Financial Statements
December 31, 2015 and 2014

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, 2015 and 2014, 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, 2015 and 2014, 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.

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, 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
April 12, 2016

	2015	2014
Assets		
Cash		
General operating	$ 1,379,498	$ 659,757
Construction	1,691	123,817
	1,381,189	783,574
Accounts receivable		
Tenant	2,303	8,471
Related party	-	300
Insurance proceeds	30,389	-
	32,692	8,771
Prepaid expenses	76,614	-
Tenant security deposits	56,705	33,380
Restricted deposits and funded reserves	870,512	102,560
Property and equipment, at cost, less accumulated depreciation	37,084,927	38,494,607
Other assets, net of accumulated amortization	388,413	362,344
	$ 39,891,052	$ 39,785,236
Liabilities and Members' Equity		
Liabilities		
Accounts payable	$ 54,542	$ 166,216
Accounts payable - construction	-	1,302
Due to related party	136,043	1,279,738
Prepaid rent	-	2,298
Accrued expenses	841,126	445,186
Tenant security deposits payable	54,286	53,289
Construction note payable	-	19,494,464
Developer fee payable	1,698,787	3,400,442
Long-term debt	27,860,878	13,746,121
Total liabilities	30,645,662	38,589,056
Members' Equity	9,245,390	1,196,180
	$ 39,891,052	$ 39,785,236

	2015	2014
Operations		
Revenue		
Tenant rent	$ 1,030,935	$ 939,963
Rental assistance payments	1,053,761	554,154
Less vacancies	(52,293)	(333,666)
Net rental income	2,032,403	1,160,451
Insurance proceeds	126,087	-
Tenant charges	16,363	7,227
Laundry	1,244	641
Interest income	418	158
Other income	4,266	178
Total revenue	2,180,781	1,168,655
Expenses		
Maintenance and operating	374,854	263,678
Utilities	270,081	176,742
Administrative	238,466	163,939
Taxes and insurance	73,929	39,695
Interest	1,098,556	578,330
Depreciation and amortization	1,421,712	444,744
	3,477,598	1,667,128
Loss before Asset Management Fee	(1,296,817)	(498,473)
Asset Management Fee	5,304	5,150
Net Loss	$ (1,302,121)	$ (503,623)

Members' Equity

	Managing Member	Investor and Special Members	Total
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
Contributions	-	9,351,331	9,351,331
Net loss	(130)	(1,301,991)	(1,302,121)
Balance (Deficit), December 31, 2015	$ (44)	$ 9,245,434	$ 9,245,390

	2015	2014
Operating Activities		
Net loss	$ (1,302,121)	$ (503,623)
Adjustments to reconcile net loss to net cash from operating activities		
Depreciation	1,409,680	441,630
Amortization	12,032	3,114
Long-term accrued interest	340,876	313,089
Changes in operating assets and liabilities		
Accounts receivable	(23,921)	(8,156)
Prepaid expenses	(76,614)	16,297
Tenant security deposits	(23,325)	(4,725)
Accounts payable	(111,674)	12,099
Prepaid rent	(2,298)	(2,471)
Accrued expenses	55,064	(104,443)
Tenant security deposits payable	997	24,634
Net Cash from Operating Activities	278,696	187,445
Investing Activities		
Purchase of property and equipment	(1,302)	(17,385,430)
Net (deposits to) withdrawals from restricted deposits and funded reserves	(767,952)	59,842
Net Cash used for Investing Activities	(769,254)	(17,325,588)
Financing Activities		
Proceeds from issuance of construction note payable	-	16,778,745
Payment on construction note payable	(6,194,464)	-
Proceeds from issuance of long-term debt	942,504	-
Principal payments on long-term debt	(127,747)	-
Payments to related party	(1,143,695)	-
Advances from related party	-	129,490
Payment for other assets	(38,101)	(365,458)
Payment on developer fee	(1,701,655)	-
Equity contributions	9,351,331	-
Net Cash from Financing Activities	1,088,173	16,542,777
Net Change in Cash	597,615	(595,366)
Cash at Beginning of Year	783,574	1,378,940
Cash at End of Year	$ 1,381,189	$ 783,574

	2015	2014
Supplemental Disclosure of Cash Flow Information		
Cash payments for interest net of capitalized interest of $0 in 2015 and $377,259 in 2014	$ 703,187	$ 268,897
Supplemental Disclosure of Noncash Investing and Financing Activities		
Increase in property and equipment from issuance of related party debt	$ -	$ 1,215,396
Increase in property and equipment from developer fee payable	$ -	$ 3,214,165
Increase in property and equipment from accrued interest	$ -	$ 84,437

Note 1 - Principal Business 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
Geothermal equipment	5 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, 2015 and 2014.

Other Assets

Other assets consist of capitalized financing costs and tax credit fees. Financing costs are being 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, 2015 and 2014, 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.

Rental Income

Housing units are rented under operating lease agreements with terms of one year or less. Rent income from tenants and rental assistance payments are 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 net rental income.

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 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 $0 and $377,259 has been capitalized as part of the building during 2015 and 2014, respectively.

Subsequent Events

The Company has evaluated subsequent events through April 12, 2016, the date which the financial statements were available to be issued.

Note 2 - Restricted Deposits and Funded Reserves

	2015	2014
Replacement reserve	$ 50,115	$ -
Operating reserve	820,397	75,200
SPAN reserve	-	27,360
	$ 870,512	$ 102,560

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.

Replacement reserve activity for the years ended December 31, 2015 and 2014 is as follows:

	2015	2014
Balance, January 1	$ -	$ -
Deposits	50,100	-
Interest	15	-
Balance, December 31	$ 50,115	$ -

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.

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 2015, all funds were deposited into the operating reserve.

Note 3 - Property and Equipment

Property and equipment at December 31, 2015 and 2014 consists of the following:

	2015	2014
Land and improvements	$ 6,125,941	$ 6,125,941
Buildings and improvements	30,515,110	30,515,110
Equipment and furnishings	496,367	496,367
Geothermal equipment	1,856,957	1,856,957
	38,994,375	38,994,375
Accumulated depreciation	(1,909,448)	(499,768)
	$ 37,084,927	$ 38,494,607

Note 4 - Other Assets

Other assets at December 31, 2015 and 2014 consists of the following:

	2015	2014
Tax credit fees	$ 112,119	$ 112,119
Financing costs	294,553	253,339
	406,672	365,458
Accumulated amortization	(18,259)	(3,114)
	$ 388,413	$ 362,344

Amortization is expected to be approximately $25,900 for each of the next five years.

Note 5 - Accrued Expenses

Accrued expenses at December 31, 2015 and 2014 consists of the following:

	2015	2014
Interest - related party - Note 9	$ 781,329	$ 440,453
Interest - non-related party	54,493	-
Asset management fees - Note 9	5,304	4,733
	$ 841,126	$ 445,186

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. As of December 31, 2014, the balance of the construction loan was $19,494,464. In July 2015, the construction loan was paid down from capital contributions and converted to permanent financing. During 2015 and 2014, the Company incurred and paid interest of $516,871 and $489,039, respectively.

Note 7 - Long-Term Debt

Long-term debt as of December 31, 2015 and 2014 consists of:

	2015	2014
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, 95,000, and $159,085 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 (A)	623,023	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% $2,762,296 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	2,762,296	2,715,396
	13,302,106	13,096,121

	2015	2014
UNRELATED		
4.2% $13,300,000 note payable to FirstBank, monthly payments of $65,348, including interest through maturity, August 2031, secured by a deed of trust (B)	13,173,869	-
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 in 2033, secured by a deed of trust on the property	648,384	650,000
0% $737,519 note payable to the State of Colorado, due in annual payments from available cash flow beginning April 2016 in the amount of $24,584, including interest, matures August 2045, secured by a deed of trust (C)	736,519	-
	14,558,772	650,000
	$ 27,860,878	$ 13,746,121

(A) During 2015, additional funds were awarded and advanced, totaling $159,085. The additional funds will be included under the same terms as the previous agreement.

(B) The Company has covenants related to, among other matters, the maintenance of debt coverage ratios and invested cash balance requirements.

(C) There is $1,000 remaining to be advanced on this note. The funds are expected to be advanced in 2016.

Future maturities of long-term debt are as follows:

Year Ended December 31,	Principal	Interest	Total
2016	$ 263,341	$ 592,487	$ 855,828
2017	273,655	582,173	855,828
2018	284,416	571,412	855,828
2019	295,645	560,183	855,828
2020	307,363	548,465	855,828
Thereafter	26,436,458	38,737,316	65,173,774
	$ 27,860,878	$ 41,592,036	$ 69,452,914

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, 2015 and 2014, developer fees of $3,400,442 have been incurred and capitalized as part of the building. During 2015 and 2014, the Company paid $1,701,655 and $0, respectively, for developer fees. Developer fees are expected to be paid from capital contributions and net cash flow. As of December 31, 2015 and 2014, the Company owes BCHA $1,698,787 and $3,400,442, 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 2015 and 2014, the Company incurred interest of $340,877 and $313,089, respectively, in relation to these mortgage notes payable. As of December 31, 2015 and 2014, the Company owes BCHA $781,329 and $440,453, respectively, for accrued interest (Note 5).

Due to Related Party

As of December 31, 2015 and 2014, the Company owed BCHA, the sole member of the managing member, $136,043 and $1,279,738, 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 $480 per unit or 5.5% of effective gross income. During 2015 and 2014, the Company incurred management fees of $80,160 and $44,270, respectively.

Reimbursement of Expenses

During 2015 and 2014, the Company reimbursed BCHA approximately $294,600 and $189,400, 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 for the review of the operations of the Company. The fee is to increase by 3% annually. During 2015 and 2014, the Company incurred $5,304 and $5,150, respectively, for asset management fees. As of December 31, 2015 and 2014, the Company owed the special member $5,304 and $4,733, respectively, for these fees (Note 5).

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 - Insurance Proceeds

During 2015, the Partnership received insurance proceeds of $69,966 for damages incurred in units at the project. As of December 31, 2015, the Company has recorded a receivable in the amount of $30,389 for additional insurance proceeds to be received in 2016. The Partnership completed the repairs in 2015 at a cost of $100,355. The insurance proceeds were netted with the repairs.

During 2015, the Company received insurance proceeds in the amount of $126,087 relating to damages in 2013. All damages were previously repaired and this amount was recognized as income in 2015.

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 $10,739,952, including an upward adjuster of $240,632. During 2015 and 2014, the investor member made capital contributions of $9,351,331 and $0, respectively to the Company. As of December 31, 2015 and 2014, the investor member has contributed $10,739,952 and $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, 2015 and 2014

Aspinwall, LLC

	2015	2014
Maintenance and Operating		
Salaries and benefits	$ 106,357	$ 108,473
General repairs	98,335	21,951
Supplies	41,841	61,565
Grounds	38,770	20,380
Other contracted services	38,146	22,803
Trash removal	30,376	17,195
Snow removal	21,029	11,311
	$ 374,854	$ 263,678
Utilities		
Electricity	$ 135,380	$ 71,259
Water and sewer	94,625	64,770
Gas and oil	33,879	36,651
Other utilities	6,197	4,062
	$ 270,081	$ 176,742
Administrative		
Salaries and benefits	$ 92,490	$ 78,161
Management fees	80,160	44,270
Homeowners association fees	25,293	5,345
Audit and accounting	14,733	12,845
Other administrative	10,318	18,815
Bad debt	9,542	(2,448)
Office supplies	3,342	3,625
Legal	2,396	585
Advertising and marketing	192	2,741
	$ 238,466	$ 163,939
Insurance		
Insurance	$ 73,929	$ 39,695
Interest		
BCHA	$ 340,877	$ 228,653
FirstBank construction loan	516,871	315,117
FirstBank permanent loan	200,612	-
Mile High Community loan	40,196	34,560
	$ 1,098,556	$ 578,330