CLEARINGHOUSE NMTC, LLC
COMBINED FINANCIAL STATEMENTS
For the year ended December 31, 2016
with
Report of Independent Auditors

Novogradac & Company LLP
Certified Public Accountants

NOVOGRADAC
& COMPANY LLP®
CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Auditors

To the Members of the Companies of
Clearinghouse NMTC, LLC:

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Clearinghouse NMTC, LLC, which comprise the combined balance sheet as of December 31, 2016, and the related combined statements of income, changes in members' equity and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined 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 combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the combined 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 combined financial statements.

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

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Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Clearinghouse NMTC, LLC as of December 31, 2016, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining information in the Supplementary Information is presented for additional analysis of the combined financial statements rather than to present the financial position and results of operations of the individual companies, and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Novogradac & Company LLP

Long Beach, California
March 22, 2017

CLEARINGHOUSE NMTC, LLC

Combined Balance Sheet

December 31, 2016

ASSETS		
Cash and cash equivalents	$	444,000
Loans receivable, net		277,714,000
Accrued interest receivable		271,000
Other receivables and prepaid expenses		81,000
Other assets, net		535,000
Investment in other company		410,000
Due from CDFI		4,000
TOTAL ASSETS	$	279,459,000
LIABILITIES AND MEMBERS' EQUITY		
LIABILITIES		
Due to CDFI	$	235,000
Notes payable		4,700,000
Other liabilities		2,000
TOTAL LIABILITIES		4,937,000
MEMBERS' EQUITY		274,522,000
TOTAL LIABILITIES AND MEMBERS' EQUITY	$	279,459,000

see accompanying notes

CLEARINGHOUSE NMTC, LLC

Combined Statement of Income

For the year ended December 31, 2016

REVENUE	
Interest on loans receivable	$ 6,581,000
Loan fees	23,000
NMTC LLC management fees	478,000
QALICB reimbursements	34,000
Total revenue	7,116,000
EXPENSES	
Management fees	1,216,000
Amortization of transaction costs	361,000
Interest expense	52,000
State franchise taxes	31,000
Audit and tax fees	35,000
Total expenses	1,695,000
Income before flow-through income and impairment loss from investment in other company	5,421,000
Flow-through income from investment in other company	1,000
Impairment loss from investment in other company	(6,585,000)
Net loss	$ (1,163,000)

see accompanying notes

CLEARINGHOUSE NMTC, LLC

Combined Statement of Changes in Members' Equity

For the year ended December 31, 2016

BALANCE, JANUARY 1, 2016	$	281,344,000
Distributions		(5,659,000)
Net loss		(1,163,000)
BALANCE, DECEMBER 31, 2016	$	274,522,000

see accompanying notes

CLEARINGHOUSE NMTC, LLC

Combined Statement of Cash Flows

For the year ended December 31, 2016

CASH FLOW FROM OPERATING ACTIVITIES		
Net loss	$	(1,163,000)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Amortization of deferred loan fees		(23,000)
Amortization of transaction costs		361,000
Flow-through income from investment in other company		(1,000)
Impairment loss from investment in other company		6,585,000
Changes in operating assets and liabilities:		
Increase in accrued interest receivable		(162,000)
Decrease in other receivables and prepaid expenses		2,000
Increase in due from CDFI		(3,000)
Decrease in due to CDFI		(1,000)
Decrease in other liabilities		(23,000)
Net cash provided by operating activities		5,572,000
CASH FLOW FROM FINANCING ACTIVITIES		
Distributions		(5,659,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(87,000)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		531,000
CASH AND CASH EQUIVALENTS AT END OF YEAR	$	444,000
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid for state franchise taxes	$	31,000
Cash paid for interest	$	52,000

see accompanying notes

1. Organization and purpose

The combined financial statements include the 22 entities listed below (collectively referred to as the "Companies" and individually referred to as "Company"). The Companies are related under common ownership and management of Clearinghouse Community Development Financial Institution ("CDFI" and "Managing Member") in Lake Forest, California. The Companies have a primary mission of providing investment capital for low-income communities or organizations serving low-income persons. The Companies make capital or equity investments in, and loans to, Qualified Active Low-Income Community Businesses ("QALICBs"), as defined in Internal Revenue Code Section 45D. To help fulfill their primary mission, the Companies applied for and received certification from the U.S. Treasury's Community Development Financial Institutions Fund ("CDFI Fund") as a qualified Community Development Entity ("CDE"). The Companies' lending is available through tax credit allocations authorized by the Department of Treasury and targets qualified businesses in distressed areas ("NMTC Allocations").

Companies

- Clearinghouse NMTC (Sub 16), LLC ("Sub 16")
- Clearinghouse NMTC (Sub 17), LLC ("Sub 17")
- Clearinghouse NMTC (Sub 18), LLC ("Sub 18")
- Clearinghouse NMTC (Sub 19), LLC ("Sub 19")
- Clearinghouse NMTC (Sub 20), LLC ("Sub 20")
- Clearinghouse NMTC (Sub 21), LLC ("Sub 21")
- Clearinghouse NMTC (Sub 22), LLC ("Sub 22")
- Clearinghouse NMTC (Sub 23), LLC ("Sub 23")
- Clearinghouse NMTC (Sub 24), LLC ("Sub 24")
- Clearinghouse NMTC (Sub 25), LLC ("Sub 25")
- Clearinghouse NMTC (Sub 26), LLC ("Sub 26")
- Clearinghouse NMTC (Sub 27), LLC ("Sub 27")
- Clearinghouse NMTC (Sub 28), LLC ("Sub 28")
- Clearinghouse NMTC (Sub 29), LLC ("Sub 29")
- Clearinghouse NMTC (Sub 30), LLC ("Sub 30")
- Clearinghouse NMTC (Sub 31), LLC ("Sub 31")
- Clearinghouse NMTC (Sub 32), LLC ("Sub 32")
- Clearinghouse NMTC (Sub 33), LLC ("Sub 33")
- Clearinghouse NMTC (Sub 35), LLC ("Sub 35")
- Clearinghouse NMTC (Sub 36), LLC ("Sub 36")
- Clearinghouse NMTC (Sub 43), LLC ("Sub 43")
- Clearinghouse NMTC (Sub 45), LLC ("Sub 45")

2. Summary of significant accounting policies and nature of operations

Basis of accounting
The Companies prepare their combined financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of presentation
The combined financial statements of the Companies include the combined financial statements of the individual subsidiary entities. All intercompany transactions and balances have been eliminated in combination.

Cash and cash equivalents
Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

Concentration of credit risk
The Companies maintain cash in bank deposit accounts that, at times, may exceed federally insured limits. The Companies have not experienced any losses in such accounts. The Companies believe they are not exposed to any significant credit risk on cash.

2. Summary of significant accounting policies and nature of operations (continued)

Economic and geographic concentrations
The Companies lend primarily in the California and Nevada markets. Future operations could be affected by changes in economic or other conditions in those markets. Additionally, the Companies' revenues are derived from the loans made to the QALICBs located in low-income communities. Future operations could be affected by changes in economic or other conditions that would affect the businesses of the QALICBs.

Loans receivable and allowance for loan losses
Loans receivable are stated at the amount of unpaid principal, reduced by unearned loan fees and the allowance for loan losses.

The allowance for loan losses is established through a provision for loan losses charged to expense. The allowance is an amount that management believes is adequate to absorb losses on existing loans that may become uncollectible. The allowance is calculated based on management's assessment of various risk factors in the types of loans the Companies offer. The Companies further consider the impact of market conditions when evaluating the economic risks within the Companies' portfolios.

The Companies evaluate each loan individually to determine if a specific loan loss provision is necessary. A loan is impaired when it is probable that the creditor will be unable to collect all contractual principal and interest payments due in accordance with the terms of the loan agreement. Impaired loans are measured based on the present value of expected future cash flows discounted at the loan's effective interest rate or, as a practical expedient, at the loan's observable market price or the fair value of the collateral if the loan is collateral dependent. The amount of impairment, if any, and subsequent charges are included in the allowance for loan losses. There were no impairment losses recognized during 2016.

Variable interest entity
FASB Accounting Standards Codification Section 810 addresses how a reporting company should evaluate whether it has a controlling financial interest in a variable interest entity ("VIE") through means other than voting rights and under what circumstances the reporting company should consolidate the entity. The Companies have concluded that the QALICBs are VIEs and that the Companies are not the primary beneficiaries as they do not have the power to direct the activities that most significantly impact the QALICBs' economic performance and the obligation to absorb the potential losses or right to receive benefits that could be significant to the QALICBs. As a result, the Companies are not required to consolidate the QALICBs as a result of their variable interest. The Companies' maximum exposure to loss as a result of their variable interests in the QALICBs is limited to their loans receivable balances (see Note 3).

Investment in other company
As of December 31, 2016, Sub 16 owns an interest in another company (the "Investee Company") as further discussed in Note 4. The Companies have determined that the Investee Company is a variable interest entity and the Sub 16 is not the primary beneficiary. As a result, Sub 16 is not required to consolidate its investment in the Investee Company. This conclusion was based on the determination that Sub 16 does not have the power to direct the activities that most significantly impact the Investee Company's economic performance. Sub 16's maximum exposure to loss as a result of its involvement with the investment remains limited to the current investment balance.

2. Summary of significant accounting policies and nature of operations (continued)

Investment in other company (continued)
For the year ended December 31, 2016, Sub 16 provided no explicit or implicit financial or other support to the Investee Company that was not previously contractually required or intended.

The Companies account for their investments in other companies under the equity method of accounting, which requires that the investments are recorded at cost and adjusted for the Companies' allocable share of income or loss, additional investments, and cash distributions from the other companies. Because the Companies have no obligation to fund liabilities of the other companies beyond their investments, including loans and advances, investments in the other companies may not be reduced below zero. To the extent that equity losses are incurred when the Companies' carrying value of an investment has reached a zero balance, any losses will be suspended to be used against future income.

The Companies have implemented policies and practices for assessing impairment for their investments. Periodically, the carrying values are evaluated and the Companies record a write down if it is determined that any impairment in value exists. If impairment exists, the carrying value is reduced to its future cash flows and estimated tax benefits to be received. For the year ended December 31, 2016, there were impairment losses of $6,585,000.

Use of estimates
The preparation of combined financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the combined financial statements and accompanying notes. Actual results could differ from those estimates. A material estimate that is particularly susceptible to significant change in the near term relates to the allowance for loan losses provision.

Fair value measurements
The Companies apply the accounting provisions related to fair value measurements. Accounting Standards Codification (ASC) 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. As prescribed in ASC 820, fair value is 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. This accounting guidance establishes a fair value hierarchy about the assumptions used to measure fair value and clarifies assumptions about risk and the effect of a restriction on the sale or use of an asset.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three levels of the fair value hierarchy: (1) the fair value is based on quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date; (2) the fair value is based on significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data; and (3) the fair value is based on significant unobservable inputs that reflect theCompanies' own assumptions about the assumptions that market participants would use in pricing an asset or liability.

2. Summary of significant accounting policies and nature of operations (continued)

Income taxes
Income taxes on the Companies' income are levied on the members at the member level. Accordingly, income taxes are not recorded on the Companies' books and all profits and losses of the Companies are recognized by each member in its respective tax return.

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires the Companies to report information regarding their exposure to various tax positions taken by the Companies. Management has determined whether any tax positions have met the recognition threshold and has measured the Companies' exposure to those tax positions. Management believes that the Companies have adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Companies are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying combined financial statements.

Interest and fees on loans
Interest on loans is calculated using the simple-interest method on principal amounts outstanding. The accrual of interest on impaired loans is discontinued when, in management's opinion, the borrower may be unable to make payments as they become due. When the accrual of interest is discontinued, all unpaid accrued interest is reversed. Interest income is subsequently recognized only to the extent cash payments are received and the principal balance is believed to be collectible.

Loan origination and commitment fees and certain direct loan origination costs are deferred and the net amount amortized as an adjustment of the related loan's yield. The Companies are generally amortizing these amounts over the contractual life of the related loan using the effective interest method.

Other assets and amortization
As of December 31, 2016, other assets included transaction costs of $896,000, which are recorded at cost and each Company's respective portion is amortized ratably over the seven-year compliance period using the straight-line method. Amortization of other assets for the year ended December 31, 2016 was $361,000.

Revenue recognition
Interest income is recognized when earned in accordance with the contractual terms of the loan agreements and promissory notes.

3. Loans receivable

The Companies' loan portfolio is composed of loans that are primarily secured by real estate and commercial properties. This collateral is concentrated primarily within Los Angeles and Orange Counties, but includes collateral located in various counties throughout California, Washington, Nevada and Arizona. As of December 31, 2016, real estate-secured loans accounted for approximately 100% of total loans. Nearly all of these loans are secured by first trust deeds with an initial loan-to-value ratio of generally not greater than 80%.

The Companies evaluate each borrower's creditworthiness on a case-by-case basis. Collateral held generally consists of first-trust deeds on real estate and income-producing commercial properties.

3. Loans receivable (continued)

The Companies' loan portfolio consisted of the following at December 31, 2016:

Loans receivable	$	277,714,000
Less: Allowance for loan losses		-
Less: Unearned loan fees		-
Loans receivable, net	$	277,714,000

4. Investment in other company

As of December 31, 2016, Sub 16 had an investment in another company. This investment was sold on January 20, 2017 (see Note 9). This investment was accounted for under the equity method of accounting, as Sub 16 did not have control of the major operating and financial policies of the Investee Company. The Investee Company was:

Gateway Opportunity Fund, LLC
Sub 16 made an equity investment of $6,998,000 in Gateway Opportunity Fund, LLC ("Gateway"). Sub 16 recorded an impairment loss of $6,585,000 for its investment in Gateway for the year ended December 31, 2016. As of December 31, 2016, the investment balance was $410,000.

5. Fair value measurements

The Companies report balances that are required or permitted to be measured at fair market value in accordance with existing accounting pronouncements. Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based upon the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, a fair value hierarchy is used that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three levels of the fair value hierarchy: (1) the fair value is based on quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date; (2) the fair value is based on significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data; and (3) the fair value is based on significant unobservable inputs that reflect the Companies' own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Cash and cash equivalents
The carrying values of cash and cash equivalents are reasonable estimates of their fair values due to their short-term nature.

5. Fair value measurements (continued)

Loans receivable, net

Loans receivable include collateral-dependent impaired loans which includes certain impaired held-for-investment loans for which an allowance for loan losses has been calculated based upon the fair value of the loans. The fair value of collateral for those impaired loans determined to be collateral dependent was determined based on appraisals obtained from real estate brokers or other third-party consultants. In some cases, adjustments were made to the appraised values due to various factors, including age of the appraisal, limited or outdated comparable included in the appraisal, and known changes in the market and in the collateral. As of December 31, 2016, loans receivable held by the Companies had a carrying value of $277,714,000. The carrying value approximates fair value.

Notes payable

The carrying value of notes payable as of December 31, 2016 was $4,700,000. The carrying value approximates fair value.

6. Notes payable

On December 18, 2013, Sub 32 obtained a $4,200,000 loan from Wells Fargo Community Development Enterprise Round 8 Subsidiary 9, LLC, a Delaware limited liability company ("Sub 32 Loan A") and a $500,000 loan from Wells Fargo Community Development Enterprise Round 9 Subsidiary 13, LLC, a Delaware limited liability company ("Sub 32 Loan B). The loans have a fixed interest rate of 1.1152% per annum with a maturity date of December 18, 2037 ("Maturity Date"). From March 15, 2014 to March 15, 2021, interest-only payments are due quarterly on the fifteenth day of each March, June, September and December. Each interest payment will include interest for the calendar quarter ending March 31, June 30, September 30 and December 31, respectively. Beginning March 15, 2021 and ending on or before the Maturity Date, quarterly payments of principal and interest will be due. As of December 31, 2016, the outstanding principal balance was $4,700,000 and there was no outstanding accrued interest. Interest expense for the year ended December 31, 2016 was $52,000.

7. Related-party transactions

Management fee

Pursuant to the respective operating agreement of each Company, the Managing Member earns a management fee (the "Management Fee") from each Company during the seven-year compliance period for administering, managing and directing the businesses of the Companies, including causing each Company to comply with the new markets tax credit program requirements in accordance with Internal Revenue Code Section 45D and the Treasury Regulations thereunder. Management Fees are negotiated with each Company prior to commencement of operations and will end when the Company is dissolved. For the year ended December 31, 2016, the Companies incurred and recognized Management Fees of $1,216,000.

Due from CDFI

Management fees due to certain Companies were paid directly to CDFI by the borrowers. As of December 31, 2016, CDFI owed the Companies $4,000.

Due to CDFI

CDFI paid expenditures on behalf of the Companies. Advances to the Companies do not bear interest. As of December 31, 2016, the Companies owed CDFI $235,000 in reimbursements.

8. Community development subsidiary entities

CDFI was awarded the authority to issue the following qualified equity investments ("QEIs") to the Companies pursuant to allocation agreements between CDFI and the Community Development Financial Institutions Fund (the "Federal Allocation Agreements"):

Allocation year	QEI	Dated
2008	$ 90,000,000	December 24, 2008
2009	100,000,000	November 24, 2009
2010	35,000,000	March 31, 2011
2012	80,000,000	July 15, 2013
Total	$ 305,000,000	

Equity investments received will be designated as QEIs if they meet the requirements of Internal Revenue Code Section 45D and Treasury Regulation Section 1.45D. Members of the Companies will be allowed to claim NMTCs over seven periods, spanning six years and a day, for any equity investment made by such member that is designated a QEI by CDFI. It is intended that the investor members' capital contributions shall constitute QEIs in accordance with the Internal Revenue Code Section 45D and the Treasury Regulations thereunder.

In order to qualify for NMTC, CDFI must comply with requirements of Internal Revenue Code Section 45D and Treasury Regulation Section 1.45D during the seven-year credit period. These requirements include, but are not limited to, ensuring that for each annual period in the seven-year credit period, at least 85% of the QEIs will be deployed to qualified low-income communities as qualified low-income community investments ("QLICIs"). Because the tax credits are subject to certain requirements, there can be no assurance that the aggregate amount of tax credits will be realized and failure to meet all such requirements may result in generating a lesser amount of tax credits than expected.

An aggregate of $110,760,000 of NMTCs will be generated as a result of $284,000,000 of QEIs in the Companies deployed as of December 31, 2016. As a result of the QEIs, the members of the investment funds were eligible for $15,094,000 of NMTCs for the year ended December 31, 2016. As of December 31, 2016, the members of the investment funds have been eligible to claim a cumulative total of $90,356,000.

Future Federal NMTC amounts resulting from Federal QEIs are expected to be as follows:

Year ending December 31,

2017	$ 8,692,000
2018	4,800,000
2019	4,800,000
2020	1,236,000
2021	876,000
Total	$ 20,404,000

8. Community development subsidiary entities (continued)

2008 Allocation

Clearinghouse NMTC (Sub 17)
In May 2010, Sub 17 entered into the Amended and Restated Operating Agreement of Sub 17 (the "Sub 17 Operating Agreement"). Sub 17 is owned 0.01% by CDFI and 99.99% by Lancaster P2 Investment Fund, LLC (the "Sub 17 Investor Member")(CDFI and the Sub 17 Investor Member are collectively referred to as the "Sub 17 Members"). Sub 17 received $19,500,000 in NMTC Allocations. As of December 31, 2016, Sub 17 received $19,500,000 of QEIs and made $19,110,000 of QLICIs.

As of December 31, 2016, pursuant to the Sub 17 Operating Agreement, CDFI and the Sub 17 Investor Member made capital contributions in the amount of $1,950 and $19,500,000, respectively.

Profits of Sub 17 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2016, Sub 17 made distributions in the amount of $4,352,000.

Clearinghouse NMTC (Sub 18)
In March 2010, Sub 18 entered into the Amended and Restated Operating Agreement of Sub 18 (the "Sub 18 Operating Agreement"). Sub 18 is owned 0.01% by CDFI and 99.99% by FBB Investment Fund, LLC (the "Sub 18 Investor Member")(CDFI and the Sub 18 Investor Member are collectively referred to as the "Sub 18 Members"). Sub 18 received $17,000,000 in NMTC Allocations. As of December 31, 2016, Sub 18 received $17,000,000 of QEIs and made $16,660,000 of QLICIs.

As of December 31, 2016, pursuant to the Sub 18 Operating Agreement, CDFI and the Sub 18 Investor Member made capital contributions in the amount of $1,700 and $17,000,000, respectively.

Profits of Sub 18 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2016, Sub 18 made distributions in the amount of $911,000.

Clearinghouse NMTC (Sub 19)
In August 2010, Sub 19 entered into the Amended and Restated Operating Agreement of Sub 19 (the "Sub 19 Operating Agreement"). Sub 19 is owned 0.01% by CDFI and 99.99% by Chase NMTC Doran Gardens Investment Fund, LLC (the "Sub 19 Investor Member")(CDFI and the Sub 19 Investor Member are collectively referred to as the "Sub 19 Members"). Sub 19 received $7,300,000 in NMTC Allocations. As of December 31, 2016, Sub 19 received $7,300,000 of QEIs and made $7,154,000 of QLICIs.

8. Community development subsidiary entities (continued)

2008 Allocation (continued)

Clearinghouse NMTC (Sub 19) (continued)
As of December 31, 2016, pursuant to the Sub 19 Operating Agreement, CDFI and the Sub 19 Investor Member made capital contributions in the amount of $730 and $7,300,000, respectively.

Profits of Sub 19 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2016, Sub 19 made distributions in the amount of $64,000.

Clearinghouse NMTC (Sub 21)
In July 2010, Sub 21 entered into the Amended and Restated Operating Agreement of Sub 21 (the "Sub 21 Operating Agreement"). Sub 21 is owned 0.01% by CDFI and 99.99% by Habitat California Investment Fund, LLC (the "Sub 21 Investor Member")(CDFI and the Sub 21 Investor Member are collectively referred to as the "Sub 21 Members"). Sub 21 received $25,000,000 in NMTC Allocations. As of December 31, 2016, Sub 21 received $25,000,000 of QEIs and made $24,500,000 of QLICIs.

As of December 31, 2016, pursuant to the Sub 21 Operating Agreement, CDFI and the Sub 21 Investor Member made capital contributions in the amount of $2,500 and $25,000,000, respectively.

Profits of Sub 21 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2016, Sub 21 made distributions in the amount of $1,142,000.

2009 Allocation

Clearinghouse NMTC (Sub 16)
In December 2009, Sub 16 entered into the Amended and Restated Operating Agreement of Sub 16 (the "Sub 16 Operating Agreement"). Sub 16 is owned 0.01% by CDFI and 99.99% by CNB New Markets Investment Fund I, LLC (the "Sub 16 Investor Member")(CDFI and the Sub 16 Investor Member are collectively referred to as the "Sub 16 Members"). Sub 16 received $29,000,000 in NMTC Allocations. As of December 31, 2016, Sub 16 received $29,000,000 of QEIs and made $28,420,000 of QLICIs.

As of December 31, 2016, pursuant to the Sub 16 Operating Agreement, CDFI and the Sub 16 Investor Member made capital contributions in the amount of $2,900 and $29,000,000, respectively.

8. Community development subsidiary entities (continued)

2009 Allocation (continued)

Clearinghouse NMTC (Sub 16) (continued)
Profits of Sub 16 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2016, Sub 16 made distributions in the amount of $9,863,000.

Clearinghouse NMTC (Sub 20)
In July 2010, Sub 20 entered into the Amended and Restated Operating Agreement of Sub 20 (the "Sub 20 Operating Agreement"). Sub 20 is owned 0.01% by CDFI and 99.99% by Imagine 26 Investment Fund, LLC (the "Sub 20 Investor Member")(CDFI and the Sub 20 Investor Member are collectively referred to as the "Sub 20 Members"). Sub 20 received $8,900,000 in NMTC Allocations. As of December 31, 2016, Sub 20 received $8,900,000 of QEIs and made $8,722,000 of QLICIs.

As of December 31, 2016, pursuant to the Sub 20 Operating Agreement, CDFI and the Sub 20 Investor Member made capital contributions in the amount of $890 and $8,900,000, respectively.

Profits of Sub 20 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2016, Sub 20 made distributions in the amount of $1,994,000.

Clearinghouse NMTC (Sub 22)
In July 2011, Sub 22 entered into the Amended and Restated Operating Agreement of Sub 22 (the "Sub 22 Operating Agreement"). Sub 22 is owned 0.01% by CDFI and 99.99% by Lafayette Investment Fund, LLC (the "Sub 22 Investor Member")(CDFI and the Sub 22 Investor Member are collectively referred to as the "Sub 22 Members"). Sub 22 received $15,000,000 in NMTC Allocations. As of December 31, 2016, Sub 22 received $15,000,000 of QEIs and made $14,700,000 of QLICIs.

As of December 31, 2016, pursuant to the Sub 22 Operating Agreement, CDFI and the Sub 22 Investor Member made capital contributions in the amount of $1,500 and $15,000,000, respectively.

Profits of Sub 22 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2016, Sub 22 made distributions in the amount of $2,637,000.

8. Community development subsidiary entities (continued)

2009 Allocation (continued)

Clearinghouse NMTC (Sub 23)
In December 2010, Sub 23 entered into the Amended and Restated Operating Agreement of Sub 23 (the "Sub 23 Operating Agreement"). Sub 23 is owned 0.01% by CDFI and 99.99% by Opus Investment Fund, LLC (the "Sub 23 Investor Member")(CDFI and the Sub 23 Investor Member are collectively referred to as the "Sub 23 Members"). Sub 23 received $30,000,000 in NMTC Allocations. As of December 31, 2016, Sub 23 received $30,000,000 of QEIs and made $29,400,000 of QLICIs.

As of December 31, 2016, pursuant to the Sub 23 Operating Agreement, CDFI and the Sub 23 Investor Member made capital contributions in the amount of $3,000 and $30,000,000, respectively.

Profits of Sub 23 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2016, Sub 23 made distributions in the amount of $6,315,000.

Clearinghouse NMTC (Sub 24)
In March 2011, Sub 24 entered into the First Amended and Restated Operating Agreement of Sub 24 (the "Sub 24 Operating Agreement"). Sub 24 is owned 0.01% by CDFI and 99.99% by Sandisol Investment Fund, LLC (the "Sub 24 Investor Member")(CDFI and the Sub 24 Investor Member are collectively referred to as the "Sub 24 Members"). Sub 24 received $10,000,000 in NMTC Allocations. As of December 31, 2016, Sub 24 received $10,000,000 of QEIs and made $9,800,000 of QLICIs.

As of December 31, 2016, pursuant to the Sub 24 Operating Agreement, CDFI and the Sub 24 Investor Member made capital contributions in the amount of $1,000 and $10,000,000, respectively.

Profits of Sub 24 shall be allocated in the following order of priority: (1) to the members with negative capital account balances, in proportion to their negative capital account balances, until their respective capital account balances have been reduced to zero, and (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their respective percentage interests as long as the allocation does not decrease the respective capital accounts to fall below zero and does not increase negative capital account balances; excess net loss shall be allocated in the following priority: (1) to the members with positive capital account balances, and (2) to the members who bear the economic risk of loss with respect to net losses, or if no member bears such economic risk of loss, to the members in accordance with their partnership interests. As of December 31, 2016, Sub 24 made distributions in the amount of $1,890,000.

8. Community development subsidiary entities (continued)

2009 Allocation (continued)

Clearinghouse NMTC (Sub 25)
In October 2011, Sub 25 entered into the Second Amended and Restated Operating Agreement of Sub 25 (the "Sub 25 Operating Agreement"). Sub 25 is owned 0.01% by CDFI and 99.99% by SFJAZZ Investment Fund, LLC (the "Sub 25 Investor Member")(CDFI and the Sub 25 Investor Member are collectively referred to as the "Sub 25 Members"). Sub 25 received $13,050,000 in NMTC Allocations. As of December 31, 2016, Sub 25 received $13,050,000 of QEIs and made $12,789,000 of QLICIs.

As of December 31, 2016, pursuant to the Sub 25 Operating Agreement, CDFI and the Sub 25 Investor Member made capital contributions in the amount of $1,305 and $13,050,000, respectively.

Profits of Sub 25 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2016, Sub 25 made distributions in the amount of $510,000.

2010 Allocation

Clearinghouse NMTC (Sub 26)
In October 2011, Sub 26 entered into the Amended and Restated Operating Agreement of Sub 26 (the "Sub 26 Operating Agreement"). Sub 26 is owned 0.01% by CDFI and 99.99% by AGP Grays Harbor Investment Fund II, LLC (the "Sub 26 Investor Member")(CDFI and the Sub 26 Investor Member are collectively referred to as the "Sub 26 Members"). Sub 26 received $5,250,000 in NMTC Allocations. As of December 31, 2016, Sub 26 received $5,250,000 of QEIs and made $5,145,000 of QLICIs.

As of December 31, 2016, pursuant to the Sub 26 Operating Agreement, CDFI and the Sub 26 Investor Member made capital contributions in the amount of $525 and $5,250,000, respectively.

Profits of Sub 26 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2016, Sub 26 made distributions in the amount of $186,000.

Clearinghouse NMTC (Sub 27)
In October 2011, Sub 27 entered into the Amended and Restated Operating Agreement of Sub 27 (the "Sub 27 Operating Agreement"). Sub 27 is owned 0.01% by CDFI and 99.99% by 510 16th Street Investment Fund, LLC (the "Sub 27 Investor Member")(CDFI and the Sub 27 Investor Member are collectively referred to as the "Sub 27 Members"). Sub 27 received $10,000,000 in NMTC Allocations. As of December 31, 2016, Sub 27 received $10,000,000 of QEIs and made $9,800,000 of QLICIs.

8. Community development subsidiary entities (continued)

2010 Allocation (continued)

Clearinghouse NMTC (Sub 27) (continued)
As of December 31, 2016, pursuant to the Sub 27 Operating Agreement, CDFI and the Sub 27 Investor Member made capital contributions in the amount of $1,000 and $10,000,000, respectively.

Profits of Sub 27 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2016, Sub 27 made distributions in the amount of $449,000.

Clearinghouse NMTC (Sub 28)
In October 2011, Sub 28 entered into the Amended and Restated Operating Agreement of Sub 28 (the “Sub 28 Operating Agreement”). Sub 28 is owned 0.01% by CDFI and 99.99% by OSF Investment Fund, LLC (the “Sub 28 Investor Member”)(CDFI and the Sub 28 Investor Member are collectively referred to as the “Sub 28 Members”). Sub 28 received $14,000,000 in NMTC Allocations. As of December 31, 2016, Sub 28 received $14,000,000 of QEIs and made $13,720,000 of QLICIs.

As of December 31, 2016, pursuant to the Sub 28 Operating Agreement, CDFI and the Sub 28 Investor Member made capital contributions in the amount of $1,400 and $14,000,000, respectively.

Profits of Sub 28 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2016, Sub 28 made distributions in the amount of $764,000.

2012 Allocation

Clearinghouse NMTC (Sub 29)
In September 2013, Sub 29 entered into the Amended and Restated Operating Agreement of Sub 29 (the “Sub 29 Operating Agreement”). Sub 29 is owned 0.01% by CDFI and 99.99% by A.C.T. Strand Theater NMTC Investment Fund, LLC (the “Sub 29 Investor Member”)(CDFI and the Sub 29 Investor Member are collectively referred to as the “Sub 29 Members”). Sub 29 received $14,600,000 in NMTC Allocations. As of December 31, 2016, Sub 29 received $14,600,000 of QEIs and made $14,308,000 of QLICIs.

As of December 31, 2016, pursuant to the Sub 29 Operating Agreement, CDFI and the Sub 29 Investor Member made capital contributions in the amount of $1,460 and $14,600,000, respectively.

8. Community development subsidiary entities (continued)

2012 Allocation (continued)

Clearinghouse NMTC (Sub 29) (continued)
Profits of Sub 29 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2016, Sub 29 made distributions in the amount of $237,000.

Clearinghouse NMTC (Sub 30)
In September 2013, Sub 30 entered into the Amended and Restated Operating Agreement of Sub 30 (the "Sub 30 Operating Agreement"). Sub 30 is owned 0.01% by CDFI and 99.99% by LKIC Investment Fund 1, LLC (the "Sub 30 Investor Member")(CDFI and the Sub 30 Investor Member are collectively referred to as the "Sub 30 Members"). Sub 30 received $10,000,000 in NMTC Allocations. As of December 31, 2016, Sub 30 received $10,000,000 of QEIs and made $9,800,000 of QLICIs.

As of December 31, 2016, pursuant to the Sub 30 Operating Agreement, CDFI and the Sub 30 Investor Member made capital contributions in the amount of $1,000 and $10,000,000, respectively.

Profits of Sub 30 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2016, Sub 30 made distributions in the amount of $158,000.

Clearinghouse NMTC (Sub 31)
In September 2013, Sub 31 entered into the Amended and Restated Operating Agreement of Sub 31 (the "Sub 31 Operating Agreement"). Sub 31 is owned 0.01% by CDFI and 99.99% by Window Rock Investment Fund II, LLC (the "Sub 31 Investor Member")(CDFI and the Sub 31 Investor Member are collectively referred to as the "Sub 31 Members"). Sub 31 received $4,800,000 in NMTC Allocations. As of December 31, 2016, Sub 31 received $4,800,000 of QEIs and made $4,704,000 of QLICIs.

As of December 31, 2016, pursuant to the Sub 31 Operating Agreement, CDFI and the Sub 31 Investor Member made capital contributions in the amount of $480 and $4,800,000, respectively.

Profits of Sub 31 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2016, Sub 31 made distributions in the amount of $69,000.

9. Community development subsidiary entities (continued)

2012 Allocation (continued)

Clearinghouse NMTC (Sub 32)
In December 2013, Sub 32 entered into the First Amended and Restated Operating Agreement of Sub 32 (the "Sub 32 Operating Agreement"). Sub 32 is owned 0.01% by CDFI and 99.99% by WF Port of Hueneme Investment Fund, LLC (the "Sub 32 Investor Member")(CDFI and the Sub 32 Investor Member are collectively referred to as the "Sub 32 Members"). Sub 32 received $10,000,000 in NMTC Allocations. As of December 31, 2016, Sub 32 received $10,000,000 of QEIs and made $14,500,000 of QLICIs.

As of December 31, 2016, pursuant to the Sub 32 Operating Agreement, CDFI and the Sub 32 Investor Member made capital contributions in the amount of $1,000 and $10,000,000, respectively.

Profits of Sub 32 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2016, Sub 32 made distributions in the amount of $147,000.

Clearinghouse NMTC (Sub 33)
In April 2014, Sub 33 entered into the Amended and Restated Operating Agreement of Sub 33 (the "Sub 33 Operating Agreement"). Sub 33 is owned 0.01% by CDFI and 99.99% by Renoir Investment Fund, LLC, a Missouri limited liability company (the "Sub 33 Investor Member")(CDFI and the Sub 33 Investor Member are collectively referred to as the "Sub 33 Members"). Sub 33 received $6,000,000 in NMTC Allocations. As of December 31, 2016, Sub 33 received $6,000,000 of QEIs and made $5,880,000 of QLICIs.

As of December 31, 2016, pursuant to the Sub 33 Operating Agreement, CDFI and the Sub 33 Investor Member made capital contributions in the amount of $600 and $6,000,000, respectively.

Profits of Sub 33 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2016, Sub 33 made distributions in the amount of $119,000.

Clearinghouse NMTC (Sub 35)
In June 2015, Sub 35 entered into the Second Amended and Restated Operating Agreement of Sub 35 (the "Sub 35 Operating Agreement"). Sub 35 is owned 0.01% by CDFI and 99.99% by USBCDC Investment Fund 58, LLC (the "Sub 35 Investor Member")(CDFI and the Sub 35 Investor Member are collectively referred to as the "Sub 35 Members"). Sub 35 received $10,000,000 in NMTC Allocations. As of December 31, 2016, Sub 35 received $10,000,000 of QEIs and made $10,000,000 of QLICIs.

8. Community development subsidiary entities (continued)

2012 Allocation (continued)

Clearinghouse NMTC (Sub 35) (continued)
As of December 31, 2016, pursuant to the Sub 35 Operating Agreement, CDFI and the Sub 35 Investor Member made capital contributions in the amount of $1,050 and $10,500,000, respectively.

Profits of Sub 35 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2016, Sub 35 made distributions in the amount of $165,000.

Clearinghouse NMTC (Sub 36)
In April 2015, Sub 36 entered into the Second Amended and Restated Operating Agreement of Sub 36 (the “Sub 36 Operating Agreement”). Sub 36 is owned 0.01% by CDFI and 99.99% by USBCDC Investment Fund 59, LLC (the “Sub 36 Investor Member”)(CDFI and the Sub 36 Investor Member are collectively referred to as the “Sub 36 Members”). Sub 36 received $10,000,000 in NMTC Allocations. As of December 31, 2016, Sub 36 received $10,000,000 of QEIs and made $10,000,000 of QLICIs.

As of December 31, 2016, pursuant to the Sub 36 Operating Agreement, CDFI and the Sub 36 Investor Member made capital contributions in the amount of $1,050 and $10,500,000, respectively.

Profits of Sub 36 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2016, Sub 36 made distributions in the amount of $180,000.

Clearinghouse NMTC (Sub 43)
In June 2015, Sub 43 entered into the Second Amended and Restated Operating Agreement of Sub 43 (the “Sub 43 Operating Agreement”). Sub 43 is owned 0.01% by CDFI and 99.99% by USBCDC Investment Fund 116, LLC (the “Sub 43 Investor Member”) (CDFI and the Sub 43 Investor Member are collectively referred to as the “Sub 43 Members”). Sub 43 received $6,300,000 in NMTC Allocations. As of December 31, 2016, Sub 43 received $6,300,000 of QEIs and made $6,300,000 of QLICIs.

As of December 31, 2016, pursuant to the Sub 43 Operating Agreement, CDFI and the Sub 43 Investor Member made capital contributions in the amount of $630 and $6,300,000, respectively.

8. Community development subsidiary entities (continued)

2012 Allocation (continued)

Clearinghouse NMTC (Sub 43) (continued)
Profits of Sub 43 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2016, Sub 43 made distributions in the amount of $102,000.

Clearinghouse NMTC (Sub 45)
In June 2015, Sub 45 entered into the Second Amended and Restated Operating Agreement of Sub 45 (the "Sub 45 Operating Agreement"). Sub 45 is owned 0.01% by CDFI and 99.99% by Twain Investment Fund 82, LLC (the "Sub 35 Investor Member") (CDFI and the Sub 45 Investor Member are collectively referred to as the "Sub 45 Members"). Sub 45 received $8,300,000 in NMTC Allocations. As of December 31, 2016, Sub 45 received $8,300,000 of QEIs and made $8,300,000 of QLICIs.

As of December 31, 2016, pursuant to the Sub 45 Operating Agreement, CDFI and the Sub 45 Investor Member made capital contributions in the amount of $830 and $8,300,000, respectively.

Profits of Sub 45 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2016, Sub 45 made distributions in the amount of $396,000.

9. Subsequent events

Subsequent events have been evaluated through March 22, 2017, which is the date the financial statements were available to be issued. The following is a summary of significant transactions through March 22, 2017:

On January 20, 2017 (the "Sub 16 Unwind Date"), Sub 16 collected repayment of approximately $21,532,000 in notes receivable and related accrued interest receivable. In addition, on the Sub 16 Unwind Date, Sub 16 sold its investment in Gateway for approximately $410,000. Sub 16 has distributed all available funds and the entity is in the process of dissolving.

SUPPLEMENTARY INFORMATION

CLEARINGHOUSE NMTC, LLC
Combining Balance Sheets
December 31, 2016

	2008 Allocation	2009 Allocation	2010 Allocation	2012 Allocation	NMTC LLCs Total
ASSETS					
Cash and cash equivalents	$ 77,000	$ 233,000	$ 48,000	$ 86,000	$ 444,000
Loans receivable, net	67,424,000	96,833,000	28,665,000	84,792,000	277,714,000
Accrued interest receivable	67,000	125,000	1,000	78,000	271,000
Other receivables and prepaid expenses	56,000	3,000	7,000	15,000	81,000
Other assets, net	35,000	163,000	89,000	248,000	535,000
Investment in other company	-	410,000	-	-	410,000
Due from CDFI	-	3,000	-	1,000	4,000
TOTAL ASSETS	$ 67,659,000	$ 97,770,000	$ 28,810,000	$ 85,220,000	$ 279,459,000
LIABILITIES AND MEMBERS' EQUITY					
LIABILITIES					
Due to CDFI	$ 25,000	$ 79,000	$ 37,000	$ 94,000	$ 235,000
Notes payable	-	-	-	4,700,000	4,700,000
Other liabilities	1,000	-	-	1,000	2,000
TOTAL LIABILITIES	26,000	79,000	37,000	4,795,000	4,937,000
MEMBERS' EQUITY					
NMTC member units	68,808,000	105,961,000	29,253,000	81,008,000	285,030,000
Syndication costs	(454,000)	(465,000)	(146,000)	(227,000)	(1,292,000)
Members' earnings	5,748,000	15,404,000	1,065,000	1,217,000	23,434,000
Distributions	(6,469,000)	(23,209,000)	(1,399,000)	(1,573,000)	(32,650,000)
TOTAL MEMBERS' EQUITY	67,633,000	97,691,000	28,773,000	80,425,000	274,522,000
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 67,659,000	$ 97,770,000	$ 28,810,000	$ 85,220,000	$ 279,459,000

see report of independent auditors

CLEARINGHOUSE NMTC, LLC
Combining Balance Sheets
December 31, 2016

	Sub 17	Sub 18	Sub 19	Sub 21	2008 Allocation Total
ASSETS					
Cash and cash equivalents	$ 17,000	$ 47,000	$ 9,000	$ 4,000	$ 77,000
Loans receivable, net	19,110,000	16,660,000	7,154,000	24,500,000	67,424,000
Accrued interest receivable	50,000	-	3,000	14,000	67,000
Other receivables and prepaid expenses	-	-	3,000	53,000	56,000
Other assets, net	9,000	4,000	-	22,000	35,000
Investment in other company	-	-	-	-	-
Due from CDFI	-	-	-	-	-
TOTAL ASSETS	$ 19,186,000	$ 16,711,000	$ 7,169,000	$ 24,593,000	$ 67,659,000
LIABILITIES AND MEMBERS' EQUITY					
LIABILITIES					
Due to CDFI	$ 2,000	$ 11,000	$ 8,000	$ 4,000	$ 25,000
Notes payable	-	-	-	-	-
Other liabilities	-	1,000	-	-	1,000
TOTAL LIABILITIES	2,000	12,000	8,000	4,000	26,000
MEMBERS' EQUITY					
NMTC member units	19,502,000	17,002,000	7,301,000	25,003,000	68,808,000
Syndication costs	(98,000)	(85,000)	(146,000)	(125,000)	(454,000)
Members' earnings	4,132,000	693,000	70,000	853,000	5,748,000
Distributions	(4,352,000)	(911,000)	(64,000)	(1,142,000)	(6,469,000)
TOTAL MEMBERS' EQUITY	19,184,000	16,699,000	7,161,000	24,589,000	67,633,000
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 19,186,000	$ 16,711,000	$ 7,169,000	$ 24,593,000	$ 67,659,000

CLEARINGHOUSE NMTC, LLC
Combining Balance Sheets
December 31, 2016

	Sub 16	Sub 20	Sub 22	Sub 23	Sub 24	Sub 25	2009 Allocation Total
ASSETS							
Cash and cash equivalents	$ 172,000	$ 7,000	$ 5,000	$ 19,000	$ 25,000	$ 5,000	$ 233,000
Loans receivable, net	21,422,000	8,722,000	14,700,000	29,400,000	9,800,000	12,789,000	96,833,000
Accrued interest receivable	-	30,000	2,000	88,000	5,000	-	125,000
Other receivables and prepaid expenses	-	-	-	-	-	3,000	3,000
Other assets, net	-	7,000	34,000	40,000	17,000	65,000	163,000
Investment in other company	410,000	-	-	-	-	-	410,000
Due from CDFI	-	-	-	-	-	3,000	3,000
TOTAL ASSETS	$ 22,004,000	$ 8,766,000	$ 14,741,000	$ 29,547,000	$ 9,847,000	$ 12,865,000	$ 97,770,000
LIABILITIES AND MEMBERS' EQUITY							
LIABILITIES							
Due to CDFI	$ 40,000	$ 6,000	$ 7,000	$ 12,000	$ 14,000	$ -	$ 79,000
Notes payable	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
TOTAL LIABILITIES	40,000	6,000	7,000	12,000	14,000	-	79,000
MEMBERS' EQUITY							
NMTC member units	29,003,000	8,901,000	15,002,000	30,003,000	10,001,000	13,051,000	105,961,000
Syndication costs	(145,000)	(45,000)	(75,000)	(150,000)	(50,000)	-	(465,000)
Members' earnings	2,969,000	1,898,000	2,444,000	5,997,000	1,772,000	324,000	15,404,000
Distributions	(9,863,000)	(1,994,000)	(2,637,000)	(6,315,000)	(1,890,000)	(510,000)	(23,209,000)
TOTAL MEMBERS' EQUITY	21,964,000	8,760,000	14,734,000	29,535,000	9,833,000	12,865,000	97,691,000
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 22,004,000	$ 8,766,000	$ 14,741,000	$ 29,547,000	$ 9,847,000	$ 12,865,000	$ 97,770,000

CLEARINGHOUSE NMTC, LLC

Combining Balance Sheets

December 31, 2016

	Sub 26	Sub 27	Sub 28	2010 Allocation Total
ASSETS				
Cash and cash equivalents	$ 25,000	$ 11,000	$ 12,000	$ 48,000
Loans receivable, net	5,145,000	9,800,000	13,720,000	28,665,000
Accrued interest receivable	-	-	1,000	1,000
Other receivables and prepaid expenses	2,000	5,000	-	7,000
Other assets, net	13,000	37,000	39,000	89,000
Investment in other company	-	-	-	-
Due from CDFI	-	-	-	-
TOTAL ASSETS	$ 5,185,000	$ 9,853,000	$ 13,772,000	$ 28,810,000
LIABILITIES AND MEMBERS' EQUITY				
LIABILITIES				
Due to CDFI	$ 14,000	$ 14,000	$ 9,000	$ 37,000
Notes payable	-	-	-	-
Other liabilities	-	-	-	-
TOTAL LIABILITIES	14,000	14,000	9,000	37,000
MEMBERS' EQUITY				
NMTC member units	5,251,000	10,001,000	14,001,000	29,253,000
Syndication costs	(26,000)	(50,000)	(70,000)	(146,000)
Members' earnings	132,000	337,000	596,000	1,065,000
Distributions	(186,000)	(449,000)	(764,000)	(1,399,000)
TOTAL MEMBERS' EQUITY	5,171,000	9,839,000	13,763,000	28,773,000
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 5,185,000	$ 9,853,000	$ 13,772,000	$ 28,810,000

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CLEARINGHOUSE NMTC, LLC
Combining Balance Sheets
December 31, 2016

	Sub 29	Sub 30	Sub 31	Sub 32	Sub 33	Sub 35	Sub 36	Sub 43	Sub 45	2012 Allocation Total
ASSETS										
Cash and cash equivalents	$ 9,000	$ 14,000	$ 21,000	$ 25,000	$ 11,000	$ 2,000	$ 2,000	$ 1,000	$ 1,000	$ 86,000
Loans receivable, net	14,308,000	9,800,000	4,704,000	14,500,000	5,880,000	10,500,000	10,500,000	6,300,000	8,300,000	84,792,000
Accrued interest receivable	-	-	1,000	-	-	-	-	-	77,000	78,000
Other receivables and prepaid expenses	-	3,000	-	2,000	9,000	1,000	-	-	-	15,000
Other assets, net	78,000	52,000	25,000	56,000	37,000	-	-	-	-	248,000
Investment in other company	-	-	-	-	-	-	-	-	-	-
Due from CDFI	-	-	-	1,000	-	-	-	-	-	1,000
TOTAL ASSETS	$14,395,000	$9,869,000	$4,751,000	$14,584,000	$5,937,000	$10,503,000	$10,502,000	$6,301,000	$8,378,000	$ 85,220,000
LIABILITIES AND MEMBERS' EQUITY										
LIABILITIES										
Due to CDFI	$ 11,000	$ 15,000	$ 23,000	$ 27,000	$ 18,000	$ -	$ -	$ -	$ -	$ 94,000
Notes payable	-	-	-	4,700,000	-	-	-	-	-	4,700,000
Other liabilities	-	-	-	-	-	-	1,000	-	-	1,000
TOTAL LIABILITIES	11,000	15,000	23,000	4,727,000	18,000	-	1,000	-	-	4,795,000
MEMBERS' EQUITY										
NMTC member units	14,601,000	10,001,000	4,800,000	10,001,000	6,001,000	10,501,000	10,501,000	6,301,000	8,301,000	81,008,000
Syndication costs	(73,000)	(50,000)	(24,000)	(50,000)	(30,000)	-	-	-	-	(227,000)
Members' earnings	93,000	61,000	21,000	53,000	67,000	167,000	180,000	102,000	473,000	1,217,000
Distributions	(237,000)	(158,000)	(69,000)	(147,000)	(119,000)	(165,000)	(180,000)	(102,000)	(396,000)	(1,573,000)
TOTAL MEMBERS' EQUITY	14,384,000	9,854,000	4,728,000	9,857,000	5,919,000	10,503,000	10,501,000	6,301,000	8,378,000	80,425,000
TOTAL LIABILITIES AND MEMBERS' EQUITY	$14,395,000	$9,869,000	$4,751,000	$14,584,000	$5,937,000	$10,503,000	$10,502,000	$6,301,000	$8,378,000	$ 85,220,000

CLEARINGHOUSE NMTC, LLC
Combining Statements of Income
For the year ended December 31, 2016

	2008 Allocation	2009 Allocation	2010 Allocation	2012 Allocation	NMTC LLCs Total
REVENUE					
Interest on loans receivable	$ 1,121,000	$ 3,957,000	$ 422,000	$ 1,081,000	$ 6,581,000
Loan fees	-	23,000	-	-	23,000
NMTC LLC management fees	129,000	269,000	50,000	30,000	478,000
QALICB reimbursements	2,000	3,000	6,000	23,000	34,000
Total revenue	1,252,000	4,252,000	478,000	1,134,000	7,116,000
EXPENSES					
Management fees	237,000	593,000	159,000	227,000	1,216,000
Amortization of transaction costs	88,000	166,000	42,000	65,000	361,000
Interest expense	-	-	-	52,000	52,000
State franchise taxes	6,000	15,000	5,000	5,000	31,000
Audit and tax fees	-	3,000	3,000	29,000	35,000
Total expenses	331,000	777,000	209,000	378,000	1,695,000
Income before flow-through income and impairment loss from investment in other company	921,000	3,475,000	269,000	756,000	5,421,000
Flow-through income from investment in other company	-	1,000	-	-	1,000
Impairment loss from investment in other company	-	(6,585,000)	-	-	(6,585,000)
Net income (loss)	$ 921,000	$ (3,109,000)	$ 269,000	$ 756,000	$ (1,163,000)

CLEARINGHOUSE NMTC, LLC
Combining Statements of Income
For the year ended December 31, 2016

	Sub 17	Sub 18	Sub 19	Sub 21	2008 Allocation Total
REVENUE					
Interest on loans receivable	$ 670,000	$ 227,000	$ 36,000	$ 188,000	$ 1,121,000
Loan fees	-	-	-	-	-
NMTC LLC management fees	98,000	-	31,000	-	129,000
QALICB reimbursements	-	-	-	2,000	2,000
Total revenue	768,000	227,000	67,000	190,000	1,252,000
EXPENSES					
Management fees	98,000	85,000	54,000	-	237,000
Amortization of transaction costs	28,000	24,000	-	36,000	88,000
Interest expense	-	-	-	-	-
State franchise taxes	3,000	1,000	1,000	1,000	6,000
Audit and tax fees	-	-	-	-	-
Total expenses	129,000	110,000	55,000	37,000	331,000
Income before flow-through income and impairment loss from investment in other company	639,000	117,000	12,000	153,000	921,000
Flow-through income from investment in other company	-	-	-	-	-
Impairment loss from investment in other company	-	-	-	-	-
Net income (loss)	$ 639,000	$ 117,000	$ 12,000	$ 153,000	$ 921,000

CLEARINGHOUSE NMTC, LLC
Combining Statements of Income
For the year ended December 31, 2016

	Sub 16	Sub 20	Sub 22	Sub 23	Sub 24	Sub 25	2009 Allocation Total
REVENUE							
Interest on loans receivable	$ 1,639,000	$ 307,000	$ 564,000	$ 1,054,000	$ 294,000	$ 99,000	$ 3,957,000
Loan fees	23,000	-	-	-	-	-	23,000
NMTC LLC management fees	-	54,000	-	150,000	-	65,000	269,000
QALICB reimbursements	-	-	-	-	-	3,000	3,000
Total revenue	1,662,000	361,000	564,000	1,204,000	294,000	167,000	4,252,000
EXPENSES							
Management fees	209,000	44,000	75,000	150,000	50,000	65,000	593,000
Amortization of transaction costs	38,000	13,000	21,000	43,000	14,000	37,000	166,000
Interest expense	-	-	-	-		-	-
State franchise taxes	7,000	2,000	3,000	-	2,000	1,000	15,000
Audit and tax fees	-	-	-	-	-	3,000	3,000
Total expenses	254,000	59,000	99,000	193,000	66,000	106,000	777,000
Income before flow-through income and impairment loss from investment in other company	1,408,000	302,000	465,000	1,011,000	228,000	61,000	3,475,000
Flow-through income from investment in other company	1,000	-	-	-	-	-	1,000
Impairment loss from investment in other company	(6,585,000)	-	-	-	-	-	(6,585,000)
Net income (loss)	$ (5,176,000)	$ 302,000	$ 465,000	$ 1,011,000	$ 228,000	$ 61,000	$ (3,109,000)

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CLEARINGHOUSE NMTC, LLC
Combining Statements of Income
For the year ended December 31, 2016

	Sub 26	Sub 27	Sub 28	2010 Allocation Total
REVENUE				
Interest on loans receivable	$ 78,000	$ 102,000	$ 242,000	$ 422,000
Loan fees	-	-	-	-
NMTC LLC management fees	-	50,000	-	50,000
QALICB reimbursements	2,000	4,000	-	6,000
Total revenue	80,000	156,000	242,000	478,000
EXPENSES				
Management fees	39,000	50,000	70,000	159,000
Amortization of transaction costs	8,000	14,000	20,000	42,000
Interest expense	-	-	-	-
State franchise taxes	2,000	1,000	2,000	5,000
Audit and tax fees	-	3,000	-	3,000
Total expenses	49,000	68,000	92,000	209,000
Income before flow-through income and impairment loss from investment in other company	31,000	88,000	150,000	269,000
Flow-through income from investment in other company	-	-	-	-
Impairment loss from investment in other company	-	-	-	-
Net income (loss)	$ 31,000	$ 88,000	$ 150,000	$ 269,000

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CLEARINGHOUSE NMTC, LLC
Combining Statements of Income
For the year ended December 31, 2016

	Sub 29	Sub 30	Sub 31	Sub 32	Sub 33	Sub 35	Sub 36	Sub 43	Sub 45	2012 Allocation Total
REVENUE										
Interest on loans receivable	$ 145,000	$ 98,000	$ 45,000	$ 162,000	$ 45,000	$ 105,000	$ 105,000	$ 65,000	$ 311,000	$ 1,081,000
Loan fees	-	-	-	-	-	-	-	-	-	-
NMTC LLC management fees	-	-	-	-	30,000	-	-	-	-	30,000
QALICB reimbursements	4,000	4,000	11,000	-	4,000	-	-	-	-	23,000
Total revenue	149,000	102,000	56,000	162,000	79,000	105,000	105,000	65,000	311,000	1,134,000
EXPENSES										
Management fees	73,000	50,000	24,000	50,000	30,000	-	-	-	-	227,000
Amortization of transaction costs	21,000	14,000	7,000	14,000	9,000	-	-	-	-	65,000
Interest expense	-	-	-	52,000	-	-	-	-	-	52,000
State franchise taxes	1,000	1,000	1,000	1,000	1,000	-	-	-	-	5,000
Audit and tax fees	3,000	3,000	10,000	10,000	3,000	-	-	-	-	29,000
Total expenses	98,000	68,000	42,000	127,000	43,000	-	-	-	-	378,000
Income before flow-through income and impairment loss from investment in other company	51,000	34,000	14,000	35,000	36,000	105,000	105,000	65,000	311,000	756,000
Flow-through income from investment in other company	-	-	-	-	-	-	-	-	-	-
Impairment loss from investment in other company	-	-	-	-	-	-	-	-	-	-
Net income (loss)	$ 51,000	$ 34,000	$ 14,000	$ 35,000	$ 36,000	$ 105,000	$ 105,000	$ 65,000	$ 311,000	$ 756,000

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