REDWOOD MORTGAGE INVESTORS X, LLC

ANNUAL FINANCIAL STATEMENTS AND NOTES
AND REPORT OF INDEPENDENT AUDITORS
December 31, 2025 and 2024

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Report of Independent Auditors

The Members
Redwood Mortgage Investors X, LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Redwood Mortgage Investors X, LLC, which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of income, changes in members' capital, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Redwood Mortgage Investors X, LLC, as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Redwood Mortgage Investors X, LLC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Redwood Mortgage Investors X, LLC's ability to continue as a going concern within one year after the date that the financial statements are issued.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Redwood Mortgage Investors X, LLC’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Redwood Mortgage Investors X, LLC’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Key Performance Indicators and Loan to Value for Loans with Payments in Arrears, Using Current Loan to Value Data schedules are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Baker Tilly US, LLP

San Francisco, California
April 23, 2026

REDWOOD MORTGAGE INVESTORS X, LLC
Balance Sheets
December 31, 2025 and 2024

	December 31, 2025	December 31, 2024
ASSETS		
Cash in banks	$ 830,225	$ 1,589,726
Loans		
Principal	7,167,191	6,615,114
Advances	650	1,394
Accrued interest	76,258	80,341
Loan balances secured by deeds of trust	7,244,099	6,696,849
Allowance for loan losses	(160,000)	(260,000)
Loan balances secured by deeds of trust, net	7,084,099	6,436,849
Other receivable	76,800	4,153
Total assets	$ 7,991,124	$ 8,030,728
LIABILITIES AND MEMBERS' CAPITAL		
Accounts payable and accrued liabilities	$ 53,191	$ 1,010
Payable to Redwood Mortgage Corp.	—	3,931
Total liabilities	53,191	4,941
Members' capital	8,306,513	8,464,396
Syndication cost advance	(368,580)	(438,609)
Total members' capital	7,937,933	8,025,787
Total liabilities and members' capital	$ 7,991,124	$ 8,030,728

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

REDWOOD MORTGAGE INVESTORS X, LLC
Statements of Income
For the Years Ended December 31, 2025 and 2024

	For the Twelve Months Ended December 31, 2025	For the Twelve Months Ended December 31, 2024
Revenues		
Interest income	$ 554,857	$ 722,405
Late fees	7,661	862
Early withdrawal	6,187	3,702
Total revenues	568,705	726,969
Provision for credit losses	111,805	260,000
Operations expense:		
Asset management fees to Redwood Mortgage Corp.	90,118	86,226
Mortgage servicing fees to Redwood Mortgage Corp.	13,607	18,368
Professional services	127,995	108,001
Administrative costs, net	12,836	4,408
Total operations expense	244,556	217,003
Net income	$ 212,344	$ 249,966

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

REDWOOD MORTGAGE INVESTORS X, LLC
Statements of Changes in Members' Capital
For the Years Ended December 31, 2025 and 2024

	Members' Capital	Syndication Cost Advance	Members' Capital, net
December 31, 2024	$ 8,464,396	$ (438,609)	$ 8,025,787
Syndication cost advance deduction	—	70,029	70,029
Net income	212,344	—	212,344
Distributions to members	(285,227)	—	(285,227)
Redemptions by members	(85,000)	—	(85,000)
December 31, 2025	$ 8,306,513	$ (368,580)	$ 7,937,933

	Members' Capital	Syndication Cost Advance	Members' Capital, net
December 31, 2023	$ 8,894,004	$ (523,519)	$ 8,370,485
Syndication cost advance deduction	—	84,910	84,910
Net income	249,966	—	249,966
Distributions to members	(490,923)	—	(490,923)
Redemptions by members	(188,651)	—	(188,651)
December 31, 2024	$ 8,464,396	$ (438,609)	$ 8,025,787

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

REDWOOD MORTGAGE INVESTORS X, LLC
Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	For the Twelve Months Ended December 31, 2025	2024
Operating Activities		
Interest received	$ 581,619	$ 707,099
Advances	744	(1,394)
Other loan income	7,661	862
Operations expense	(212,798)	(216,300)
Receivable other	(72,647)	(4,153)
Total cash provided by operating activities	304,579	486,114
Investing Activities		
Loans funded	(9,758,365)	(2,755,750)
Principal collected	8,424,897	2,635,694
Loans sold	569,586	548,160
Total cash (used in) provided by investing activities	(763,882)	428,104
Financing Activities		
Syndication cost advance early withdrawal	130	—
Earning distribution	(215,328)	(406,013)
Redemption	(85,000)	(188,651)
Total cash used in members' capital	(300,198)	(594,664)
Net (decrease) increase in cash	(759,501)	319,554
Cash, beginning of year	1,589,726	1,270,172
Cash, end of year	$ 830,225	$ 1,589,726

	For the Twelve Months Ended December 31, 2025	2024
Reconciliation of net income to net cash provided by operating activities:		
Net income	$ 212,344	$ 249,966
Adjustments to reconcile net income to net cash used in operating activities		
Provision for credit losses	111,805	260,000
Change in operating assets and liabilities		
Accrued interest	4,083	(10,026)
Advances	744	(1,394)
Accounts payable and accrued liabilities	52,181	(7,985)
Prepaid interest	—	(4,225)
Receivable other	(72,647)	(4,153)
Payable to related parties	(3,931)	3,931
Total change in operating assets and liabilities	92,235	236,148
Total cash provided by operations	$ 304,579	$ 486,114

Non-cash investing activities for 2025 included one loan with principal of $211,805 transferred to unsecured. See FN 4 (Loans) for more information.

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

NOTE 1 – ORGANIZATION AND GENERAL

Redwood Mortgage Investors X, LLC ("RMI X" or "the company") is a Delaware limited liability company formed in September 2019 to engage in business as a mortgage lender and investor by making and holding-for-investment mortgage loans secured by California real estate, primarily through first and second deeds of trust.

The company is externally managed by Redwood Mortgage Corp. ("RMC" or "the manager").
- RMC is solely responsible for managing the business and affairs of RMI X, subject to the voting rights of the members on specified matters. The manager acting alone has the power and authority to act for and bind the company.
- RMC provides the personnel and services necessary for the company to conduct its business as the company has no employees of its own.
- The mortgage loans that the company funds and invests in are arranged and generally are serviced by RMC.

The rights, duties and powers of the members and manager of the company are governed by the Limited Liability Company Operating Agreement of RMI X (the "Operating Agreement"), the Delaware Limited Liability Company Act, and the California Revised Uniform Limited Liability Company Act.

Members representing a majority of the outstanding units may, without the concurrence of the manager, vote to: (i) dissolve the company; (ii) amend the Operating Agreement, subject to certain limitations; (iii) approve or disapprove the sale of all or substantially all of the assets of the company; or (iv) remove or replace one or all of the managers. Where there is only one manager, a majority in interest of the members is required to elect a new manager to continue the company business after a manager ceases to be a manager due to its withdrawal.

The following is a summary of certain provisions of the Operating Agreement and is qualified in its entirety by the terms of the Operating Agreement. Members should refer to the Operating Agreement for complete disclosure of its provisions.

The company's primary investment objectives are to:
- yield a favorable rate of return from the company's business of making and or investing in loans;
- preserve and protect the company's capital by making and or investing in loans secured by California real estate, preferably income-producing properties geographically situated in the San Francisco Bay Area and the coastal metropolitan regions of Southern California; and,
- generate and distribute cash flow from these mortgage lending and investing activities.

Net income of RMI X is calculated quarterly by the manager in accordance with accounting principles generally accepted in the United States of America ("GAAP") and is allocated among the members based on the member's percentage interest in RMI X (i.e., the member's original capital investment less the amount yet to be reimbursed on the member's syndication cost advance).

The company's net income, cash available for distribution, and net-distribution rate fluctuate depending on:
- loan origination volume and the balance of capital available to lend;
- the current and future interest rates negotiated with borrowers;
- loan sales to unaffiliated third parties, and any gains received thereon;
- loans designated as non-accrual, determination of the allowance for credit losses, and acquisitions of REO via foreclosure, if any;
- the timing and amount of other operating expenses, including expenses for professional services; and
- fee and or cost reimbursements waived, if any, from RMC.

Membership interests in RMI X are comprised of two tiers: (i) tier broker-dealer interests ("Tier BD Interests"), and (ii) tier registered investment advisors interests ("Tier RIA Interests"). Membership interest tiers are designated for the purpose of allocating syndication costs among the members based upon the relative costs payable in connection with their corresponding units (i.e., BD Units and RIA Units).

- Tier BD Interests were issued to members that acquire BD Units through a registered broker-dealer and were allocated syndication costs consisting of: (i) each BD Member's pro rata share of RMI X's Organization and Offering ("O&O") Expenses, up to a maximum amount of 2.0% of the gross purchase price paid by each BD Member for their BD Units; and (ii) underwriting compensation to broker-dealers of up to 7.0% of the gross purchase price paid by each BD member for their BD Units.

- Tier RIA Interests were issued to members that acquire RIA units through a registered investment advisor or directly from RMI X and were allocated syndication costs consisting solely of each RIA member's pro rata share of the O&O Expenses, up to a maximum amount of 2.0% of the gross purchase price paid by each RIA member for their RIA units.

Syndication costs attributable to each membership tier are deemed advanced by the company on behalf of members and the advance is reimbursed by the members through quarterly syndication cost reimbursements. Syndication costs advanced on behalf of a member, less all quarterly syndication cost reimbursements (i.e., the amount yet to be reimbursed on the member's syndication cost advance), are deducted from a member's capital account balance for the purposes of determining a member's percentage interest. The amount to be deducted will be higher on a per unit basis for BD members than RIA members due to the securities underwriting compensation included in the syndication costs attributable to the Tier BD Interests. Tier BD Interests and Tier RIA Interests are also subject to differing "surrender charges" in the event of early withdrawal, a portion of which will be retained by the company in satisfaction of a member's unpaid syndication cost advance amount.

Federal and state income taxes are the obligation of the members, other than the annual California franchise tax and the California LLC gross receipts tax. The tax basis in the net assets differs from book basis by the amount of the allowance for credit losses.

The ongoing sources of funds for loans are the proceeds (net of redemption of members' capital, earnings distributions to members, and operations expense) from:
- loan payoffs;
- borrowers' monthly principal and interest payments; and
- loan sales (to unaffiliated third parties and/or loan assignments to affiliates), if any.

Lending and Investment Guidelines and Criteria

The company intends to hold until maturity the loans in which it invests and does not presently intend to invest in mortgage loans primarily for the purpose of reselling such loans in the ordinary course of business. However, the company may sell mortgage loans (or fractional interests therein) when the manager determines that it appears to be advantageous for the company to do so, based upon prevailing and expected interest rates, the length of time that the loan has been held by the company and the expected time to maturity and/or payoff of the loan, the company's credit risk and concentration risk and the overall investment objectives of the company. Loans sold to third parties may be sold for par, at a premium or, in the case of non-performing or under performing loans, at a discount. Company loans may be sold to third parties or to the manager or its related mortgage funds; however, any loan sold to the manager or a related mortgage fund will be sold for a purchase price equal to the greater of: (i) the par value of the loan, or (ii) the fair market value of the loan. The manager will not receive commissions or broker fees with respect to loan sales conducted for the company; however, selling loans will increase members' capital available for investing in new loans, for which the manager will earn brokerage fees and other forms of compensation.

The manager has discretion to pay amounts (advances) to third parties on behalf of borrowers to protect the company's interest in the loan. Advances include, but are not limited to, the payment of interest and principal on a senior lien to prevent foreclosure by the senior lien holder, property taxes, insurance premiums and attorney fees. Advances generally are stated at the amounts paid out on the borrower's behalf and any accrued interest on amounts paid out, until repaid by the borrower. Interest is accrued daily on principal and advances, if any.

The company's business is neither dependent on any one, nor concentrated with a few, major borrowers, investors, or lenders.

Distribution Policy

Cash distributions are made to members electing such distributions on a quarterly basis unless monthly distributions are requested by a member and approved by the manager. Cash distributions to electing members are made within fifteen (15) days after the last day of each quarter or month, as applicable. An investor may elect to switch from receiving distributions to compounding, or vice versa, by giving the manager notice fifteen (15) days prior to the last day of any calendar quarter.

Members electing to receive quarterly cash distributions of their share of net income will receive distributions net of their quarterly syndication cost reimbursement. Members electing to receive monthly distributions will have the proportionate amount of their quarterly syndication cost deductions (i.e., 1/3rd of the quarterly amount) deducted from each monthly distribution.

Liquidity and Unit Redemption Program

There are substantial restrictions on transferability of units, and there is no established public trading or secondary market for the units, and none is expected to develop. In order to provide liquidity to members, the Operating Agreement includes a unit redemption program, whereby a member may redeem all or part of their units, subject to certain limitations. RMI X's Operating Agreement makes no provision for members to withdraw or to obtain the return of their invested capital for ninety (90) days from the date of the purchase of units. Thereafter, a member may request the withdrawal of all or a portion of a member's capital. However, withdrawals requested prior to the scheduled dissolution date are subject to a surrender charge based upon when a member's withdrawal notice is received, as well as other withdrawal limitations described in the Operating Agreement and further below.

Amounts distributable to withdrawing members (after deduction of the applicable surrender charge) will be distributed in one or more quarterly withdrawal distributions, subject to certain limitations (including cash available for withdrawals) provided in the Operating Agreement. The dollar amount that may be redeemed per quarter per individual member is subject to a maximum of the greater of $100,000 or 25% of the member's capital account balance. For withdrawal requests requiring more than one quarter to redeem fully, the surrender charge percentage that applies when the redemption payments begin continues to apply throughout the redemption period. Aggregate withdrawals in any calendar quarter are limited to two and one-half percent (2.5%) of the total of the members' capital account balances outstanding at the beginning of the quarter and aggregate withdrawals in any calendar year are limited to ten percent (10%) of the total of the members' capital account balances outstanding at the beginning of the year. A withdrawing member's capital account balance after deduction of the applicable surrender charge will be distributed to a requesting member commencing on the last day of the calendar quarter following the calendar quarter in which the withdrawal notice is received.

The surrender charges are presented in the following table.

Date Withdrawal Notice Received	BD Surrender Charge	RIA Surrender Charge
2026	7.00%	3.25%
2027	6.00%	3.00%
2028	5.00%	2.75%
2029	4.00%	2.50%
2030	3.00%	2.25%
2031	2.00%	2.00%
Following Scheduled Dissolution Date	0.00%	0.00%

In the event a member requests the withdrawal of less than all of such member's invested capital, the surrender charge otherwise applicable to the withdrawal shall be reduced by the same ratio the amount requested for withdrawal bears to the member's total capital account balance as of the withdrawal determination date.

Syndication Cost Advances

Syndication costs incurred by the company are deemed advanced by the company on behalf of the members and will be reimbursed by the members over the nine years following the offering period and include:

- "Organization & Offering ("O&O") Expenses": O&O expenses (applicable to both BD and RIA tier investors) including, without limitation, costs and expenses (including all legal and accounting fees and expenses) incurred in connection with: (i) preparing and filing the company's Certificate of Formation; (ii) preparing the Operating Agreement, the private placement memorandum, the subscription agreement and all other offering documents together with any amendments or supplements thereto; (iii) issuing units to members; (iv) marketing and the sale of units (including printing, mailing, regulatory review of state and federal filings, and distributing sales materials); (v) reimbursing the manager and associates of the manager for registration, sponsorship, travel and other costs of participating in conferences and making sales presentations; (vi) reimbursing participating broker-dealers and registered investment advisors for bona fide due diligence expenses payable under any broker agreements or registered investment advisor agreements between the company and participating broker-dealers and registered investment advisors; and (vii) all other syndication expenses incurred by the company other than those attributable to underwriting compensation. Syndication costs attributable to O&O expenses were allocated to all members up to a maximum amount equal to 2.0% of the gross purchase price paid by each member for their units.

- Broker-dealer commissions: Syndication costs attributable to securities underwriting compensation payable to broker-dealers were allocated to Tier BD Interests, only for sales commissions and marketing fees not to exceed seven percent (7.0%) of the gross purchase price paid for BD units sold in the offering by participating broker-dealers.

Beginning on January 1, 2023 (the "Deduction Commencement Date") and continuing thereafter on each quarterly deduction date during the deduction period, each member shall be subject to quarterly capital account deductions made in accordance with the provisions of the Operating Agreement.

Term of the Company

RMI X is expected to have a term of approximately nine (9) years followed by dissolution and a wind-down period of approximately two (2) years (the "Dissolution Period").

The term of the company will terminate on December 31, 2031 ("Scheduled Dissolution Date") unless: (i) the Scheduled Dissolution Date is extended by the Manager with the affirmative consent of Majority I of the Members; or (ii) the Company is dissolved prior to the Scheduled Dissolution Date by the Manager pursuant to this Agreement or by operation of law.

Risks Related to Ownership of Units

Units of membership interest are not listed on an exchange or quoted through a quotation system, and will not be for the foreseeable future, if ever, and there are substantial restrictions on the transferability of units. Units are not freely transferable, and they may not be acceptable by a lender as security for borrowing. The Operating Agreement imposes substantial restrictions upon the ability to transfer units. Therefore, an investment in the units is not suitable for investors who require short-term liquidity from their investments.

The Operating Agreement does not require RMI X to meet a specific or minimum level of distributions to members. The amount of distributions to members is determined by the manager based on the financial results and cash available. The manager has broad discretion to establish reserves and maintain adequate cash balances to support ongoing operations. In the event the company does not have sufficient cash available to fund distributions, RMI X may need to defer or reduce distributions.

In the normal course of its business, the company is exposed to default risk related to its investment loan portfolio. In the event a borrower defaults on a RMI X loan, RMI X is normally able to foreclose on the loan, receive title to the underlying property and attempt to sell the property to recover its investment. However, there is no guarantee that the original investment will be recovered.

Legal Proceedings

As of December 31, 2025, the company is not involved in any legal proceedings other than those that would be considered part of the normal course of business.

In the normal course of its business, the company may become involved in legal proceedings (such as bankruptcy proceedings, judicial foreclosures, appointment of receivers, assignment of rents, unlawful detainers, etc.) to collect the debt owed under the promissory notes, to enforce the provisions of the deeds of trust, to protect its interest in the real property subject to the deeds of trust and to resolve disputes with borrowers, lenders, lien holders and mechanics. None of these actions, in and of themselves, typically would be of any material financial impact to the net income or balance sheet of the company.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions about the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities, at the dates of the financial statements and the reported amounts of revenues and expenses during the reported periods. Such estimates involve a significant level of uncertainty and have had or are reasonably likely to have a material impact on the company’s financial condition or results of operations. Such estimates relate principally to the determination of the allowance for credit losses (including the fair value of the collateral), and the valuation of real estate owned (“REO”). RMI X has not acquired REO since it commenced operations in 2019. Actual results could differ materially from these estimates.

Fair Value Estimates

The fair value of real property (as to loan collateral and REO) is determined by an exercise of judgment based on RMC’s experience informed by appraisals (by licensed appraisers), brokers’ opinion of values, and publicly available information on in-market transactions. Appraisals of commercial real property generally present three approaches to estimating value: 1) market-comparables or sales approach; 2) cost to replace; and 3) capitalized cash flows or income approach.

These approaches may or may not result in a common, single value. The market-comparables approach may yield different values depending on certain basic assumptions, including the consideration of adjustments made for any attributes specific to the real estate.

Management has the requisite familiarity with the markets it lends in generally and of the properties lent on specifically to analyze sales-comparables and assess their suitability/applicability. Management is acquainted with market participants—investors, developers, brokers, and lenders—that are useful, relevant secondary sources of data and information regarding valuation and valuation variability. These secondary sources may have familiarity with and perspectives on pending transactions, successful strategies to optimize value, and the history and details of specific properties—on and off the market—that enhance the process and analysis that is particularly and principally germane to establishing value in distressed markets and/or property types.

GAAP defines fair value as the 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. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets and liabilities; it is not a forced transaction. Market participants are buyers and sellers in the principal market that are (i) independent, (ii) knowledgeable, (iii) able to transact, and (iv) willing to transact.

Fair values of assets and liabilities are determined based on the fair-value hierarchy established in GAAP. The hierarchy is comprised of three levels of inputs to be used:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly in active markets and quoted prices for identical assets or liabilities that are not active, and inputs other than quoted prices that are observable, or inputs derived from or corroborated by market data.
- Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs reflect the company's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the company's own data.

Cash in Banks

Certain of the company's cash balances in banks exceed federally insured limits. The bank or banks in which funds are deposited are reviewed periodically for their general creditworthiness/investment grade credit rating.

Loans and Interest Income

Loans are carried at amortized cost, which is generally equal to the unpaid principal balance (principal).

The company may fund a specific loan net of an interest reserve (one to two years) to insure timely interest payments at the inception of the loan. Any interest reserve is amortized over the period that the amount is prepaid. In the event of an early loan payoff, any unapplied interest reserves would be first applied to any accrued but unpaid interest and then as a reduction to the principal.

Payments on loans are applied in the following order (in accordance with the terms of the notes): accrued interest, advances, and lastly to principal. Late fees and post-maturity/default interest are recognized in the period received, as collectability is not assured until then. Amounts are calculated based on the terms of the note. Pursuant to California regulatory requirements, borrower payments are deposited into a trust account established by RMC with an independent bank (and are presented on the balance sheet as "Loan payments in trust"). Funds are disbursed to the company's bank account as collected, which range from same day for wire transfers and up to two weeks after deposit for checks. There were no loan payments in trust at December 31, 2025.

The company funds loans with the intent to hold the loans until maturity. From time to time, the company may sell certain loans to unaffiliated third parties when the manager determines it to be in the best interest of the company. Loans are classified as held-for-sale once a decision has been made to sell loans and the loans to be held-for-sale have been identified. Loans classified as held-for-sale are carried at the lower of amortized cost or fair value, and are separately disclosed on the balance sheet and in the accompanying notes.

Performing loans that are maturing or have matured may be renewed at then current market rates of interest and terms for new loans. The manager evaluates each transaction independently to determine the appropriate accounting under GAAP.

Loans with a payment in arrears (i.e., are non-performing) continue to recognize interest income as long as the loan is in the process of collection with the borrower and the loan balance (i.e., the sum of the unpaid principal, advances and accrued interest) is considered to be well-secured.

Loans are placed on non-accrual status when the manager determines that the primary source of repayment will come from the acquisition by foreclosure (or acquisition by deed in lieu of foreclosure) and subsequent sale of the collateral securing the loan (e.g., a notice of sale is filed and/or when a borrower files for bankruptcy) or when the loan is no longer considered well-secured (i.e., the loan to value ("LTV") for the loan based on the estimated net realizable value of the collateral and the total principal, advances and accrued interest (at the note rate) is at or greater than eighty percent (80%), seventy-five percent (75%) for lands outside of metropolitan areas) and the borrower has payments in arrears.

When a loan is placed on non-accrual status, the accrual of interest is discontinued—beginning with the then current month—for accounting purposes only; previously recorded interest is not reversed. A loan may return to accrual status when all delinquent loan payments are cured and the loan becomes current in accordance with the terms of the loan agreement and the loan balance is considered well collateralized.

Allowance for Credit Losses

The allowance for credit losses is adjusted each period for changes in expected lifetime credit losses for loans and accrued interest. The company charges off uncollectible loans and related receivables directly to the allowance for credit losses once it is determined the full amount is not collectible. Any amounts collected after a charge off is deemed a recovery.

The allowance for credit losses is recognized based on current expected credit losses at the time a loan is originated or acquired over the expected duration of the loan. Given the substantial protective equity (resulting from lower LTVs), historical experience, and the short duration of the loans in the portfolio, generally no allowance for credit loss is recognized at origination. Collateral fair values are re-assessed periodically (determined by the manager's assessment of markets and/or property types that are deemed possibly to have changed and the time since the last valuation of the loan's collateral) and the resultant protective equity for each loan is determined. As used herein, "protective equity" is the dollar amount by which the net realizable value (i.e., fair value less the cost to sell) of the collateral, net of any senior liens and claims, exceeds the loan balance.

Loan balances are analyzed on a periodic basis for ultimate recoverability, and the allowance for credit losses is adjusted each period for changes in expected credit losses. The ultimate collectability of the amounts owed is reliant on the estimation of the present fair value of the real property collateral and the remaining time to maturity. (The contractual term to maturity for which the loans are written is shorter than loans by conventional lenders, such as banks, and is potentially of even shorter duration given that the loans generally are written without a prepayment penalty.) The manager consults a range of banking/industry and academic studies and forecasts and performs a risk analysis as to real estate market conditions in the California areas in which loan collateral is located and performs a loan-by-loan analysis to determine the current fair value of the real property collateral and the remaining time to maturity.

Loans with similar LTVs are included in pools and the weighted average LTVs in forward periods are forecasted—by lien position—for those loans expected (on a contractual maturity basis) to be then outstanding. No expected extensions, renewals, or modifications are factored in as the company's loans do not contain renewal options that can be unconditionally exercised by the borrowers. This methodology/analysis determines if there is any amount outstanding in any future period in the contractual lifetime of the loan(s) in which a real estate market decline in values is expected to occur that would be sufficient to put at risk—given the protective equity provided by the excess of the net realizable value of the collateral to the loan balance—the collection in full of amounts owed, including accrued interest and advances, if any, secured by the deeds of trust. For loans (and/or pools of loans) for which the LTVs are such that a loss within the contractual lifetime is expected, loan by loan analyses are undertaken using the likelihood of loss and the percentage (and/or amount) of the loss to determine the expected loss.

If foreclosure (or negotiation of a deed in lieu of foreclosure) is concluded to be probable, the loan is considered to be collateral-dependent and the recorded investment in the loan would be adjusted to an amount not to exceed the net realizable value of the real estate and other assets to be acquired, net of senior liens/mortgage debt plus the liabilities to be assumed. The determination of whether a loan is determined to be collateral-dependent requires judgment and considers the status of the loan i.e., legal action is undertaken to enforce the lender's rights to repayment) and the status of the borrower (e.g. has the borrower filed for bankruptcy protection and/or there are other indications of financial distress).

For a loan that is deemed collateral dependent for repayment, a provision for credit losses would be recorded, if necessary, to adjust the allowance for credit losses by an amount such that the net carrying amount (the loan balance, net of foregone interest for loans in non-accrual status) would be reduced to the lower of the net realizable value of the related collateral, net of any senior liens or the loan balance.

NOTE 3 – MANAGER AND OTHER RELATED PARTIES

RMC as the manager shall be entitled to receive an annual asset management fee in an amount equal to 1.25% of the company's assets under management ("asset management fee") payable monthly (i.e., 0.104% per month), of which approximately 0.021% monthly (0.25% annually) of beginning monthly loan principal will be deemed to be a loan servicing fee for purposes of the manager's accounting and the remainder is compensation for management of the company's loan portfolio and general company operations. Asset management fees shall be payable to the manager on the first day of each calendar month based upon the total outstanding assets under management of the company as of each such date.

Origination fees and extension fee charged to the borrower on each RMI X loan shall be determined by the manager on a case-by-case basis and paid to the extent collected, 90% to the manager and 10% to the company. The origination fees paid to RMI X from the borrowers were $22,197 and $5,509 for 2025 and 2024, respectively, and are included as interest income. The manager has the right to retain 100% of all reconveyance fees, assumption fees, escrow and processing fees, and other miscellaneous transactions fee, which are charged to borrowers in amounts equal to the fees customarily charged for comparable services in the geographical area where the property securing each loan is located.

Financial Support from RMC

In years prior to 2024, RMC, in its sole discretion, provided significant financial support to the company which increased the net income, cash available for distribution, and the net-distribution rate, by:

- charging less than the maximum allowable fees; and
- absorbing some, and in certain periods, all of the company's direct expenses, such as professional fees.

Such fee waivers and the absorption of the company's expenses by RMC were not made for the purpose of providing the company with sufficient funds to satisfy any required level of distributions, as the Operating Agreement has no such required level of distributions, nor to meet withdrawal requests. Any decision to waive fees and or to absorb direct expenses, and the amount, if any, to be waived or absorbed, is made by RMC in its sole discretion.

Loan Transactions with Related Mortgage Funds and the Manager

In the ordinary course of business, performing loans may be transferred by executed assignment, in-part or in-full, between the RMC managed mortgage funds at par which approximates market value.

In 2025 and 2024, no loans were transferred to or from related mortgage funds.

NOTE 4 – LOANS AND ALLOWANCE FOR CREDIT LOSSES

Loans generally are funded at a fixed interest rate with a loan term of up to five years. Loans acquired between related mortgage funds are generally done so within the first six months of origination and are purchased at par value, which approximates fair value. Refer to Note 3, “Manager and Other Related Parties” for a description of loans transferred by executed assignments between the related mortgage funds.

The company’s loans are secured by real estate in coastal California metropolitan areas. The portfolio segments are first and second trust deeds mortgages and the key credit quality indicator is the LTV. First mortgages are predominant, but second lien deeds of trust are not infrequent nor insignificant. First-mortgage loans comprised 62% of the portfolio at December 31, 2025, and 70% at December 31, 2024.

Secured Loans Unpaid Principal Balance (Principal)

Secured loan transactions for the year ended December 31, 2025 and 2024 are summarized in the following table.

	2025			2024		
	Total	First Trust Deeds	Second Trust Deeds	Total	First Trust Deeds	Second Trust Deeds
Principal, January 1	$ 6,615,114	$ 4,646,174	$ 1,968,940	$ 7,043,218	$ 4,538,782	$ 2,504,436
Loans funded	9,758,365	6,812,465	2,945,900	2,755,750	2,525,750	230,000
Principal collected	(8,424,897)	(6,421,353)	(2,003,544)	(2,635,694)	(1,870,198)	(765,496)
Loans sold to non-affiliate	(569,586)	(569,586)	—	(548,160)	(548,160)	—
Loan transferred to unsecured	(211,805)	—	(211,805)			
Principal, December 31	$ 7,167,191	$ 4,467,700	$ 2,699,491	$ 6,615,114	$ 4,646,174	$ 1,968,940

During the year ended December 31, 2024, the company extended two maturing loans with aggregated principal of approximately $1,751,733, which are not included in the activity shown in the table above. The loans had an average extension period of approximately 7 months. The loans were current and deemed well collateralized (i.e., the current LTV for the collateral was within lending guidelines as discussed in Note 2, “Summary of Significant Accounting Policies”) at the time of extension. No loans were extended during the year ended December 31, 2025.

In 2025, one loan with a principal of $569,585 was sold to an unaffiliated third party at par. In 2024, one loan with principal of $548,160 was sold to an unaffiliated third party at par. At December 31, 2025 and 2024, there were no loans classified as held-for-sale.

In December 2025, one loan in second lien position with principal of $211,805 was acquired via foreclosure by the first lien holder. The loan was transferred to unsecured, and subsequently charged-off against an existing allowance for credit loss.

Loan Characteristics

Secured loans had the characteristics presented in the following table:

	December 31, 2025	December 31, 2024
Number of secured loans	17	16
First trust deeds	10	8
Second trust deeds	7	8
Secured loans – principal	$ 7,167,191	$ 6,615,114
First trust deeds	$ 4,467,700	$ 4,646,174
Second trust deeds	$ 2,699,491	$ 1,968,940
Secured loans – lowest interest rate (fixed)	7.3%	7.3%
Secured loans – highest interest rate (fixed)	12.3%	12.5%
Average secured loan – principal	$ 421,599	$ 413,445
Average principal as percent of total principal	5.9%	6.3%
Average principal as percent of members' capital	5.2%	5.2%
Average principal as percent of total assets	5.2%	5.1%
Largest secured loan – principal	$ 1,000,000	$ 1,100,000
Largest principal as percent of total principal	14.0%	16.6%
Largest principal as percent of members' capital	12.4%	13.7%
Largest principal as percent of total assets	12.3%	13.7%
Smallest secured loan – principal	$ 128,042	$ 134,917
Smallest principal as percent of total principal	1.8%	2.0%
Smallest principal as percent of members' capital	1.6%	1.7%
Smallest principal as percent of total assets	1.6%	1.7%
Number of California counties where security is located	12	9
Largest percentage of principal in one California county	20.3%	31.4%

As of December 31, 2025, 6 loans with an aggregate principal of $2,927,112 provide for monthly payments of interest only, with the principal due at maturity, and 11 loans with an aggregate principal of $4,240,079 (representing 59% of the aggregate principal of the company's loan portfolio) provide for monthly payments of principal and interest, typically calculated on a 30-year amortization, with the remaining principal due at maturity.

As of December 31, 2025, the company's largest loan with principal of $1,000,000, has an LTV at origination ("OLTV") of 60.06%, and is in first lien position. The loan is secured by a single family residence located in Santa Cruz County, bears an interest rate of 9.5%, and matures on January 1, 2028. As of December 31, 2025, the loan was performing.

As of December 31, 2025, there were seven loans in second lien position. The aggregate principal of these loans is approximately $2,699,491 and the weighted average OLTV is 69.2%. All but three loans in second lien position were performing as of December 31, 2025.

- One delinquent loan has principal outstanding of $227,708, has an OLTV of 47.78%, is secured by a single family residence located in Los Angeles County, bears an interest rate of 11.0%, and matured on December 1, 2025. The loan was paid off in January 2026.

- Another delinquent loan has a principal outstanding balance of $266,631, has an OLTV of 64.80%, is secured by a single family residence located in Contract Costa County, bears an interest rate of 8.5%, and matured on July 1, 2024.
- The last delinquent loan has a principal outstanding balance of $146,261, has an OLTV of 29.07%, is secured by a single family residence located in Santa Clara County, bears an interest rate of 11.5%, and matures on January 1, 2027.

As of December 31, 2025 and 2024, the company had no commitments to lend outstanding and had no construction or rehabilitation loans outstanding.

Lien Position/OLTV

Secured loans had the lien positions presented in the following table:

	December 31, 2025			December 31, 2024		
	Loans	Principal	Percent	Loans	Principal	Percent
First trust deeds	10	$ 4,467,700	62%	8	$ 4,646,174	70%
Second trust deeds	7	2,699,491	38%	8	1,968,940	30%
Total principal, secured loans	17	7,167,191	100%	16	6,615,114	100%
Liens due other lenders at loan closing		4,161,895			4,479,978	
Total debt		$ 11,329,086			$ 11,095,092	
Appraised property value at loan closing		$ 20,900,000			$ 24,285,000	
OLTV (weighted average)[1]		59.8%			52.6%	

[1] Based on appraised values and liens due other lenders at loan closing. The weighted-average OLTV computation above does not take into account subsequent increases or decreases in property values following the loan closing nor does it include decreases or increases on senior liens to other lenders.

At the time a loan is funded, the LTV is such that the protective equity in the collateral securing the loan is sufficient to preclude any expected credit losses—principal unless there is a forward period adverse event that is uninsured and/or there are market conditions so adverse (and are other-than-temporary) that the protective equity is reduced to an amount not sufficient to recover the principal owed.

Secured loans, principal by OLTV and lien position at December 31, 2025 are presented in the following table.

	Secured loans, principal							
OLTV[2]	First trust deeds	Percent	Loans	Second trust deeds	Percent	Loans	Total principal	Percent
<40%	$ 1,037,827	15%	4	$ 146,261	2%	1	$ 1,184,088	17%
40-49%	—	—	0	227,708	3	1	227,708	3
50-59%	440,000	6	1	—	—	0	440,000	6
60-69%	2,139,873	30	4	645,498	9	2	2,785,371	39
Subtotal <70%	3,617,700	51	9	1,019,467	14	4	4,637,167	65
70-79%	850,000	12	1	1,350,024	19	2	2,200,024	31
Subtotal <80%	4,467,700	63	10	2,369,491	33	6	6,837,191	96
≥80%	—	—	—	330,000	4	1	330,000	4
Total	$ 4,467,700	63%	10	$ 2,699,491	37%	7	$ 7,167,191	100%

(2) LTV classifications in the table above are based on principal, advances and interest unpaid at December 31, 2025.

Property Type

Secured loans summarized by property type are presented in the following table.

	December 31, 2025			December 31, 2024		
	Loans	Principal	Percent	Loans	Principal	Percent
Single family[3]	15	$ 5,987,191	83%	14	$ 5,230,114	79%
Commercial						
Office	1	850,000	12	2	1,385,000	21
Retail	1	330,000	5	0	—	—
Commercial Total	2	1,180,000	17	2	1,385,000	21
Total principal, secured loans	17	$ 7,167,191	100%	16	$ 6,615,114	100%

(3) Single family includes 1-4 unit residential buildings, condominium units, townhouses and condominium complexes. At December 31, 2025, single family consists of 4 loans with an aggregate principal of $2,391,434 that is owner-occupied, 9 loans with an aggregate principal of $2,345,874 that are non-owner occupied, and 2 loans with an aggregate principal of $1,249,883 that are vacant. At December 31, 2024, single family consists of 2 loans with an aggregate principal of $1,251,666 that is owner-occupied, 8 loans with an aggregate principal of $2,255,719 that are non-owner occupied, and 2 loans with an aggregate principal of $1,722,729 that are vacant.

Distribution of Secured Loans - Principal by California Counties

The distribution of secured loans within California by counties is presented in the following table.

	December 31, 2025		December 31, 2024	
	Principal	Percent	Principal	Percent
San Francisco Bay Area[4]				
Contra Costa	$ 619,744	8.7%	$ 478,437	7.2%
Alameda	249,883	3.5	—	0.0
Santa Cruz	1,000,000	14.0	—	0.0
Marin	—	0.0	1,100,000	16.6
Napa	494,000	6.9	—	0.0
Santa Clara	274,302	3.8	387,015	5.9
San Mateo	997,434	13.9	864,992	13.1
Solano	460,000	6.4	—	0.0
Sonoma	—	0.0	866,733	13.1
	4,095,363	57.2	3,697,177	55.9
Other Northern California				
El Dorado	—	0.0	314,781	4.8
Placer	552,492	7.7	—	0.0
Butte	330,000	4.6	—	0.0
	882,492	12.3	314,781	4.8
Northern California Total	4,977,855	69.5	4,011,958	60.7
Los Angeles & Coastal				
Riverside	292,761	4.1	294,532	4.5
Los Angeles	1,456,575	20.3	2,079,049	31.3
Orange	440,000	6.1	229,575	3.5
Southern California Total	2,189,336	30.5	2,603,156	39.3
Total principal, secured loans	$ 7,167,191	100.0%	$ 6,615,114	100.0%

[4] Includes Silicon Valley

Scheduled Maturities/Secured loans - Principal

Secured loans scheduled maturities as of December 31, 2025 are presented in the following table:

				First Trust Deeds		Second Trust Deeds	
	Loans	Principal	Percent	Loans	Principal	Loans	Principal
2026	5	$ 2,597,112	36%	5	$ 2,597,112	—	$ —
2027	5	2,026,187	28	1	199,902	4	1,826,285
2028	3	1,628,750	23	2	1,249,883	1	378,867
2029	1	292,761	4	1	292,761	—	—
Thereafter	1	128,042	2	1	128,042	—	—
Total scheduled maturities	15	6,672,852	93	10	4,467,700	5	2,205,152
Matured as of December 31, 2025 [5]	2	494,339	7	—	—	2	494,339
Total principal, secured loans	17	$ 7,167,191	100%	10	$ 4,467,700	7	$ 2,699,491

[5] Refer to "Delinquency Secured Loans with Payments in Arrears" section below for additional information on matured loans.

Scheduled maturities are presented based on the most recent in-effect agreement with the borrower, including forbearance agreements. As a result, matured loans at December 31, 2025, for the scheduled maturities table above may differ from the same captions in the tables of delinquencies and payment in arrears presented below that do not consider forbearance agreements. For matured loans, the company may continue to accept payments while pursuing collection of principal or while negotiating an extension of the loan's maturity date. Loans are written without prepayment penalty causing an uncertainty and a lack of predictability as to the expected duration versus the scheduled maturity. It is the company's experience that the timing of future cash receipts from secured loans will differ from scheduled maturities.

Delinquency/Secured Loans

Secured loans principal summarized by payment-delinquency status are presented in the following table:

	December 31, 2025		December 31, 2024	
	Loans	Principal	Loans	Principal
Current	13	$ 6,066,591	12	$ 5,251,736
Past Due				
30-89 days	2	606,261	1	314,781
90-179 days	1	227,708	—	—
180 or more days	1	266,631	3	1,048,597
Total past due	4	1,100,600	4	1,363,378
Total principal, secured loans	17	$ 7,167,191	16	$ 6,615,114

Two of the loans past due at December 31, 2025 were past maturity. Both loans past maturity were in second lien position and had principal payments in arrears of $494,339 and interest in arrears of $40 thousand.

Delinquency/Secured Loans with Payments in Arrears

Secured loans with payments in arrears, principal by LTV at origination and lien position at December 31, 2025 are presented in the following table.

	Secured loans with payments in arrears, principal							
OLTV	First trust deeds	Percent[6]	Loans	Second trust deeds	Percent[6]	Loans	Total principal	Percent[6]
<40%	$ 460,000	6.4%	1	$ 146,261	2.0%	1	$ 606,261	8.4%
40-49%	—	0.0	—	227,708	3.2	1	227,708	3.2
50-59%	—	0.0	—	—	0.0	—	—	0.0
60-69%	—	0.0	—	266,631	3.7	1	266,631	3.7
Subtotal <70%	460,000	6.4	1	640,600	8.9	3	1,100,600	15.3
70-79%	—	0.0	—	—	0.0	—	—	0.0
Subtotal <80%	460,000	6.4	1	640,600	8.9	3	1,100,600	15.3
≥80%	—	0.0	—	—	0.0	—	—	0.0
Total	$ 460,000	6.4%	1	$ 640,600	8.9%	3	$ 1,100,600	15.3%

[6] Percent of total principal, secured loans as of December 31, 2025.

Payments in arrears for secured loans at December 31, 2025 are presented in the following table:

	Loans		Principal		Interest[7]		
At December 31, 2025	**Past maturity**	**Monthly payments**	**Past maturity**	**Monthly payments**	**Past maturity**	**Monthly payments**	**Total payments in arrears**
Past due							
30-89 days (1-3 payments)	—	2	$ —	$ 10,140	$ —	$ 5,235	$ 15,375
90-179 days (4-6 payments)	1	—	227,708	—	2,087	—	229,795
180 or more days (more than 6 payments)	1	—	266,631	—	37,773	—	304,404
Total past due[3]	2	2	$ 494,339	$ 10,140	$ 39,860	$ 5,235	$ 549,574

[7] December 2025 interest is due January 1, 2026 and is not included in the payments in arrears at December 31, 2025.

Matured loans, principal by LTV at origination and lien position at December 31, 2025 are presented in the following table.

	Secured loans past maturity, principal							
OLTV[5]	**First trust deeds**	**Percent[3]**	**Loans**	**Second trust deeds**	**Percent[3]**	**Loans**	**Total principal**	**Percent[3]**
<40%	$ —	0.0%	—	$ —	0.0%	—	$ —	0.0%
40-49%	—	0.0	—	227,708	3.2	1	227,708	3.2
50-59%	—	0.0	—	—	0.0	—	—	0.0
60-69%	—	0.0	—	266,631	3.7	1	266,631	3.7
Subtotal <70%	—	0.0	—	494,339	6.9	2	494,339	6.9
70-79%	—	0.0	—	—	0.0	—	—	0.0
Subtotal <80%	—	0.0	—	494,339	6.9	2	494,339	6.9
≥80%	—	0.0	—	—	0.0	—	—	0.0
Total	$ —	0.0%	—	$ 494,339	6.9%	2	$ 494,339	6.9%

[8] Percent of total principal, secured loans as of December 31, 2025.

At December 31, 2025, one loan in second lien position with aggregate principal of $266,631 was deemed collateral dependent. At December 31, 2025, the allowance for credit losses associated with the loan was $140,000.

Provision/Allowance for Credit Losses

The allowance for credit loss methodology determines a loan level probability-of-loss (and thereby the determination of the amount of the allowance for expected credit losses). The qualitative and quantitative factors considered are current fair value of collateral and the resultant protective equity, the time to maturity, the lien position, current real estate and financial markets, as well as reasonable and supportable forecasts about future economic scenarios and historical loss experience. The forward-looking estimates consider the likelihood that any combination of events would adversely impact economic conditions and real estate markets in California such that the substantial protective equity existing for the loans would no longer be sufficient to collect the recorded amounts of principal, advances and accrued interest due on the loan.

Each secured loan is reviewed quarterly for its delinquency, LTV adjusted for the most recent valuation of the underlying collateral, remaining term to maturity, borrower's payment history and other factors.

Activity in the allowance for credit losses for year ended December 31, 2025 and 2024 are summarized in the following table.

	2025	2024
Balance January 1,	$ 260,000	$ —
Provision for credit losses	111,805	260,000
Charge-offs	(211,805)	—
Balance December 31,	$ 160,000	$ 260,000

The increase in the provision for credit losses in 2025 and 2024 is due to a decrease in the expected net proceeds to the company for collateral-dependent loans due to a decline in the fair value of the collateral and/or an increase in the amount of the senior debt and claims (e.g., delinquent property taxes).

In December 2025, one collateral-dependent loan in second lien position with principal of $211,805 was charged-off in full after the collateral was acquired via foreclosure by the first lien holder.

Secured loans count, principal and weighted average OLTV at December 31, 2025 and the projected year-end count principal and weighted average OLTV based on contractual maturities (by lien position) are presented in the following table.

				First Trust Deeds			Second Trust Deeds		
	Loans	Principal	OLTV	Loans	Principal	OLTV	Loans	Principal	OLTV
December 31, 2025	17	$ 7,167,191	59.8%	10	$ 4,467,700	40.8%	7	$ 2,699,491	69.2%
December 31,									
2026	10	4,075,740	61.1	5	1,870,588	48.3	5	2,205,152	71.9
2027	5	2,049,553	53.8	4	1,670,686	51.4	1	378,867	64.3
2028	2	420,803	47.1	2	420,803	47.1	—	—	0.0
2029	1	128,042	7.6	1	128,042	7.6	—	—	0.0
2037	—	—	0.0	—	—	0.0	—	—	0.0

The above analysis does not include any forward period extensions, renewals or modifications that the company may undertake at its sole and unconditional discretion, which could extend the contractual maturities.

Fair Value of Secured Loans

The following methods and assumptions are used when estimating fair value (Level 3 inputs):

Secured Loans, Performing

The fair value of the company's secured loan balances is deemed to approximate the amortized cost.

- Terms to maturity are typically one to five years at origination and are shorter than commercial real estate loans by conventional/institutional lenders and conventional single-family home mortgage lenders;
- Loans are written without prepayment penalty causing uncertainty and a lack of predictability as to the expected duration; and
- Interest rates are at a premium to rates charged by conventional lenders.

The following methods and assumptions are used to determine the fair value of the collateral securing a loan.

Single family - Management's method for determining the fair market value of its single-family residential assets is the sale comparison method. Management primarily obtains sales comparables (comps) via its subscription to the RealQuest service, but also uses free online services such as Zillow.com and other available resources to supplement this data. Sale comps are reviewed and adjusted for similarity to the subject property, examining features such as proximity to subject, number of bedrooms and bathrooms, square footage, sale date, condition and year built.

If applicable sale comps are not available or deemed unreliable, management will seek additional information in the form of brokers' opinions of value or appraisals.

Multi-family residential - Management's method for determining the aggregate retail value of its multifamily units is the sale comparison method. Sale comps are typically provided in appraisals, or by realtors who specialize in multi-family residential properties. Sales comps are reviewed for similarity to the subject property, examining features such as proximity to subject, rental income, number of units, composition of units by the number of bedrooms and bathrooms, square footage, condition, amenities and year built.

If applicable sale comps are not available or deemed unreliable, management will vale its multifamily assets as income-producing rental operations using the direct capitalization method. In order to determine market cap rates for properties of the same class and location as the subject, management refers to published data from reliable third-party sources such as the CBRE Cap Rate Survey. Management applies the appropriate cap rate to the subject's most recent available annual net operating income to determine the property's value as an income-producing project. When reliable net operating income information is not available or the project is under development or is under-performing to market, management will seek additional information and analysis to determine the cost to improve and the intrinsic fair value and/or management will seek additional information in the form of brokers' opinion of value or appraisals.

Commercial - Management's method for determining the fair value of its commercial buildings is the sale comparison method. Sale comps are typically provided in appraisals, or by realtors who specialize in commercial properties. Sale comps are reviewed for similarity to the subject property, examining features such as proximity to subject, rental income, number of units, composition of units, common areas, and year built.

If applicable sale comps are not available or deemed unreliable, management will value its commercial buildings using the direct capitalization method. In order to determine market cap rates for properties of the same class and location as the subject, management refers to reputable third-party sources such as the CBRE Cap Rate Survey. Management then applies the appropriate cap rate to the subject's most recent available annual net operating income to determine the property's value as an income-producing commercial rental project.

When reliable net operating income information is not available or the project is under development or is under-performing to market, management will seek additional information and analysis to determine the cost to improve and the intrinsic fair value and/or management will seek additional information in the form of brokers' opinion of value or appraisals.

Commercial land - Commercial land has many variations/uses, thus requiring management to employ a variety of methods depending upon the unique characteristics of the subject land, including a determination of its highest and best use. Management may rely on information in the form of a sale comparison analysis (where adequate sale comps are available), brokers' opinion of value, or appraisal.

There were no nonrecurring fair value adjustments for the years ended December 31, 2024 or 2025.

NOTE 5 – SUBSEQUENT EVENTS

The manager evaluated events occurring subsequent to December 31, 2025, and through April 23, 2026, and determined that there were no events or transactions occurring during this reporting period that require recognition or disclosure in the financial statements.

REDWOOD MORTGAGE INVESTORS X, LLC
Supplemental Information
December 31, 2025 and 2024

RESULTS OF OPERATIONS

The following supplemental information should be read in conjunction with the financial statements and notes thereto for the years ended December 31, 2025 and December 31, 2024.

Key performance indicators are presented in the following table:

	For the Twelve Months Ended December 31, 2025	For the Twelve Months Ended December 31, 2024
Members' capital – end of period	$ 8,306,513	$ 8,464,396
Members' capital – average balance	$ 8,471,000	$ 8,728,000
Members' capital – redemptions	$ 85,000	$ 188,651
Secured loans principal – end of period balance	$ 7,167,191	$ 6,615,114
Secured loans principal – average daily balance	$ 5,493,000	$ 7,318,516
Number of first trust deeds	10	8
Principal – first trust deeds	$ 4,467,700	$ 4,646,174
Weighted average OLTV – first trust deeds[1]	40.8%	51.7%
Number of second trust deeds	7	8
Principal – second trust deeds	$ 2,699,491	$ 1,968,940
Weighted average OLTV – second trust deeds[1]	69.2%	54.8%
Interest income	$ 554,857	$ 722,405
Portfolio interest rate[2]	10.3%	9.5%
Effective yield rate[3]	10.1%	9.9%
Provision for credit losses	$ 111,805	$ 260,000
Operations expense	$ 244,556	$ 217,003
Net income	$ 212,344	$ 249,966
Percent[4][5]	2.5%	2.9%
Member distributions	$ 285,227	$ 490,923
Percent of average members' capital	3.4%	5.6%

[1] The LTVs use the appraisals at origination of the loans (OLTV).

REDWOOD MORTGAGE INVESTORS X, LLC
Supplemental Information
December 31, 2025 and 2024

Secured loans (loan balance), with payments in arrears, by LTV and lien position at December 31, 2025 are presented in the following table:

	Secured loans with payments in arrears, principal[2]							
CLTV[3]	First trust deeds	Percent[4]	Loans	Second trust deeds	Percent[4]	Loans	Total principal	Percent[4]
<40%	$ 460,000	6.4%	1	$ 146,261	2.0%	1	$ 606,261	8.4%
40-49%	—	0.0	—	227,708	3.2	1	227,708	3.2
50-59%	—	0.0	—	—	0.0	—	—	0.0
60-69%	—	0.0	—	—	0.0	—	—	0.0
Subtotal <70%	460,000	6.4	1	373,969	5.2	2	833,969	11.6
70-79%	—	0.0	—	—	0.0	—	—	0.0
Subtotal <80%	460,000	6.4	1	373,969	5.2	2	833,969	11.6
≥80%	—	0.0	—	266,631	3.7	1	266,631	3.7
Total	$ 460,000	6.4%	1	$ 640,600	8.9%	3	$ 1,100,600	15.3%

(2) LTV classifications in the table above are based on the sum of principal, advances and interest unpaid at December 31, 2025.

(3) LTVs presented in the table have been updated for changes in fair values of the collateral as indicated by appraisals, broker opinion of value, or other external market evidence received by the manager after the origination of the loan, if any.

(4) Percent of total principal, secured loans as of December 31, 2025.