual payments, a loan may be categorized as impaired and interest is no longer accrued. Any subsequent payments on impaired loans are applied to reduce the outstanding loan balances including accrued interest and advances.

Allowance for loan losses

Loans and the related assets are analyzed on a periodic basis for recoverability. Delinquencies are identified and followed as part of the loan system. A provision is made for losses on loans to adjust the allowance for loan losses to an amount considered by management to be adequate, with due consideration to collateral value, to provide for unrecoverable loans and receivables, including impaired loans, accrued interest, late fees and advances on loans. As a collateral-based lender, the Fund does not consider credit risks which may be inherent in a further segmented loan portfolio as a basis for determining the adequacy of its allowance for loan losses but rather focuses solely on the underlying collateral value of the loans in its portfolio to do so. As a result, the Fund does not consider further segmentation of its loan portfolio and related disclosures necessary. The Fund writes off uncollectible loans and related receivables directly to the allowance for loan losses once it is determined that the full amount is not collectible.

Deferred loan origination fees

Deferred loan origination fees are amortized to interest income over the life of the loan under the effective interest method. During the year ended December 31, 2018, the Fund amortized into interest income \$1,333,247 of loan origination fees.

Rubicon Mortgage Fund, LLC
Notes to Financial Statements
December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Real estate owned

Real estate acquired through or in lieu of loan foreclosure that is to be held for any purpose other than use in operations, is initially recorded at the lower of the recorded investment in the loan, plus any senior indebtedness, or fair value less estimated selling cost at the date of foreclosure if the plan of disposition is by way of sale. Any write-downs based on the asset's fair value at the date of acquisition are charged to the allowance for loan losses. After foreclosure, real estate held for sale is carried at the lower of the new cost basis or fair value less estimated costs to sell.

Costs of real estate improvements are capitalized, whereas costs relating to holding real estate are expensed. The portion of interest costs relating to development of real estate is capitalized.

Impairment losses of real estate held and held for sale are measured as the amount by which the carrying amount of a property exceeds its fair value less estimated costs to sell. Impairment losses of real estate held for use are determined by comparing the expected future undiscounted cash flows of the property, including any costs that must be incurred to achieve those cash flows, to the carrying amount of the property. If those cash flows are less than the carrying amount of the property, impairment is measured as the amount by which the carrying amount of the asset exceeds its fair value. If those cash flows exceed the carrying amount of the property, the asset value is recovered to the estimated fair value, but not to exceed the original basis in the property after reversion. Valuations are periodically performed by management, and any subsequent write-downs or recoveries are recorded as a charge to operations.

Fair value measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Fund determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value (Level 1, Level 2 and Level 3). Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs reflect the Fund's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Fund's own data.

The Fund does not record loans at fair value on a recurring basis but uses fair value measurements of collateral security in the determination of its allowance for loan losses. The fair value for impaired secured loans is determined using the sales comparison, income and other commonly used valuation approaches.

Rubicon Mortgage Fund, LLC
Notes to Financial Statements
December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements (continued)

The following methods and assumptions were used to estimate the fair value of assets and liabilities:

- Secured loans (Level 2 and Level 3). For loans in which a specific allowance is established based on the fair value of the collateral, the Fund records the loan as nonrecurring Level 2 if the fair value of the collateral is based on an observable market price or a current appraised value. If an appraised value is not available or the fair value of the collateral is considered impaired below the appraised value and there is no observable market price, the Fund records the loan as nonrecurring Level 3.
- Real estate owned (Level 2 and Level 3). At the time of foreclosure, real estate owned is recorded at the lower of the recorded investment in the loan, plus any senior indebtedness, or at the property's estimated fair value, less estimated costs to sell, as applicable. The Fund periodically compares the carrying value of real estate held for use to expected undiscounted future cash flows for the purpose of assessing the recoverability of the recorded amounts. If the carrying value exceeds future undiscounted cash flows, the assets are reduced to estimated fair value. If the future undiscounted cash flows of real estate held for use exceed the carrying value or the fair value less estimated costs to sell for other than held for use real estate exceeds the carrying value, the asset value is recaptured to the estimated fair value, but not to exceed the original basis in the property after reversion. The Fund records real estate owned as nonrecurring Level 2 if the fair value of the real estate owned is based on an observable market price or a current appraised value. If an appraised value is not available and there is no observable market price, the Fund records real estate owned as nonrecurring Level 3.

There have been no changes to methodologies used at December 31, 2018.

As there were no impaired secured loans or real estate owned at December 31, 2018, the Fund did not have any Level 1, Level 2 or Level 3 assets at December 31, 2018.

Rubicon Mortgage Fund, LLC
Notes to Financial Statements
December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subscription fund borrowings

The Fund accepts subscription agreements and funds from prospective investors who wish to become members of the Fund. If approved for admittance into the Fund, the subscription funds are maintained in a separate subscription account until such time as the funds are needed in the normal course of the Fund's operations. While such funds are on deposit in the subscription account, the investor will not be entitled to an allocation of the monthly net profits; however the investor will receive the interest earned on his funds that are held in the subscription account. If the subscription funds are needed in the normal course of the Fund's operations on any day other than the first day of the month, the subscription funds will be borrowed at an annual rate of 1% for the days within the month the borrowing took place. After the monthly distribution is processed, the subscription fund borrowings, plus any interest accrued thereon, will be recognized as member contributions on behalf of the subscribing member. There were \$2,915,494 in subscription fund borrowings as of December 31, 2018. During the year ended December 31, 2018, the Fund incurred interest expense totaling \$4,529 on subscription fund borrowings.

Deferred interest income

Deferred interest income represents interest income paid by borrowers in advance upon the funding of a loan. Deferred interest is amortized to interest income under the effective interest method.

Income taxes

The Fund is a limited liability company for federal and state income tax purposes. Under the laws pertaining to income taxation of limited liability companies, no federal income tax is paid by the Fund as an entity. Individual members report on their federal and state income tax returns their share of Fund income, gains, losses, deductions and credits, whether or not any actual distribution is made to such member during a taxable year. Accordingly, no provision for income taxes besides the \$800 minimum state franchise tax and the LLC gross receipts fees are reflected in the accompanying financial statements.

The Fund has evaluated its current tax positions and has concluded that as of December 31, 2018, the Fund does not have any significant uncertain tax positions for which a reserve would be necessary.

Subsequent events

The Fund has evaluated subsequent events through February 19, 2019, the date the financial statements were available to be issued. No subsequent events have occurred that would have a material impact on the presentation of the Fund's financial statements.

Rubicon Mortgage Fund, LLC
Notes to Financial Statements
December 31, 2018

3. FUND PROVISIONS

The Fund is a California limited liability company. The rights, duties and powers of the members of the Fund are governed by the operating agreement and Chapter 3, Title 2.5 of the California Corporations Code. The following description of the Fund's operating agreement provides only general information. Members should refer to the Fund's operating agreement and offering circular for a more complete description of the provisions.

The Manager is in complete control of the Fund business, subject to the voting rights of the members on specified matters. The Manager acting alone has the power and authority to act for and bind the Fund.

Members may remove the Manager if: (i) the Manager commits an act of willful misconduct which materially adversely damages the Fund; or (ii) holder of at least a majority of the outstanding membership interests vote in favor of such removal.

Profits and losses

Profits and losses accrued during any accounting period shall be allocated among the members in accordance with their respective membership interests maintained throughout that accounting period.

Distributions and performance fees

Members are entitled, on a non-compounding basis, payable monthly in arrears, to 6% per annum non-guaranteed priority return ("Priority Return") on their invested capital. The Manager will share in any such distribution to the extent it acquires and holds membership interests.

Once all accrued Priority Return distributions have been made, remaining net income from operations generally shall be distributed 60% to the Fund's members, including the Manager to the extent it holds memberships interests, and 40% to the Manager as a performance fee. The Manager earned \$514,896 in performance fees during 2018.

Reinvestment

Members have the option to compound their proportionate share of the Fund's monthly earnings.

Liquidity, capital withdrawals, and early withdrawals

There is no public market for membership interest of the Fund and none is expected to develop in the foreseeable future. There are substantial restrictions on transferability of membership interests. Any transferee must be a person that would have been qualified to purchase a member unit in the offering and a transferee may not become a substituted member without the consent of the Manager.

Rubicon Mortgage Fund, LLC
Notes to Financial Statements
December 31, 2018

3. FUND PROVISIONS (continued)

A member may withdraw as a member of the Fund and may receive a return of capital provided that the member provides the Fund with a written request for a return of capital at least 30 days prior to such withdrawal. The Fund will use its best efforts to honor requests for a return of capital subject to, among other things, the Fund's then cash flow, financial condition, compliance with regulatory and other limitations, such as ERISA thresholds, and prospective loans. Notwithstanding the foregoing, the Manager may, in its sole discretion, waive such withdrawal requirements or penalties if a member is experiencing undue hardship.

4. MORTGAGE LOANS RECEIVABLE, NET

Mortgage loans receivable, net consist of the following:

Mortgage loans receivable	\$ 74,800,801
Unamortized deferred loan origination fees	(825,597)
Allowance for loan losses	<u>(1,092,241)</u>
	<u><u>\$ 72,882,963</u></u>

Activity in the allowance for loan losses is as follows:

Balance, beginning of year	\$ 951,621
Provision for loan losses	<u>140,620</u>
Balance, end of year	<u><u>\$ 1,092,241</u></u>

Allocation of the allowance for loan losses by collateral type consisted of the following:

Commercial	\$ 393,534
Single-family residential	391,350
Industrial	231,665
Multi-family residential	66,954
Land	<u>8,738</u>
	<u><u>\$ 1,092,241</u></u>

Rubicon Mortgage Fund, LLC
Notes to Financial Statements
December 31, 2018

5. LINE OF CREDIT

During 2018, the Fund's line of credit agreement was extended to May 15, 2019. The maximum borrowing limit on the line of credit agreement is \$5,000,000. The line bears interest at a rate of 1% over the Prime Rate as published by the Wall Street Journal and has a floor of 5%. As of December 31, 2018, the interest rate was 6.50%. All accrued and unpaid interest is payable monthly. Borrowings against the line of credit are secured by substantially all the assets of the Fund. The line of credit is personally guaranteed by the members of the Manager. The Fund had no outstanding balance on the line of credit at December 31, 2018. Interest expense incurred on the line of credit was \$14,802 for the year ended December 31, 2018.

The line of credit agreement requires the Fund to comply with various financial covenants. At December 31, 2018, the Fund was in compliance with all the required financial covenants.

6. RELATED PARTY TRANSACTIONS

Management fees

The Manager earns management fees of .1667% (2% annually) on total assets under management as of the first day of the month. Management fees earned by the Manager amounted to \$1,459,500 for the year ended December 31, 2018. The Fund overpaid management fees of \$73,147 to the Manager at December 31, 2018. These amounts have been netted against the performance fees payable at December 31, 2018 and included as manager and performance fees payable in the accompanying balance sheet.

Performance fees

As described in Note 3, after payment to members of the Priority Return, the Manager is eligible to receive performance fees. Performance fees amounted to \$514,896 for the year ended December 31, 2018. The Fund had a payable to the Manager for performance fees of \$133,032 at December 31, 2018 and have been included in manager and performance fees payable in the accompanying balance sheet.

Operating expenses

Pursuant to the private placement memorandum, when the assets of the Fund reach ten million dollars, the Manager, at its discretion, may be reimbursed for all Fund expenses paid by the Manager. The Manager has the right to reimbursement of all organization, syndication, operating, and administrative costs incurred on behalf of the Fund. For the year ended December 31, 2018, the Manager absorbed all operating and administrative expenses of the Fund besides those which have been reflected in the Fund's Statement of Income and Changes in Members' Equity.

Rubicon Mortgage Fund, LLC
Notes to Financial Statements
December 31, 2018

7. LOAN CONCENTRATION AND CHARACTERISTICS

The loans are secured by recorded deeds of trust with the following characteristics:

Number of secured loans outstanding	90
Total secured loans outstanding	\$ 74,800,801
Average secured loan outstanding	\$ 831,120
Average secured loan as a percent of total secured loans	1.11 %
Average secured loan as a percent of members' equity	1.02 %
Largest secured loan outstanding	\$ 3,200,000
Largest secured loan as a percent of total secured loans	4.28 %
Largest secured loan as percent of members' equity	3.94 %
Number of secured loans over 90 days past due in interest and still accruing	1
Approximate investment in secured loans over 90 days past due in interest and still accruing	\$ 225,000
Number of secured loans in foreclosure	2
Approximate principal of secured loans in foreclosure	\$ 810,000
Number of secured loans on non-accrual status	-
Approximate investment in secured loans on non-accrual status	\$ -
Number of secured loans considered to be impaired	-
Approximate investment in secured loans considered to be impaired	\$ -
Average investment in secured loans considered to be impaired	\$ -
Approximate amount of foregone interest on loans considered to be impaired	\$ -
Estimated amount of impairment on loans considered to be impaired (included in the allowance for loan losses)	\$ -
Number of secured loans over 90 days past maturity	1
Approximate principal of secured loans over 90 days past maturity	\$ 210,000
Number of states where security is located	2
Number of counties where security is located	19

Rubicon Mortgage Fund, LLC
Notes to Financial Statements
December 31, 2018

7. LOAN CONCENTRATION AND CHARACTERISTICS (continued)

The Fund's loans are secured by recorded deeds of trust in real property located in various states as follows:

	<u>Loan Balances</u>	<u>Percentage</u>
California	\$ 74,688,301	99.85 %
New Mexico	112,500	0.15 %
	<u>\$ 74,800,801</u>	<u>100.00 %</u>

The Fund's loans are secured by recorded deeds of trust in real property located in various counties as follows:

	<u>Loan Balances</u>	<u>Percentage</u>
Alameda County, California	\$ 21,445,000	28.67 %
Contra Costa County, California	14,104,844	18.86 %
Santa Clara County, California	9,929,901	13.28 %
Other*	29,321,056	39.19 %
	<u>\$ 74,800,801</u>	<u>100.00 %</u>

* Other does not include any counties with loan concentrations greater than 10%.

The following categories of secured loans were held as follows:

First trust deeds	<u>\$ 74,800,801</u>
Loans by type of property	
Commercial	\$ 26,815,509
Single-family residential	25,923,339
Industrial	9,350,553
Multi-family residential	11,750,609
Land	960,791
	<u>\$ 74,800,801</u>

Rubicon Mortgage Fund, LLC
Notes to Financial Statements
December 31, 2018

7. LOAN CONCENTRATION AND CHARACTERISTICS (continued)

The schedule below presents the status of the secured loans with regards to interest payments as follows:

Days outstanding	
Current (0 to 30 days)	\$ 72,990,863
31 to 90 days	1,600,000
91 days and greater	<u>209,938</u>
	<u>\$ 74,800,801</u>

The future maturities of secured loans are as follows:

<u>Year ending December 31,</u>	
2019	\$ 55,319,006
2020	13,605,633
2021	1,660,000
2022	690,609
2023	<u>3,525,553</u>
	<u>\$ 74,800,801</u>

Scheduled maturities for 2019 include two loans totaling approximately \$615,000 that were past due at December 31, 2018.

It is the Fund's experience that often times mortgage loans are either extended or repaid before contractual maturity dates, refinanced at maturity or may go into default and not be repaid by the contractual maturity dates. Therefore, the above tabulation is not a forecast of future cash collections.