

















































**Note 11 - Restatement**

As disclosed in Note 1, the Company adopted the provisions of Accounting Standards Update (ASU) 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, in 2016, which was applied on a retrospective basis. The following is a summary of the effects of the change in accounting policy in the Company's December 31, 2015 financial statements:

| Consolidated balance sheet   | As Previously               | Change in        |                             |
|--|-----------------------------|------------------|-----------------------------|
| As of December 31, 2015  | Stated                      | Accounting       | As Restated                 |
|  | <u>                    </u> | <u>Principle</u> | <u>                    </u> |
| Capitalized term financing costs,<br>net of accumulated amortization   | \$ 5,647,370                | \$ (5,647,370)   | \$ -                        |
| Capitalized commitment fees,<br>net of accumulated amortization  | 1,248,622                   | (1,248,622)      | -                           |
| Total Assets   | 1,002,689,761               | (6,895,992)      | 995,793,769                 |
| <br>   |                             |                  |                             |
| Due to bond investors  | 580,776,532                 | (5,647,370)      | 575,129,162                 |
| Note payable   | 50,000,000                  | (296,431)        | 49,703,569                  |
| Corporate debt   | 30,000,000                  | (952,191)        | 29,047,809                  |
| Total Liabilities  | 901,513,506                 | (6,895,992)      | 894,617,514                 |
| <br>   |                             |                  |                             |
| Consolidated income statement  |                             |                  |                             |
| As of December 31, 2015  |                             |                  |                             |
| Amortization of debt issuance costs and bond discounts related<br>to senior funding facilities and due to bond investors | \$ -                        | \$ 3,966,411     | \$ 3,966,411                |
| Amortization of debt issuance costs and<br>bond discounts related to subordinate debt                                    | -                           | 220,728          | 220,728                     |
| Depreciation and amortization expense  | 4,304,438                   | (4,160,657)      | 143,781                     |
| <br>   |                             |                  |                             |
| Consolidated statement of cash flows   |                             |                  |                             |
| As of December 31, 2015  |                             |                  |                             |
| Amortization of term financing costs   | \$ 2,865,509                | 220,728          | \$ 3,086,237                |
| Amortization of commitment fees  | 220,728                     | (220,728)        | -                           |
| Payments of debt issuance costs  | (722,392)                   | (4,986,912)      | (5,709,304)                 |
| Payments of term financing costs   | (4,621,913)                 | 4,621,913        | -                           |
| Payments of commitment fees  | (364,999)                   | 364,999          | -                           |

**Note 12 - Subsequent Events**

On January 17, 2017, the Company fully paid off the bond investors within A10 Securitization 2013-1, LLC totaling \$12,626,892, which is included in due to bond investors in Note 5 in the amounts of \$952,892 for AAA, 7,059,000 for A, and \$4,615,000 for BBB, respectively.

The Company has evaluated subsequent events through March 24, 2017, the date which the consolidated financial statements were available to be issued.



Supplementary Information  
December 31, 2016

# A10 Capital Holding Company, LLC and Subsidiaries



A10 Capital Holding Company, LLC and Subsidiaries  
Cash Basis Net Operating Income  
Years Ended December 31, 2016 and 2015

|  | <u>2016</u>              | <u>2015</u><br>As Restated |
|--|--------------------------|----------------------------|
| Interest Income  |                          |                            |
| Interest income from loans   | <u>\$ 53,734,094</u>     | <u>\$ 42,998,481</u>       |
| Interest Expense   |                          |                            |
| Interest expense on senior funding facility  | 4,891,526                | 4,564,609                  |
| Interest expense to bond investors   | <u>21,165,402</u>        | <u>12,920,522</u>          |
| Total interest expense   | <u>26,056,928</u>        | <u>17,485,131</u>          |
| Net interest income  | <u>27,677,166</u>        | <u>25,513,350</u>          |
| Fees and Other Income  |                          |                            |
| Loan Fees  | 10,972,810               | 9,375,192                  |
| Other income   | 1,099,526                | 297,304                    |
| Servicing Fees   | <u>90,878</u>            | <u>31,833</u>              |
| Total fees and other income  | <u>12,163,214</u>        | <u>9,704,329</u>           |
| General and Administrative Expenses  |                          |                            |
| Salaries and benefits  | 11,088,510               | 7,340,285                  |
| Bonuses and commissions  | 4,616,529                | 3,922,844                  |
| Advertising, marketing, and research   | 981,600                  | 936,448                    |
| Professional fees  | 1,189,141                | 1,195,892                  |
| Rent   | 770,221                  | 634,093                    |
| Other  | <u>2,879,270</u>         | <u>2,028,194</u>           |
| Total general and administrative expenses  | <u>21,525,271</u>        | <u>16,057,756</u>          |
| <b>CASH BASIS NET OPERATING INCOME</b>   | <b><u>18,315,109</u></b> | <b><u>19,159,923</u></b>   |
| Other Expenses   |                          |                            |
| Depreciation expense   | 175,366                  | 143,781                    |
| Gain on sale of Fixed Assets   | (2,000)                  | -                          |
| Interest expense on subordinate debt   | 9,834,236                | 6,491,937                  |
| Amortization of debt issuance costs and<br>bond discounts related to subordinate debt                                    | 556,431                  | 220,728                    |
| Amortization of debt issuance costs and bond discounts related to<br>senior funding facilities and due to bond investors | 4,204,731                | 3,966,411                  |
| Capitalized loan fees, net of costs  | 1,961,259                | 3,006,586                  |
| Amortization of loan fees, net of costs  | (2,601,072)              | (1,319,013)                |
| Core Capital Prepayment Fees/Expenses  | 1,108,932                | -                          |
| Counterparty Expenses  | <u>671,986</u>           | <u>700,016</u>             |
| Total other expenses   | <u>15,909,869</u>        | <u>13,210,446</u>          |
| Net Income   | <u>\$ 2,405,240</u>      | <u>\$ 5,949,477</u>        |

### **Cash Basis Net Operating Income**

Cash Basis Net Operating Income (“Cash NOI”) is actual operating revenues generated minus actual expenses incurred (unlike the GAAP income statement, none of actual fees and operating expenses are capitalized and amortized over the life of the loan). Cash NOI is before non-cash items (depreciation, amortization of capitalized items, etc.), interest expense on corporate debt, and other non-operating expenses. This approach to calculating Cash NOI as a financial measure is not calculated in accordance with GAAP.

Management believes that Cash NOI is a better financial metric to assess the Company’s on-going operating performance because it is a better representation of the cash flow generated by the business as if it was capitalized with more equity (instead of corporate debt).

A10 Capital Holding Company, LLC and Subsidiaries  
Consolidating Balance Sheet  
December 31, 2016

|  | A10 REIT, LLC                        |                                      |  |  |  |  |  |   |
|--|--------------------------------------|--------------------------------------|--|--|--|--|--|---|
|  | A10<br>Securitization<br>2012-1, LLC | A10<br>Securitization<br>2013-1, LLC | A10 Term Asset<br>Financing 2013 -<br>2, LLC | A10 Term Asset<br>Financing 2014-1,<br>LLC | A10 Term Asset<br>Financing 2015-1,<br>LLC | A10 Term Asset<br>Financing 2016-1,<br>LLC | A10 Bridge Asset<br>Financing 2015-A,<br>LLC | A10 Permanent<br>Asset Financing<br>2015-I, LLC |
| <b>Assets</b>  |                                      |                                      |  |  |  |  |  |   |
| Cash   | \$ -                                 | \$ -                                 | \$ -   | \$ -                                       | \$ -                                       | \$ -                                       | \$ -   | \$ -  |
| Restricted cash  | -                                    | 4,492,292                            | 4,700,480                                    | 8,086,558                                  | 13,753,451                                 | 28,322,866                                 | 4,302,092                                    | 395,861   |
| Loans held for sale  | -                                    | -                                    | -  | -  | -  | -  | -  | -   |
| Loans receivable, net  | -                                    | 19,957,802                           | 51,382,786                                   | 62,221,361                                 | 130,220,791                                | 224,548,573                                | 149,375,603                                  | 144,029,734                                     |
| Interest receivable  | -                                    | 147,071                              | 296,434                                      | 373,274                                    | 730,025                                    | 1,215,876                                  | 500,269                                      | 519,560   |
| Other receivables  | -                                    | 6,314                                | 13,255                                       | 10,770                                     | 21,673                                     | 56,194                                     | 19,816                                       | -   |
| Investment in subsidiaries   | -                                    | -                                    | -  | -  | -  | -  | -  | -   |
| Due from related party   | -                                    | -                                    | 10,075,986                                   | 117,403                                    | 6,003,213                                  | -  | 25,053,022                                   | 4,340,529                                       |
| Other assets   | -                                    | -                                    | -  | -  | -  | -  | -  | -   |
| Capitalized costs on senior funding facilities,<br>accumulated amortization of \$3,546,304 | -                                    | -                                    | -  | -  | -  | -  | -  | -   |
| Furniture and equipment, net   | -                                    | -                                    | -  | -  | -  | -  | -  | -   |
|  | <u>\$ -</u>                          | <u>\$ 24,603,479</u>                 | <u>\$ 66,468,941</u>                         | <u>\$ 70,809,366</u>                       | <u>\$ 150,729,153</u>                      | <u>\$ 254,143,509</u>                      | <u>\$ 179,250,802</u>                        | <u>\$ 149,285,684</u>                           |
| <b>Liabilities</b>   |                                      |                                      |  |  |  |  |  |   |
| Accounts payable   | \$ -                                 | \$ -                                 | \$ -   | \$ -                                       | \$ -                                       | \$ -                                       | \$ 26,550                                    | \$ 10,250                                       |
| Interest payable   | -                                    | 42,588                               | 94,484                                       | 95,608                                     | 181,150                                    | 309,647                                    | 216,581                                      | 239,775   |
| Due to related party   | -                                    | 716,744                              | -  | -  | -  | 13,118,972                                 | -  | -   |
| Accrued liabilities  | -                                    | -                                    | -  | -  | 69,679                                     | -  | 74,699                                       | -   |
| Unearned revenue   | -                                    | -                                    | -  | -  | -  | -  | -  | -   |
| Loan and escrow deposits   | -                                    | 2,124,953                            | 4,787,736                                    | 5,082,109                                  | 10,903,489                                 | 14,905,120                                 | 23,552,040                                   | 6,194,646                                       |
| Due to bond investors, net of discount and<br>debt issuance costs                          | -                                    | 12,626,892                           | 45,567,364                                   | 53,304,201                                 | 107,077,060                                | 210,839,321                                | 127,660,172                                  | 117,362,975                                     |
| Due to bond investors, intercompany  | -                                    | 6,244,000                            | 9,510,000                                    | 7,744,000                                  | 15,476,000                                 | 16,925,000                                 | 27,327,833                                   | 22,500,000                                      |
| Senior funding facilities  | -                                    | -                                    | -  | -  | -  | -  | -  | -   |
| Capital leases   | -                                    | -                                    | -  | -  | -  | -  | -  | -   |
| Note payable, net of debt issuance costs   | -                                    | -                                    | -  | -  | -  | -  | -  | -   |
| Corporate debt, net of debt issuance costs   | -                                    | -                                    | -  | -  | -  | -  | -  | -   |
| Total liabilities  | <u>-</u>                             | <u>21,755,177</u>                    | <u>59,959,584</u>                            | <u>66,225,918</u>                          | <u>133,707,378</u>                         | <u>256,098,060</u>                         | <u>178,857,875</u>                           | <u>146,307,646</u>                              |
|  | <u>\$ -</u>                          | <u>\$ 24,603,479</u>                 | <u>\$ 66,468,941</u>                         | <u>\$ 70,809,366</u>                       | <u>\$ 150,729,153</u>                      | <u>\$ 254,143,509</u>                      | <u>\$ 179,250,802</u>                        | <u>\$ 149,285,684</u>                           |

A10 Capital Holding Company, LLC and Subsidiaries  
Consolidating Balance Sheet  
December 31, 2016

| A10 REIT, LLC  |                      |                      |                  |                         |                       |                         |                         |
|--|----------------------|----------------------|------------------|-------------------------|-----------------------|-------------------------|-------------------------|
|  | A10 RAF I, LLC       | A10 RAF II, LLC      | A10 REIT, LLC    | A10 REIT, LLC<br>Total  | A10 Capital, LLC      | Eliminations            | Consolidated            |
| <b>Assets</b>  |                      |                      |                  |                         |                       |                         |                         |
| Cash   | \$ -                 | \$ -                 | \$ 95,930        | \$ 95,930               | \$ 17,350,871         | \$ -                    | \$ 17,446,801           |
| Restricted cash  | 145,155              | 23,930               | -                | 64,222,685              | 83,534,486            | -                       | 147,757,171             |
| Loans held for sale  | -                    | -                    | -                | -                       | -                     | -                       | -                       |
| Loans receivable, net  | 95,795,798           | 40,550,000           | -                | 918,082,448             | (109,959)             | -                       | 917,972,489             |
| Interest receivable  | 439,884              | 119,040              | -                | 4,341,433               | 5,923                 | -                       | 4,347,356               |
| Other receivables  | 15,325               | -                    | -                | 143,347                 | 91,028                | -                       | 234,375                 |
| Investment in subsidiaries   | -                    | -                    | -                | -                       | 45,703,812            | (45,703,812)            | -                       |
| Due from related party   | -                    | -                    | -                | 45,590,153              | 86,360,861            | (131,951,014)           | -                       |
| Other assets   | -                    | -                    | -                | -                       | 620,227               | -                       | 620,227                 |
| Capitalized costs on senior funding facilities,<br>accumulated amortization of \$3,546,304 | 550,000              | 1,368,867            | -                | 1,918,867               | -                     | -                       | 1,918,867               |
| Furniture and equipment, net   | -                    | -                    | -                | -                       | 1,259,557             | -                       | 1,259,557               |
|  | <u>\$ 96,946,162</u> | <u>\$ 42,061,837</u> | <u>\$ 95,930</u> | <u>\$ 1,034,394,863</u> | <u>\$ 234,816,806</u> | <u>\$ (177,654,826)</u> | <u>\$ 1,091,556,843</u> |
| <b>Liabilities</b>   |                      |                      |                  |                         |                       |                         |                         |
| Accounts payable   | \$ -                 | \$ -                 | \$ -             | \$ 36,800               | \$ 307,443            | \$ -                    | \$ 344,243              |
| Interest payable   | 176,591              | 43,680               | -                | 1,400,104               | 646,091               | -                       | 2,046,195               |
| Due to related party   | 878,230              | 1,352,110            | 15,625           | 16,081,681              | -                     | (16,081,681)            | -                       |
| Accrued liabilities  | -                    | -                    | -                | 144,378                 | 4,101,731             | -                       | 4,246,109               |
| Unearned revenue   | -                    | -                    | -                | -                       | 1,251,252             | -                       | 1,251,252               |
| Loan and escrow deposits   | 2,091,832            | 151,666              | -                | 69,793,591              | 1,271,332             | -                       | 71,064,923              |
| Due to bond investors, net of discount and<br>debt issuance costs                          | -                    | -                    | -                | 674,437,985             | -                     | -                       | 674,437,985             |
| Due to bond investors, intercompany  | -                    | 10,142,500           | -                | 115,869,333             | -                     | (115,869,333)           | -                       |
| Senior funding facilities  | 80,479,199           | 30,407,500           | -                | 110,886,699             | -                     | -                       | 110,886,699             |
| Capital leases   | -                    | -                    | -                | -                       | 510,556               | -                       | 510,556                 |
| Note payable, net of debt issuance costs   | -                    | -                    | -                | -                       | -                     | -                       | -                       |
| Corporate debt, net of debt issuance costs   | -                    | -                    | -                | -                       | 112,573,492           | -                       | 112,573,492             |
|  | <u>83,625,852</u>    | <u>42,097,456</u>    | <u>15,625</u>    | <u>988,650,571</u>      | <u>120,661,897</u>    | <u>(131,951,014)</u>    | <u>977,361,454</u>      |
|  | <u>\$ 96,946,162</u> | <u>\$ 42,061,837</u> | <u>\$ 95,930</u> | <u>\$ 1,034,394,863</u> | <u>\$ 234,816,806</u> | <u>\$ (177,654,826)</u> | <u>\$ 1,091,556,843</u> |

A10 Capital Holding Company, LLC and Subsidiaries  
Consolidating Statement of Operations  
Year Ended December 31, 2016

|   | A10 REIT, LLC                        |                                      |  |  |  |  |  |   |
|---|--------------------------------------|--------------------------------------|--|--|--|--|--|---|
|   | A10<br>Securitization<br>2012-1, LLC | A10<br>Securitization<br>2013-1, LLC | A10 Term Asset<br>Financing 2013 -<br>2, LLC | A10 Term Asset<br>Financing 2014 -<br>1, LLC | A10 Term Asset<br>Financing 2015-1,<br>LLC | A10 Term Asset<br>Financing 2016-1,<br>LLC | A10 Bridge Asset<br>Financing 2015-A,<br>LLC | A10 Permanent<br>Asset Financing<br>2015-I, LLC |
| Interest Income   |                                      |                                      |  |  |  |  |  |   |
| Interest income from loans  | \$ -                                 | \$ 1,731,841                         | \$ 5,037,433                                 | \$ 6,488,341                                 | \$ 10,954,291                              | \$ 8,550,738                               | \$ 8,328,935                                 | \$ 3,816,496                                    |
| Earned loan fees, net of costs  | -                                    | 265,556                              | 1,037,873                                    | 1,220,507                                    | 1,564,986                                  | 471,685                                    | 1,218,817                                    | -   |
| Total interest income   | -                                    | 1,997,397                            | 6,075,306                                    | 7,708,848                                    | 12,519,277                                 | 9,022,423                                  | 9,547,752                                    | 3,816,496                                       |
| Interest Expense  |                                      |                                      |  |  |  |  |  |   |
| Interest expense on senior funding facilities   | -                                    | -                                    | -  | -  | -  | -  | -  | -   |
| Interest expense to bond investors  | -                                    | 1,059,215                            | 2,777,166                                    | 2,944,311                                    | 5,413,839                                  | 4,417,633                                  | 3,942,532                                    | 3,607,327                                       |
| Total interest expense  | -                                    | 1,059,215                            | 2,777,166                                    | 2,944,311                                    | 5,413,839                                  | 4,417,633                                  | 3,942,532                                    | 3,607,327                                       |
| Net interest income before amortization   | -                                    | 938,182                              | 3,298,140                                    | 4,764,537                                    | 7,105,438                                  | 4,604,790                                  | 5,605,220                                    | 209,169   |
| Amortization of debt issuance costs and<br>bond discounts related to senior funding<br>facilities and due to bond investors | -                                    | 129,585                              | 570,266                                      | 773,474                                      | 898,873                                    | 580,322                                    | 322,486                                      | 105,378   |
| Net interest income   | -                                    | 808,597                              | 2,727,874                                    | 3,991,063                                    | 6,206,565                                  | 4,024,468                                  | 5,282,734                                    | 103,791   |
| Fees and Other Income   |                                      |                                      |  |  |  |  |  |   |
| Other interest income   | -                                    | 2,539                                | 3,779  | 9,483  | 14,350                                     | 44,186                                     | 10,904                                       | 16  |
| Management fees   | -                                    | -                                    | -  | -  | -  | -  | -  | -   |
| Servicing fees and intracompany<br>securitization interest  | -                                    | -                                    | -  | -  | -  | -  | -  | -   |
| Total fees and other income   | -                                    | 2,539                                | 3,779  | 9,483  | 14,350                                     | 44,186                                     | 10,904                                       | 16  |
| General and Administrative Expenses   |                                      |                                      |  |  |  |  |  |   |
| Salaries and benefits   | -                                    | -                                    | -  | -  | -  | -  | -  | -   |
| Bonuses and commissions   | -                                    | -                                    | -  | -  | -  | -  | -  | -   |
| Advertising, marketing, and research  | -                                    | -                                    | -  | -  | -  | -  | -  | -   |
| Professional fees   | 8,606                                | 5,500                                | 9,400  | 5,619  | 5,200                                      | 3,600                                      | 5,200  | 3,900   |
| Servicing Fees  | -                                    | 51,811                               | 186,847                                      | 239,988                                      | 424,557                                    | 327,509                                    | 335,837                                      | 14,982  |
| Rent  | -                                    | -                                    | -  | -  | -  | -  | -  | -   |
| Other   | 2,720                                | 50,181                               | 63,685                                       | 170,590                                      | 217,899                                    | 156,265                                    | 164,673                                      | 110,517   |
| Total general and administrative expenses   | 11,326                               | 107,492                              | 259,932                                      | 416,197                                      | 647,656                                    | 487,374                                    | 505,710                                      | 129,399   |
| Loss from Subsidiaries  | -                                    | -                                    | -  | -  | -  | -  | -  | -   |
| Other Expenses (Income)   |                                      |                                      |  |  |  |  |  |   |
| Depreciation and amortization expense   | -                                    | -                                    | -  | -  | -  | -  | -  | -   |
| Interest expense on subordinate debt  | -                                    | -                                    | -  | -  | -  | -  | -  | -   |
| Amortization of debt issuance costs and<br>bond discounts related to subordinate debt                                       | -                                    | -                                    | -  | -  | -  | -  | -  | -   |
| Core capital Prepayment Fees/Expenses   | -                                    | -                                    | -  | -  | -  | -  | -  | -   |
| Excess spread   | -                                    | 1,148,020                            | 3,568,350                                    | 4,919,698                                    | 8,102,584                                  | 5,535,831                                  | 5,165,340                                    | 177,932   |
| Total other expenses (income)   | -                                    | 1,148,020                            | 3,568,350                                    | 4,919,698                                    | 8,102,584                                  | 5,535,831                                  | 5,165,340                                    | 177,932   |
| Net Income (Loss)   | \$ (11,326)                          | \$ (444,376)                         | \$ (1,096,629)                               | \$ (1,335,349)                               | \$ (2,529,325)                             | \$ (1,954,551)                             | \$ (377,412)                                 | \$ (203,524)                                    |

A10 Capital Holding Company, LLC and Subsidiaries  
Consolidating Statement of Operations  
Year Ended December 31, 2016

|   | A10 REIT, LLC     |                    |                  |                        |                  |                |               |
|---|-------------------|--------------------|------------------|------------------------|------------------|----------------|---------------|
|   | A10 RAF I,<br>LLC | A10 RAF II,<br>LLC | A10 REIT,<br>LLC | A10 REIT, LLC<br>Total | A10 Capital, LLC | Eliminations   | Consolidated  |
| Interest Income   |                   |                    |                  |                        |                  |                |               |
| Interest income from loans  | \$ 8,177,612      | \$ 190,127         | \$ -             | \$ 53,275,814          | \$ 3,454,901     | \$ (2,996,621) | \$ 53,734,094 |
| Earned loan fees, net of costs  | 901,118           | 2,081              | -                | 6,682,623              | 2,632,683        | -              | 9,315,306     |
| Total interest income   | 9,078,730         | 192,208            | -                | 59,958,437             | 6,087,584        | (2,996,621)    | 63,049,400    |
| Interest Expense  |                   |                    |                  |                        |                  |                |               |
| Interest expense on senior funding facilities   | 4,792,674         | 98,852             | -                | 4,891,526              | -                | -              | 4,891,526     |
| Interest expense to bond investors  | -                 | -                  | -                | 24,162,023             | -                | (2,996,621)    | 21,165,402    |
| Total interest expense  | 4,792,674         | 98,852             | -                | 29,053,549             | -                | (2,996,621)    | 26,056,928    |
| Net interest income before amortization   | 4,286,056         | 93,356             | -                | 30,904,888             | 6,087,584        | -              | 36,992,472    |
| Amortization of debt issuance costs and bond discounts related to senior funding facilities and due to bond investors | 720,995           | 103,352            | -                | 4,204,731              | -                | -              | 4,204,731     |
| Net interest income   | 3,565,061         | (9,996)            | -                | 26,700,157             | 6,087,584        | -              | 32,787,741    |
| Fees and Other Income   |                   |                    |                  |                        |                  |                |               |
| Other interest income   | 74                | 2                  | -                | 85,333                 | 1,014,193        | -              | 1,099,526     |
| Management fees   | -                 | -                  | -                | -                      | 90,878           | -              | 90,878        |
| Servicing fees and intracompany securitization interest   | -                 | -                  | -                | -                      | 34,475,771       | (34,475,771)   | -             |
| Total fees and other income   | 74                | 2                  | -                | 85,333                 | 35,580,842       | (34,475,771)   | 1,190,404     |
| General and Administrative Expenses   |                   |                    |                  |                        |                  |                |               |
| Salaries and benefits   | -                 | -                  | -                | -                      | 10,065,146       | -              | 10,065,146    |
| Bonuses and commissions   | -                 | -                  | -                | -                      | 3,342,576        | -              | 3,342,576     |
| Advertising, marketing, and research  | -                 | -                  | -                | -                      | 981,600          | -              | 981,600       |
| Professional fees   | 16,754            | -                  | -                | 63,779                 | 1,125,362        | -              | 1,189,141     |
| Servicing Fees  | 327,943           | 5,625              | -                | 1,915,099              | -                | (1,915,099)    | -             |
| Rent  | -                 | -                  | -                | -                      | 770,221          | -              | 770,221       |
| Other   | 193,492           | 20,000             | 289              | 1,150,311              | 2,398,945        | -              | 3,549,256     |
| Total general and administrative expenses   | 538,189           | 25,625             | 289              | 3,129,189              | 18,683,850       | (1,915,099)    | 19,897,940    |
| Loss from Subsidiaries  | -                 | -                  | -                | -                      | (8,904,371)      | 8,904,371      | -             |
| Other Expenses (Income)   |                   |                    |                  |                        |                  |                |               |
| Depreciation and amortization expense   | -                 | -                  | -                | -                      | 175,366          | -              | 175,366       |
| Interest expense on subordinate debt  | -                 | -                  | -                | -                      | 9,834,236        | -              | 9,834,236     |
| Amortization of debt issuance costs and bond discounts related to subordinate debt                                    | -                 | -                  | -                | -                      | 556,431          | -              | 556,431       |
| Core Capital Prepayment Fees/Expenses   | -                 | -                  | -                | -                      | 1,108,932        | -              | 1,108,932     |
| Excess spread   | 3,942,917         | -                  | -                | 32,560,672             | -                | (32,560,672)   | -             |
| Total other expenses (income)   | 3,942,917         | -                  | -                | 32,560,672             | 11,674,965       | (32,560,672)   | 11,674,965    |
| Net Income (Loss)   | \$ (915,971)      | \$ (35,619)        | \$ (289)         | \$ (8,904,371)         | \$ 2,405,240     | \$ 8,904,371   | \$ 2,405,240  |

A10 Capital Holding Company, LLC and Subsidiaries  
 Consolidating Statement of Members' Equity  
 Year Ended December 31, 2016

| A10 REIT, LLC                              |                                      |                                      |  |   |  |  |  |   |
|--|--------------------------------------|--------------------------------------|--|---|--|--|--|---|
|  | A10<br>Securitization<br>2012-1, LLC | A10<br>Securitization<br>2013-1, LLC | A10 Term<br>Asset Financing<br>2013-2, LLC | A10 Term Asset<br>Financing 2014-<br>1, LLC | A10 Term<br>Asset<br>Financing 2015-<br>1, LLC | A10 Term<br>Asset<br>Financing 2016-<br>1, LLC | A10 Bridge<br>Asset Financing<br>2015-A, LLC | A10 Permanent<br>Asset<br>Financing 2015-<br>I, LLC |
| Balance, December 31, 2015                 | \$ 865,022                           | \$ 3,292,678                         | \$ 7,605,986                               | \$ 5,918,797                                | \$ 19,551,100                                  | \$ -   | \$ 770,339                                   | \$ (64,048)   |
| Contributions                              | -                                    | -                                    | -  | -   | -  | -  | -  | 3,245,610   |
| Distributions                              | -                                    | -                                    | -  | -   | -  | -  | -  | -   |
| Transfer of equity for<br>dissolved entity | (853,696)                            | -                                    | -  | -   | -  | -  | -  | -   |
| Net income (loss)                          | <u>(11,326)</u>                      | <u>(444,376)</u>                     | <u>(1,096,629)</u>                         | <u>(1,335,349)</u>                          | <u>(2,529,325)</u>                             | <u>(1,954,551)</u>                             | <u>(377,412)</u>                             | <u>(203,524)</u>                                    |
| Balance, December 31, 2016                 | <u>\$ -</u>                          | <u>\$ 2,848,302</u>                  | <u>\$ 6,509,357</u>                        | <u>\$ 4,583,448</u>                         | <u>\$ 17,021,775</u>                           | <u>\$ (1,954,551)</u>                          | <u>\$ 392,927</u>                            | <u>\$ 2,978,038</u>                                 |

A10 Capital Holding Company, LLC and Subsidiaries  
 Consolidating Statement of Members' Equity  
 Year Ended December 31, 2016

|  | A10 REIT, LLC        |                    |                  |                               |                       |                        |                       |
|--|----------------------|--------------------|------------------|-------------------------------|-----------------------|------------------------|-----------------------|
|  | A10 RAF I,<br>LLC    | A10 RAF II,<br>LLC | A10 REIT,<br>LLC | Consolidated<br>A10 REIT, LLC | A10 Capital,<br>LLC   | Eliminations           | Total<br>Consolidated |
| Balance, December 31, 2015                 | \$ 14,236,281        | \$ -               | \$ -             | \$ 52,176,155                 | \$ 101,120,150        | \$ (52,120,050)        | \$ 101,176,255        |
| Contributions                              | -                    | -                  | -                | 3,245,610                     | 18,208,228            | (3,245,610)            | 18,208,228            |
| Distributions                              | -                    | -                  | (15,625)         | (15,625)                      | (7,578,709)           | -                      | (7,594,334)           |
| Transfer of equity for<br>dissolved entity | -                    | -                  | 96,219           | (757,477)                     | -                     | 757,477                | -                     |
| Net income (loss)                          | <u>(915,971)</u>     | <u>(35,619)</u>    | <u>(289)</u>     | <u>(8,904,371)</u>            | <u>2,405,240</u>      | <u>8,904,371</u>       | <u>2,405,240</u>      |
| Balance, December 31, 2016                 | <u>\$ 13,320,310</u> | <u>\$ (35,619)</u> | <u>\$ 80,305</u> | <u>\$ 45,744,292</u>          | <u>\$ 114,154,909</u> | <u>\$ (45,703,812)</u> | <u>\$ 114,195,389</u> |