CLEARINGHOUSE NMTC, LLC
COMBINED FINANCIAL STATEMENTS
For the years ended December 31, 2013 and 2012
with
Independent Auditors' Report

Novogradac & Company LLP
Certified Public Accountants

NOVOGRADAC
& COMPANY LLP®
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

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

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Clearinghouse NMTC, LLC, which comprise the combined balance sheets as of December 31, 2013 and 2012, and the related combined statements of income, changes in members' equity and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our 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 audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

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

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

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Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Clearinghouse NMTC, LLC as of December 31, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

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

Novogradac & Company LLP

Long Beach, California
April 3, 2014

CLEARINGHOUSE NMTC, LLC
Combined Balance Sheets
December 31, 2013 and 2012

	2013	2012
ASSETS		
Cash and cash equivalents	$ 37,610,000	$ 7,652,000
Loans receivable, net	307,139,000	310,217,000
Accrued interest receivable	311,000	992,000
Other receivables and prepaid expenses	5,000	156,000
Other assets, net	1,635,000	1,583,000
Investment in other companies	11,263,000	11,299,000
Due from CDFI	160,000	165,000
TOTAL ASSETS	$ 358,123,000	$ 332,064,000
LIABILITIES AND MEMBERS' EQUITY		
LIABILITIES		
Accounts payable	$ 42,000	$ -
Due to CDFI	1,532,000	756,000
Notes payable	4,700,000	-
TOTAL LIABILITIES	6,274,000	756,000
MEMBERS' EQUITY	351,849,000	331,308,000
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 358,123,000	$ 332,064,000

see accompanying notes

CLEARINGHOUSE NMTC, LLC
Combined Statements of Income
For the years ended December 31, 2013 and 2012

	2013	2012
REVENUE		
Interest on loans receivable	$ 8,331,000	$ 10,309,000
Interest-bearing deposits	-	1,000
Loan fees	80,000	109,000
NMTC LLC management fees	448,000	421,000
QALICB reimbursements	31,000	9,000
Total revenue	8,890,000	10,849,000
EXPENSES		
Amortization of transaction costs	344,000	321,000
Investment impairment	-	63,000
Loan forgiveness	1,232,000	2,487,000
Management fees	1,526,000	1,798,000
Organization and start up costs	197,000	50,000
Provision for loan losses, net	-	605,000
Loan write-off expenses	670,000	-
Bank fees	2,000	-
Workout expenses	53,000	-
Audit and tax fees	29,000	-
Interest expense	2,000	-
State franchise taxes	67,000	65,000
Total expenses	4,122,000	5,389,000
Income before loan recovery and equity in loss from investment in other companies	4,768,000	5,460,000
Loan recovery	2,354,000	-
Equity in loss from investment in other companies	(35,000)	(312,000)
Net income	$ 7,087,000	$ 5,148,000

see accompanying notes

CLEARINGHOUSE NMTC, LLC

Combined Statements of Members' Equity

For the years ended December 31, 2013 and 2012

BALANCE, JANUARY 1, 2012	$ 364,815,000
Syndication	(49,000)
Net distributions	(38,606,000)
Net income	5,148,000
BALANCE, DECEMBER 31, 2012	331,308,000
Syndication	(121,000)
Net contributions	13,575,000
Net income	7,087,000
BALANCE, DECEMBER 31, 2013	$ 351,849,000

see accompanying notes

CLEARINGHOUSE NMTC, LLC
Combined Statements of Cash Flows
For the years ended December 31, 2013 and 2012

	2013	2012
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	$ 7,087,000	$ 5,148,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of transaction costs	344,000	321,000
Loan forgiveness	1,232,000	2,487,000
Provision for loan losses	-	1,034,000
Loan write-off expenses	670,000	-
Changes in operating assets and liabilities:		
Decrease (increase) in accrued interest receivable	681,000	(78,000)
Decrease in other receivables and prepaid expenses	151,000	149,000
Decrease in due from other companies	5,000	95,000
Increase (decrease) in accounts payable and accrued expenses	42,000	(126,000)
Increase in due to other companies	776,000	178,000
Net cash provided by operating activities	10,988,000	9,208,000
CASH FLOW FROM INVESTING ACTIVITIES		
Decrease in loans receivable	1,176,000	10,189,000
Decrease in investments in other companies	36,000	235,000
Net cash provided by investing activities	1,212,000	10,424,000
CASH FLOW FROM FINANCING ACTIVITIES		
Other assets	(396,000)	(99,000)
Proceeds from notes payable	4,700,000	-
Syndication	(121,000)	(49,000)
Contributions (distributions), net	13,575,000	(38,606,000)
Net cash provided by (used in) financing activities	17,758,000	(38,754,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS	29,958,000	(19,122,000)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,652,000	26,774,000
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 37,610,000	$ 7,652,000
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid for state franchise taxes	$ 59,000	$ 65,000

see accompanying notes

1. Organization

The combined financial statements include 34 active entities (the "Active Subs") and 1 inactive entity (the "Inactive Sub") listed below (collectively referred to as the "Companies" and individually referred to as "Company"). The Inactive Subs were incorporated in anticipation of future new markets tax credits ("NMTC") transactions. The Companies are related under common ownership and management of Clearinghouse Community Development Financial Institution ("CDFI" and "Managing Member") in Lake Forest, California. The Companies have a primary mission of providing investment capital for low-income communities or organizations serving low-income persons. The Companies make capital or equity investments in, and loans to, Qualified Active Low-Income Community Businesses ("QALICBs"), as defined in Internal Revenue Code Section 45D. To help fulfill its primary mission, the Companies applied for and received certification from the U.S. Treasury's Community Development Financial Institutions Fund ("CDFI Fund") as a qualified Community Development Entity ("CDE"). The Companies' lending is available through tax credit allocations authorized by the Department of Treasury and targets qualified businesses in distressed areas ("NMTC Allocations").

- Clearinghouse NMTC (Sub 2), LLC ("Sub 2")
- Clearinghouse NMTC (Sub 5), LLC ("Sub 5")
- Clearinghouse NMTC (Sub 6), LLC ("Sub 6")
- Clearinghouse NMTC (Sub 7), LLC ("Sub 7")
- Clearinghouse NMTC (Sub 8), LLC ("Sub 8")
- Clearinghouse NMTC (Sub 9), LLC ("Sub 9")
- Clearinghouse NMTC (Sub 10), LLC ("Sub 10")
- Clearinghouse NMTC (Sub 11), LLC ("Sub 11")
- Clearinghouse NMTC (Sub 12), LLC ("Sub 12")
- Clearinghouse NMTC (Sub 13), LLC ("Sub 13")
- Clearinghouse NMTC (Sub 15), LLC ("Sub 15")
- Clearinghouse NMTC (Sub 16), LLC ("Sub 16")
- Clearinghouse NMTC (Sub 17), LLC ("Sub 17")
- Clearinghouse NMTC (Sub 18), LLC ("Sub 18")
- Clearinghouse NMTC (Sub 19), LLC ("Sub 19")
- Clearinghouse NMTC (Sub 20), LLC ("Sub 20")
- Clearinghouse NMTC (Sub 21), LLC ("Sub 21")
- Clearinghouse NMTC (Sub 22), LLC ("Sub 22")
- Clearinghouse NMTC (Sub 23), LLC ("Sub 23")
- Clearinghouse NMTC (Sub 24), LLC ("Sub 24")
- Clearinghouse NMTC (Sub 25), LLC ("Sub 25")
- Clearinghouse NMTC (Sub 26), LLC ("Sub 26")
- Clearinghouse NMTC (Sub 27), LLC ("Sub 27")
- Clearinghouse NMTC (Sub 28), LLC ("Sub 28")
- Clearinghouse NMTC (Sub 29), LLC ("Sub 29")
- Clearinghouse NMTC (Sub 30), LLC ("Sub 30")
- Clearinghouse NMTC (Sub 31), LLC ("Sub 31")
- Clearinghouse NMTC (Sub 32), LLC ("Sub 32")
- Clearinghouse NMTC (Sub 34), LLC ("Sub 34")
- Clearinghouse NMTC (Sub 35), LLC ("Sub 35")
- Clearinghouse NMTC (Sub 36), LLC ("Sub 36")
- Clearinghouse NMTC (Sub 37), LLC ("Sub 37")
- Clearinghouse NMTC (Sub 38), LLC ("Sub 38")
- Clearinghouse NMTC (Sub 40), LLC ("Sub 40")
- Inactive sub

2. Summary of significant accounting policies and nature of operations

Basis of accounting

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

Basis of presentation

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

Cash and cash equivalents

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

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

Concentration of credit risk

The Companies maintain cash in bank deposit accounts that, at times, may exceed federally insured limits. The Companies have not experienced any losses in such accounts. As of December 31, 2013 and 2012, there were three banks holding cash accounts for the Companies with balances over the federally insured limits, representing 98.5% and 85.9% of the total cash, respectively. The Companies believe they are not exposed to any significant credit risk on cash.

Economic and geographic concentrations

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

Loans receivable and allowance for loan losses

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

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

The Companies evaluate each loan individually to determine if a specific loan loss provision is necessary. A loan is impaired when it is probable that the creditor will be unable to collect all contractual principal and interest payments due in accordance with the terms of the loan agreement. Impaired loans are measured based on the present value of expected future cash flows discounted at the loan's effective interest rate or, as a practical expedient, at the loan's observable market price or the fair value of the collateral if the loan is collateral dependent. The amount of impairment, if any, and subsequent charges are included in the allowance for loan losses.

As of December 31, 2013 and 2012, approximately $0 and $8,558,000 of loans were impaired and included in the allowance for loan losses, respectively.

Activity in the allowance for loan losses was as follows for the years ended December 31, 2013 and 2012:

	2013	2012
Balance, beginning	$ 8,558,000	$ 10,856,000
Provision for loan losses	-	1,034,000
Deductions, net of recoveries	(8,558,000)	(3,332,000)
Balance, ending	$ -	$ 8,558,000

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

Investments in other companies

Three of the Active Subs ("Investor Companies") own interests in the other companies ("Investee Companies") as further discussed in Note 4. The Companies have determined that the Investee Companies are variable interest entities and the Investor Companies are not the primary beneficiary. As a result, the Investor Companies are not required to consolidate their investment in the Investee Companies. This conclusion was based on the determination that the Investor Companies do not have the power to direct the activities that most significantly impact the Investee Companies' economic performance. The Investor Companies' maximum exposure to loss as a result of its involvement with the investment remains limited to the current investment balance. For the years ended December 31, 2013 and 2012, the Investor Companies provided no explicit or implicit financial or other support to the Investee Companies that was not previously contractually required or intended.

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

The Companies have implemented policies and practices for assessing impairment for its investments. Periodically, the carrying values are evaluated and the Companies records a write down if it is determined that any impairment in value exists. If impairment exists, the carrying value is reduced to its future cash flows and estimated tax benefits to be received.

Use of estimates

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

Fair value measurements

The Companies apply the accounting provisions related to fair value measurements. Accounting Standards Codification (ASC) 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. As prescribed in ASC 820, fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. This accounting guidance establishes a fair value hierarchy about the assumptions used to measure fair value and clarifies assumptions about risk and the effect of a restriction on the sale or use of an asset.

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

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

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

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

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

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

Other assets and amortization
As of December 31, 2013 and 2012, other assets included transaction costs of $1,979,000 and $1,904,000, respectively, which are recorded at cost and the respective portion is amortized ratably over each Company's seven-year compliance period using the straight-line method. Amortization of other assets for the years ended December 31, 2013 and 2012 was $344,000 and $321,000, respectively.

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

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

Subsequent events

Subsequent events have been evaluated through April 3, 2014, which is the date the combined financial statements were available to be issued. See Notes 9 and 10 for subsequent events.

3. Loans receivable

The Companies' loan portfolio is composed of loans that are primarily secured by real estate and commercial properties. This collateral is concentrated primarily within Los Angeles and Orange Counties, but includes collateral located in various counties throughout California, Washington and Arizona. As of December 31, 2013 and 2012, real estate-secured loans accounted for approximately 100% of total loans. Nearly all of these loans are secured by first trust deeds with an initial loan-to-value ratio of generally not greater than 80%.

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

The Companies' loan portfolio consisted of the following at December 31, 2013 and 2012:

	2013	2012
Loans receivable	$ 309,116,000	$ 321,505,000
Less: Allowance for loan losses	-	(8,558,000)
Less: Loan forgiveness	(1,232,000)	(2,487,000)
Less: Loan write-off expense	(670,000)	-
Less: Unearned loan fees	(75,000)	(107,000)
Less: Borrower holdback fund	-	(136,000)
Loans receivable, net	$ 307,139,000	$ 310,217,000

4. Investment in other companies

Certain Companies have investments in several other companies. These investments are accounted for under the equity method of accounting, as the Investor Companies do not have control of the major operating and financial policies of the Investee Companies. The Investee Companies are:

Maya Salinas Old Town Cinema, LLC

Sub 10 made an equity investment of $5,216,000 in Maya Salinas Old Town Cinema, LLC. As of December 31, 2013 and 2012, the investment balance was $4,210,000 and $4,245,000, respectively.

Pomona Fox Theatre Master Tenant, LLC

Sub 12 made an equity investment of $1,150,000 in Pomona Fox Theater Master Tenant, LLC. As of December 31, 2013 and 2012, the investment balance was $58,000, for both years.

Gateway Opportunity Fund, LLC

Sub 16 made an equity investment of $6,998,000 in Gateway Opportunity Fund, LLC. As of December 31, 2013 and 2012, the investment balance was $6,995,000 and $6,996,000, respectively.

4. Investment in other companies (continued)

Investment in Sub 8

Sub 7 made an equity investment of $7,500,000 in Sub 8. As of December 31, 2013 and 2012, the investment balance was $0 and $7,540,000, respectively. This intercompany transaction was eliminated during consolidation of the combined financial statements.

5. Fair value of financial instruments

The Companies use fair value accounting to report certain financial assets and liabilities. The fair value measurements guidance defines fair value, establishes a framework for measuring fair value and establishes a three-level valuation hierarchy for disclosure of fair value measurement. The Companies adopted additional guidance for fair value measures under the fair value measurements guidance in determining if the market for an asset or liability is inactive and, accordingly, if quoted market prices may not be indicative of fair value.

Instruments measured at fair value on a nonrecurring basis

Loans receivable include collateral-dependent impaired loans, which includes certain impaired held-for-investment loans for which an allowance for loan losses has been calculated based upon the fair value of the loans. The fair value of collateral for those impaired loans determined to be collateral dependent was determined based on appraisals obtained from real estate brokers or other third-party consultants. In some cases, adjustments were made to the appraised values due to various factors, including age of the appraisal, limited or outdated comparables included in the appraisal, and known changes in the market and in the collateral. As of December 31, 2013 and 2012, loans receivable held by the Companies had a carrying value of $307,214,000 and $319,018,000, respectively. The carrying value approximates the fair value.

Fair value of investments in other companies was determined based on the Companies' own data, which includes the income approach (present value of future income or cash flows). The determination is based upon the significance of the unobservable factors to the overall fair value measurement.

The table below represents the level within the fair value hierarchy at which investments are measured at December 31, 2013 and 2012:

2013

	Total	Level 1	Level 2	Level 3
Loans receivable	$ -	$ -	$ -	$ -
Investment in other companies	58,000	-	-	58,000
Total	$ 58,000	$ -	$ -	$ 58,000

2012

	Total	Level 1	Level 2	Level 3
Loans receivable	$ 6,324,000	$ -	$ 6,324,000	$ -
Investment in other companies	58,000	-	-	58,000
Total	$ 6,382,000	$ -	$ 6,324,000	$ 58,000

5. Fair value of financial instruments (continued)

Instruments measured at fair value on a nonrecurring basis (continued)
Fair value estimates of financial instruments for both assets and liabilities are made at a discrete point in time based on relevant market information and information about the financial instruments. Because no active market exists for a significant portion of the Companies' combined financial instruments, fair value estimates are based on judgments regarding current economic conditions, risk characteristics of various financial instruments, prepayment assumptions, future expected loss experience and other such factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment, and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The Companies intend to hold the majority of their assets and liabilities to their stated maturities. Thus, management does not believe the Companies will realize any significant differences between the carrying amount and fair value through sale or other disposition. In addition, the fair value estimates are based on existing on- and off-balance-sheet financial instruments without attempting to estimate the value of existing and anticipated future customer relationships and the value of assets and liabilities that are not considered financial instruments.

6. Notes payable

On December 18, 2013, Sub 32 obtained a $4,200,000 loan from Wells Fargo Community Development Enterprise Round 8 Subsidiary 9, LLC, a Delaware limited liability company ("Sub 32 Loan A") and a $500,000 loan from Wells Fargo Community Development Enterprise Round 9 Subsidiary 13, LLC, a Delaware limited liability company ("Sub 32 Loan B). The loans have a fixed interest rate of 1.1152% per annum with a maturity date of December 18, 2037 ("Maturity Date"). From March 15, 2014 to March 15, 2021, interest-only payments are due quarterly on the fifteenth day of each March, June, September and December. Each interest payment will include interest for the calendar quarter ending March 31, June 30, September 30 and December 31, respectively. Beginning March 15, 2021 and ending on or before the Maturity Date, quarterly payments of principal and interest will be due. During 2013, interest expense was $2,000. As of December 31, 2013, the outstanding principal balance was $4,700,000 and there was no outstanding accrued interest.

7. Related-party transactions

Management fee
Pursuant to the respective operating agreement of each Company, the Managing Member earns a management fee (the "Management Fee") from each Company during the seven-year compliance period for administering, managing and directing the businesses of the Companies, including causing each Company to comply with the new markets tax credit program requirements in accordance with Internal Revenue Code Section 45D and the Treasury Regulations thereunder. Management Fees are negotiated with each Company prior to commencement of operations and will end when the Company is dissolved. For the years ended December 31, 2013 and 2012, the Companies incurred and expensed Management Fees of $1,526,000 and $1,798,000, respectively.

Due from CDFI
Management fees due to certain Companies were paid directly to CDFI by the borrowers. As of December 31, 2013 and 2012, CDFI owed $160,000 and $165,000 to the Companies, respectively.

7. Related-party transactions (continued)

Due to CDFI

CDFI paid expenditures on behalf of the Companies. Advances to the Companies do not bear interest. As of December 31, 2013 and 2012, the Companies owed CDFI $1,532,000 and $756,000 in reimbursements, respectively.

8. Community development subsidiary entities

Federal

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

Allocation year		QEI
2002	$	56,000,000
2005		75,000,000
2006		37,000,000
2008		90,000,000
2009		100,000,000
2010		35,000,000
2012		80,000,000
Total	$	473,000,000

The Federal Allocation Agreements are dated as follows:

Dated	Amended
January 15, 2004	March 5, 2004, November 12, 2004
December 22, 2005	
December 15, 2006	February 7, 2007
December 24, 2008	
November 24, 2009	
March 31, 2011	
July 15, 2013	

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

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

8. Community development subsidiary entities (continued)

Federal (continued)
An aggregate of $176,436,000 of NMTCs will be generated as a result of $452,400,000 of QEIs in the Companies. As a result of the QEIs, the members of the investment funds were eligible for $17,423,120 and $15,249,200 of NMTCs for the years ended December 31, 2013 and 2012, respectively. As of December 31, 2013 and 2012, the members of the investment funds have been eligible to claim a cumulative total of $113,615,880 and $96,192,760 of NMTCs, respectively.

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

Year ending December 31,

2014	$ 17,013,060
2015	17,013,060
2016	14,064,000
2017	7,602,000
2018	3,564,000
Thereafter	3,564,000
Total	$ 62,820,120

Nevada
In November 2013, CDFI was awarded the authority to issue $8,000,000 in QEIs to the Companies pursuant to Nevada New Markets Job Act Certification between CDFI and the State of Nevada Department of Business and Industry Director's Office (the "Nevada Allocation Agreement").

Equity investments received will be designated as QEIs ("Nevada QEIs") if they meet the requirements of Senate Bill 357 and the Nevada New Markets Tax Credit Program. Members of the Companies will be allowed to claim NMTCs ("Nevada NMTCs") over five years commencing two years after the initial QEI is made, spanning six years and a day, for any equity investment made by such member that is designated a QEI by CDFI. It is intended that the investor members' capital contributions shall constitute Nevada QEIs in accordance with the NRS 231A Nevada New Markets Job Act.

In order to qualify for Nevada NMTC, CDFI must comply with requirements of Senate Bill 357 and NRS 231A Nevada New Market Job Act during the seven-year credit period. These requirements include, but are not limited to, ensuring that at least 85% of the Nevada QEIs will be deployed to qualified low-income communities as QLICIs and 30% will be in severely distressed census tracts. Because the tax credits are subject to certain requirements, there can be no assurance that the aggregate amount of tax credits will be realized and failure to meet all such requirements may result in generating a lesser amount of tax credits than expected.

An aggregate of $4,640,000 of Nevada NMTCs will be generated as a result of $8,000,000 of Nevada QEIs in the Companies. For the years ended December 31, 2013 and 2012, the members of the investment funds were not eligible for Nevada NMTCs.

8. Community development subsidiary entities (continued)

Nevada (continued)
Future Nevada NMTC amounts resulting from Nevada QEIs are expected to be as follows:

Year ending December 31,

2014	$ -
2015	960,000
2016	960,000
2017	960,000
2018	880,000
Thereafter	880,000
Total	$ 4,640,000

CDFI's board of directors has established an advisory board for CDFI's NMTC activities ("Advisory Board"). The Advisory Board provides insight and guidance to CDFI regarding its NMTC activities. The Advisory Board also ensures that CDFI maintains accountability to the residents of low-income communities within its service areas, as defined in the Federal Allocation Agreements, in accordance with Internal Revenue Code Section 45D(c)(1)(B). The Advisory Board solicits feedback from the residents of the low-income communities that they represent as to the investment needs of those particular low-income communities and the success of CDFI in addressing such needs.

2002 Allocation

Clearinghouse NMTC (Sub 2)
Sub 2 was incorporated in April 2002 and was 0.9898% owned by CDFI, 0.0265% owned by Clearinghouse NMTC, LLC ("CDFI NMTC LLC") and 98.9837% owned by JP Morgan Chase Bank, N.A. (the "Sub 2 Investor Member"). CDFI transferred $10,000,000 of its NMTC Allocations to Sub 2.

As of December 31, 2013 and 2012, $0 and $35,000 of the loan receivable balance was determined to be impaired and is included in the allowance for loan loss. As of December 31, 2012, Sub 2 made distributions in the amount of $3,719,000.

During the year ended December 31, 2013, loans receivable in the amount of $670,000 were determined to be uncollectible and were written off.

On December 27, 2013, CDFI made the final repayment of member capital and previously undistributed profits to the Investor Members. As of December 31, 2013, CDFI had distributed all available funds and the entity is in the process of dissolving.

Clearinghouse NMTC (Sub 5)
Sub 5 was incorporated in March 2004 and was 0.01% owned by CDFI NMTC LLC and 99.99% owned by US Bancorp Community Development Corporation (the "Sub 5 Investor Member"). CDFI transferred $16,000,000 of its NMTC allocation to Sub 5.

As of December 31, 2012, Sub 5 made distributions in the amount of $1,796,000.

8. Community development subsidiary entities (continued)

2002 Allocation (continued)

Clearinghouse NMTC (Sub 5) (continued)
On August 13, 2013, CDFI made the final repayment of member capital and previously undistributed profits to the Sub 5 Investor Member. As of December 31, 2013, CDFI had distributed all available funds and the entity is in the process of dissolving.

2005 Allocation

Clearinghouse NMTC (Sub 6)
On March 29, 2005, Sub 6 entered into the Amended and Restated Operating Agreement of Sub 6 (the “Sub 6 Operating Agreement”). Sub 6 is owned 0.1248% by CDFI NMTC LLC and 99.8752% by JP Morgan Chase Bank, N.A. (the “Sub 6 Investor Member”)(CDFI NMTC LLC and the Sub 6 Investor Member are collectively referred to as the “Sub 6 Members”). Sub 6 received $20,000,000 of NMTC allocations. As of December 31, 2013 and 2012, Sub 6 received $20,000,000 of QEIs, and made $19,923,500 of QLICIs.

As of December 31, 2013 and 2012, pursuant to the Sub 6 Operating Agreement, CDFI NMTC LLC and the Sub 6 Investor Member made capital contributions in the amount of $24,990 and $20,000,000, respectively. As of December 31, 2013 and 2012, $0 and $4,052,000 of the loan receivable balance was determined to be impaired and is included in the allowance for loan loss.

Profit and loss of Sub 6 shall be allocated to and among the members’ capital accounts in a manner that as closely as possible gives economic effect to the distributions made, or deemed made. Losses allocated shall not exceed the maximum losses that can be so allocated without causing any adjusted deficit at the end of the fiscal year. As of December 31, 2013 and 2012, Sub 6 made distributions in the amount of $5,009,000.

Clearinghouse NMTC (Sub 7)
Sub 7 was incorporated on June 28, 2005 and was 0.1248% owned by CDFI NMTC LLC and 99.8752% owned by JP Morgan Chase Bank, N.A. (the “Sub 7 Investor Member”). CDFI transferred $20,000,000 of its NMTC allocations to Sub 7.

As of December 31, 2013 and 2012, $0 and $4,471,000 of the loan receivable balance was determined to be impaired and is included in the allowance for loan loss. As of December 31, 2012, Sub 7 made distributions in the amount of $2,413,000.

On December 31, 2013, the Sub 7 Investor Member redeemed and withdrew its membership interest from Sub 7. As of December 31, 2013, CDFI had distributed all available funds and the entity is in the process of dissolving.

Clearinghouse NMTC (Sub 8)
In May 2006, Sub 8 entered into the Amended and Restated Operating Agreement of Sub 8 (the “Sub 8 Operating Agreement”). Sub 8 is owned 0.0100% by CDFI NMTC LLC, 28.6020% by Sub 7, and 71.3880% by NTC Investor, L.P. (the “Sub 8 Investor Member”)(CDFI NMTC LLC, Sub 7 and the Sub 8 Investor Member are collectively referred to as the “Sub 8 Members”). Sub 8 received $18,718,000 of NMTC allocations and received a QEI of $7,500,000 through Sub 7’s investment in Sub 8. As of December 31, 2013, Sub 8 has received $26,218,000 of QEIs and made $26,218,000 of QLICIs.

8. Community development subsidiary entities (continued)

2005 Allocation (continued)

Clearinghouse NMTC (Sub 8) (continued)
Pursuant to the Sub 8 Operating Agreement, CDFI NMTC LLC, Sub 7 and the Sub 8 Investor Member shall make capital contributions to Sub 8 in the amount of $2,622, $7,500,000 and $18,718,000, respectively. As of December 31, 2013, CDFI NMTC LLC, Sub 7 and the Sub 8 Investor Member made capital contributions in the amount of $2,622, $7,500,000 and $18,718,000, respectively.

Profit and loss of Sub 8 shall be allocated as follows: 1) losses shall be allocated to and among the members' capital accounts in proportion to the respective positive balances until the balances are reduced to zero; 2) profits shall be allocated to and among the members' capital accounts in proportion to the respective amounts by which losses allocated to such capital account have exceeded profits allocated; 3) thereafter, profits shall be allocated to and among the members' capital accounts in a manner that as closely as possible gives economic effect to the distributions made, or deemed made. Losses allocated shall not exceed the maximum losses that can be so allocated without causing any adjusted deficit at the end of the fiscal year. As of December 31, 2013, Sub 8 has made distributions in the amount of $5,528,000 and $5,528,000, respectively.

Clearinghouse NMTC (Sub 9)
Sub 9 was incorporated on December 22, 2005 and was 0.01% owned by CDFI NMTC LLC, and 99.99% owned by HHP Investment, LLC (the "Sub 9 Investor Member"). CDFI transferred $13,680,000 of NMTC allocations to Sub 9.

As of December 31, 2012, Sub 9 made distributions in the amount of $1,993,000.

On November 5, 2013, the Sub 9 Investor Member redeemed and withdrew its membership interest from Sub 9. As of December 31, 2013, CDFI had distributed all available funds and the entity is in the process of dissolving.

2006 Allocation

Clearinghouse NMTC (Sub 10)
In July 2007, Sub 10 entered into the Amended and Restated Operating Agreement of Sub 10 (the "Sub 10 Operating Agreement"). Sub 10 is owned 0.01% by CDFI NMTC LLC and 99.99% by Maya Cinemas Investor, LLC (the "Sub 10 Investor Member")(CDFI NMTC LLC and the Sub 10 Investor Member are collectively referred to as the "Sub 10 Members"). Sub 10 received $2,602,000 in 2005 NMTC Allocations and $15,449,000 in 2006 NMTC Allocations. As of December 31, 2013 and 2012, Sub 10 received $18,501,000 of QEIs and made $18,501,000 of QLICIs.

As of December 31, 2013 and 2012, pursuant to the Sub 10 Operating Agreement, CDFI NMTC LLC and the Sub 10 Investor Member made capital contributions in the amount of $1,805 and $18,051,000, respectively.

8. Community development subsidiary entities (continued)

2006 Allocation (continued)

Clearinghouse NMTC (Sub 10) (continued)
Profit and loss of Sub 10 shall be allocated as follows: (1) losses shall be allocated to and among the members' capital accounts in proportion to the respective positive balances until the balances are reduced to zero; (2) profits shall be allocated to and among the members' capital accounts in proportion to the respective amounts by which losses allocated to such capital account have exceeded profits allocated; (3) thereafter, profits shall be allocated to and among the members' capital accounts in a manner that as closely as possible gives economic effect to the distributions made, or deemed made. Losses allocated shall not exceed the maximum losses that can be so allocated without causing any adjusted deficit at the end of the fiscal year. As of December 31, 2013 and 2012, Sub 10 made distributions in the amount of $4,850,000 and $4,172,000, respectively.

Clearinghouse NMTC (Sub 11)
On December 26, 2006, Sub 11 entered into the Amended and Restated Operating Agreement of Sub 11 (the "Sub 11 Operating Agreement"). Sub 11 is owned 0.01% by CDFI NMTC LLC and 99.99% by Brower NMTC Investor, LLC (the "Sub 11 Investor Member")(CDFI NMTC LLC and the Sub 11 Investor Member are collectively referred to as the "Sub 11 Members"). Sub 11 received $12,500,000 in NMTC Allocations. As of December 31, 2013 and 2012, Sub 11 received $12,500,000 of QEIs and made $12,500,000 of QLICIs.

As of December 31, 2013 and 2012, pursuant to the Sub 11 Operating Agreement, CDFI NMTC LLC and the Sub 11 Investor Member made capital contributions in the amount of $1,250 and $12,500,000, respectively.

Losses of Sub 11 shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective capital account balances have been reduced to zero; and second to the members in proportion to their respective percentage interests. Profits shall be allocated first, to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceeds the cumulative profits previously allocated to each member; and second, to the members in proportion to their respective percentage interests. Losses allocated shall not exceed the maximum losses that can be so allocated without causing any adjusted deficit at the end of the fiscal year. As of December 31, 2013 and 2012, Sub 11 made distributions in the amount of $1,247,000 and $1,006,000, respectively.

Clearinghouse NMTC (Sub 12)
In March 2008, Sub 12 entered into the Amended and Restated Operating Agreement of Sub 12 (the "Sub 12 Operating Agreement"). Sub 12 is owned 0.01% by CDFI NMTC LLC and 99.99% by Pomona Fox Theater Investment Fund, LLC (the "Sub 12 Investor Member")(CDFI NMTC LLC and the Sub 12 Investor Member are collectively referred to as the "Sub 12 Members"). Sub 12 received $9,051,000 in NMTC Allocations. As of December 31, 2013 and 2012, Sub 12 received $9,051,000 of QEIs and made $9,051,000 of QLICIs.

Pursuant to the Sub 12 Operating Agreement, CDFI NMTC LLC and the Sub 12 Investor Member shall make capital contributions to Sub 12 in the amount of $25,000 and $9,051,000, respectively. As of December 31, 2013 and 2012, CDFI NMTC LLC and the Sub 12 Investor Member made capital contributions in the amount of $905 and $9,051,000, respectively.

8. Community development subsidiary entities (continued)

2006 Allocation (continued)

Clearinghouse NMTC (Sub 12) (continued)
Profit and loss of Sub 12 shall be allocated to and among the members' capital accounts in a manner that as closely as possible gives economic effect to the distributions made, or deemed made. Losses allocated shall not exceed the maximum losses that can be so allocated without causing any adjusted deficit at the end of fiscal year. As of December 31, 2013 and 2012, Sub 12 made distributions in the amount of $693,000 and $577,000, respectively.

2008 Allocation

Clearinghouse NMTC (Sub 13)
In April 2009, Sub 13 entered into the Amended and Restated Operating Agreement of Sub 13 (the "Sub 13 Operating Agreement"). Sub 13 is owned 0.01% by CDFI NMTC LLC and 99.99% by Sagebrush NMTC Investor, LLC (the "Sub 13 Investor Member")(CDFI NMTC LLC and the Sub 13 Investor Member are collectively referred to as the "Sub 13 Members"). Sub 13 received $14,000,000 in NMTC Allocations. As of December 31, 2013 and 2012, Sub 13 received $14,000,000 of QEIs and made $13,720,000 of QLICIs.

As of December 31, 2013 and 2012, pursuant to the Sub 13 Operating Agreement, CDFI NMTC LLC and the Sub 13 Investor Member made capital contributions in the amount of $1,400 and $14,000,000, respectively.

Profits of Sub 13 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, and (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2013 and 2012, Sub 13 made distributions in the amount of $1,696,000 and $1,328,000, respectively.

Clearinghouse NMTC (Sub 15)
In August 2009, Sub 15 entered into the Amended and Restated Operating Agreement of Sub 15 (the "Sub 15 Operating Agreement"). Sub 15 is owned 0.01% by CDFI NMTC LLC and 99.99% by Wellness Center NMTC Investor, LLC (the "Sub 15 Investor Member")(CDFI NMTC LLC and the Sub 15 Investor Member are collectively referred to as the "Sub 15 Members"). Sub 15 received $7,000,000 in NMTC Allocations. As of December 31, 2013 and 2012, Sub 15 received $7,000,000 of QEIs and made $6,860,000 of QLICIs.

As of December 31, 2013 and 2012, pursuant to the Sub 15 Operating Agreement, CDFI NMTC LLC and the Sub 15 Investor Member made capital contributions in the amount of $700 and $7,000,000, respectively.

8. Community development subsidiary entities (continued)

2008 Allocation (continued)

Clearinghouse NMTC (Sub 15) (continued)
Profits of Sub 15 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, and (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2013 and 2012, Sub 15 made distributions in the amount of $757,000 and $579,000, respectively.

Clearinghouse NMTC (Sub 17)
In May 2010, Sub 17 entered into the Amended and Restated Operating Agreement of Sub 17 (the “Sub 17 Operating Agreement”). Sub 17 is owned 0.01% by CDFI NMTC LLC and 99.99% by Lancaster P2 Investment Fund, LLC (the “Sub 17 Investor Member”)(CDFI NMTC LLC and the Sub 17 Investor Member are collectively referred to as the “Sub 17 Members”). Sub 17 received $19,500,000 in NMTC Allocations. As of December 31, 2013 and 2012, Sub 17 received $19,500,000 of QEIs and made $19,110,000 of QLICIs.

As of December 31, 2013 and 2012, pursuant to the Sub 17 Operating Agreement, CDFI NMTC LLC and the Sub 17 Investor Member made capital contributions in the amount of $1,950 and $19,500,000, respectively.

Profits of Sub 17 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2013 and 2012, Sub 17 made distributions in the amount of $2,358,000 and $1,694,000, respectively.

Clearinghouse NMTC (Sub 18)
In March 2010, Sub 18 entered into the Amended and Restated Operating Agreement of Sub 18 (the “Sub 18 Operating Agreement”). Sub 18 is owned 0.01% by CDFI NMTC LLC and 99.99% by FBB Investment Fund, LLC (the “Sub 18 Investor Member”)(CDFI NMTC LLC and the Sub 18 Investor Member are collectively referred to as the “Sub 18 Members”). Sub 18 received $17,000,000 in NMTC Allocations. As of December 31, 2013 and 2012, Sub 18 received $17,000,000 of QEIs and made $16,660,000 of QLICIs.

As of December 31, 2013 and 2012, pursuant to the Sub 18 Operating Agreement, CDFI NMTC LLC and the Sub 18 Investor Member made capital contributions in the amount of $1,700 and $17,000,000, respectively.

8. Community development subsidiary entities (continued)

2008 Allocation (continued)

Clearinghouse NMTC (Sub 18) (continued)
Profits of Sub 18 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2013 and 2012, Sub 18 made distributions in the amount of $503,000 and $364,000, respectively.

Clearinghouse NMTC (Sub 19)
In August 2010, Sub 19 entered into the Amended and Restated Operating Agreement of Sub 19 (the “Sub 19 Operating Agreement”). Sub 19 is owned 0.01% by CDFI NMTC LLC and 99.99% by Chase NMTC Doran Gardens Investment Fund, LLC (the “Sub 19 Investor Member”)(CDFI NMTC LLC and the Sub 19 Investor Member are collectively referred to as the “Sub 19 Members”). Sub 19 received $7,300,000 in NMTC Allocations. As of December 31, 2013 and 2012, Sub 19 received $7,300,000 of QEIs and made $7,154,000 of QLICIs.

As of December 31, 2013 and 2012, pursuant to the Sub 19 Operating Agreement, CDFI NMTC LLC and the Sub 19 Investor Member made capital contributions in the amount of $730 and $7,300,000, respectively.

Profits of Sub 19 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2013 and 2012, Sub 19 made distributions in the amount of $34,000 and $24,000, respectively.

Clearinghouse NMTC (Sub 21)
In July 2010, Sub 21 entered into the Amended and Restated Operating Agreement of Sub 21 (the “Sub 21 Operating Agreement”). Sub 21 is owned 0.01% by CDFI NMTC LLC and 99.99% by Habitat California Investment Fund, LLC (the “Sub 21 Investor Member”)(CDFI NMTC LLC and the Sub 21 Investor Member are collectively referred to as the “Sub 21 Members”). Sub 21 received $25,000,000 in NMTC Allocations. As of December 31, 2013 and 2012, Sub 21 received $25,000,000 of QEIs and made $24,500,000 of QLICIs.

As of December 31, 2013 and 2012, pursuant to the Sub 21 Operating Agreement, CDFI NMTC LLC and the Sub 21 Investor Member made capital contributions in the amount of $2,500 and $25,000,000, respectively.

8. Community development subsidiary entities (continued)

2008 Allocation (continued)

Clearinghouse NMTC (Sub 21) (continued)
Profits of Sub 21 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2013 and 2012, Sub 21 made distributions in the amount of $631,000 and $442,000, respectively.

2009 Allocation

Clearinghouse NMTC (Sub 16)
In December 2009, Sub 16 entered into the Amended and Restated Operating Agreement of Sub 16 (the “Sub 16 Operating Agreement”). Sub 16 is owned 0.01% by CDFI NMTC LLC and 99.99% by CNB New Markets Investment Fund I, LLC (the “Sub 16 Investor Member”)(CDFI NMTC LLC and the Sub 16 Investor Member are collectively referred to as the “Sub 16 Members”). Sub 16 received $29,000,000 in NMTC Allocations. As of December 31, 2013 and 2012, Sub 16 received $29,000,000 of QEIs and made $28,420,000 of QLICIs.

As of December 31, 2013 and 2012, pursuant to the Sub 16 Operating Agreement, CDFI NMTC LLC and the Sub 16 Investor Member made capital contributions in the amount of $2,900 and $29,000,000, respectively.

Profits of Sub 16 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2013 and 2012, Sub 16 made distributions in the amount of $5,661,000 and $4,269,000, respectively.

Clearinghouse NMTC (Sub 20)
In July 2010, Sub 20 entered into the Amended and Restated Operating Agreement of Sub 20 (the “Sub 20 Operating Agreement”). Sub 20 is owned 0.01% by CDFI NMTC LLC and 99.99% by Imagine 26 Investment Fund, LLC (the “Sub 20 Investor Member”)(CDFI NMTC LLC and the Sub 20 Investor Member are collectively referred to as the “Sub 20 Members”). Sub 20 received $8,900,000 in NMTC Allocations. As of December 31, 2013 and 2012, Sub 20 received $8,900,000 of QEIs and made $8,722,000 of QLICIs.

As of December 31, 2013 and 2012, pursuant to the Sub 20 Operating Agreement, CDFI NMTC LLC and the Sub 20 Investor Member made capital contributions in the amount of $890 and $8,900,000, respectively.

8. Community development subsidiary entities (continued)

2009 Allocation (continued)

Clearinghouse NMTC (Sub 20) (continued)
Profits of Sub 20 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2013 and 2012, Sub 20 made distributions in the amount of $1,055,000 and $743,000, respectively.

Clearinghouse NMTC (Sub 22)
In July 2011, Sub 22 entered into the Amended and Restated Operating Agreement of Sub 22 (the "Sub 22 Operating Agreement"). Sub 22 is owned 0.01% by CDFI NMTC LLC and 99.99% by Lafayette Investment Fund, LLC (the "Sub 22 Investor Member")(CDFI NMTC LLC and the Sub 22 Investor Member are collectively referred to as the "Sub 22 Members"). Sub 22 received $15,000,000 in NMTC Allocations. As of December 31, 2013 and 2012, Sub 22 received $15,000,000 of QEIs and made $14,700,000 of QLICIs.

As of December 31, 2013 and 2012, pursuant to the Sub 22 Operating Agreement, CDFI NMTC LLC and the Sub 22 Investor Member made capital contributions in the amount of $1,500 and $15,000,000, respectively.

Profits of Sub 22 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2013 and 2012, Sub 22 made distributions in the amount of $1,179,000 and $694,000, respectively.

Clearinghouse NMTC (Sub 23)
In December 2010, Sub 23 entered into the Amended and Restated Operating Agreement of Sub 23 (the "Sub 23 Operating Agreement"). Sub 23 is owned 0.01% by CDFI NMTC LLC and 99.99% by Opus Investment Fund, LLC (the "Sub 23 Investor Member")(CDFI NMTC LLC and the Sub 23 Investor Member are collectively referred to as the "Sub 23 Members"). Sub 23 received $30,000,000 in NMTC Allocations. As of December 31, 2013 and 2012, Sub 23 received $30,000,000 of QEIs and made $29,400,000 of QLICIs.

As of December 31, 2013 and 2012, pursuant to the Sub 23 Operating Agreement, CDFI NMTC LLC and the Sub 23 Investor Member made capital contributions in the amount of $3,000 and $30,000,000, respectively.

8. Community development subsidiary entities (continued)

2009 Allocation (continued)

Clearinghouse NMTC (Sub 23) (continued)
Profits of Sub 23 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2013 and 2012, Sub 23 made distributions in the amount of $3,155,000 and $2,100,000, respectively.

Clearinghouse NMTC (Sub 24)
In March 2011, Sub 24 entered into the First Amended and Restated Operating Agreement of Sub 24 (the “Sub 24 Operating Agreement”). Sub 24 is owned 0.01% by CDFI NMTC LLC and 99.99% by Sandisol Investment Fund, LLC (the “Sub 24 Investor Member”)(CDFI NMTC LLC and the Sub 24 Investor Member are collectively referred to as the “Sub 24 Members”). Sub 24 received $10,000,000 in NMTC Allocations. As of December 31, 2013 and 2012, Sub 24 received $10,000,000 of QEIs and made $9,800,000 of QLICIs.

As of December 31, 2013 and 2012, pursuant to the Sub 24 Operating Agreement, CDFI NMTC LLC and the Sub 24 Investor Member made capital contributions in the amount of $1,000 and $10,000,000, respectively.

Profits of Sub 24 shall be allocated in the following order of priority: (1) to the members with negative capital account balances, in proportion to their negative capital account balances, until their respective capital account balances have been reduced to zero, and (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their respective percentage interests as long as the allocation does not decrease the respective capital accounts to fall below zero and does not increase negative capital account balances; excess net loss shall be allocated in the following priority: (1) to the members with positive capital account balances, and (2) to the members who bear the economic risk of loss with respect to net losses, or if no member bears such economic risk of loss, to the members in accordance with their partnership interests. As of December 31, 2013 and 2012, Sub 24 made distributions in the amount of $1,017,000 and $656,000, respectively.

Clearinghouse NMTC (Sub 25)
In October 2011, Sub 25 entered into the Second Amended and Restated Operating Agreement of Sub 25 (the “Sub 25 Operating Agreement”). Sub 25 is owned 0.01% by CDFI NMTC LLC and 99.99% by SFJAZZ Investment Fund, LLC (the “Sub 25 Investor Member”)(CDFI NMTC LLC and the Sub 25 Investor Member are collectively referred to as the “Sub 25 Members”). Sub 25 received $13,050,000 in NMTC Allocations. As of December 31, 2013 and 2012, Sub 25 received $13,050,000 of QEIs and made $12,789,000 of QLICIs.

As of December 31, 2013 and 2012, pursuant to the Sub 25 Operating Agreement, CDFI NMTC LLC and the Sub 25 Investor Member made capital contributions in the amount of $1,305 and $13,050,000, respectively.

8. Community development subsidiary entities (continued)

2009 Allocation (continued)

Clearinghouse NMTC (Sub 25) (continued)
Profits of Sub 25 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2013 and 2012, Sub 25 made distributions in the amount of $216,000 and $118,000, respectively.

2010 Allocation

Clearinghouse NMTC (Sub 26)
In October 2011, Sub 26 entered into the Amended and Restated Operating Agreement of Sub 26 (the "Sub 26 Operating Agreement"). Sub 26 is owned 0.01% by CDFI NMTC LLC and 99.99% by AGP Grays Harbor Investment Fund II, LLC (the "Sub 26 Investor Member")(CDFI NMTC LLC and the Sub 26 Investor Member are collectively referred to as the "Sub 26 Members"). Sub 26 received $5,250,000 in NMTC Allocations. As of December 31, 2013 and 2012, Sub 26 received $5,250,000 of QEIs and made $5,145,000 of QLICIs.

As of December 31, 2013 and 2012, pursuant to the Sub 26 Operating Agreement, CDFI NMTC LLC and the Sub 26 Investor Member made capital contributions in the amount of $525 and $5,250,000, respectively.

Profits of Sub 26 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2013 and 2012, Sub 26 made distributions in the amount of $75,000 and $37,000, respectively.

Clearinghouse NMTC (Sub 27)
In October 2011, Sub 27 entered into the Amended and Restated Operating Agreement of Sub 27 (the "Sub 27 Operating Agreement"). Sub 27 is owned 0.01% by CDFI NMTC LLC and 99.99% by 510 16th Street Investment Fund, LLC (the "Sub 27 Investor Member")(CDFI NMTC LLC and the Sub 27 Investor Member are collectively referred to as the "Sub 27 Members"). Sub 27 received $10,000,000 in NMTC Allocations. As of December 31, 2013 and 2012, Sub 27 received $10,000,000 of QEIs and made $9,800,000 of QLICIs.

As of December 31, 2013 and 2012, pursuant to the Sub 27 Operating Agreement, CDFI NMTC LLC and the Sub 27 Investor Member made capital contributions in the amount of $1,000 and $10,000,000, respectively.

8. Community development subsidiary entities (continued)

2010 Allocation (continued)

Clearinghouse NMTC (Sub 27) (continued)
Profits of Sub 27 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2013 and 2012, Sub 27 made distributions in the amount of $145,000 and $43,000, respectively.

Clearinghouse NMTC (Sub 28)
In October 2011, Sub 28 entered into the Amended and Restated Operating Agreement of Sub 28 (the "Sub 28 Operating Agreement"). Sub 28 is owned 0.01% by CDFI NMTC LLC and 99.99% by OSF Investment Fund, LLC (the "Sub 28 Investor Member")(CDFI NMTC LLC and the Sub 28 Investor Member are collectively referred to as the "Sub 28 Members"). Sub 28 received $14,000,000 in NMTC Allocations. As of December 31, 2013 and 2012, Sub 28 received $14,000,000 of QEIs and made $13,720,000 of QLICIs.

As of December 31, 2013 and 2012, pursuant to the Sub 28 Operating Agreement, CDFI NMTC LLC and the Sub 28 Investor Member made capital contributions in the amount of $1,400 and $14,000,000, respectively.

Profits of Sub 28 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2013 and 2012, Sub 28 made distributions in the amount of $303,000 and $157,000, respectively.

2012 Allocation

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

As of December 31, 2013, pursuant to the Sub 29 Operating Agreement, CDFI NMTC LLC and the Sub 29 Investor Member made capital contributions in the amount of $1,460 and $14,600,000, respectively.

8. Community development subsidiary entities (continued)

2012 Allocation (continued)

Clearinghouse NMTC (Sub 29) (continued)
Profits of Sub 29 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2013, Sub 29 made distributions in the amount of $21,000.

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

As of December 31, 2013, pursuant to the Sub 30 Operating Agreement, CDFI NMTC LLC and the Sub 30 Investor Member made capital contributions in the amount of $1,000 and $10,000,000, respectively.

Profits of Sub 30 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2013, Sub 30 made distributions in the amount of $15,000.

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

As of December 31, 2013, pursuant to the Sub 31 Operating Agreement, CDFI NMTC LLC and the Sub 31 Investor Member made capital contributions in the amount of $480 and $4,800,000, respectively.

8. Community development subsidiary entities (continued)

2012 Allocation (continued)

Clearinghouse NMTC (Sub 31) (continued)
Profits of Sub 31 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2013, Sub 31 made distributions in the amount of $6,000.

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

As of December 31, 2013, pursuant to the Sub 32 Operating Agreement, CDFI NMTC LLC and the Sub 32 Investor Member made capital contributions in the amount of $1,000 and $10,000,000, respectively.

Profits of Sub 32 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2013, Sub 32 made distributions in the amount of $2,000.

8. Community development subsidiary entities (continued)

2012 Allocation (continued)

Clearinghouse NMTC (Sub 35)
In December 2013, Sub 35 entered into the Amended and Restated Operating Agreement of Sub 35 (the "Sub 35 Operating Agreement"). Sub 35 is owned 0.01% by CDFI NMTC LLC and 99.99% by USBCDC Investment Fund 58, LLC (the "Sub 35 Investor Member")(CDFI NMTC LLC and the Sub 35 Investor Member are collectively referred to as the "Sub 35 Members"). Sub 35 received $10,000,000 in NMTC Allocations. As of December 31, 2013, Sub 35 received $10,000,000 of QEIs and made $0 of QLICIs.

As of December 31, 2013, pursuant to the Sub 35 Operating Agreement, CDFI NMTC LLC and the Sub 35 Investor Member made capital contributions in the amount of $1,000 and $10,000,000, respectively.

Profits of Sub 35 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2013, Sub 35 made capital distributions to CDFI NMTC LLC in the amount of $2,000.

Clearinghouse NMTC (Sub 36)
In December 2013, Sub 36 entered into the Amended and Restated Operating Agreement of Sub 36 (the "Sub 36 Operating Agreement"). Sub 36 is owned 0.01% by CDFI NMTC LLC and 99.99% by USBCDC Investment Fund 59, LLC (the "Sub 36 Investor Member")(CDFI NMTC LLC and the Sub 36 Investor Member are collectively referred to as the "Sub 36 Members"). Sub 36 received $10,000,000 in NMTC Allocations. As of December 31, 2013, Sub 36 received $10,000,000 of QEIs and made $0 of QLICIs.

As of December 31, 2013, pursuant to the Sub 36 Operating Agreement, CDFI NMTC LLC and the Sub 36 Investor Member made capital contributions in the amount of $1,000 and $10,000,000, respectively.

Profits of Sub 36 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. As of December 31, 2013, Sub 36 made capital distributions to CDFI NMTC LLC in the amount of $2,000.

8. Community development subsidiary entities (continued)

2013 Allocation

Clearinghouse NMTC (Sub 34)
In December 2013, Sub 34 entered into the Amended and Restated Operating Agreement of Sub 34 (the "Sub 34 Operating Agreement"). Sub 34 is owned 0.01% by CDFI and 99.99% by USBCDC Investment fund 65, LLC, a Missouri limited liability company (the "Sub 34 Investor Member")(CDFI and the Sub 34 Investor Member are collectively referred to as the "Sub 34 Members").

In December 2013, Sub 34 entered into an Unwind Agreement of Sub 34 (the "Sub 34 Unwind Agreement") with CDFI and the Investor Member. Sub 34 received $2,000,000 in NMTC Allocations from the Nevada Department of Business and Industry under the Nevada New Markets Jobs Act. As of December 31, 2013, Sub 34 received $2,000,000 of QEIs and made $0 of QLICIs.

Pursuant to the Sub 34 Operating Agreement, CDFI and the Sub 34 Investor Member are required to make capital contributions in the amount of $200 and $2,000,000, respectively. As of December 31, 2013, CDFI and the Sub 34 Investor Member made capital contributions in the amount of $3,000 and $2,000,000, respectively.

Profits of Sub 34 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. No distributions have been made as of December 31, 2013.

Clearinghouse NMTC (Sub 37)
In December 2013, Sub 37 entered into the Amended and Restated Operating Agreement of Sub 37 (the "Sub 37 Operating Agreement"). Sub 37 is owned 0.01% by CDFI and 99.99% by USBCDC Investment fund 65, LLC, a Missouri limited liability company (the "Sub 37 Investor Member")(CDFI and the Sub 37 Investor Member are collectively referred to as the "Sub 37 Members").

In December 2013, Sub 37 entered into an Unwind Agreement of Sub 37 (the "Sub 37 Unwind Agreement") with CDFI and the Investor Member. Sub 37 received $2,000,000 in NMTC Allocations from the Nevada Department of Business and Industry under the Nevada New Markets Jobs Act. As of December 31, 2013, Sub 37 received $2,000,000 of QEIs and made $0 of QLICIs.

Pursuant to the Sub 37 Operating Agreement, CDFI and the Sub 37 Investor Member are required to make capital contributions in the amount of $200 and $2,000,000, respectively. As of December 31, 2013, CDFI and the Sub 37 Investor Member made capital contributions in the amount of $3,000 and $2,000,000, respectively.

8. Community development subsidiary entities (continued)

2013 Allocation (continued)

Clearinghouse NMTC (Sub 37) (continued)
Profits of Sub 37 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. No distributions have been made as of December 31, 2013.

Clearinghouse NMTC (Sub 38)
In December 2013, Sub 38 entered into the Amended and Restated Operating Agreement of Sub 38 (the “Sub 38 Operating Agreement”). Sub 38 is owned, 0.01% by CDFI and 99.99% by USBCDC Investment fund 65, LLC, a Missouri limited liability company (the “Sub 38 Investor Member”)(CDFI and the Sub 38 Investor Member are collectively referred to as the “Sub 38 Members”).

In December 2013, Sub 38 entered into an Unwind Agreement of Sub 38 (the “Sub 38 Unwind Agreement”) with CDFI and the Investor Member. Sub 38 received $2,000,000 in NMTC Allocations from the Nevada Department of Business and Industry under the Nevada New Markets Jobs Act. As of December 31, 2013, Sub 38 received $2,000,000 of QEIs and made $0 of QLICIs.

Pursuant to the Sub 38 Operating Agreement, CDFI and the Sub 38 Investor Member are required to make capital contributions in the amount of $200 and $2,000,000, respectively. As of December 31, 2013, CDFI and the Sub 38 Investor Member made capital contributions in the amount of $3,000 and $2,000,000, respectively.

Profits of Sub 38 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. No distributions have been made as of December 31, 2013.

Clearinghouse NMTC (Sub 40)
In December 2013, Sub 40 entered into the Amended and Restated Operating Agreement of Sub 40 (the “Sub 40 Operating Agreement”). Sub 40 is owned 0.01% by CDFI and 99.99% by USBCDC Investment fund 65, LLC, a Missouri limited liability company (the “Sub 40 Investor Member”)(CDFI and the Sub 40 Investor Member are collectively referred to as the “Sub 40 Members”).

8. Community development subsidiary entities (continued)

2013 Allocation (continued)

Clearinghouse NMTC (Sub 40) (continued)
In December 2013, Sub 40 entered into an Unwind Agreement of Sub 40 (the "Sub 40 Unwind Agreement") with CDFI and the Investor Member. Sub 40 received $2,000,000 in NMTC Allocations from the Nevada Department of Business and Industry under the Nevada New Markets Jobs Act. As of December 31, 2013, Sub 40 received $2,000,000 of QEIs and made $0 of QLICIs.

Pursuant to the Sub 40 Operating Agreement, CDFI and the Sub 40 Investor Member are required to make capital contributions in the amount of $200 and $2,000,000, respectively. As of December 31, 2013, CDFI and the Sub 40 Investor Member made capital contributions in the amount of $3,000 and $2,000,000, respectively.

Profits of Sub 40 shall be allocated in the following order of priority: (1) to the members to the extent of the amount by which the cumulative losses previously allocated to the each member exceed the cumulative profits previously allocated to each member, (2) to the members in proportion to their respective percentage interests. Losses shall be allocated first, to the members in proportion to their adjusted capital account balances until their respective adjusted capital account balances have been reduced to zero; and second, to the members in proportion to their respective percentage interests. No distributions have been made as of December 31, 2013.

9. Litigation

A lawsuit against Sub 6 and Sub 7 had been filed in the County of Los Angeles, *Curtis Price Construction* ("Curtis Price") *v Howard CDM, et al*, Case Number BC406797 in January 2009. Curtis Price alleged nonpayment for work performed and alleged causes of action against Clearinghouse NMTC Sub 6, which was dismissed in 2010. On February 25, 2013, cross-defendant Gundry Partners, LP filed a cross-complaint against Sub 6, Sub 7 and CDFI alleging causes of action for (1) Declaratory Relief for Assignment of Rights to Property Claims; (2) Declaratory Relief for Default Status of Loans and (3) Declaratory Relief for Lack of Standing. Cross-defendant William G. Richardson dba Beach Cities & Southern Counties Concrete Cutting Co. ("Beach Cities") is seeking to file a cross-complaint against Sub 6 and Sub 7. As of December 19, 2013 the complaint filed by Beach Cities was dismissed as to Sub 6, Sub 7 and Clearinghouse CDFI. On February 10, 2014, the cross-complaint filed by Gundry was dismissed as to Sub 6, Sub 7 and Clearinghouse CDFI. There are no pending claims against the Companies in this action.

9. Litigation (continued)

Sub 6 and Sub 7 have filed a lawsuit in the County of Los Angeles, *Clearinghouse NMTC (Sub 6), LLC and Clearinghouse NMTC (Sub 7) v. 915 S. Mateo Properties, LP, Brent Held, Malibu Equity, LLC, Greg Calaya, and Seth Polen*, Case No. BC495472. The defendants cross-complained against Sub 6, Sub 7 and CDFI. As of August 30, 2013 a Settlement and Release Agreement was entered into by and between Sub 6, Sub 7, Clearinghouse CDFI, 915 S. Mateo Properties, LP, Brent Held, and Malibu Equity, LLP, resolving the claims between the parties. The complaint was dismissed with prejudice as to 915 S. Mateo Properties, LP, Brent Held, and Malibu Equity, LLC on October 21, 2013. The complaint remains pending as to defendants Seth Polen and Greg Calaya, individual guarantors of the subject loans. The Los Angeles Superior Court entered an order dismissing the complaint with prejudice on September 20, 2013. There are no pending claims against the Companies in this action.

10. Subsequent events

On February 28, 2014, Sub 6 redeemed the Sub 6 Investor Member interest for $4,459,266 and began the process of dissolving the entity.

During 2014, Sub 8 assigned its $19,968,000 of notes receivables to CDFI and the Sub 8 Investor Member. Sub 8 Investor Member redeemed and withdrew its membership interest from Sub 8. CDFI distributed all available funds and the entity is in the process of dissolving.

SUPPLEMENTARY INFORMATION

CLEARINGHOUSE NMTC, LLC
Consolidating and Combining Balance Sheets
December 31, 2013

	NMTC LLCs	LLC Elimination	Total
ASSETS			
Cash and cash equivalents	$ 37,610,000	$ -	$ 37,610,000
Loans receivable, net	307,139,000	-	307,139,000
Accrued interest receivable	311,000	-	311,000
Other receivables and prepaid expenses	5,000	-	5,000
Other assets, net	1,635,000	-	1,635,000
Investment in other companies	11,263,000	-	11,263,000
Due from CDFI	160,000	-	160,000
TOTAL ASSETS	$ 358,123,000	$ -	$ 358,123,000
LIABILITIES AND MEMBERS' EQUITY			
LIABILITIES			
Accounts payable	$ 42,000	$ -	$ 42,000
Due to CDFI	1,532,000	-	1,532,000
Notes payable	4,700,000	-	4,700,000
TOTAL LIABILITIES	6,274,000	-	6,274,000
MEMBERS' EQUITY	351,849,000	-	351,849,000
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 358,123,000	$ -	$ 358,123,000

CLEARINGHOUSE NMTC, LLC
Combining Balance Sheets
December 31, 2013

	2002 Allocation	2005 Allocation	2006 Allocation	2008 Allocation	2009 Allocation	2010 Allocation	2012 Allocation	2013 Allocation	Inactive Subs	NMTC LLCs Total
ASSETS										
Cash and cash equivalents	$ -	$ 5,843,000	$ 3,444,000	$ 69,000	$ 168,000	$ 36,000	$ 20,035,000	$ 8,012,000	$ 3,000	$ 37,610,000
Loans receivable, net	-	19,968,000	30,430,000	88,004,000	96,760,000	28,665,000	43,312,000	-	-	307,139,000
Accrued interest receivable	-	-	62,000	131,000	117,000	1,000	-	-	-	311,000
Other receivables and prepaid expenses	-	-	1,000	-	-	-	4,000	-	-	5,000
Other assets, net	-	-	-	369,000	670,000	215,000	381,000	-	-	1,635,000
Investment in other companies	-	-	4,268,000	-	6,995,000	-	-	-	-	11,263,000
Due from CDFI	-	4,000	142,000	4,000	10,000	-	-	-	-	160,000
TOTAL ASSETS	$ -	$ 25,815,000	$ 38,347,000	$ 88,577,000	$ 104,720,000	$ 28,917,000	$ 63,732,000	$ 8,012,000	$ 3,000	$ 358,123,000
LIABILITIES AND MEMBERS' EQUITY										
LIABILITIES										
Accounts payable	$ -	$ 4,000	$ -	$ -	$ -	$ 4,000	$ 30,000	$ 4,000	$ -	$ 42,000
Due to CDFI	-	1,340,000	60,000	39,000	46,000	21,000	16,000	8,000	2,000	1,532,000
Notes payable	-	-	-	-	-	-	4,700,000	-	-	4,700,000
TOTAL LIABILITIES	-	1,344,000	60,000	39,000	46,000	25,000	4,746,000	12,000	2,000	6,274,000
MEMBERS' EQUITY										
NMTC member units	-	33,195,000	39,830,000	89,811,000	105,961,000	29,254,000	59,405,000	8,012,000	3,000	365,471,000
Syndication costs	-	-	-	(559,000)	(465,000)	(146,000)	(197,000)	-	-	(1,367,000)
Members' earnings (deficit)	-	1,813,000	5,247,000	5,265,000	11,461,000	307,000	(178,000)	(12,000)	(2,000)	23,901,000
Distributions	-	(10,537,000)	(6,790,000)	(5,979,000)	(12,283,000)	(523,000)	(44,000)	-	-	(36,156,000)
TOTAL MEMBERS' EQUITY	-	24,471,000	38,287,000	88,538,000	104,674,000	28,892,000	58,986,000	8,000,000	1,000	351,849,000
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ -	$ 25,815,000	$ 38,347,000	$ 88,577,000	$ 104,720,000	$ 28,917,000	$ 63,732,000	$ 8,012,000	$ 3,000	$ 358,123,000

CLEARINGHOUSE NMTC, LLC
Combining Balance Sheets
December 31, 2013

	Sub 2	Sub 5	2002 Allocation Total
ASSETS			
Cash and cash equivalents	$ -	$ -	$ -
Loans receivable, net	-	-	-
Accrued interest receivable	-	-	-
Other receivables and prepaid expenses	-	-	-
Other assets, net	-	-	-
Investment in other companies	-	-	-
Due from CDFI	-	-	-
TOTAL ASSETS	$ -	$ -	$ -
LIABILITIES AND MEMBERS' EQUITY			
LIABILITIES			
Accounts payable	$ -	$ -	$ -
Due to CDFI	-	-	-
Notes payable	-	-	-
TOTAL LIABILITIES	-	-	-
MEMBERS' EQUITY			
NMTC member units	-	-	-
Syndication costs	-	-	-
Members' earnings (deficit)	-	-	-
Distributions	-	-	-
TOTAL MEMBERS' EQUITY	-	-	-
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ -	$ -	$ -

see independent auditors' report

CLEARINGHOUSE NMTC, LLC
Combining Balance Sheets
December 31, 2013

	Sub 6	Sub 7	Sub 8	Sub 9	2005 Allocation Total
ASSETS					
Cash and cash equivalents	$ 5,818,000	$ -	$ 25,000	$ -	$ 5,843,000
Loans receivable, net	-	-	19,968,000	-	19,968,000
Accrued interest receivable	-	-	-	-	-
Other receivables and prepaid expenses	-	-	-	-	-
Other assets, net	-	-	-	-	-
Investment in other companies	-	-	-	-	-
Due from CDFI	4,000	-	-	-	4,000
TOTAL ASSETS	$ 5,822,000	$ -	$ 19,993,000	$ -	$ 25,815,000
LIABILITIES AND MEMBERS' EQUITY					
LIABILITIES					
Accounts payable	$ 4,000	$ -	$ -	$ -	$ 4,000
Due to CDFI	1,330,000	-	10,000	-	1,340,000
Notes payable	-	-	-	-	-
TOTAL LIABILITIES	1,334,000	-	10,000	-	1,344,000
MEMBERS' EQUITY					
NMTC member units	12,117,000	-	21,078,000	-	33,195,000
Syndication costs	-	-	-	-	-
Members' earnings (deficit)	(2,620,000)	-	4,433,000	-	1,813,000
Distributions	(5,009,000)	-	(5,528,000)	-	(10,537,000)
TOTAL MEMBERS' EQUITY	4,488,000	-	19,983,000	-	24,471,000
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 5,822,000	$ -	$ 19,993,000	$ -	$ 25,815,000

CLEARINGHOUSE NMTC, LLC
Combining Balance Sheets
December 31, 2013

	Sub 10	Sub 11	Sub 12	2006 Allocation Total
ASSETS				
Cash and cash equivalents	$ 3,275,000	$ 68,000	$ 101,000	$ 3,444,000
Loans receivable, net	10,031,000	12,498,000	7,901,000	30,430,000
Accrued interest receivable	-	-	62,000	62,000
Other receivables and prepaid expenses	-	1,000	-	1,000
Other assets, net	-	-	-	-
Investment in other companies	4,210,000	-	58,000	4,268,000
Due from CDFI	17,000	125,000	-	142,000
TOTAL ASSETS	$ 17,533,000	$ 12,692,000	$ 8,122,000	$ 38,347,000
LIABILITIES AND MEMBERS' EQUITY				
LIABILITIES				
Accounts payable	$ -	$ -	$ -	$ -
Due to CDFI	13,000	9,000	38,000	60,000
Notes payable	-	-	-	-
TOTAL LIABILITIES	13,000	9,000	38,000	60,000
MEMBERS' EQUITY				
NMTC member units	18,053,000	12,501,000	9,276,000	39,830,000
Syndication costs	-	-	-	-
Members' earnings (deficit)	4,317,000	1,429,000	(499,000)	5,247,000
Distributions	(4,850,000)	(1,247,000)	(693,000)	(6,790,000)
TOTAL MEMBERS' EQUITY	17,520,000	12,683,000	8,084,000	38,287,000
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 17,533,000	$ 12,692,000	$ 8,122,000	$ 38,347,000

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CLEARINGHOUSE NMTC, LLC
Combining Balance Sheets
December 31, 2013

	Sub 13	Sub 15	Sub 17	Sub 18	Sub 19	Sub 21	2008 Allocation Total
ASSETS							
Cash and cash equivalents	$ 16,000	$ 4,000	$ 9,000	$ 32,000	$ 5,000	$ 3,000	$ 69,000
Loans receivable, net	13,720,000	6,860,000	19,110,000	16,660,000	7,154,000	24,500,000	88,004,000
Accrued interest receivable	37,000	20,000	57,000	-	3,000	14,000	131,000
Other receivables and prepaid expenses	-	-	-	-	-	-	-
Other assets, net	46,000	25,000	93,000	77,000	-	128,000	369,000
Investment in other companies	-	-	-	-	-	-	-
Due from CDFI	-	1,000	-	-	3,000	-	4,000
TOTAL ASSETS	$ 13,819,000	$ 6,910,000	$ 19,269,000	$ 16,769,000	$ 7,165,000	$ 24,645,000	$ 88,577,000
LIABILITIES AND MEMBERS' EQUITY							
LIABILITIES							
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Due to CDFI	8,000	7,000	3,000	10,000	8,000	3,000	39,000
Notes payable	-	-	-	-	-	-	-
TOTAL LIABILITIES	8,000	7,000	3,000	10,000	8,000	3,000	39,000
MEMBERS' EQUITY							
NMTC member units	14,002,000	7,001,000	19,502,000	17,002,000	7,301,000	25,003,000	89,811,000
Syndication costs	(70,000)	(35,000)	(98,000)	(85,000)	(146,000)	(125,000)	(559,000)
Members' earnings (deficit)	1,575,000	694,000	2,220,000	345,000	36,000	395,000	5,265,000
Distributions	(1,696,000)	(757,000)	(2,358,000)	(503,000)	(34,000)	(631,000)	(5,979,000)
TOTAL MEMBERS' EQUITY	13,811,000	6,903,000	19,266,000	16,759,000	7,157,000	24,642,000	88,538,000
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 13,819,000	$ 6,910,000	$ 19,269,000	$ 16,769,000	$ 7,165,000	$ 24,645,000	$ 88,577,000

CLEARINGHOUSE NMTC, LLC
Combining Balance Sheets
December 31, 2013

	Sub 16	Sub 20	Sub 22	Sub 23	Sub 24	Sub 25	2009 Allocation Total
ASSETS							
Cash and cash equivalents	$ 142,000	$ 2,000	$ 1,000	$ 17,000	$ 1,000	$ 5,000	$ 168,000
Loans receivable, net	21,349,000	8,722,000	14,700,000	29,400,000	9,800,000	12,789,000	96,760,000
Accrued interest receivable	-	26,000	2,000	88,000	1,000	-	117,000
Other receivables and prepaid expenses	-	-	-	-	-	-	-
Other assets, net	121,000	45,000	98,000	169,000	60,000	177,000	670,000
Investment in other companies	6,995,000	-	-	-	-	-	6,995,000
Due from CDFI	-	5,000	-	-	-	5,000	10,000
TOTAL ASSETS	$ 28,607,000	$ 8,800,000	$ 14,801,000	$ 29,674,000	$ 9,862,000	$ 12,976,000	$ 104,720,000
LIABILITIES AND MEMBERS' EQUITY							
LIABILITIES							
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Due to CDFI	20,000	5,000	3,000	13,000	2,000	3,000	46,000
Notes payable	-	-	-	-	-	-	-
TOTAL LIABILITIES	20,000	5,000	3,000	13,000	2,000	3,000	46,000
MEMBERS' EQUITY							
NMTC member units	29,003,000	8,901,000	15,002,000	30,003,000	10,001,000	13,051,000	105,961,000
Syndication costs	(145,000)	(45,000)	(75,000)	(150,000)	(50,000)	-	(465,000)
Members' earnings (deficit)	5,390,000	994,000	1,050,000	2,963,000	926,000	138,000	11,461,000
Distributions	(5,661,000)	(1,055,000)	(1,179,000)	(3,155,000)	(1,017,000)	(216,000)	(12,283,000)
TOTAL MEMBERS' EQUITY	28,587,000	8,795,000	14,798,000	29,661,000	9,860,000	12,973,000	104,674,000
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 28,607,000	$ 8,800,000	$ 14,801,000	$ 29,674,000	$ 9,862,000	$ 12,976,000	$ 104,720,000

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CLEARINGHOUSE NMTC, LLC
Combining Balance Sheets
December 31, 2013

	Sub 26	Sub 27	Sub 28	2010 Allocation Total
ASSETS				
Cash and cash equivalents	$ 21,000	$ 6,000	$ 9,000	$ 36,000
Loans receivable, net	5,145,000	9,800,000	13,720,000	28,665,000
Accrued interest receivable	-	-	1,000	1,000
Other receivables and prepaid expenses	-	-	-	-
Other assets, net	36,000	80,000	99,000	215,000
Investment in other companies	-	-	-	-
Due from CDFI	-	-	-	-
TOTAL ASSETS	$ 5,202,000	$ 9,886,000	$ 13,829,000	$ 28,917,000
LIABILITIES AND MEMBERS' EQUITY				
LIABILITIES				
Accounts payable	$ -	$ 4,000	$ -	$ 4,000
Due to CDFI	13,000	3,000	5,000	21,000
Notes payable	-	-	-	-
TOTAL LIABILITIES	13,000	7,000	5,000	25,000
MEMBERS' EQUITY				
NMTC member units	5,251,000	10,001,000	14,002,000	29,254,000
Syndication costs	(26,000)	(50,000)	(70,000)	(146,000)
Members' earnings (deficit)	39,000	73,000	195,000	307,000
Distributions	(75,000)	(145,000)	(303,000)	(523,000)
TOTAL MEMBERS' EQUITY	5,189,000	9,879,000	13,824,000	28,892,000
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 5,202,000	$ 9,886,000	$ 13,829,000	$ 28,917,000

CLEARINGHOUSE NMTC, LLC
Combining Balance Sheets
December 31, 2013

	Sub 29	Sub 30	Sub 31	Sub 32	Sub 35	Sub 36	2012 Allocation Total
ASSETS							
Cash and cash equivalents	$ 5,000	$ 1,000	$ 11,000	$ 16,000	$ 10,001,000	$ 10,001,000	$ 20,035,000
Loans receivable, net	14,308,000	9,800,000	4,704,000	14,500,000	-	-	43,312,000
Accrued interest receivable	-	-	-	-	-	-	-
Other receivables and prepaid expenses	-	4,000	-	-	-	-	4,000
Other assets, net	141,000	95,000	46,000	99,000	-	-	381,000
Investment in other companies	-	-	-	-	-	-	-
Due from CDFI	-	-	-	-	-	-	-
TOTAL ASSETS	$ 14,454,000	$ 9,900,000	$ 4,761,000	$ 14,615,000	$ 10,001,000	$ 10,001,000	$ 63,732,000
LIABILITIES AND MEMBERS' EQUITY							
LIABILITIES							
Accounts payable	$ 4,000	$ 4,000	$ 10,000	$ 10,000	$ 1,000	$ 1,000	$ 30,000
Due to CDFI	3,000	3,000	2,000	6,000	1,000	1,000	16,000
Notes payable	-	-	-	4,700,000	-	-	4,700,000
TOTAL LIABILITIES	7,000	7,000	12,000	4,716,000	2,000	2,000	4,746,000
MEMBERS' EQUITY							
NMTC member units	14,601,000	10,001,000	4,800,000	10,001,000	10,001,000	10,001,000	59,405,000
Syndication costs	(73,000)	(50,000)	(24,000)	(50,000)	-	-	(197,000)
Members' earnings (deficit)	(60,000)	(43,000)	(21,000)	(50,000)	(2,000)	(2,000)	(178,000)
Distributions	(21,000)	(15,000)	(6,000)	(2,000)	-	-	(44,000)
TOTAL MEMBERS' EQUITY	14,447,000	9,893,000	4,749,000	9,899,000	9,999,000	9,999,000	58,986,000
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 14,454,000	$ 9,900,000	$ 4,761,000	$ 14,615,000	$ 10,001,000	$ 10,001,000	$ 63,732,000

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CLEARINGHOUSE NMTC, LLC
Combining Balance Sheets
December 31, 2013

	Sub 34	Sub 37	Sub 38	Sub 40	2013 Allocation Total
ASSETS					
Cash and cash equivalents	$ 2,003,000	$ 2,003,000	$ 2,003,000	$ 2,003,000	$ 8,012,000
Loans receivable, net	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-
Other receivables and prepaid expenses	-	-	-	-	-
Other assets, net	-	-	-	-	-
Investment in other companies	-	-	-	-	-
Due from CDFI	-	-	-	-	-
TOTAL ASSETS	$ 2,003,000	$ 2,003,000	$ 2,003,000	$ 2,003,000	$ 8,012,000
LIABILITIES AND MEMBERS' EQUITY					
LIABILITIES					
Accounts payable	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 4,000
Due to CDFI	2,000	2,000	2,000	2,000	8,000
Notes payable	-	-	-	-	-
TOTAL LIABILITIES	3,000	3,000	3,000	3,000	12,000
MEMBERS' EQUITY					
NMTC member units	2,003,000	2,003,000	2,003,000	2,003,000	8,012,000
Syndication costs	-	-	-	-	-
Members' earnings (deficit)	(3,000)	(3,000)	(3,000)	(3,000)	(12,000)
Distributions	-	-	-	-	-
TOTAL MEMBERS' EQUITY	2,000,000	2,000,000	2,000,000	2,000,000	8,000,000
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 2,003,000	$ 2,003,000	$ 2,003,000	$ 2,003,000	$ 8,012,000

CLEARINGHOUSE NMTC, LLC
Combining Balance Sheets
December 31, 2013

	Sub 33	Inactive subs Total
ASSETS		
Cash and cash equivalents	$ 3,000	$ 3,000
Loans receivable, net	-	-
Accrued interest receivable	-	-
Other receivables and prepaid expenses	-	-
Other assets, net	-	-
Investment in other companies	-	-
Due from CDFI	-	-
TOTAL ASSETS	$ 3,000	$ 3,000
LIABILITIES AND MEMBERS' EQUITY		
LIABILITIES		
Accounts payable	$ -	$ -
Due to CDFI	2,000	2,000
Notes payable	-	-
TOTAL LIABILITIES	2,000	2,000
MEMBERS' EQUITY		
NMTC member units	3,000	3,000
Syndication costs	-	-
Members' earnings (deficit)	(2,000)	(2,000)
Distributions	-	-
TOTAL MEMBERS' EQUITY	1,000	1,000
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 3,000	$ 3,000

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CLEARINGHOUSE NMTC, LLC
Consolidating and Combining Statements of Income
For the year ended December 31, 2013

	NMTC LLCs	LLC Elimination	Total
REVENUE			
Interest on loans receivable	$ 8,331,000	$ -	$ 8,331,000
Interest-bearing deposits	-	-	-
Loan fees	80,000	-	80,000
NMTC LLC management fees	448,000	-	448,000
QALICB reimbursements	31,000	-	31,000
Total revenue	8,890,000	-	8,890,000
EXPENSES			
Amortization of transaction costs	344,000	-	344,000
Investment impairment	-	-	-
Loan forgiveness	1,232,000	-	1,232,000
Management fees	1,526,000	-	1,526,000
Organization and start up costs	197,000	-	197,000
Provision for loan losses, net	-	-	-
Loan write-off expenses	670,000	-	670,000
Bank fees	2,000	-	2,000
Work out expenses	53,000	-	53,000
Audit and tax fees	29,000	-	29,000
Interest expense	2,000	-	2,000
State franchise taxes	67,000	-	67,000
Total expenses	4,122,000	-	4,122,000
Income (loss) before loan recovery, equity in loss from investment in other companies and provision for valuation allowance on investments	4,768,000	-	4,768,000
Loan recovery	2,354,000	-	2,354,000
Equity in loss from investment in other companies	(388,000)	353,000	(35,000)
Provision for valuation allowance on investments	(5,790,000)	5,790,000	-
Net income	$ 944,000	$ 6,143,000	$ 7,087,000

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CLEARINGHOUSE NMTC, LLC
Combining Statements of Income
For the year ended December 31, 2013

	2002 Allocation	2005 Allocation	2006 Allocation	2008 Allocation	2009 Allocation	2010 Allocation	2012 Allocation	2013 Allocation	Inactive Subs	NMTC LLCs Total
REVENUE										
Interest on loans receivable	$ 514,000	$ 318,000	$ 1,172,000	$ 1,789,000	$ 4,048,000	$ 399,000	$ 91,000	$ -	$ -	$ 8,331,000
Interest-bearing deposits	-	-	-	-	-	-	-	-	-	-
Loan fees	23,000	15,000	6,000	2,000	28,000	6,000	-	-	-	80,000
NMTC LLC management fees	-	-	-	129,000	269,000	50,000	-	-	-	448,000
QALICB reimbursements	-	-	-	-	-	-	31,000	-	-	31,000
Total revenue	537,000	333,000	1,178,000	1,920,000	4,345,000	455,000	122,000	-	-	8,890,000
EXPENSES										
Amortization of transaction costs	-	-	-	118,000	171,000	42,000	13,000	-	-	344,000
Investment impairment	-	-	-	-	-	-	-	-	-	-
Loan forgiveness	-	1,232,000	-	-	-	-	-	-	-	1,232,000
Management fees	177,000	60,000	129,000	360,000	594,000	159,000	47,000	-	-	1,526,000
Organization and start up costs	-	-	-	-	-	-	197,000	-	-	197,000
Provision for loan losses, net	-	-	-	-	-	-	-	-	-	-
Loan write-off expenses	670,000	-	-	-	-	-	-	-	-	670,000
Bank fees	2,000	-	-	-	-	-	-	-	-	2,000
Workout expenses	-	53,000	-	-	-	-	-	-	-	53,000
Audit and tax fees	-	-	-	-	-	3,000	26,000	-	-	29,000
Interest expense	-	-	-	-	-	-	2,000	-	-	2,000
State franchise taxes	5,000	15,000	4,000	11,000	18,000	5,000	4,000	4,000	1,000	67,000
Total expenses	854,000	1,360,000	133,000	489,000	783,000	209,000	289,000	4,000	1,000	4,122,000
Income (loss) before loan recovery, equity in loss from investment in other companies and provision for valuation allowance on investments	(317,000)	(1,027,000)	1,045,000	1,431,000	3,562,000	246,000	(167,000)	(4,000)	(1,000)	4,768,000
Loan recovery	-	2,354,000	-	-	-	-	-	-	-	2,354,000
Equity in loss from investment in other companies	-	(353,000)	(36,000)	-	1,000	-	-	-	-	(388,000)
Provision for valuation allowance on investments	-	(5,790,000)	-	-	-	-	-	-	-	(5,790,000)
Net income (loss)	$ (317,000)	$ (4,816,000)	$ 1,009,000	$ 1,431,000	$ 3,563,000	$ 246,000	$ (167,000)	$ (4,000)	$ (1,000)	$ 944,000

CLEARINGHOUSE NMTC, LLC
Combining Statements of Income
For the year ended December 31, 2013

	Sub 2	Sub 5	2002 Allocation Total
REVENUE			
Interest on loans receivable	$ 438,000	$ 76,000	$ 514,000
Interest-bearing deposits	-	-	-
Loan fees	-	23,000	23,000
NMTC LLC management fees	-	-	-
QALICB reimbursements	-	-	-
Total revenue	438,000	99,000	537,000
EXPENSES			
Amortization of transaction costs	-	-	-
Investment impairment	-	-	-
Loan forgiveness	-	-	-
Management fees	74,000	103,000	177,000
Organization and start up costs	-	-	-
Provision for loan losses, net	-	-	-
Loan write-off expenses	670,000	-	670,000
Bank fees	-	2,000	2,000
Workout expenses	-	-	-
Audit and tax fees	-	-	-
State franchise taxes	4,000	1,000	5,000
Total expenses	748,000	106,000	854,000
Income (loss) before loan recovery, equity in loss from investment in other companies and provision for valuation allowance on investments	(310,000)	(7,000)	(317,000)
Loan recovery	-	-	-
Equity in loss from investment in other companies	-	-	-
Provision for valuation allowance on investments	-	-	-
Net income (loss)	$ (310,000)	$ (7,000)	$ (317,000)

CLEARINGHOUSE NMTC, LLC
Combining Statements of Income
For the year ended December 31, 2013

	Sub 6	Sub 7	Sub 8	Sub 9	2005 Allocation Total
REVENUE					
Interest on loans receivable	$ -	$ 293,000	$ -	$ 25,000	$ 318,000
Interest-bearing deposits	-	-	-	-	-
Loan fees	-	15,000	-	-	15,000
NMTC LLC management fees	-	-	-	-	-
QALICB reimbursements	-	-	-	-	-
Total revenue	-	308,000	-	25,000	333,000
EXPENSES					
Amortization of transaction costs	-	-	-	-	-
Investment impairment	-	-	-	-	-
Loan forgiveness	-	-	1,231,000	1,000	1,232,000
Management fees	-	60,000	-	-	60,000
Organization and start up costs	-	-	-	-	-
Provision for loan losses, net	-	-	-	-	-
Loan write-off expenses	-	-	-	-	-
Bank fees	-	-	-	-	-
Workout expenses	3,000	50,000	-	-	53,000
Audit and tax fees	-	-	-	-	-
State franchise taxes	7,000	3,000	3,000	2,000	15,000
Total expenses	10,000	113,000	1,234,000	3,000	1,360,000
Income (loss) before loan recovery, equity in loss from investment in other companies and provision for valuation allowance on investments	(10,000)	195,000	(1,234,000)	22,000	(1,027,000)
Loan recovery	1,439,000	915,000	-	-	2,354,000
Equity in loss from investment in other companies	-	(353,000)	-	-	(353,000)
Provision for valuation allowance on investments	-	(5,790,000)	-	-	(5,790,000)
Net income (loss)	$ 1,429,000	$ (5,033,000)	$ (1,234,000)	$ 22,000	$ (4,816,000)

CLEARINGHOUSE NMTC, LLC
Combining Statements of Income
For the year ended December 31, 2013

	Sub 10	Sub 11	Sub 12	2006 Allocation Total
REVENUE				
Interest on loans receivable	$ 684,000	$ 240,000	$ 248,000	$ 1,172,000
Interest-bearing deposits	-	-	-	-
Loan fees	-	6,000	-	6,000
NMTC LLC management fees	-	-	-	-
QALICB reimbursements	-	-	-	-
Total revenue	684,000	246,000	248,000	1,178,000
EXPENSES				
Amortization of transaction costs	-	-	-	-
Investment impairment	-	-	-	-
Loan forgiveness	-	-	-	-
Management fees	-	-	129,000	129,000
Organization and start up costs	-	-	-	-
Provision for loan losses, net	-	-	-	-
Loan write-off expenses	-	-	-	-
Bank fees	-	-	-	-
Workout expenses	-	-	-	-
Audit and tax fees	-	-	-	-
State franchise taxes	3,000	-	1,000	4,000
Total expenses	3,000	-	130,000	133,000
Income (loss) before loan recovery, equity in loss from investment in other companies and provision for valuation allowance on investments	681,000	246,000	118,000	1,045,000
Loan recovery	-	-	-	-
Equity in loss from investment in other companies	(36,000)	-	-	(36,000)
Provision for valuation allowance on investments	-	-	-	-
Net income (loss)	$ 645,000	$ 246,000	$ 118,000	$ 1,009,000

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CLEARINGHOUSE NMTC, LLC
Combining Statements of Income
For the year ended December 31, 2013

	Sub 13	Sub 15	Sub 17	Sub 18	Sub 19	Sub 21	2008 Allocation Total
REVENUE							
Interest on loans receivable	$ 440,000	$ 231,000	$ 668,000	$ 226,000	$ 36,000	$ 188,000	$ 1,789,000
Interest-bearing deposits	-	-	-	-	-	$ -	-
Loan fees	-	-	-	-	-	2,000	2,000
NMTC LLC management fees	-	-	98,000	-	31,000	-	129,000
QALICB reimbursements	-	-	-	-	-	-	-
Total revenue	440,000	231,000	766,000	226,000	67,000	190,000	1,920,000
EXPENSES							
Amortization of transaction costs	20,000	10,000	28,000	24,000	-	36,000	118,000
Investment impairment	-	-	-	-	-	-	-
Loan forgiveness	-	-	-	-	-	-	-
Management fees	70,000	52,000	98,000	85,000	55,000	-	360,000
Organization and start up costs	-	-	-	-	-	-	-
Provision for loan losses, net	-	-	-	-	-	-	-
Loan write-off expenses	-	-	-	-	-	-	-
Bank fees	-	-	-	-	-	-	-
Workout expenses	-	-	-	-	-	-	-
Audit and tax fees	-	-	-	-	-	-	-
State franchise taxes	2,000	1,000	3,000	3,000	1,000	1,000	11,000
Total expenses	92,000	63,000	129,000	112,000	56,000	37,000	489,000
Income (loss) before loan recovery, equity in loss from investment in other companies and provision for valuation allowance on investments	348,000	168,000	637,000	114,000	11,000	153,000	1,431,000
Loan recovery	-	-	-	-	-	-	-
Equity in loss from investment in other companies	-	-	-	-	-	-	-
Provision for valuation allowance on investments	-	-	-	-	-	-	-
Net income (loss)	$ 348,000	$ 168,000	$ 637,000	$ 114,000	$ 11,000	$ 153,000	$ 1,431,000

CLEARINGHOUSE NMTC, LLC
Combining Statements of Income
For the year ended December 31, 2013

	Sub 16	Sub 20	Sub 22	Sub 23	Sub 24	Sub 25	2009 Allocation Total
REVENUE							
Interest on loans receivable	$ 1,609,000	$ 307,000	$ 564,000	$ 1,055,000	$ 414,000	$ 99,000	$ 4,048,000
Interest-bearing deposits	-	-	-	-	-	-	-
Loan fees	25,000	-	-	-	-	3,000	28,000
NMTC LLC management fees	-	54,000	-	150,000	-	65,000	269,000
QALICB reimbursements	-	-	-	-	-	-	-
Total revenue	1,634,000	361,000	564,000	1,205,000	414,000	167,000	4,345,000
EXPENSES							
Amortization of transaction costs	42,000	13,000	21,000	43,000	14,000	38,000	171,000
Investment impairment	-	-	-	-	-	-	-
Loan forgiveness	-	-	-	-	-	-	-
Management fees	209,000	45,000	75,000	150,000	50,000	65,000	594,000
Organization and start up costs	-	-	-	-	-	-	-
Provision for loan losses, net	-	-	-	-	-	-	-
Loan write-off expenses	-	-	-	-	-	-	-
Bank fees	-	-	-	-	-	-	-
Workout expenses	-	-	-	-	-	-	-
Audit and tax fees	-	-	-	-	-	-	-
State franchise taxes	7,000	4,000	4,000	-	2,000	1,000	18,000
Total expenses	258,000	62,000	100,000	193,000	66,000	104,000	783,000
Income (loss) before loan recovery, equity in loss from investment in other companies and provision for valuation allowance on investments	1,376,000	299,000	464,000	1,012,000	348,000	63,000	3,562,000
Loan recovery	-	-	-	-	-	-	-
Equity in loss from investment in other companies	1,000	-	-	-	-	-	1,000
Provision for valuation allowance on investments	-	-	-	-	-	-	-
Net income (loss)	$ 1,377,000	$ 299,000	$ 464,000	$ 1,012,000	$ 348,000	$ 63,000	$ 3,563,000

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CLEARINGHOUSE NMTC, LLC

Combining Statements of Income

For the year ended December 31, 2013

	Sub 26	Sub 27	Sub 28	2010 Allocation Total
REVENUE				
Interest on loans receivable	$ 78,000	$ 103,000	$ 218,000	$ 399,000
Interest-bearing deposits	-	-	-	-
Loan fees	1,000	4,000	1,000	6,000
NMTC LLC management fees	-	50,000	-	50,000
QALICB reimbursements	-	-	-	-
Total revenue	79,000	157,000	219,000	455,000
EXPENSES				
Amortization of transaction costs	8,000	14,000	20,000	42,000
Investment impairment	-	-	-	-
Loan forgiveness	-	-	-	-
Management fees	39,000	50,000	70,000	159,000
Organization and start up costs	-	-	-	-
Provision for loan losses, net	-	-	-	-
Loan write-off expenses	-	-	-	-
Bank fees	-	-	-	-
Workout expenses	-	-	-	-
Audit and tax fees	-	3,000	-	3,000
State franchise taxes	2,000	2,000	1,000	5,000
Total expenses	49,000	69,000	91,000	209,000
Income (loss) before loan recovery, equity in loss from investment in other companies and provision for valuation allowance on investments	30,000	88,000	128,000	246,000
Loan recovery	-	-	-	-
Equity in loss from investment in other companies	-	-	-	-
Provision for valuation allowance on investments	-	-	-	-
Net income (loss)	$ 30,000	$ 88,000	$ 128,000	$ 246,000

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CLEARINGHOUSE NMTC, LLC
Combining Statements of Income
For the year ended December 31, 2013

	Sub 29	Sub 30	Sub 31	Sub 32	Sub 35	Sub 36	2012 Allocation Total
REVENUE							
Interest on loans receivable	$ 42,000	$ 30,000	$ 13,000	$ 6,000	$ -	$ -	$ 91,000
Interest-bearing deposits	-	-	-	-	-	-	-
Loan fees	-	-	-	-	-	-	-
NMTC LLC management fees	-	-	-	-	-	-	-
QALICB reimbursements	4,000	4,000	11,000	12,000	-	-	31,000
Total revenue	46,000	34,000	24,000	18,000	-	-	122,000
EXPENSES							
Amortization of transaction costs	5,000	5,000	2,000	1,000	-	-	13,000
Investment impairment	-	-	-	-	-	-	-
Loan forgiveness	-	-	-	-	-	-	-
Management fees	21,000	15,000	7,000	4,000	-	-	47,000
Organization and start up costs	73,000	50,000	24,000	50,000	-	-	197,000
Provision for loan losses	-	-	-	-	-	-	-
Loan write-off expenses	-	-	-	-	-	-	-
Bank fees	-	-	-	-	-	-	-
Workout expenses	-	-	-	-	-	-	-
Audit and tax fees	3,000	3,000	10,000	10,000	-	-	26,000
Interest expense	-	-	-	2,000	-	-	2,000
State franchise taxes	-	-	1,000	1,000	1,000	1,000	4,000
Total expenses	102,000	73,000	44,000	68,000	1,000	1,000	289,000
Income (loss) before loan recovery, equity in loss from investment in other companies and provision for valuation allowance on investments	(56,000)	(39,000)	(20,000)	(50,000)	(1,000)	(1,000)	(167,000)
Loan recovery	-	-	-	-	-	-	-
Equity in loss from investment in other companies	-	-	-	-	-	-	-
Provision for valuation allowance on investments	-	-	-	-	-	-	-
Net income (loss)	$ (56,000)	$ (39,000)	$ (20,000)	$ (50,000)	$ (1,000)	$ (1,000)	$ (167,000)

CLEARINGHOUSE NMTC, LLC
Combining Statements of Income
For the year ended December 31, 2013

	Sub 34	Sub 37	Sub 38	Sub 40	2013 Allocation Total
REVENUE					
Interest on loans receivable	$ -	$ -	$ -	$ -	$ -
Interest-bearing deposits	-	-	-	-	-
Loan fees	-	-	-	-	-
NMTC LLC management fees	-	-	-	-	-
QALICB reimbursements	-	-	-	-	-
Total revenue	-	-	-	-	-
EXPENSES					
Amortization of transaction costs	-	-	-	-	-
Investment impairment	-	-	-	-	-
Loan forgiveness	-	-	-	-	-
Management fees	-	-	-	-	-
Organization and start up costs	-	-	-	-	-
Provision for loan losses, net	-	-	-	-	-
Loan write-off expenses	-	-	-	-	-
Bank fees	-	-	-	-	-
Workout expenses	-	-	-	-	-
Audit and tax fees	-	-	-	-	-
State franchise taxes	1,000	1,000	1,000	1,000	4,000
Total expenses	1,000	1,000	1,000	1,000	4,000
Income (loss) before loan recovery, equity in loss from investment in other companies and provision for valuation allowance on investments	(1,000)	(1,000)	(1,000)	(1,000)	(4,000)
Loan recovery	-	-	-	-	-
Equity in loss from investment in other companies	-	-	-	-	-
Provision for valuation allowance on investments	-	-	-	-	-
Net income (loss)	$ (1,000)	$ (1,000)	$ (1,000)	$ (1,000)	$ (4,000)

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CLEARINGHOUSE NMTC, LLC
Combining Statements of Income
For the year ended December 31, 2013

	Sub 33	Inactive subs Total
REVENUE		
Interest on loans receivable	$ -	$ -
Interest-bearing deposits	-	-
Loan fees	-	-
NMTC LLC management fees	-	-
QALICB reimbursements	-	-
Total revenue	-	-
EXPENSES		
Amortization of transaction costs	-	-
Investment impairment	-	-
Loan forgiveness	-	-
Management fees	-	-
Organization and start up costs	-	-
Provision for loan losses	-	-
Loan write-off expenses	-	-
Bank fees	-	-
Workout expenses	-	-
Audit and tax fees	-	-
Other interest expense	-	-
State franchise taxes	1,000	1,000
Total expenses	1,000	1,000
Income (loss) before loan recovery, equity in loss from investment in other companies and provision for valuation allowance on investments	(1,000)	(1,000)
Loan recovery	-	-
Equity in loss from investment in other companies	-	-
Provision for valuation allowance on investments	-	-
Net income (loss)	$ (1,000)	$ (1,000)

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