Financial Statements
December 31, 2014 and 2013

Aspinwall, LLC

Independent Auditor's Report

The Members
Aspinwall, LLC
Boulder, Colorado

Report on the Financial Statements
We have audited the accompanying financial statements of Aspinwall LLC, which comprise the balance sheets as of December 31, 2014 and 2013, and the related statements of operations and members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

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

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

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Aspinwall LLC as of December 31, 2014 and 2013, 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.

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Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Maintenance and Operating, Utilities, Administrative, Taxes and Insurance, and Interest Expenses 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 audits 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.

Eide Bailly LLP

Fargo, North Dakota
June 17, 2015

Aspinwall, LLC
Balance Sheets
December 31, 2014 and 2013

	2014	2013
Assets		
Cash		
General operating	$ 659,757	$ 137,475
Construction	123,817	1,241,465
	783,574	1,378,940
Accounts receivable	8,771	615
Prepaid expenses	-	16,297
Tenant security deposits	33,380	28,655
Restricted deposits and funded reserves	102,560	162,402
Property and equipment, at cost, less accumulated depreciation	38,494,607	18,644,283
Other assets, net of accumulated amortization	362,344	-
	$ 39,785,236	$ 20,231,192
Liabilities and Members' Equity		
Liabilities		
Accounts payable	$ 34,371	$ 22,272
Accounts payable - construction	133,147	1,740,620
Due to related party	1,279,738	1,150,248
Prepaid rent	2,298	4,769
Accrued expenses	445,186	152,103
Tenant security deposits payable	53,289	28,655
Construction note payable	19,494,464	2,715,720
Developer fee payable	3,400,442	186,277
Long-term debt	13,746,121	12,530,725
Total liabilities	38,589,056	18,531,389
Members' Equity	1,196,180	1,699,803
	$ 39,785,236	$ 20,231,192

	2014	2013
Operations		
Revenue		
Tenant rent	$ 939,963	$ 236,473
Rental assistance payments	554,154	164,240
Less vacancies	(333,666)	(64,457)
Net rental income	1,160,451	336,256
Gain on purchase of property	-	281,497
Tenant charges	7,227	4,180
Laundry	641	471
Interest income	158	41
Other income	178	14
Total revenue	1,168,655	622,459
Expenses		
Maintenance and operating	268,450	53,495
Utilities	176,742	49,559
Administrative	153,822	30,061
Taxes and insurance	45,040	8,710
Interest	578,330	59,332
Depreciation and amortization	444,744	58,137
	1,667,128	259,294
(Loss) income before Asset Management Fee	(498,473)	363,165
Asset Management Fee	5,150	2,083
Net (Loss) Income	$ (503,623)	$ 361,082

Members' Equity

	Managing Member	Investor and Special Members	Total
Balance, January 1, 2013	$ -	$ -	$ -
Syndication costs	-	(50,000)	(50,000)
Contributions	100	1,388,621	1,388,721
Net income	36	361,046	361,082
Balance, December 31, 2013	136	1,699,667	1,699,803
Net loss	(50)	(503,573)	(503,623)
Balance, December 31, 2014	$ 86	$ 1,196,094	$ 1,196,180

	2014	2013
Operating Activities		
Net loss	$ (503,623)	$ 361,082
Charges and credits to net loss not affecting cash		
Gain on purchase of property	-	(281,497)
Depreciation	441,630	58,137
Amortization	3,114	-
Change in assets and liabilities		
Accounts receivable	(8,156)	(615)
Prepaid expenses	16,297	(16,297)
Tenant security deposits	(4,725)	(28,655)
Accounts payable	12,099	22,272
Prepaid rent	(2,471)	4,769
Accrued expenses	208,646	84,071
Tenant security deposits payable	24,634	28,655
Net Cash from Operating Activities	187,445	231,922
Investing Activities		
Purchase of property and equipment	(15,777,957)	(4,545,269)
Net deposits to reserves	59,842	(162,402)
Net Cash used for Investing Activities	(15,718,115)	(4,707,671)
Financing Activities		
Proceeds from issuance of construction note payable	16,778,745	2,715,720
Proceeds from issuance of long-term debt	-	650,000
Payment on accounts payable construction	(1,607,473)	-
Advances from related party	129,490	1,150,248
Payment for other assets	(365,458)	-
Payment of syndication costs	-	(50,000)
Equity contributions	-	1,388,721
Net Cash from Financing Activities	14,935,304	5,854,689
Net Change in Cash	(595,366)	1,378,940
Cash at Beginning of Year	1,378,940	-
Cash at End of Year	$ 783,574	$ 1,378,940

	2014	2013
Supplemental Disclosure of Cash Flow Information		
Cash payments for interest net of capitalized interest of $377,259 in 2014 and $93,766 in 2013	$ 268,897	$ -
Supplemental Disclosure of Noncash Investing and Finance Activities		
Increase in property and equipment from issuance of related party debt	$ 1,215,396	$ 11,880,725
Increase in property and equipment from developer fee payable	$ 3,214,165	$ 186,277
Increase in property and equipment from accrued interest	$ 84,437	$ 68,032
Increase in property and equipment from accounts payable construction	$ -	$ 1,740,620

Note 1 - Principal Activity and Significant Accounting Policies

Principal Business Activity, Risks, and Uncertainty

Aspinwall LLC (Company) was formed June 16, 2011, as a limited liability company under the laws of the State of Colorado and shall continue in perpetual existence, unless dissolved or terminated at an earlier date. The Company was formed for the purpose to develop, construct, rehabilitate, own, maintain, and operate a 167 unit multi-family complex. The project is to include 95 scattered site rehabilitated units and 72 new construction units in Lafayette, Colorado. Substantially all of the Company's income is derived from the rental of its apartment units. The project purchased the scattered sites in August 2013 and began operations. Units were placed in service throughout 2014 as construction was completed.

The project has qualified and been allocated low-income housing tax credits pursuant to the Internal Revenue Code Section 42, which regulates the use of the complex as to occupant eligibility and unit gross rent, among other requirements. The project must meet the provisions of these regulations during each of 15 consecutive years in order to continue to qualify to receive the tax credits. Failure to comply with occupant eligibility and unit gross rent or to correct noncompliance within a specified time period could result in recapture of the previously taken low-income housing tax credits plus interest. Such potential noncompliance may require an adjustment to the contributed capital by the members. All units within this project are subject to rent restrictions and qualified tenant restrictions as required by the Low Income Housing Tax Credit Program.

Concentrations of Credit Risk

The Company maintains its cash accounts in various deposit accounts, the balances of which are periodically in excess of federally insured limits.

Property and Equipment

The initial purchase of the property and equipment was recorded at fair value on the date of acquisition. As such, the property acquired is stated at fair value as of the acquisition date less accumulated depreciation. The Company accounted for its property acquisition by allocating the purchase price of the property to the property's assets based on management's estimates of their fair value. Techniques used to estimate the fair value include an appraisal of the property by a certified independent appraiser at the time of the acquisition. Costs incurred in connection with the acquisition are expensed.

Property and equipment is recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income.

Depreciation is computed principally by the straight-line method over the following estimated useful lives:

Land improvements	20 years
Building and improvements	40 years
Equipment and furnishings	10 years

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment at December 31, 2014 and 2013.

Other Assets

Other assets consist of capitalized financing costs and tax credit fees. Financing costs will be amortized over the life of the mortgage using the straight-line method of amortization after the final closing of the loan. Tax credit fees are being amortized over a 15 year life using the straight-line method of amortization.

Income Taxes

As a limited liability company, the Company’s taxable income or loss is allocated to partners in accordance with the operating agreement. Therefore, no provision for income taxes has been included in the financial statements.

The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of December 31, 2014 and 2013, the unrecognized tax benefit accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred. The Company is no longer subject to Federal tax examinations and state examinations for all years since inception.

Rental Income

Housing units are rented under operating lease agreements with terms of one year or less. Rent income from tenants is recognized in the month in which it is earned rather than received. Tenant rent represents gross rent for all units in the project. Vacancy loss is recorded for any unrented units to arrive at tenant rent.

Advertising and Marketing

Advertising and marketing costs are expensed as incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Capitalized Interest

Interest of $377,259 and $93,766 has been capitalized as part of the building during 2014 and 2013, respectively.

Subsequent Events

The Company has evaluated subsequent events through June 17, 2015, the date which the financial statements were available to be issued.

Note 2 - Restricted Deposits and Funded Reserves

	2014	2013
Operating reserve	$ 75,200	$ 75,042
SPAN reserve	27,360	27,360
Investor reserve	-	60,000
	$ 102,560	$ 162,402

Replacement Reserve

Pursuant to the operating agreement, the Company is to establish a replacement reserve to provide for working capital needs, improvements and replacements relating to the project, commencing upon final closing. The Company is to deposit annually, $300 per unit, increasing at a rate of three percent each year. As of December 31, 2014 and 2013, the reserve remains unfunded.

Operating Reserve

Pursuant to the operating agreement, the Company is to establish and maintain an operating reserve to meet operating expenses and debt service of the Company which exceed operating revenues. The reserve is to be funded in the amount of $820,058 no later than limited partner’s third capital contribution. The managing member may make withdrawals subject to the special member’s approval. During 2013, the operating reserve was funded with an initial deposit in the amount of $75,000. No deposits were made in 2014.

SPAN Reserve

Pursuant to the operating agreement, the Company is to establish and maintain a Safehouse Progressive Alliance for Non Violence (SPAN) reserve in the amount of $27,360. This reserve is to be established at the time of the investor member’s initial capital contribution. Funds may be withdrawn from the reserve with the consent of the special member and are not required to be replenished. During 2013, the Company established and deposited $27,360 into a SPAN reserve.

Investor Reserve

During 2013, the Company established an investor reserve in the amount of $60,000. This amount was drawn down in 2014 for the payment of construction related costs.

Note 3 - Property and Equipment

Property and equipment at December 31, 2014 and 2013 consists of the following:

	2014	2013
Land and improvements	$ 8,460,367	$ 3,387,965
Buildings and improvements	30,037,681	5,478,262
Equipment and furnishings	496,327	25,738
Construction in progress	-	9,810,455
	38,994,375	18,702,420
Accumulated depreciation	(499,768)	(58,137)
	$ 38,494,607	$ 18,644,283

Note 4 - Other Assets

Other assets at December 31, 2014 and 2013 consists of the following:

	2014	2013
Tax credit fees	$ 112,119	$ -
Financing costs	253,339	-
	365,458	-
Accumulated amortization	(3,114)	-
	$ 362,344	$ -

Amortization is expected to be $14,072 in 2015 and $23,308 thereafter, through the useful lives of the assets.

Note 5 - Accrued Expenses

Accrued expenses at December 31, 2014 and 2013 consists of the following:

	2014	2013
Interest - related party - Note 9	$ 440,453	$ 127,364
Interest - non-related party	-	3,656
Management fees	-	19,000
Asset management fees - Note 9	4,733	2,083
	$ 445,186	$ 152,103

Note 6 - Construction Note Payable

The Company financed the construction of the project in part with a 4.20% note payable with FirstBank in an amount not to exceed $19,893,857. The construction loan is due August 1, 2015, unless extended. The note is secured by a deed of trust and security agreement, a security interest in and assignment of the fee payable to the developer, and security interest in and assignment of the interest of the manager. As of December 31, 2014 and 2013, the balance of the construction note was $19,494,464 and $2,715,720, respectively.

Note 7 - Long-Term Debt

Long-term debt as of December 31, 2014 and 2013 consists of:

	2014	2013
RELATED PARTY		
1.80% $270,000 note payable to BCHA, payments are to be made from available cash flow unpaid principal and interest due July 2063, secured by a deed of trust on the property	$ 270,000	$ 270,000
2.80% $442,035 note payable to BCHA, payments are to be made from available cash flow unpaid principal and interest due July 2063, secured by a deed of trust on the property	442,035	442,035
2.80% $430,000 note payable to BCHA, payments are to be made from available cash flow unpaid principal and interest due July 2063, secured by a deed of trust on the property	430,000	430,000
1.80% $368,938 and $95,000 HOME loan note payable to BCHA, payments are to be made from available cash flow unpaid principal and interest due July 2063, secured by a deed of trust on the property	463,938	463,938
1.80% $464,754 note payable to BCHA, payments are to be made from available cash flow unpaid principal and interest due July 2063, secured by a deed of trust on the property	464,754	464,754
2.80% $5,289,998 note payable to BCHA, payments are to be made from available cash flow unpaid principal and interest due July 2063, secured by a deed of trust on the property	5,289,998	5,289,998
2.80% $3,020,000 note payable to BCHA, payments are to be made from available cash flow unpaid principal and interest due July 2063, secured by a deed of trust on the property	3,020,000	3,020,000
1.80% $1,500,000 combo sub loan payable to BCHA, payments are to be made from available cash flow unpaid principal and interest due July 2063, secured by a deed of trust on the property	2,715,396	1,500,000
	13,096,121	11,880,725

	2014	2013
UNRELATED		
6.75% $650,000 note payable to Mile High Community Loan Fund, Inc., interest only payments are due through the conversion date after conversion, monthly payments of principal and interest are to be made through maturity, 18 years from conversion, secured by a deed of trust on the property	650,000	650,000
	$ 13,746,121	$ 12,530,725

Future maturities of long-term debt are as follows:

Year Ended December 31,	Amount
2015	$ -
2016	-
2017	-
2018	-
2019	-
Thereafter	13,746,121
	$ 13,746,121

Note 8 - Property Taxes

The Company is exempt from property taxes under C.R.S 29-4-507 through Aspinwall Manager, LLC. Currently there is no expiration date on the property tax exemption for so long as Aspinwall Manager, LLC owns interest in the Company.

Note 9 - Related Party Transactions

Developer Fees

The Company has entered into a development agreement with the Boulder County Housing Authority (BCHA), the sole member of the managing member, for the services provided in connection with the development and construction of the project in the amount of $3,725,541. During 2014, this amount was reduced to $3,400,442. As of December 31, 2014 and 2013, developer fees of $3,400,442 and $186,277, respectively, have been incurred and capitalized as part of the building. Developer fees are expected to be paid from capital contributions and approximately $2,091,670 is anticipated to be deferred and paid from net cash flow. As of December 31, 2014 and 2013, the Company owes BCHA $3,400,442 and $186,277, respectively, for developer fees.

Mortgage Notes and Accrued Interest

The Company has entered into multiple loan agreements with BCHA, the sole member of the managing member (Note 7). During 2014 and 2013, the Company incurred interest of $313,089 and $127,364, respectively, in relation to these mortgage notes payable. As of December 31, 2014 and 2013, the Company owes BCHA $440,453 and $127,364, respectively, for accrued interest (Note 4).

Due to Related Party

As of December 31, 2014 and 2013, the Company owed BCHA, the sole member of the managing member, $1,279,738 and $1,150,248, respectively, for costs paid on behalf of the project by BCHA, including construction costs, accrued wages and benefits.

Management Fees

The Company has entered into a management agreement with BCHA, to provide management services for the project. Under the terms of the agreement, the Company is to pay management fees equal to the lesser of $466 per unit or 5.5% of effective gross income. During 2014 and 2013, the Company incurred management fees of $39,498 and $19,000, respectively.

Reimbursement of Expenses

During 2014 and 2013, the Company reimbursed BCHA approximately $189,400 and $17,770, respectively, for payroll and other expenses.

Asset Management Fee

Pursuant to the operating agreement, the Company is to pay the special member a cumulative fee equal to $5,000 annually, commencing in 2014, for services accruing as of August 1, 2013, for the review of the operations of the Company. The fee is to increase by 3% annually. During 2014 and 2013, the Company incurred $5,150 and $2,083, respectively, for asset management fees. As of December 31, 2014 and 2013, the Company owed the special member $4,733 and $2,083, respectively, for these fees (Note 5).

Purchase of Property and Equipment

As mentioned in Note 1, the Company was formed to develop, construct, rehabilitate, own, maintain, and operate a 167 unit multi-family complex. The project includes 95 scattered site rehabilitated units and 72 new construction units in Lafayette, Colorado. The Company purchased the 95 scattered sites in August 2013 from BCHA at a purchase price of $8,182,500. The properties were appraised at $8,464,000 by a certified independent appraiser. A gain on purchase of property of $281,500 was recorded for the difference between fair market value and the purchase price.

In addition, the Company purchased land and improvements from BCHA for the site of the 72 new construction units. The land and improvements were purchased at $1,300,000. The land was appraised at $1,300,000 by a certified independent appraiser.

Operating Deficit Guaranty

Pursuant to the operating agreement, the managing manager is required to fund operating deficits during the period beginning upon the date that stabilized operations is achieved and for five years thereafter as defined in the agreement. The managing manager shall be obligated to provide funds in the form of a loan, not to exceed $910,000, shall bear no interest and shall be repayable solely from net cash flow as allowed in the operating agreement.

Note 10 - Business Combination

As mentioned in Notes 1 and 9, in August 2013 the Company purchased 95 scattered sites in Lafayette, Colorado at a purchase price of $8,182,500.

The following table summarizes the property and equipment acquired and liabilities assumed for the year ended December 31, 2013:

Fair Value	Purchase Price of Property	Mortgages Assumed	Consideration Given
$ 8,464,000	$ 8,182,500	$ -	$ 8,182,500

The fair value of identifiable assets acquired during the year ended December 31, 2013 exceeded consideration given for property and equipment acquisitions, and accordingly the Company recorded a gain of $281,500 related to such acquisitions.

It was impractical for the Company to obtain historical financial information on the acquired properties and accordingly, proforma statements have not been presented.

Note 11 - Member' Equity

Members	Ownership Percentages
Managing	
Aspinwall Manager, LLC	0.009%
Investor	
Red Stone - 2013 National Fund, L.P.	99.990%
Special	
Red Stone Equity Manager, LLC	0.001%
	100.000%

Pursuant to the operating agreement, the investor member is to make capital contributions in the amount of $10,499,320. As of December 31, 2014 and 2013, the investor member has contributed $1,388,621, net of syndication costs of $50,000, to the Company.

The members have certain rights and obligations as outlined in the operating agreement.

Supplementary Information
December 31, 2014 and 2013

Aspinwall, LLC

	2014	2013
Maintenance and Operating		
Salaries and benefits	$ 108,473	$ 28,036
Supplies	61,565	7,460
Grounds	20,380	6,421
Trash removal	17,195	4,391
Snow removal	11,311	1,213
Other contracted services	22,803	3,219
Other maintenance and operating	26,723	2,755
	$ 268,450	$ 53,495
Utilities		
Electricity	$ 71,259	$ 18,617
Water and sewer	64,770	16,242
Gas and oil	36,651	14,251
Other utilities	4,062	449
	$ 176,742	$ 49,559
Administrative		
Salaries and benefits	$ 78,161	$ -
Management fees	39,498	19,000
Audit and accounting	12,845	-
Office supplies	3,625	-
Advertising and marketing	2,741	-
Legal	585	-
Bad debt	(2,448)	5,683
Other administrative	18,815	5,378
	$ 153,822	$ 30,061
Taxes and Insurance		
Other taxes and permits	$ 5,345	$ -
Insurance	39,695	8,710
	$ 45,040	$ 8,710
Interest		
BCHA	$ 228,653	$ 59,332
FirstBank construction loan	315,117	-
Mile High Community loan	34,560	-
	$ 578,330	$ 59,332