

**NEW ISSUE
BOOK-ENTRY ONLY****RATING: S&P: "A+"
(See "Rating")**

In the opinion of Coats Rose, P.C., Bond Counsel to the Issuer (as defined below), under existing laws, regulations, rulings and judicial decisions and assuming continuing compliance by the Issuer with its Covenants and the Tax Agreement (both terms defined below), interest on the Bonds (as defined below) is excludible from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Bonds is not an item of tax preference under Section 57(a) of the Code in computing the federal alternative minimum tax for individuals and corporations. However, interest on the Bonds is included in the "adjusted financial statement income" (as determined under Section 56A of the Code) of "applicable corporations" (as defined in Section 59 of the Code) for purposes of determining the alternative minimum tax under section 55 of the Code applicable to such "applicable corporations." Ownership of the Bonds may result in certain collateral federal income tax consequences to certain Bondholders. See "TAX MATTERS" herein.

FW RAMBLE PUBLIC FACILITY CORPORATION**\$65,980,000*****Residential Development Revenue Bonds
(Ramble and Rose Project)
Series 2025****Dated: Date of Initial Delivery****Due: October 1, 2035* as shown on inside cover**

FW Ramble Public Facility Corporation (the "Issuer") is issuing its Residential Development Revenue Bonds (Ramble and Rose Project) Series 2025 (the "Bonds") in the aggregate principal amount of \$65,980,000*, pursuant to a Trust Indenture dated as of December 1, 2025 (the "Indenture"), between the Issuer and BOKF, NA, as trustee (the "Trustee"), as fully registered bonds which initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as initial securities depository for the Bonds. Purchases of interests in the Bonds will be made in book-entry form only in denominations of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased, except as described herein. Interest on the Bonds is payable semiannually on April 1* and October 1* of each year, commencing April 1, 2026*, until maturity or prior redemption or acceleration, whichever occurs first. As long as the Bonds are registered in the name of DTC or its nominee, principal of, premium, if any, and interest on the Bonds will be paid by the Trustee to DTC, which will remit such principal, premium, if any, and interest to its participants for subsequent disbursement to the purchasers of interests in the Bonds. See Appendix E – "DTC'S BOOK-ENTRY ONLY SYSTEM."

The Bonds are subject to acceleration of maturity and redemption prior to maturity at the redemption prices and under the circumstances described herein. See "THE BONDS – Redemption of the Bonds."

The proceeds of the Bonds will be applied for the purpose of (i) financing the acquisition of a multifamily rental housing development consisting of a total of 275 units and related improvements, personal property and equipment currently known as Ramble and Rose, 501 W Rosedale St., Fort Worth, TX 76104 (the "Ramble and Rose Facilities") and the related land and real property in the City of Fort Worth, Texas (the "Project"); (ii) financing the cost of certain capital improvements to the Project; (iii) funding deposits to the Capitalized Interest Account of the Project Fund; and (iv) paying costs and expenses incidental to the issuance of the Bonds. See "PLAN OF FINANCE."

The principal of and interest on the Bonds will be payable solely from the Trust Estate, which includes all Net Operating Income of the Project, the General Revenues of the Housing Authority of the City of Fort Worth, Texas d/b/a Fort Worth Housing Solutions (the "Sponsor"), as the parent entity of the Issuer, provided under the Funding Agreement following a Debt Service Shortfall, a Deed of Trust creating a senior lien on the property and improvements comprising the Project thereon, and other funds and accounts under the Indenture (other than the Rebate Fund) and certain other security, all to the extent described under the caption. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and Appendix A – "DEFINITIONS OF CERTAIN TERMS; SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL DOCUMENTS – THE FUNDING AGREEMENT" AND – THE INDENTURE" herein.

THE ISSUER SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON, THE BONDS SOLELY OUT OF THE TRUST ESTATE. THE BONDS SHALL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE. THE BONDS SHALL CONSTITUTE A VALID CLAIM OF THE RESPECTIVE OWNERS THEREOF AGAINST THE TRUST ESTATE, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THE INDENTURE. THE BONDS SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE ISSUER, THE STATE OF TEXAS (THE "STATE"), THE CITY OF FORT WORTH, TEXAS (THE "CITY"), THE SPONSOR (EXCEPT AS PROVIDED IN THE FUNDING AGREEMENT) OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION WHATSOEVER. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE CITY, THE SPONSOR, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE BONDS OR THE INTEREST OR ANY PREMIUM THEREON OR OTHER COSTS INCIDENT THERETO. NEITHER THE MEMBERS OF THE BOARD OF DIRECTORS OF THE ISSUER NOR ANY PERSON EXECUTING BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE ISSUER HAS NO TAXING POWER.

NO MEMBER, DIRECTOR, OFFICER, AGENT, EMPLOYEE OR ATTORNEY OF THE ISSUER, INCLUDING ANY PERSON EXECUTING THE INDENTURE OR THE BONDS, SHALL BE LIABLE PERSONALLY ON THE BONDS OR FOR ANY REASON RELATING TO THE ISSUANCE OF THE BONDS. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS, OR FOR ANY CLAIM BASED ON THE BONDS, OR OTHERWISE IN RESPECT OF THE BONDS, OR BASED ON OR IN RESPECT OF THE INDENTURE OR ANY SUPPLEMENTAL INDENTURE, AGAINST ANY MEMBER, DIRECTOR, OFFICER, EMPLOYEE OR AGENT, AS SUCH, OF THE ISSUER OR ANY SUCCESSOR, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE OF THIS SERIES AND AS PART OF THE CONSIDERATION FOR THE ISSUANCE OF THE BONDS, EXPRESSLY WAIVED AND RELEASED.

This cover page contains only a brief description of the Bonds. It is not intended to be a summary of material information with respect to the Bonds. Investors must read the entire Official Statement to obtain information necessary to make an informed investment decision regarding the Bonds. There are risks associated with purchase of the Bonds. For a discussion of certain of these risks, see "CERTAIN BONDOWNERS' RISKS."

The Bonds are offered when, as and if issued by the Issuer and received by KeyBanc Capital Markets Inc. (the "Underwriter"), subject to prior sale, and to the approval of validity and certain other legal matters by the Attorney General of the State of Texas and Coats Rose, P.C., Bond Counsel to the Issuer. Certain financial advisory services will be provided to the Issuer by CSG Advisors. In connection with the issuance and sale of the Bonds, certain legal matters will be passed on for the Issuer by Coats Rose, P.C., counsel to the Issuer, and for the Underwriter by its counsel Dinsmore & Shohl LLP. It is expected that the Bonds in definitive form will be available for delivery to the Trustee on behalf of DTC by Fast Automated Securities Transfer (FAST), on or about _____, 2025.



Date: _____, 2025

* Preliminary, subject to change.

MATURITY SCHEDULE*

FW RAMBLE PUBLIC FACILITY CORPORATION

\$65,980,000*

RESIDENTIAL DEVELOPMENT REVENUE BONDS

(Ramble and Rose Project)

Series 2025

Maturity Date	Principal Amount	Interest Rate	Price	Yield	CUSIP Number[†]
October 1, 2035*	\$65,980,000*	_____ %	_____	_____ %	_____

* Preliminary, subject to change.

[†] Copyright 2025, CUSIP Global Services. The CUSIP number is a registered trademark of the American Bankers Association. The CUSIP number herein has been provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc. The CUSIP number is not intended to create a database and does not serve in any way as a substitute for CUSIP service. The CUSIP number has been assigned by an independent company not affiliated with the Issuer and is provided solely for convenience and reference. The CUSIP number is subject to change after the issuance of the Bonds. None of the Issuer, the Underwriter or their agents or counsel assumes responsibility for the accuracy of the CUSIP number.

ABOUT THIS OFFICIAL STATEMENT

Each party listed below has provided the information under the caption or captions following its name. Each party is responsible only for the information provided under the captions following its name, unless otherwise stated.

DTC

Appendix E – “DTC’s BOOK-ENTRY-ONLY SYSTEM”

Underwriter

“UNDERWRITING” and the fourth paragraph below

All other information set forth herein has been obtained from the Issuer and other sources identified herein that are believed to be reliable, but such other information is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the other parties listed above since the date of this Official Statement.

No broker, dealer, salesperson or other person has been authorized by the Issuer, the Sponsor or the Underwriter to give any information or to make any representations with respect to the Bonds other than as contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer, the Sponsor or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any offer, solicitation or sale of the Bonds, by any person in any jurisdiction in which such offer, solicitation or sale is not authorized or in which the person making such offer, solicitation or sale is not qualified to do so or to any person to whom it is unlawful to make such offer, solicitation or sale. The information set forth herein has been obtained from sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness, and it is not to be construed as a representation by, the Underwriter.

Certain statements contained in this Official Statement do not reflect historical facts, but rather are forecasts and “forward-looking statements.” No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, the words “estimate,” “forecast,” “project,” “anticipate,” “expect,” “intend,” “believe” and other similar expressions are intended to identify forward-looking statements. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements. All estimates, projections, forecasts, assumptions and other forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth in this Official Statement. The Issuer and the Sponsor specifically disclaim any obligation to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of this Official Statement, except as otherwise expressly provided in “CONTINUING DISCLOSURE – Undertaking to Provide Continuing Disclosure.”

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Information on web site addresses set forth in this Official Statement is not incorporated into this Official Statement and cannot be relied upon to be accurate as of the date of this Official Statement, nor can any such information be relied upon in making investment decisions regarding the Bonds.

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed to be a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety. The offering of the Bonds is made only by means of this entire Official Statement.

In connection with the offering of the Bonds, the Underwriter may overallocate or effect transactions that stabilize or maintain the market price of the Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Bonds have not been registered under the Securities Act of 1933, as amended, and the Indenture has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The registration or qualification of the Bonds in accordance with applicable provisions of the laws in any states in which Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither these states nor any of their agencies have passed upon the merits of the Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

BOKF, NA, a national banking association, as Trustee, has not reviewed, provided or undertaken to determine the accuracy of any of the information contained in this Official Statement and makes no representation or warranty, express or implied, as to any matters contained in this Official Statement, including, but not limited to, (i) the accuracy or completeness of such information, (ii) the validity of the Bonds, or (iii) the tax-exempt status of the Bonds.

FW RAMBLE PUBLIC FACILITY CORPORATION

Board of Directors

President..... Terri Attaway
Vice President Richard M. Stinson
Director Michael Ramirez
Director Dr. Carlos L. Walker Sr.
Director Brittany Hall
Secretary/Treasurer Mary-Margaret Lemons

Executive Leadership

President..... Mary-Margaret Lemons
Chief Operating Officer Kristen Camareno
Chief Development Officer..... Brian Dennison
Vice President of Finance Hector Ordonez
Vice President of Development & Asset Management..... Thaddeaus Green
Vice President of Housing Operations and Client Services Lanesha Combs
Vice President of Client Services..... Deana Broussard
General Counsel..... Heather Raiden

TRUSTEE

BOKF, NA
Dallas, Texas

BOND COUNSEL

COATS ROSE, P.C.
Houston, Texas

ISSUER'S FINANCIAL ADVISOR

CSG ADVISORS
San Francisco, California

ISSUER'S COUNSEL

COATS ROSE, P.C.
Houston, Texas

UNDERWRITER

KEYBANC CAPITAL MARKETS INC.
Columbus, Ohio

UNDERWRITER'S COUNSEL

DINSMORE & SHOHL LLP
Washington, D.C.

TABLE OF CONTENTS

	Page		Page
INTRODUCTION	1	TAX MATTERS.....	24
THE BONDS	1	Federal Income Taxes	24
General	1	Tax Opinions.....	25
Redemption of the Bonds.....	2	Certain Federal and State Tax Consequences.....	25
Optional Redemption.....	2	Changes in Federal and State Tax Law	26
Notice and Effect of Redemption	3	Information Reporting and Backup	
Open Market Purchases	3	Withholding Requirement	26
Book-Entry Only System.....	4	ABSENCE OF MATERIAL LITIGATION	27
SECURITY AND SOURCES OF PAYMENT FOR THE		APPROVAL OF LEGAL MATTERS.....	27
BONDS.....	4	CONTINUING DISCLOSURE	27
General	4	Undertaking to Provide Continuing Disclosure.....	27
Limited Obligations	4	RATING.....	28
Trust Estate	5	UNDERWRITING.....	28
Net Operating Income.....	5	ISSUER AUDITS	28
Funding Agreement	6	SPONSOR AUDITS	28
Funds and Accounts under the Indenture	8	CONFLICTS	28
Deed of Trust	8	OTHER MATTERS.....	28
Permitted Encumbrances and Subordinate			
Obligations.....	8	APPENDIX A	DEFINITIONS OF CERTAIN TERMS; SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL DOCUMENTS
THE ISSUER	8	APPENDIX B	CERTAIN INFORMATION REGARDING THE PROJECT
THE SPONSOR.....	9	APPENDIX C-1	SPONSOR’S FINANCIAL AND SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023 AND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024
General	9	APPENDIX D	FORM OF BOND COUNSEL APPROVING OPINION
Presently Contemplated Additional Project		APPENDIX E	DTC’S BOOK-ENTRY ONLY SYSTEM
Financings	10	APPENDIX F-1	FORM OF CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER
Sponsor Board Members.....	10	APPENDIX F-2	FORM OF CONTINUING DISCLOSURE AGREEMENT OF THE SPONSOR
Executive Leadership.....	11		
Financial Management.....	13		
Programs.....	14		
PLAN OF FINANCE	17		
General	17		
ESTIMATED SOURCES AND USES OF FUNDS	17		
DEBT SERVICE SCHEDULE	18		
CERTAIN BONDOWNERS’ RISKS.....	18		
General	18		
Special Obligations.....	19		
Casualty Loss or Condemnation	19		
Leasing Restrictions; Tenant Occupancy	19		
Property Tax Exemption	20		
Agreement by the Sponsor to make			
Contributions to Cover Debt Service			
Shortfalls under the Funding Agreement.....	20		
Amendments of Indenture, Funding Agreement			
and Deed of Trust.....	20		
Risks Related to Other Obligations of the			
Sponsor	21		
Possible Limitations on Remedies and			
Enforcement of Security Interests	21		
Subordinate Obligations	21		
Refinancing Risk	21		
Limitations on Forecasting	22		
Project Feasibility	22		
Environmental Matters	22		
Early Redemption; Potential Loss of Premium	22		
Competing Facilities	22		
Effects on Exemption of Interest From Federal			
Income Taxes	22		
Secondary Market and Prices.....	23		
Federal Housing Programs.....	23		
Landlord Tenant Laws	23		
Municipal Bankruptcies.....	23		
Cyber Security	24		
Disasters and Climate Change	24		

[THIS PAGE INTENTIONALLY LEFT BLANK]

OFFICIAL STATEMENT

RELATING TO

FW RAMBLE PUBLIC FACILITY CORPORATION

\$65,980,000*

**RESIDENTIAL DEVELOPMENT REVENUE BONDS
(RAMBLE AND ROSE PROJECT)
SERIES 2025**

INTRODUCTION

This Official Statement, including the cover page and appendices hereto (this “Official Statement”), is provided to furnish information with respect to the sale and delivery of \$65,980,000.00* aggregate principal amount by FW Ramble Public Facility Corporation (the “Issuer”) of its Residential Development Revenue Bonds (Ramble and Rose Project) Series 2025 (the “Bonds”).

The Bonds will be issued pursuant to the laws of the State of Texas, Resolution No. 3437 of the Issuer, adopted by the Board of Directors of the Issuer on November 20, 2025 (the “Resolution”), authorizing the issuance and sale of the Bonds, and a Trust Indenture dated as of December 1, 2025 (the “Indenture”), between the Issuer and BOKF, NA, as trustee, paying agent and registrar (referred to herein as the “Trustee”).

The proceeds of the Bonds will be applied for the purpose of (i) financing the acquisition of a multifamily rental housing development consisting of a total of 275 units and related improvements, personal property and equipment currently known as Ramble and Rose (the “Ramble and Rose Facilities”) and the related land and real property in the City of Fort Worth, Texas (the “Project”); (ii) financing the cost of certain capital improvements to the Project; (iii) funding deposits to the Capitalized Interest Account of the Project Fund; and (iv) paying costs and expenses incidental to the issuance of the Bonds. See “PLAN OF FINANCE.”

The principal of and interest on the Bonds will be payable from and secured by Net Operating Income of the Project, the Funding Agreement, the Deed of Trust and the other security all as and to the extent included in the Trust Estate as described under the caption “TRUST ESTATE” below. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

The summaries and descriptions of and references to statutes, the Indenture, the Funding Agreement, the Regulatory Agreement and the Deed of Trust, and other agreements that are included in this Official Statement do not purport to be comprehensive or definitive and such summaries, descriptions, and references are qualified by reference to each such statute, document, or instrument. Copies of the agreements are available upon request from the Trustee, BOKF, NA, 5956 Sherry Lane, Suite 900, Dallas, Texas 75225. Capitalized terms used herein, if not specifically defined herein, have the same meanings as in the Indenture. See Appendix A – “DEFINITIONS OF CERTAIN TERMS; SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL DOCUMENTS.”

THE BONDS

General

The Bonds will be dated their date of issue, will bear interest at the rate set forth on the inside front cover of this Official Statement, computed on the basis of a 360-day year consisting of twelve 30-day months, payable semiannually on each April 1* and October 1*, commencing April 1, 2026* (each, an “Interest Payment Date”), to their maturity or earlier redemption or acceleration, will be subject to redemption as described below, and will mature on the date and in the amount set forth on the inside cover page hereof. So long as the Bonds are registered in the name of The Depository Trust Company, New York, New York (“DTC”), or any nominee thereof, all payments of the principal or

* Preliminary, subject to change.

Notice and Effect of Redemption

So long as the Bonds are registered in the name of DTC or any nominee thereof, redemption notices are required to be given to DTC as provided in the Letter of Representations. Notice to beneficial Owners of the Bonds is the responsibility of DTC and its participants. *See* “THE BONDS – Book-Entry Only System.”

The Trustee, or the Bond Registrar on behalf of the Trustee, must give notice of redemption by electronic transmission or first class mail, postage prepaid, sent not less than 20 nor more than 60 days prior to the redemption date to each Owner of Bonds to be redeemed at the address of such Owner appearing in the Bond Register, and to such other Persons as the Issuer specifies to the Trustee in writing.

All notices of redemption are required to state: (a) the redemption date, (b) the redemption price, (c) the CUSIP number of the Bonds, the name of the Bonds, the principal amounts of Bonds to be redeemed, and if less than all Outstanding Bonds are to be redeemed, the principal amount of the Bonds to be redeemed, (d) that on the redemption date the redemption price of each such Bond will become due and payable to the extent of funds on deposit with the Trustee for that purpose, and that interest on the principal amount of each such Bond to be redeemed will cease to accrue on and after such date, (e) the place or places where such Bonds must be surrendered for payment of the redemption price thereof, and (f) such additional information, including whether and in what circumstances the notice of redemption may be rescinded, as the Trustee or the Issuer deems appropriate.

Neither failure of an Owner to receive a redemption notice, nor any defect in any notice, will affect the sufficiency of the proceedings for redemption.

Notice of redemption having been given as described above, the principal amount of the Bonds to be redeemed will become due and payable on the redemption date at the redemption price specified, and on and after such date (unless the Trustee does not have funds available for payment of the redemption price) such principal amount of the Bonds will cease to bear interest. Upon surrender of any such Bond for redemption in accordance with such notice, such Bond will be paid at the redemption price thereof to the extent that money is on deposit with the Bond Registrar for that purpose. Neither the failure of an Owner to receive such notice nor any defect in any notice will affect the sufficiency of the proceedings for such redemption.

If any Bond called for redemption is not paid on the redemption date upon proper surrender of the Bond for redemption, the redemption price and, to the extent lawful, interest thereon will, until paid, bear interest from the redemption date at the rate borne by the Bond immediately before the redemption date.

Any notice of optional redemption may be rescinded by written notice given to the Trustee by the Issuer prior to the redemption date. The Trustee is required to give notice of such rescission as soon thereafter as practicable in the same manner, and to the same persons, as notice of such redemption was given.

Further, with respect to optional redemptions only, if the Bond Registrar does not have funds in its possession on the redemption date sufficient to pay the redemption price (including interest accruing to the redemption date) of all of the Bonds to be optionally redeemed for any reason (including, but not limited to, failure to issue any refunding obligations intended for such purpose on or prior to the redemption date), then the proposed optional redemption and such notice of redemption may be rescinded and will be void, and the Bond Registrar (if any entity other than the Trustee) is to so notify the Trustee. Such event will not constitute an Event of Default under the Indenture, and neither the Trustee nor the Issuer will be subject to any liability to the Bondowners or any other Person as a result of such failure to redeem Bonds. Notices of optional redemption may be subject to additional conditions as specified by the Issuer.

Open Market Purchases

The Issuer may at any time purchase Bonds in the open market. The Issuer is required to notify the Trustee in writing of any such purchase and, if the Bonds are in certificated form, immediately deliver such Bonds to the Bond Registrar for cancellation, together with a certificate specifying the date(s) of purchase. If the Bonds are not in certificated form, any such purchase will be deemed to be a redemption of such Bonds upon written notice to the Trustee of such purchase, whether or not such Bonds are otherwise subject to redemption at the time of purchase.

Book-Entry Only System

So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof (e.g., Cede & Co.), all payments of the principal of and interest on the Bonds will be made in the manner set forth in the Letter of Representations. While the Bonds are registered in the name of Cede & Co. as nominee of DTC, none of the Issuer, the Trustee or the Bond Registrar will have any responsibility or obligation to any direct or indirect participant in DTC, any Person claiming a beneficial ownership interest in the Bonds under or through DTC or any such participant, or any other Person not shown on the Bond Register as being an Owner, with respect to (i) the accuracy of any records maintained by DTC or any such participant; (ii) the payment by DTC or any such participant of any amount in respect of the principal or redemption price of or interest on the Bonds; (iii) the delivery to any participant or to any other Person, other than the Owners as shown on the Bond Register, of any notice with respect to the Bonds, including any notice of redemption; (iv) the selection by DTC or any such participant of any Person to receive payment in the event of a partial redemption of the Bonds; or (v) any consent given or other action taken by DTC as Owner. *See* Appendix E – “DTC’S BOOK-ENTRY ONLY SYSTEM.”

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds will be special limited obligations of the Issuer payable solely from the Net Operating Income, the Funding Agreement, the Deed of Trust and the other security all as and to the extent included in the Trust Estate, as defined herein. *See* “Trust Estate,” “Net Operating Income,” “Funding Agreement” and “Deed of Trust” below.

Nothing in the Indenture prohibits the Issuer from issuing indebtedness that is payable solely from revenues, proceeds and earnings that are not Project Revenues or Bond proceeds, and are not payable, in whole or in part, from money in any of the Funds or in the Rebate Fund.

Except as contemplated under the Indenture, the Issuer will not create or suffer to be created any lien securing repayment of a monetary obligation upon the Trust Estate or any part thereof. The Issuer has also agreed in the Indenture that, except for refunding bonds and Subordinate Obligations, it will issue no other obligations, the payment of which is secured by money or amounts derived from Project Revenues. However, the Trustee is required to release a portion of the property constituting the Project that is not material to the operation of the Project from the lien of the Indenture, and reconvey the Deed of Trust with respect to that portion of such property, at the written request of the Issuer. Upon release of a portion of the property constituting the Project from the lien of the Indenture, the revenues derived from such portion of the Property (if any) will no longer constitute “Project Revenues” for purposes of the Indenture. *See* Appendix A – “DEFINITIONS OF CERTAIN TERMS; SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL DOCUMENTS – THE INDENTURE – Lien of Indenture.”

Limited Obligations

THE ISSUER SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON, THE BONDS SOLELY OUT OF THE TRUST ESTATE. THE BONDS SHALL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE. THE BONDS SHALL CONSTITUTE A VALID CLAIM OF THE RESPECTIVE OWNERS THEREOF AGAINST THE TRUST ESTATE, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THE INDENTURE. THE BONDS SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE STATE OF TEXAS (THE “STATE”), THE CITY OF FORT WORTH, TEXAS (THE “CITY”), THE SPONSOR (EXCEPT AS PROVIDED IN THE FUNDING AGREEMENT) OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION WHATSOEVER. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE CITY, THE SPONSOR (EXCEPT AS PROVIDED IN THE FUNDING AGREEMENT), OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE BONDS OR THE INTEREST OR ANY PREMIUM THEREON OR OTHER COSTS INCIDENT THERETO. NEITHER THE MEMBERS OF THE BOARD OF DIRECTORS OF THE ISSUER NOR ANY PERSON EXECUTING BONDS SHALL BE LIABLE

PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE ISSUER HAS NO TAXING POWER

NO MEMBER, DIRECTOR, OFFICER, AGENT, EMPLOYEE OR ATTORNEY OF THE ISSUER, INCLUDING ANY PERSON EXECUTING THE INDENTURE OR THE BONDS, SHALL BE LIABLE PERSONALLY ON THE BONDS OR FOR ANY REASON RELATING TO THE ISSUANCE OF THE BONDS. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS, OR FOR ANY CLAIM BASED ON THE BONDS, OR OTHERWISE IN RESPECT OF THE BONDS, OR BASED ON OR IN RESPECT OF THE INDENTURE OR ANY SUPPLEMENTAL INDENTURE, AGAINST ANY MEMBER, DIRECTOR, OFFICER, EMPLOYEE OR AGENT, AS SUCH, OF THE ISSUER OR ANY SUCCESSOR, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE OF THIS SERIES AND AS PART OF THE CONSIDERATION FOR THE ISSUANCE OF THE BONDS, EXPRESSLY WAIVED AND RELEASED.

Trust Estate

As provided in the Indenture, the Issuer has granted to the Trustee a security interest in property described under this heading to secure the Bonds (the "Trust Estate"). The Trust Estate has been granted to the Trustee in order to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect, and the performance and observance by the Issuer of all the covenants in the Indenture and in the Bonds. The Trust Estate consists of the following:

- (a) All Net Operating Income and, if the Trustee appoints a receiver pursuant to the Indenture, all Project Revenues, in each case to the extent eligible to be used to pay debt service on the Bonds;
- (b) All right, title and interest of the Issuer in and to the Funding Agreement;
- (c) Until released as provided in the Indenture, the lien on the real property and improvements thereon and personal property therein conveyed by the Deed of Trust;
- (d) All Funds and accounts established under the Indenture, other than the Rebate Fund, and all Investment Earnings thereon and money, securities and obligations therein (subject to disbursements from any such Fund or account upon the conditions set forth in the Indenture);
- (e) All money and securities from time to time held by the Trustee under the terms of the Indenture (except money and securities in the Rebate Fund) and any and all other real or personal property of every name and nature concurrently with the execution and delivery of the Indenture or from time to time thereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Indenture by the Issuer or by anyone on its behalf, or with its written consent, to the Trustee, which is authorized by the Indenture to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture; and
- (f) To the extent not as described above, all proceeds of all of the foregoing.

Net Operating Income

The Net Operating Income from the Project is pledged irrevocably to the payment of the Bonds. The "Project" means the multifamily rental housing facilities consisting of a total of approximately 275 units and related improvements, personal property and equipment known initially as Ramble and Rose, 501 W Rosedale St., Fort Worth, TX 76104. See Appendix B – "CERTAIN INFORMATION REGARDING THE PROJECT" for information regarding the Project.

"Net Operating Income" means Project Revenues less Operation and Maintenance Costs.

"Project Revenues" means (1) all amounts due to or received by the Issuer or by the Trustee for the account of the Issuer pursuant or with respect to the Project, including without limitation all rental revenue, subsidy payments, lease payments, payments on contractors' bonds, and Insurance Proceeds and Condemnation Awards, and proceeds resulting from FORECLOSURE of the Deed of Trust, but excluding refundable security deposits.

“Operation and Maintenance Costs” means all necessary costs to the Issuer of operating and maintaining the Project, including but not limited to administrative and general expenses, costs of insurance (including reasonable contributions for self-insurance reserves, if any), consulting and technical services and repairs and replacements (to the extent not properly classifiable as capital costs), but excluding depreciation (or reserves therefor), amortization of intangibles or other bookkeeping entries of a similar nature, and debt service on the Bonds and any other debt obligations of the Issuer relating to the Project.

The Indenture permits portions of the Project that are not material to the operation of the Project to be released from the lien of the Indenture. *See* Appendix A – “DEFINITIONS OF CERTAIN TERMS; SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL DOCUMENTS –THE INDENTURE – Lien of Indenture.”

Funding Agreement

The Issuer and the Housing Authority of the City of Fort Worth, Texas d/b/a Fort Worth Housing Solutions (the “Sponsor”) will enter into a Funding Agreement dated as of December 1, 2025 (the “Funding Agreement”) in connection with the Issuer’s undertaking to acquire the Project.

Under the Funding Agreement, the Sponsor will agree, as the “sponsor” of the Issuer, but solely from General Revenues, unless prohibited by applicable law, to contribute to the Trustee on behalf of the Issuer, from time to time, a sufficient amount of funds, if necessary, to provide for the full and prompt payment of any Debt Service Requirements through the payment of any Debt Service Shortfalls. The Sponsor’s obligations to pay Debt Service Shortfalls are collectively referred to as the “Funding Obligations.” “General Revenues” shall mean all revenues of the Sponsor from any source (including cash and cash equivalents, restricted cash and cash equivalents, investments and restricted investments, as reported annually in the year-end audited financial statements of the Sponsor), but only to the extent that those revenues are available to pay the Funding Obligations and are not prohibited, pledged or restricted, by law, regulation, contract, covenant, resolution, deed of trust or otherwise (including restrictions relating to funds made available to the Sponsor under the U.S. Housing Act of 1937), solely to another particular purpose.

The agreement of the Sponsor to contribute funds from its General Revenues to the payment of Debt Service Shortfalls does not restrict the Sponsor’s use of its General Revenues for any other purpose, including for the payment of debt service on bonds or other obligations to be issued by other public facility corporations created by the Sponsor, nor does it create any type of priority of payment. *See* “CERTAIN BONDHOLDERS’ RISKS – Agreement by the Sponsor to make Contributions to Cover Debt Service Shortfalls under the Funding Agreement” and “– Possible Limitations on Remedies and Enforcement of Security Interests.”

Under the Funding Agreement, the Issuer will reserve at all times the Required Percentage (defined below) of the units in the Project (such units are referred to herein collectively as the “Reserved Units”) to benefit individuals and families whose incomes, at the time of initial occupancy, are not more than 60 percent of the area median family income, adjusted for family size, as determined by the United States Department of Housing and Urban Development for the Fort Worth, TX HUD Metro FMR Area (such individuals and families are referred to herein collectively as “Low Income Tenants”). “Required Percentage” on any date shall mean a fraction, the numerator of which is the sum of (i) the maximum Debt Service Requirements due on any future Interest Payment Date other than at maturity, and (ii) the amount of any funds provided by the Sponsor pursuant to the Funding Agreement, and the denominator of which shall be the original principal amount of the Bonds.

The following table describes the revenues which, subject to substantial adjustments described in the footnote for the table, are the primary sources of the Sponsor’s General Revenues. This table excludes certain other revenues from federal funding sources which are restricted as to use and therefore do or may not contribute to the Sponsor’s General Revenues.

[Remainder of Page Intentionally Blank]

	<u>2022 - Audited</u>	<u>2023 - Audited</u>	<u>2024 - Audited</u>
Gross Revenue*			
Discretely Presented Component Units - Tax Credit	\$46,316,380	\$46,869,147	\$47,241,954
Discretely Presented Component Units - Workforce	1,471,878	1,489,445	1,428,210
Discretely Presented Component Units Sub-Total	\$47,788,258	\$48,358,592	\$48,670,164
Blended Component Units - Self Developed	\$25,076,229	\$27,179,091	\$31,519,917
Revenues Sub-Total	\$72,864,487	\$75,537,683	\$80,190,081
Operating Expenses (Excluding Depreciation)			
Discretely Presented Component Units - Tax Credit	\$22,607,520	\$25,345,046	\$26,162,870
Discretely Presented Component Units - Workforce	718,440	805,435	728,141
Blended Component Units - Property & Other Revenues	17,048,788	16,091,952	24,342,373
Expenses Sub-Total	\$40,374,748	\$42,242,433	\$51,233,384
Net Operating Income (Excluding Depreciation)	\$32,489,739	\$33,295,250	\$28,956,697
Debt Service (Principal & Interest)	(13,603,638)	(13,232,417)	(13,694,423)
Net Revenues Available to the Sponsor from Property Operations/Ownership	\$18,886,101	\$20,062,833	\$15,262,274

*Excludes grants & subsidy subject to federal/state appropriation.

Note: **The revenues/expenses above are not a specific calculation of the General Revenues of the Sponsor**, but an approximation of minimum revenues available for payment under the Funding Agreement, if necessary. The Sponsor receives revenues in addition to those referenced above which are or might be considered General Revenues, notably fees associated with their administration of Federal Funding revenue streams, including Housing Choice Vouchers.

The Sponsor currently has two outstanding issues of bonds payable from the Sponsor's General Revenues (the \$73,310,000 Residential Development Revenue Bonds (River District Project), Series 2025 and the \$78,405,000 Residential Development Revenue Bonds (Chaparral Ranch Project), Series 2025); however, see the discussion under the caption "THE SPONSOR – Presently Contemplated Additional Project Financings" below.

In addition to the foregoing, there may be future acquisitions of properties by separate public facility corporations created by the Sponsor (each, a "Sponsor PFC") to which the Sponsor may agree to use its General Revenues to satisfy any debt service shortfalls. The Sponsor expects that such obligations will be issued in connection with the issuances of bonds by Sponsor PFCs to acquire stabilized multifamily apartments and, following the acquisition, restricting a majority of the units at the apartments for rental to low to moderate income households on the same or a similar percentage and income-level basis as the households to be served by the Project. The bonds for these other projects are expected be repaid by revenues from the projects themselves. General Revenues would only be used to pay such bonds if project revenues were insufficient to provide for the timely payment of debt service.

While the Sponsor has agreed to use its General Revenues for the payment of amounts required to be paid under the Funding Agreement, there can be no assurance that funds will be available to the Sponsor for that purpose, or if available, in a timely manner. The Funding Agreement does not restrict the Sponsor's ability to use its General Revenues to the payment of bonds or other obligations issued by Sponsor PFCs or to pledge specific revenues (which might otherwise become General Revenues) to other obligations. See "CERTAIN BONDHOLDERS' RISKS – Agreement by the Sponsor to make Contributions to Cover Debt Service Shortfalls under the Funding Agreement" and "Possible Limitations on Remedies and Enforcement of Security Interests."

THE SPONSOR'S AGREEMENT TO MAKE PAYMENTS FROM ITS GENERAL REVENUES UNDER THE FUNDING AGREEMENT DOES NOT CONSTITUTE A PLEDGE OF THE SPONSOR'S UNRESTRICTED OR UNENCUMBERED ASSETS, NOR ARE THE SPONSOR'S FUNDING OBLIGATIONS UNDER THE FUNDING AGREEMENT GENERAL OBLIGATIONS OF THE SPONSOR.

Funds and Accounts under the Indenture

All money, along with Investment Earnings thereon, on deposit in any of the Funds and accounts created under the Indenture (excluding the Rebate Fund, if any) are pledged to secure performance of the Issuer's obligations under the Indenture. Pursuant to the Indenture, "Funds" includes the Bond Fund, the Costs of Issuance Fund and the Project Fund, but does not include the Rebate Fund. *See* Appendix A – "DEFINITIONS OF CERTAIN TERMS; SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL DOCUMENTS – THE INDENTURE – Creation of Funds and Accounts."

Deed of Trust

To secure the payment of the principal of and interest on the Bonds, the Issuer will grant the Trustee under the Deed of Trust a lien on, and security interest in, certain land, real property and improvements thereto (including the fee simple title of the Issuer in the Project) and the right, title and interests of the Issuer in the Project Revenues (the "Mortgaged Property") to the extent permitted by law. The Mortgaged Property includes generally all the land, buildings, fixtures and equipment comprising the Project. The lien of the Mortgage will be subject to certain Permitted Encumbrances. *See* Appendix A – "DEFINITIONS OF CERTAIN TERMS; SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL DOCUMENTS – THE DEED OF TRUST."

The security for Owners of the Bonds represented by the Deed of Trust will be subject to certain limitations and restrictions. *See* "CERTAIN BONDHOLDERS' RISKS – Possible Limitations on Remedies and Enforcement of Security Interests," "– Leasing Restrictions; Tenant Occupancy," and "– Subordinate Obligations."

Permitted Encumbrances and Subordinate Obligations

The Indenture provides that certain Permitted Encumbrances may exist with respect to the land and improvements that comprise the Project, and that the Project may, in the future, be encumbered by deeds of trust securing Subordinate Obligations. Permitted Encumbrances under the Indenture include (a) liens for taxes, assessments or similar charges either not yet due or being contested in good faith; (b) liens of materialmen, mechanics, warehousemen, or carriers, or other like liens arising in the ordinary course of business and securing obligations that are not yet delinquent; (c) easements, rights-of-way, servitudes, restrictions, mineral reservations and other defects, encumbrances and irregularities that do not materially impair the use or value of the subject property; (d) regulatory agreements, covenants and other instruments that require the Issuer to restrict residential leasing of the Project or any portion thereof to qualified residential tenants and/or to lease the Project at affordable rates; (e) rights reserved to or vested in any municipality or public authority (other than the Issuer) by the terms of any right, power, franchise, grant, license, permit or provision of law affecting the Project or portion thereof, so long as such rights do not secure monetary obligations and the Issuer's title to the Project or portion thereof cannot be foreclosed pursuant thereto; (f) leases and other use rights permitted by the Indenture; (g) liens securing Subordinate Obligations; and (h) the liens and encumbrances of record against the Project on the Date of Issue.

While the Project is not currently encumbered by any deed of trust securing Subordinate Obligations, the Indenture permits future encumbrances to secure Subordinate Obligations upon certain conditions. In particular, the Indenture requires that Subordinate Obligations be specifically subordinated to the payment and security of the Bonds, and that the obligee of Subordinate Obligations agree that, until the Bonds have been paid in full, it will not, without the Trustee's consent, accelerate its loan(s), commence foreclosure proceedings with respect to the Project, or take certain other actions. Subordinate Obligation Documents may contain covenants and events of default that differ from, and/or are in addition to, those included in the Indenture.

THE ISSUER

The Issuer, FW Ramble Public Facility Corporation, is a nonprofit public facility corporation organized and existing under the laws of the State. The Issuer was duly created and organized pursuant to and in accordance with the provisions of Chapter 303, Texas Local Government Code, as amended ("Chapter 303"), for the purpose of issuing bonds to finance "public facilities" of the Sponsor, a public body corporate and politic created and operating under Chapter 392, Texas Local Government Code, as amended ("Chapter 392"), which public facilities under Chapter 392 include a "housing project" as defined under Chapter 392 or a "residential development" as currently defined under Chapter 394, Texas Local Government Code, as amended. Chapter 303 authorizes the Issuer to (a) issue bonds to finance, refinance or provide public facilities on behalf of Fort Worth Housing Solutions; (b) use the proceeds of its

bonds to maintain reserve funds determined by Fort Worth Housing Solutions and the Issuer to be necessary and appropriate; (c) pay any costs relating to the issuance or incurrence of bonds by the Issuer; and (d) mortgage or pledge a public facility financed by the Issuer as security for the payment of any connected bonds. The Issuer will act as a single purpose entity and exists solely for the purpose of acquiring, financing, owning, developing, managing, maintaining, and leasing the Project. The Issuer has adopted the Resolution and approved the issuance of the Bonds pursuant to the authority of the provisions of the Act and Fort Worth Housing Solutions, as sponsor of the Issuer, has adopted Resolution No. ___ on November 20, 2025, approving the issuance of the Bonds by the Issuer and the execution and delivery of the Funding Agreement.

The Board of Directors (the “Board”) of the Issuer consists of five directors composed of the five members of the Board of Commissioners of Fort Worth Housing Solutions. Each of the five directors are voting members, must be a member of the Board of Commissioners of Fort Worth Housing Solutions and cease to be a director at the time at which he or she ceases to be a member of the Board of Commissioners. The Chief Executive Officer of Fort Worth Housing Solutions serves as Secretary of the Board and as Secretary of the Board of Commissioners of Fort Worth Housing Solutions.

The Issuer has no employees, presently carries on no operations other than the issuance of bonds and has no experience in the acquisition or operation of multifamily housing. The principal administrative functions to be performed in connection with the Bonds and the Project are contracted to be performed by the various other parties to the Bond Documents. The management and operation of the Project will principally be carried out by the Property Manager in consultation with the Issuer.

The Issuer has no taxing power and receives no appropriations from the State or any other governmental body.

The offices of the Issuer are located at 1407 Texas Street, Fort Worth, Texas 76102, Attn: Mary-Margaret Lemons, and the telephone number for the Issuer is (817) 333-3401.

NEITHER THE STATE NOR ANY POLITICAL CORPORATION OR SUBDIVISION OF THE STATE, INCLUDING FORT WORTH HOUSING SOLUTIONS, THE CITY OF FORT WORTH AND TARRANT COUNTY, EXCEPT FORT WORTH HOUSING SOLUTIONS TO THE EXTENT OF ANY PAYMENTS IT IS OBLIGATED TO MAKE UNDER THE FUNDING AGREEMENT, IS LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM OF, IF ANY, OR INTEREST ON THE BONDS. SUCH ENTITIES ARE PROHIBITED FROM MAKING PAYMENTS, OTHER THAN FORT WORTH HOUSING SOLUTIONS UNDER THE FUNDING AGREEMENT, WITH RESPECT TO THE BONDS.

NO AGREEMENT OR OBLIGATION CONTAINED IN THE INDENTURE SHALL BE DEEMED TO BE AN AGREEMENT OR OBLIGATION OF ANY DIRECTOR, OFFICER, EMPLOYEE, COMMISSIONER, SERVANT OR AGENT OF THE ISSUER IN HIS OR HER INDIVIDUAL CAPACITY, AND NEITHER THE DIRECTORS OF THE ISSUER NOR ANY OFFICER THEREOF EXECUTING ANY BOND SHALL BE LIABLE PERSONALLY ON SUCH BOND OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE THEREOF. NO DIRECTOR, OFFICER, EMPLOYEE, COMMISSIONER, SERVANT OR AGENT OF THE ISSUER SHALL INCUR ANY PERSONAL LIABILITY WITH RESPECT TO ANY OTHER ACTION TAKEN BY HIM OR HER PURSUANT TO THE INDENTURE.

THE SPONSOR

The Sponsor has provided the information under this heading, “THE SPONSOR,” in the table under the sub-heading “Funding Agreement” under the heading, “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Funding Agreement,” under the heading, “SPONSOR AUDITS” and in Appendix C-1 hereto, and has consented to the inclusion of such information in this Official Statement.

General

The Sponsor was established on January 5th, 1938 by resolution of the Fort Worth, Texas City Council pursuant to the Housing Authorities Law, now codified in Texas Local Government Code Chapter 392, as amended.

The Sponsor’s statutory purpose is to provide safe, decent, and sanitary housing for low-income households. The Sponsor is a public body corporate and politic, a unit of local government, and its functions are essential governmental functions as a matter of law. The Sponsor’s area of operation – its statutory jurisdiction – is the City of Fort Worth, Texas (the “City”).

In terms of its governance structure, the Mayor of the City appoints the five-member non-paid Board of Commissioners of the Sponsor (the “Sponsor Board”) for staggered two-year terms. The Sponsor Board is responsible for setting the policies for the Sponsor, for hiring and supervising the Chief Executive Officer of the Sponsor, approving the Sponsor’s budget, and taking other actions required to be taken by the Sponsor Board, such as certain matters reserved to the Sponsor Board’s authority by statute or federal policy.

The President (“President”) of the Sponsor, who serves as the Secretary to the Board, is responsible for the direction and oversight of the day-to-day administration of Sponsor’s operations, programs, finances, and staff. The Sponsor currently employs approximately 85 employees at its offices and locations in the City.

The Sponsor’s overall portfolio includes ownership, operation, management and construction of approximately 10,600 units of housing that are owned or controlled by the Sponsor and over 6,420 housing vouchers. The foregoing figures do not include unoccupied units planned for disposition (demolition, sale) or units under construction. The Sponsor currently serves and provides affordability to approximately 9,000 residents. The Sponsor subcontracts with property management companies at most of its multifamily residential properties to provide front-line property managers, maintenance workers, and support some housing-related administrative and compliance roles.

The Sponsor’s audited financial statements for the year ended December 31, 2023 and December 31, 2024 are included in APPENDIX C-1.

Presently Contemplated Additional Project Financings

The Sponsor proposes (via subsidiary and/or affiliated Public Facility Corporations) to issue approximately \$260 million of General Revenue-backed bonds for affordable housing projects in Ft. Worth in the next twelve months. The Authority expects approximately \$200 million to be issued to finance the full acquisition of two workforce projects (approximately 508 units) and at least one LIHTC project. The Sponsor also expects to approve the terms of a \$40 million taxable line of credit (currently undrawn) which would be secured by its General Revenue Pledge. No obligation shall have a senior position with respect to the General Revenues of the Sponsor.

The proposed terms of the transactions to refinance these properties are still in the formative stages. Negotiations relating to the Sponsor’s acquisition or refinancing of these projects are still in the preliminary stages, and those planned acquisitions and refinancing could be abandoned and/or the terms could change quickly and/or materially at any time. Moreover, other proposed project acquisitions and financings involving the Sponsor could be undertaken at any time.

Sponsor Board Members

Name	Title	Experience	Term Expiration
Terri Attaway	Chairperson	Residential mortgage services representative	January 2026
Michael Ramirez	Commissioner	Banking, commercial real estate	January 2026
Richard M. Stinson	Commissioner	Energy investments	January 2027
Dr. Carlos L. Walker Sr.	Commissioner	Director of Fort Worth Independent School District Student and Family Resource Center	January 2027

Brittany Hall	Resident Commissioner	Student, small business owner	January 2026
---------------	--------------------------	-------------------------------	--------------

Executive Leadership

Mary-Margaret Lemons was appointed President of Fort Worth Housing Solutions in December 2017 after serving as the Agency’s General Counsel from 2015 to 2017. She previously served as an attorney specializing in oil and gas and earlier as General Counsel at a local \$1.2 billion bank overseeing Risk Management, Compliance and Vendor Management.

Under her leadership, the Sponsor has transitioned from a traditional public housing authority to one that has deconcentrated poverty by providing a variety of safe, affordable housing opportunities to the City’s workforce and low-income residents throughout Fort Worth. About 60 percent of the Agency’s revenue now comes from non-federal funds. The Sponsor pays landlords about \$68 million each year, a powerful economic impact.

Today, the Sponsor manages approximately 6,500 rental assistance vouchers across various programs that help more than 34,000 people cover housing costs every day. The Agency closed the City’s last two, aging public housing communities – Cavile Place and Butler Place – in 2020 and worked with the U.S. Department of Housing and Urban Development to allow residents to relocate to homes of their choice in higher opportunity neighborhoods.

Since 2015, Ms. Lemons has significantly expanded the Agency’s real estate portfolio. Today, the Sponsor operates 52 mixed-income, residential communities with properties in each City Council district, totaling more than 10,000 units with 85% operating at multiple levels of affordability to serve Fort Worth households.

In 2020, Ms. Lemons partnered with the City of Fort Worth and private development partner Ojala Holdings, LLC to apply federal CARES Act funding to the renovation of an extended-stay hotel that is now the city’s largest permanent supportive housing community for chronically homeless residents. The 119-unit Casa de Esperanza apartments in northeast Fort Worth offers residents case management and wrap-around support in partnership with numerous agencies in a model proven to help previously homeless residents move toward self-sufficiency.

Ms. Lemons also led the intense, community-focused, collaborative planning effort that preceded HUD’s \$35 million Choice Neighborhood Implementation grant award to the City of Fort Worth and the Sponsor in 2020. The grant has seeded a substantial revitalization plan for the historic Stop Six community in Southeast Fort Worth with investment in the neighborhood totaling more than a half-billion dollars. City leaders, the Sponsor and numerous partners have begun construction on six phases of new, mixed-income housing with ground-level retail space as part of the effort. Fort Worth voters in 2022 approved bonds to build a new Stop Six community hub and aquatics center for the neighborhood. The first phase, Cowan Place, opened in 2023.

Ms. Lemons serves on the Board of Trustees for the national Public Housing Authorities Directors Association, Vice Chair North Texas Lead and the Vice Chair Continuum of Care for Tarrant and Parker counties, and on the Board of Directors for the Texas Chapter of the National Association of Housing and Redevelopment Officials.

The Fort Worth Business Press honored Ms. Lemons as one of its Great Women of Texas in April 2022, and Fort Worth Inc. magazine has named her repeatedly to its list of the 400 Most Influential People in Fort Worth. She was honored as “Communicator of the Year” by the Greater Fort Worth Chapter of Public Relations Society of America in 2019. The Texas Wesleyan School of Law named her 2012 Alumnus of the Year. She was named to the Fort Worth Business Press “40 Under 40” list of for young leaders in 2012.

Ms. Lemons earned a Bachelor of Arts degree in Public Relations from The University of Texas at Arlington and a juris doctor from Texas Wesleyan School of Law.

Kristen Camareno, Kristen Camareno is a seasoned public servant with 20 years of combined experience in the public and non-profit sectors. Her background includes leadership in community development, housing, human

Kristen Camareno, Kristen Camareno is a seasoned public servant with 20 years of combined experience in the public and non-profit sectors. Her background includes leadership in community development, housing, human services, transportation, and mobility. She is recognized for her strong communication skills, ability to build collaborative partnerships, and commitment to advancing organizational goals.

Ms. Camareno brings extensive expertise in administration, policy development, project management and implementation to her role as Chief Operating Officer for FWHS, where she is responsible for overall day-to-day and internal strategic management for multiple operational functions. Her position involves performance of administrative, managerial, and supervisory tasks; strategic planning; and collaboration with the President of FWHS to implement the organization's mission and goals.

A near-native of Fort Worth, Ms. Camareno earned a Bachelor of Business Administration and Master of Public Administration with a Certificate in Public Budgeting and Finance from the University of Texas at Arlington. She has been named 40 Under 40 and one of Twenty Women to Watch in Business by Fort Worth Business Press. Before being named COO of Fort Worth Housing Solutions, Kristen was an Assistant County Administrator for Tarrant County.

Hector Ordonez, Vice President Finance and Accounting, leads the Agency's fiscal business operations in accordance with Generally Accepted Accounting Principles and current business trends, as well as directs the Agency's administrative services including Information Technology.

Before joining the Sponsor in June 2021, Mr. Ordonez served as assistant Chief Financial Officer for the Dallas Housing Authority since January 2020. He previously served as Director of Finance & Chief Procurement Officer for the Regional Transit District in Santa Fe, N.M., and as the Deputy Finance Director – Housing Controller in Eagle County, Colo. His early career included accounting positions with a Las Vegas resort and a CPA firm.

Mr. Ordonez earned his undergraduate degree the University of Nevada in Las Vegas and his MBA with a dual specialization in accounting and finance from Regis University in Denver.

Brian Dennison rejoined the staff as Senior Vice President of Development and Asset Management in March 2019 after serving as Senior Vice President of UrbanAmerica, a national real estate and development company. He was named Chief Development Officer in 2024. Prior to UrbanAmerica, Brian worked at the Sponsor as Vice President of Development and Asset Management for nine years. Brian was instrumental in establishing multiple revenue sources to support the Agency's ongoing operations, and he created the Agency's long-term plan for the de-concentration of low-income housing. He led the Sponsor to be the first housing authority in Texas to be selected for RAD.

Mr. Dennison brings to the Agency more than 30 years of experience in commercial real estate lending, finance, asset management and liquidation. He was a Senior Vice President at both Guaranty Bank and Bluebonnet Savings Bank; a Section Chief and Liquidator-in-Charge for the FDIC; and a prime contractor with the Resolution Trust Corporation.

Heather Raiden, General Counsel, is responsible for identifying legal issues and providing legal guidance to all departments, including employment matters, contracts, regulatory compliance and company policies. She earned a B.A. in Political Science from the University of North Texas and graduated cum laude from Texas Tech School of Law. She has served on the board of directors of Tarrant County Young Lawyers and been named a Top Attorney in Fort Worth, Texas magazine since 2010.

Ms. Raiden practiced law in Fort Worth, including with a local firm and in-house with a national corporation.

Lanesha Combs, Vice President Housing Operations and Client Services, is a seasoned administrator with more than 20 years of experience with federal affordable housing programs, Fair Housing compliance and grant management. She has a vast knowledge of community resources and has worked with a variety of target populations.

Ms. Combs joined Fort Worth Housing Solutions in 2013. She directs the operations of the Housing Choice Voucher program, grant administration for all homeless programs and oversees Fair Housing and 504/ADA compliance for the agency as a whole. Prior to joining the Sponsor, she managed several areas of operation for the Arlington Housing

Authority for 11 years, including homeless services, the Housing Choice Voucher program, and Fair Housing/ADA compliance.

Ms. Combs serves on the Tarrant County Homeless Coalition ICT committee, and serves on the MHMR Homeless Community Advisory board. She earned a B.S. from North Texas University and M.B.A. from Texas Woman's University and obtained certification as an ADA coordinator from the University of Missouri-Great Plains ADA center.

Thaddeaus Green, Vice President of Development, has nearly a decade of experience in real estate development and work with public housing agencies. Previously, he worked at the Housing Authority of Prince George's County as the Development Officer, responsible for 86 acres of HAPGC property-related activities, including real estate acquisitions, dispositions and development.

Deana Broussard, Vice President of Client Services, joined Fort Worth Housing Solutions (FWHS) in 1998. She began her tenure as a Family Self-Sufficiency (FSS) and Homeownership Coordinator. Under her leadership, FWHS has developed a nationally known FSS program, recognized by HUD, and assisted hundreds of families in becoming homeowners. Deana continues to successfully partner with countless community organizations throughout Fort Worth and North Texas to provide vital services to FWHS clients. She served for ten years as a trainer for the North Texas Housing Association, a non-profit organization dedicated to providing education and information needs to Public Housing Authorities.

Mrs. Broussard received a bachelor's degree from Oklahoma State University and holds certifications in administering numerous housing programs.

Financial Management

The Sponsor is a Texas public body corporate and politic that is exempt from Federal income tax and from all state and local property taxes. The Sponsor owns, manages, or administers – directly or through its affiliated public facility corporations – 8,304 housing units.

The Sponsor's accounts are organized based on funds, each of which is considered a separate accounting entity and has a separate set of self-balancing accounts comprised of its assets, liabilities, net assets, revenues, and expenses. The financial statements of the Sponsor are reported using the economic resource measurement focus and the accrual basis of accounting in conformity with *Generally Accepted Accounting Principles* ("GAAP") as applies to government units. The audit was further conducted in accordance with the standards applicable to financial audits as set forth in *Government Accounting Standards* issued by the Comptroller General of the United States. Annual appropriated budgets are adopted, and all annual appropriations lapse at the Sponsor's year end.

The Sponsor's audit reflects the financial condition and performance of the Sponsor with its "blended" component units and over 3,055 discretely presented component units. These blended and discrete component units are limited liability companies or partnerships that own residential properties that provide affordable housing in support of the mission and purpose of the Sponsor. The blended component units are, although legally separate entities, in substance part of the Sponsor's operations and so financial data from the blended components are combined with the Sponsor and reflected within the Sponsor's own audited financial information. The Sponsor's discretely presented component units also own and operate affordable housing but are structured where the Sponsor (or one of its public facility corporation entities – a type of wholly-owned and controlled government subsidiary established and operating under Texas Local Government Code Chapter 303 (a "PFC")) leases the underlying real estate where the housing is located to the partnership pursuant to a long-term ground lease and the Sponsor or one of its PFCs serves as the general partner of the partnership. The component units are reflected in separate columns in the audit's financial statements.

The Sponsor's most recent audits are for the fiscal years ending December 31, 2023 and December 31, 2024, are included in APPENDIX C-1. These audits were performed by CliftonLarsonAllen, LLP, certified public accountants. The audit for the year ended December 31, 2023 reported no findings of significant deficiencies, and there were no significant deficiencies reported in connection with its audit for the fiscal year ending December 31, 2024.

The Sponsor's financial operations have received various awards and recognition of excellence. The Sponsor was awarded GFOA's Annual Comprehensive Financial Report for 22 consecutive years. It last applied for this award in 2021.

The Sponsor expects to deliver its audit for the year ending December 31, 2025 by September 30, 2026, which will be submitted to the Municipal Securities Rulemaking Electronic Municipal Market Access (EMMA) System.

Programs

Rental Assistance Demonstration Program (RAD) Conversion/RAD Portfolio. In 2013, HUD commenced the Rental Assistance Demonstration program (RAD) to give public housing authorities ("PHAs") a statutory tool to preserve and improve Public Housing properties and address a massive nationwide backlog of deferred maintenance negatively impacting the Public Housing program.

RAD is a federal repositioning program that allows PHAs to leverage public and private debt and equity to reinvest in Public Housing. The main purpose of the program is to create a pathway for PHAs to address the backlog of housing capital needs. In a RAD transaction, referred to as a "RAD Conversion," Public Housing units (except new units) are either renovated or re-built with the investment of public or private debt and equity and the units are converted to a new, more stable long-term subsidy program under Section 8 of the Federal Housing Act. At the time of the RAD Conversion, the units are subjected to a long-term "use agreement" to ensure HUD's interest in ensuring the units remain affordable to low-income households. The residents affected by a RAD Conversion are protected with a "right of return," meaning they are afforded moving assistance if they have to leave their unit and have a right to return to their property as a resident once any construction activities are completed. From the resident's perspective, upon return, they have almost identical rental assistance benefits and other rights. From the PHA's perspective, the conversion moves the property to a more stable platform where the property earns income from rents paid by a combination of Section 8 Program subsidies and amounts paid by the residents themselves.

The Sponsor converted approximately 673 units of Public Housing at 24 project sites into affordable housing subsidized primarily with Project-Based Rental Assistance ("PBRA"), referred to below as the RAD Conversion. Of the converted units, approximately 99 were new construction units and 574 were rehabilitation projects.

The total cost of the RAD Conversion was approximately \$32,000,000. No local tax dollars were spent on the RAD Conversion project. The project was completed within the time period planned and on budget. The RAD Conversion included moving and returning approximately 600 residents, which was accomplished with a high degree of resident satisfaction and only a handful of resident complaints. The RAD Conversion also generated approximately 240 jobs including federal "Section 3" opportunities for low-income residents. The RAD Conversion utilized numerous sources of funding including 9% LIHTC, 4% LIHTC, tax credit investor funds, conventional loans, seller notes and "gap" financing.

As of today, the Sponsor's Public Housing portfolio of approximately 195 units consists of 179 units under a HUD Commitment to Enter into a Housing Assistance Payment Contract ("CHAP") and 16 units which are occupied public housing scattered sites member.

The Sponsor maintains a waitlist for housing assistance programs, including the Housing Choice Voucher (Section 8) and public housing. Due to high demand, the waitlist is opened annually during specific enrollment periods announced in advance. The Sponsor typically sees approximately 25,000 applicants. All applicants must meet eligibility requirements based on income and household size. Once on the waitlist, placement and wait times can vary. The Sponsor contacts applicants as housing opportunities become available.

Executive Summary Excerpt March 2025

2024							2025				
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep
Occupancy	89%	89%	89%	89%	90%	89%	89%	89%	89%	88%	87%
Rental Collection	90%	92%	90%	90%	92%	91%	91%	92%	93%	94%	91%

Low Income Housing Tax Credit Portfolio. The Sponsor, directly and through affiliates, owns, and operates 36 properties, approximately 5,493 units, at affordable apartment complexes that are financed with low-income housing tax credits (“LIHTC”). The Sponsor has one LIHTC portfolio property under construction that will open by March 2026. Informally, these properties are referred to as the “Tax Credit” units.

Workforce Housing Portfolio. During 2018 through 2025, the Sponsor’s Board approved the construction of 19 apartment complexes, consisting of 5,865 units. These 19 apartment complexes, Class A-type or close to Class A apartments, focus on middle-income working residents as opposed to the extremely low and very-low-income residents served by Sponsor’s other programs. In its Workforce Housing Portfolio, at least 50 percent of the units are reserved for occupancy by individuals and families earning less than 80 percent of the area median family income (AMI). These properties are owned/operated in similar manner to the Chaparral Project prior to the current acquisition, via joint ownership with private parties. These properties are expected to derive additional ongoing net revenues upon construction completion, property stabilization and ongoing operations. Such net revenues are expected to become General Revenues accretive to those already summarized in the Funding Agreement section of this document.

The term “workforce housing” is becoming increasingly common in affordable industry yet has no specific legal or program definition. This industry term generally refers to housing for middle-income workers which includes professions such as police officers, firefighters, teachers, health care workers, retail workers, service workers, restaurant workers, skilled tradesmen, and other comparable professions.

Housing Choice Voucher Program. The Housing Choice Voucher (“HCV”) program is a major federal government program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. HCV program housing assistance is issued on behalf of the family or individual who, in turn, are then able to find their own housing, including single-family homes, townhouses, and apartments from private or public landlords. An HCV participant is free to choose any available housing that meets the requirements of the program and is not limited to units located in subsidized housing projects.

The Sponsor administers over 6,420 HCV vouchers in Fort Worth. The Sponsor is paid a federal formula by HUD to administer these vouchers.

The Sponsor has a history of high performance in its HCV program administration. The Sponsor has been rated as a “high performer” or better on its Section Eight Management Assessment Program, a federal performance assessment metric, in all years from 2013 to the present.

Other Housing Programs and Properties. As a large housing provider, the Sponsor operates an array of other housing programs or properties, including, but not limited to the following:

Veteran Affairs Supportive Housing (“VASH”) Program. The Sponsor currently administers approximately 397 VASH vouchers under the HUD-Veteran Affairs Supportive Housing program, which combines HUD Section 8 vouchers and specialized rental assistance into a single housing program for homeless veterans.

Section 8 Moderate Rehabilitation Single Room Occupancy Program: The Section 8 Moderate Rehabilitation Single Room Occupancy Program provides rental assistance to homeless individuals. Under the program, HUD entered into Annual Contributions Contracts (ACCs) with public housing agencies (PHAs) in connection with the moderate rehabilitation of residential properties that, when rehabilitation is completed, will contain multiple single room dwelling units. Funding for new projects ceased after 2011. Expiring contracts are now renewed. The Sponsor currently provides assistance for 70 units.

Emergency Housing Voucher (EHV): The Sponsor provides 103 HCV in order to assist individuals and families who are homeless, at-risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability.

Permanent Supportive Housing (PSH)-Project Based Vouchers (PBV): The Sponsor owns or assists several developments where some or all of the units are subsidized under the Section 8 program. Under this program, subsidies attach to qualifying housing units rather than to qualifying individuals or families. There are currently approximately 348 units subsidized under this program.

Continuum of Care: The Sponsor provides assistance as part of the Continuum of Care program to quickly rehouse homeless individuals, families, persons fleeing domestic violence, dating violence, sexual assault, and stalking, and youth while minimizing the trauma and dislocation caused by homelessness; to promote access to and effective utilization of mainstream programs by homeless individuals and families, and to optimize self-sufficiency among those experiencing homelessness.

Projects Recently Completing Construction or Under Construction. The Sponsor has several projects which have recently completed construction or are currently under construction or in pre-construction phases.

Project	Description	Units	Completion/ Anticipated Completion
Jefferson Primrose	Mixed income multifamily	404	2/2026
Babers Manor (LIHTC)	Mixed income multifamily	80	3/2026
Jefferson Eastchase	Mixed income multifamily	398	7/2026
The Dutton (formerly The Quinn)	Mixed income multifamily	218	12/2026

[Remainder of Page Intentionally Blank]

PLAN OF FINANCE

General

The proceeds of the Bonds will be applied for the purpose of (i) financing the cost of the acquisition of the Project; (ii) financing the cost of certain capital improvements through a deposit into the Project Account of the Project Fund; (iii) funding deposits in the Capitalized Interest Account of the Project Fund; and (iv) paying the costs and expenses incidental to the issuance of the Bonds.

ESTIMATED SOURCES AND USES OF FUNDS*

The proceeds of the sale of the Bonds and certain other money in the approximate amounts set forth below are expected to be applied as follows:

Sources:

Principal Amount of Bonds	\$65,980,000.00
Original Issue Discount	(756,372.15)
Total Sources	<u>\$ 65,223,627.85</u>

Uses:

Deposit to Acquisition Account of the Project Fund	64,200,000.00
Costs of Issuance ⁽¹⁾	1,023,627.85
Total Uses	<u>\$ 65,223,627.85</u>

(1) Includes amounts for Bond Counsel, Underwriter's Counsel, Rating Agency, and Trustee fees, Trustee's Counsel Fees printing costs, Underwriter's discount, and other fees and costs associated with the issuance of the Bonds.

[Remainder of Page Intentionally Blank]

* Preliminary, subject to change.

DEBT SERVICE SCHEDULE

The following table sets forth an estimate of the debt service payments for the Bonds in 6-month periods ending April 1* and October 1*.

Period Ending	Principal	Interest
April 1, 2026		
October 1, 2026		
April 1, 2027		
October 1, 2027		
April 1, 2028		
October 1, 2028		
April 1, 2029		
October 1, 2029		
April 1, 2030		
October 1, 2030		
April 1, 2031		
October 1, 2031		
April 1, 2032		
October 1, 2032		
April 1, 2033		
October 1, 2033		
April 1, 2034		
October 1, 2034		
April 1, 2035		
October 1, 2035		
Totals ⁽¹⁾		

(1) Totals may not add due to rounding.

Source: KeyBanc Capital Markets Inc.

CERTAIN BONDOWNERS' RISKS

The purchase of the Bonds involves certain investment risks that are discussed throughout this Official Statement. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of all of the information presented in this Official Statement in order to make an informed investment decision. Certain of these risks are described below. The discussion of risk factors is not meant to be definitive or exhaustive.

General

Prospective purchasers of the Bonds should consider carefully all possible factors that may affect both the operation of and the revenues from the Project and the Sponsor's General Revenues, and consequently create the possibility that payment on the Bonds will not be made or that interest on the Bonds might be taxable from their date of issuance. The Bonds may not be a suitable investment for all prospective purchasers. Prospective purchasers should consult their investment advisors before making any decisions as to the purchase of the Bonds.

* Preliminary, subject to change.

Special Obligations

THE ISSUER SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON, THE BONDS SOLELY OUT OF THE TRUST ESTATE. THE BONDS SHALL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE. THE BONDS SHALL CONSTITUTE A VALID CLAIM OF THE RESPECTIVE OWNERS THEREOF AGAINST THE TRUST ESTATE, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THE INDENTURE. THE BONDS SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE STATE, THE CITY, THE SPONSOR (EXCEPT AS PROVIDED IN THE FUNDING AGREEMENT) OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION WHATSOEVER. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE CITY, THE SPONSOR (EXCEPT AS PROVIDED IN THE FUNDING AGREEMENT), OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE BONDS OR THE INTEREST OR ANY PREMIUM THEREON OR OTHER COSTS INCIDENT THERETO. NEITHER THE MEMBERS OF THE BOARD OF DIRECTORS OF THE ISSUER NOR ANY PERSON EXECUTING BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE ISSUER HAS NO TAXING POWER.

NO MEMBER, DIRECTOR, OFFICER, AGENT, EMPLOYEE OR ATTORNEY OF THE ISSUER, INCLUDING ANY PERSON EXECUTING THE INDENTURE OR THE BONDS, SHALL BE LIABLE PERSONALLY ON THE BONDS OR FOR ANY REASON RELATING TO THE ISSUANCE OF THE BONDS. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS, OR FOR ANY CLAIM BASED ON THE BONDS, OR OTHERWISE IN RESPECT OF THE BONDS, OR BASED ON OR IN RESPECT OF THE INDENTURE OR ANY SUPPLEMENTAL INDENTURE, AGAINST ANY MEMBER, DIRECTOR, OFFICER, EMPLOYEE OR AGENT, AS SUCH, OF THE ISSUER OR ANY SUCCESSOR, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE OF THIS SERIES AND AS PART OF THE CONSIDERATION FOR THE ISSUANCE OF THE BONDS, EXPRESSLY WAIVED AND RELEASED.

Casualty Loss or Condemnation

The insurance coverage for damage to or destruction of the Project may not adequately reimburse the income loss or total cost of reconstruction in the event of a casualty. Also, a particular loss may be excluded from coverage. Condemnation of the Project or a portion thereof may result in the remaining income being inadequate to make debt service payments on the Bonds. In such event, the Issuer anticipates that it would use other available funds, including moneys under the Funding Agreement, to make up any shortfall.

Leasing Restrictions; Tenant Occupancy

Upon the acquisition of the Project, pursuant to the Regulatory Agreement, the Issuer has agreed to ensure that the following income restrictions are met following the Initial Compliance Date and thereafter, at all times:

- (i) no less than 10% of the available units in the Project shall be rented to and occupied by tenants whose income is not greater than 60% of median gross income for the Metropolitan Statistical Area for Fort Worth, Texas, as defined by HUD (the "Area") ("60% Income Tenant");
- (ii) no less than 40% of available units in the Project shall be rented to and occupied by tenants whose income is not greater than 80% of median gross income for the Area ("80% Income Tenant" and together with the 60% Income Tenant as "Lower Income Tenant"); and
- (iii) no less than 90% (including the 50% described in (i) and (ii) above) of the available units in the Project shall be rented to and occupied by tenants whose income does not exceed 140% of median gross income for the Area, with no adjustments for family size ("Eligible Tenant").

While failure by the Issuer to meet the targeted income restriction categories will result in a default under the Regulatory Agreement, the sole remedy for such a default is specific performance. There can be no assurance

that the Issuer can meet the targeted income restriction categories due to the availability of qualified tenants for each income restriction category.

The Regulatory Agreement imposes other substantial limitations on the ownership and operation of the Project. *See* Appendix A – “DEFINITIONS OF CERTAIN TERMS; SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL DOCUMENTS – THE REGULATORY AGREEMENT.”

Property Tax Exemption

The Project is eligible for an exemption from certain taxes including ad valorem real estate taxes and voter approved taxes (collectively, the “Real Estate Taxes”) pursuant to Section 11.11(a) of the Texas Tax Code and Section 392.005 of Chapter 392 of the Texas Local Government Code by virtue of being owned by the Issuer and being used for public purposes. In order to obtain the exemption following its acquisition of the Project, the Issuer must file a change in ownership report with Tarrant Appraisal District, the property tax authority for all governmental entities in Tarrant County, in connection with recording the deed with the applicable county recorder and the property tax exemption is expected to apply automatically by virtue of Texas law. There can be no absolute assurance that this will be the case. There is a reasonable chance that upcoming sessions of the Texas Legislature may revise the criteria for qualification for operation and tax exemption of property under Chapter 392 of the Texas Local Government Code.

Agreement by the Sponsor to make Contributions to Cover Debt Service Shortfalls under the Funding Agreement

Although the Sponsor has agreed to make payments from its General Revenues to cover Debt Service Shortfalls under the Funding Agreement, there is no assurance that General Revenues of the Sponsor will be available or sufficient for that purpose. This agreement by the Sponsor to use funds from its General Revenues for the payment of its obligations under the Funding Agreement is subject to the right of the Sponsor to undertake, without limitation, other obligations to pay debt service shortfalls on bonds or other obligations issued by public facility corporations created by the Sponsor. The Sponsor may also pledge any specific revenues, which otherwise would be General Revenues, to the payment of other obligations, those payments to have a priority over the payments to be made under its obligations under the Funding Agreement. The Sponsor has previously agreed to use its General Revenues to provide for the timely payment of bonds or other obligations issued by its public facility corporations and anticipates doing so in the future. *See* “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Funding Agreement.”

Many factors could affect the availability of General Revenues of the Sponsor to pay its obligations under the Funding Agreement. The Sponsor’s overall financial wellbeing is partially dependent upon federal funding. *See* “CERTAIN BONDHOLDERS’ RISKS – Federal Housing Programs.”

Prospective purchasers of the Bonds should assume that the Bonds will be paid solely from Net Operating Income, and funds held by the Trustee. If Net Operating Income is insufficient to meet debt service on the Bonds, there is no assurance that payments by the Sponsor under the Funding Agreement from its General Revenues will be available or sufficient for that purpose.

THE OBLIGATIONS OF THE SPONSOR UNDER THE FUNDING AGREEMENT ARE NOT GENERAL OBLIGATIONS OF THE SPONSOR. THE AGREEMENT BY THE SPONSOR TO MAKE PAYMENTS UNDER THE FUNDING AGREEMENT FROM ITS GENERAL REVENUES DOES NOT CONSTITUTE A PLEDGE OF THE SPONSOR’S EXISTING UNRESTRICTED OR UNENCUMBERED ASSETS.

Amendments of Indenture, Funding Agreement and Deed of Trust

The Indenture, the Funding Agreement and the Deed of Trust may be amended in certain circumstances without the consent of any Owners or with the consent of the Owners of a majority in principal amount of Bonds then Outstanding. *See* Appendix A – “DEFINITIONS OF CERTAIN TERMS; SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL DOCUMENTS – THE INDENTURE –Amendment of Indenture” and “– Amendment of Funding Agreement or Deed of Trust.” Such amendments could adversely affect the security for the Bonds.

Risks Related to Other Obligations of the Sponsor

The Sponsor intends to provide undertakings similar to the Funding Agreement in connection with future projects to be financed with bonds issued by public facility corporations created by the Sponsor.

Possible Limitations on Remedies and Enforcement of Security Interests

While the Bonds are secured pursuant to the Indenture and the Deed of Trust and payable primarily from the Net Operating Income from the Project, the practical realization of security interests in certain money and investments (which are perfected only to the extent they may be perfected by the Trustee's possession of certain money and investments) upon any default will depend upon the exercise of various remedies specified by the Indenture, the Funding Agreement and the Deed of Trust, including foreclosure. This and other remedies are in many respects dependent upon judicial actions, which are often subject to discretion and delay. Under existing constitutional, statutory and judicial law, the remedies specified by the Indenture, the Funding Agreement, the Deed of Trust or other related documents may not be readily available or may be limited by bankruptcy or by other similar laws affecting creditors' rights. In addition, in the event of a foreclosure, there can be no assurance that amounts realized from the foreclosure of the Project would be sufficient to pay the Bonds. *See Appendix B – "CERTAIN INFORMATION REGARDING THE PROJECT."*

It is not possible to perfect a security interest in certain revenues of the Issuer pledged to the payment of the Bonds prior to the actual possession of the cash relating to such items by the Trustee.

In addition, the enforceability of the security interests created under the Indenture in the Net Operating Income and Project Revenues may be subject to subordination or prior claims in certain instances, in addition to bankruptcy. The Issuer and the Trustee are not entering into any depository agreement or other contractual arrangement whereby the Trustee will have any claim of possession with respect to the Net Operating Income or Project Revenues or any revenues of the Sponsor prior to the actual deposit of amounts derived with the Trustee.

The legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, ruling and decisions affecting remedies by bankruptcy, insolvency, organization or other laws of general application affecting the enforcement of creditors' rights, and, by limitations potentially imposed on the basis of public policy.

Potential purchasers of Bonds should consult legal counsel or otherwise familiarize themselves with the relevant Texas laws.

Subordinate Obligations

The Project may, from time to time, be subject to deeds of trust securing Subordinate Obligations. The Indenture requires that Subordinate Obligations be specifically subordinated to the payment and security of the Bonds, and that the obligee of Subordinate Obligations agree that, until the Bonds have been paid in full, it will not, without the Trustee's consent, accelerate its loan(s), commence foreclosure proceedings with respect to the Project, or take certain other actions. Subordinate Obligation Documents may contain covenants and events of default that differ from, and/or are in addition to, those included in the Indenture.

An acceleration, foreclosure, or similar event under a Subordinate Obligation Document is not, in and of itself, an Event of Default under the Indenture. However, the Issuer covenants in the Indenture that it will not cause or permit any default under any Subordinate Obligation Document to occur and continue beyond any applicable notice or grace period, if such default may result in an acceleration of the Issuer's obligations under any Subordinate Obligation Document or the exercise of foreclosure, deed in lieu of foreclosure, or similar remedies under any Subordinate Obligation Document. The failure to comply with such covenant could, with the giving of notice and passage of time as provided in the Indenture, cause an Event of Default under the Indenture.

Refinancing Risk

Net Operating Income is not expected to be available in amounts sufficient to pay the principal of the Bonds at maturity, or to pay amounts due on acceleration of maturity or redemption of the Bonds. There is no liquidity facility

in place to provide funds to make final scheduled payments on the Bonds, or to make required payments upon acceleration. There is no assurance that Net Operating Income or Project Revenues or any revenues of the Sponsor available for payment under the Funding Agreement would be available or sufficient to pay debt service of the Bonds when due at maturity, or upon earlier redemption or acceleration. The Issuer currently expects that the Bonds will be refinanced prior to maturity, or that the Project will be sold with the sale(s) to become effective upon the final maturity of the Bonds, with proceeds used to pay the principal of the Bonds at maturity. There can be no assurance that such refinancing or sale will be achievable, or on what terms such refinancing or sale may be available. Failure to pay the principal of or premium, if any, or interest on any Bond when due is an Event of Default.

Limitations on Forecasting

The Issuer has prepared certain forecasted financial information regarding the Project budget set forth in this Official Statement. The prospective financial information was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information but, in the view of the Issuer, was prepared on a reasonable basis, reflects the best currently available estimates and judgments and presents, to the best of the Issuer's knowledge and belief, the expected course of action and the expected future financial performance of the Project. However, this information is not fact and should not be relied upon as necessarily indicative of future results. Readers of this Official Statement are cautioned not to place undue reliance on the forecasted financial information. No independent accountant has compiled, examined or performed any procedures with respect to the prospective financial information contained herein, nor has any independent accountant expressed any opinion or any form of assurance on such information or its achievability, or assumed any responsibility for or association with the prospective financial information.

Project Feasibility

No independent financial feasibility study has been made of the Project. *See* Appendix B – "CERTAIN INFORMATION REGARDING THE PROJECT."

Environmental Matters

Under the federal Comprehensive Environmental Response, Compensation and Liability Act, a secured party that takes a deed in lieu of foreclosure, purchases a mortgaged property at a foreclosure sale or operates a mortgaged property may become liable in certain circumstances for the cost of remedial action ("Remedial Action Costs") if hazardous waste or hazardous substances have been released or disposed of on the property. Such Remedial Action Costs could subject all or a portion of the Project to a lien and reduce or eliminate the amounts otherwise available to pay the Owners of the Bonds if such Remedial Action Costs were incurred.

Early Redemption; Potential Loss of Premium

Purchasers of Bonds, including those who purchase Bonds at a price in excess of their principal amount or who hold such a Bond trading at a price in excess of par, should consider the fact that the Bonds are subject to redemption prior to maturity and to repayment upon an acceleration of the indebtedness reflected in the Bonds at a redemption price or payment upon acceleration equal to their principal amount plus accrued interest, without premium, and acceleration. *See* "THE BONDS – Redemption of the Bonds" and "– Acceleration."

Competing Facilities

The Issuer or the Sponsor, persons who may be affiliated with the Issuer or the Sponsor and others may own, finance, develop, construct and operate other facilities in the area of the Project that could compete with the Project. Any competing facilities could adversely affect occupancy and revenues of the Project.

Effects on Exemption of Interest From Federal Income Taxes

The exemption of interest on the Bonds from federal income taxes is dependent upon continuing compliance by the Issuer with the requirements of the Code. If there is a failure to comply, interest on the Bonds could become includable for federal income tax purposes in the gross incomes of the Owners thereof, which inclusion in gross income could be retroactive to the date of issuance of the Bonds. The Trustee may not have remedies available to it to mitigate the

adverse economic effects to the Owners of the Bonds resulting from the interest on the Bonds becoming subject to federal income taxation. If interest on the Bonds becomes includable in the Owners' gross incomes, the effect will be to reduce the yield on an Owner's Bonds as a result of the income tax liability incurred in connection with the receipt of interest on the Bonds. Any such loss of tax-exempt status can be expected to have a material adverse effect on the market price of the Bonds.

Secondary Market and Prices

It has been the practice of the Underwriter to maintain a secondary market in municipal securities it sells, and the Underwriter currently intends to engage in secondary market trading of the Bonds, subject to applicable securities laws. The Underwriter, however, is not obligated to engage in secondary trading or to repurchase any of the Bonds at the request of the Owners thereof. Because of general market conditions or because of adverse history or economic prospects connected with a particular issue or issuer, secondary marketing activity in connection with a particular issue may be suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price. **THERE CAN BE NO GUARANTEE THAT THERE WILL BE A SECONDARY MARKET FOR THE BONDS, OR IF A SECONDARY MARKET EXISTS, THAT THE BONDS CAN BE SOLD FOR ANY PARTICULAR PRICE.**

Federal Housing Programs

The overall financial well-being of the Sponsor, and its ability to make any payments under the Funding Agreement, is partially dependent upon federal funding. The willingness of the U.S. Government to support subsidized housing has varied since the adoption of the U.S. Housing Act of 1937. Likewise, the allocation of federal funds in support of housing does not necessarily come through housing authorities.

Congress can and in some cases has adversely affected housing authority revenues in numerous ways including, without limitation, failing to create additional programs administered by housing authorities and permitting existing programs to expire; decreasing the operating subsidy for public housing units; decreasing the administrative fee for the administration of the Section 8 Certificate and Voucher Programs; and directing federal resources through other channels.

Activities of local housing authorities are closely monitored and regulated by HUD. Regulation can take the form of limitations in spending or compulsory spending in areas that could adversely affect the General Revenues of the Sponsor available to the Owners of the Bonds. HUD is required to review housing authorities' budgets to the extent of federal involvement. HUD regularly audits local housing authorities and can compel the repayment to the United States of funds that HUD has found to have been misspent. Such required reimbursements can be withheld from continued operating subsidies, thus depriving the Sponsor of resources.

Various proposals have been discussed that would significantly change the structure and programs of HUD. At this time it is not possible to determine what, if any, proposals may become law and what effect such proposals may have on the ability of the Sponsor to make any payments which may be required under the Funding Agreement.

The Sponsor's Workforce Housing portfolio apartments, including the Project, do not and are not anticipated to receive any direct federal program funding and will not be impacted by annual federal appropriations.

Landlord Tenant Laws

In recent years, various laws and regulations have provided greater protections to residential tenants. Additional proposals have been discussed that could create further changes in the operation of residential rental properties. At this time it is not possible to determine what, if any, proposals may become law and what effect such proposals may have on the ability of the Issuer to make debt service payments on the Bonds.

Municipal Bankruptcies

An entity such as the Issuer and the Sponsor must be specifically authorized under state law in order to seek relief under Chapter 9 of the U.S. Bankruptcy Code (the "Bankruptcy Code"). While the Issuer and the Sponsor do not have

taxing authority, each is a political subdivision of the State of Texas. Involuntary bankruptcy proceedings against municipal entities are not permitted under Chapter 9 of the Bankruptcy Code. The federal bankruptcy courts have broad discretionary powers under the Bankruptcy Code.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified by reference to bankruptcy, reorganization, insolvency, fraudulent conveyance, moratorium and other similar laws affecting the rights of creditors generally, and by general principles of equity.

Cyber Security

The Issuer and the Sponsor each relies on a complex technology environment to conduct its operations. A cybersecurity breach could damage Issuer and/or Sponsor systems and cause material disruption to operations and services, which could affect the funds available to the Issuer to repay the Bonds. The cost to remedy such damage or protect against future attacks could be substantial. Security breaches could expose the Issuer and/or the Sponsor to litigation and other legal risks, which could cause the Sponsor to incur costs related to legal or regulatory claims.

To ensure the safety of its computer and technology networks, the Sponsor conducts regular periodic cyber security training for all its employees (the Issuer has no employees). This training is mandated by Texas Government Code Sections 2054.519 and .5191, which provide that certain employees with material access to local governmental computer systems must complete cyber security training on at least an annual basis. The Sponsor is in compliance with this state law provision.

The Sponsor utilizes a third-party service to monitor cyber security risks, including potential “phishing” attacks and other risks, and provide the required training. The third-party cyber security service is certified by the Texas Department of Information Resources. The third-party service provides daily risk assessments and monitoring to the Sponsor’s information technology staff. The third-party service also includes automated messages to computer users to remind them of possible network attacks, reinforce best practices, and update them on emerging threats. The third-party service also monitors to ensure all staff are receiving updated cyber security training, with 100 percent of all employees completing training in September 2025 and through the third quarter of 2025.

The Sponsor has also successfully undergone self-audits of its cyber security and network preparedness.

Disasters and Climate Change

Although the Sponsor has implemented a disaster preparedness plan for itself and its public facility company affiliates, including the Issuer, there can be no assurance that these or any additional measures will be adequate in the event a natural disaster occurs, nor that costs of preparedness measures will be as currently anticipated. Damage to the Project and/or to the Sponsor’s facilities could cause a material increase in costs for repairs and a material adverse impact on the Issuer’s and/or the Sponsor’s finances.

Neither the Issuer nor the Sponsor can give assurance regarding the effect of an earthquake, seismic activity in Texas or in other areas, volcano, wind storms, mudslides, extreme weather events, or other natural disaster or that proceeds of insurance carried by the Issuer and/or the Sponsor would be sufficient, if available, to rebuild and reopen the Project in the case of the Issuer or the facilities of the Sponsor or that surrounding facilities and infrastructure could or would be rebuilt and reopened in a timely manner following a major earthquake or other natural disaster.

Climate change may intensify and increase the frequency of extreme weather events, such as drought, wildfires, floods, and heat waves, and raise sea levels along the coast. The loss of life and property damage that could result from a major earthquake or other major natural disasters could have a material and adverse impact on the Issuer and/or the Sponsor and the local community and economy.

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the “Code”) establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds for interest on the Bonds to be and remain excluded from gross income of the owners thereof for federal income tax purposes under Section 103(a) of the Code. Noncompliance with

such requirements may cause interest on the Bonds to be included in gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The Issuer and the Trustee have covenanted to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for federal income tax purposes under Section 103(a) of the Code (the “Covenants”). The Tax Compliance Certificate entered into by the Issuer with respect to the Bonds (the “Tax Agreement”), which will be delivered concurrently with the delivery of the Series 2025 Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The Issuer, in executing the applicable Tax Agreement, will certify to the effect that the Issuer expects and intends to comply with the provisions and procedures contained therein.

In rendering the opinions described below with respect to the Bonds, Bond Counsel has relied upon the Covenants and has assumed the material accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Agreement. However, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the tax status of interest on the Bonds.

In addition, Bond Counsel has relied, among other things, on the opinion of Coats Rose, P.C., counsel to the Issuer, regarding, among other matters, the current qualification of the Issuer as a governmental entity and the current intended future use and operation of the facilities to be financed with proceeds of the Bonds. Such opinion is subject to a number of qualifications and limitations. Furthermore, counsel to the Issuer cannot give and has not given any opinion or assurance about the future activities of the Issuer, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or changes in enforcement thereof by the Internal Revenue Service (the “Service”). Failure of the Issuer to be organized and operated in accordance with the requirements necessary to maintain its status as a governmental entity, may result in interest payable concerning the Bonds being included in federal gross income, possibly from the date of the original issuance of the Bonds.

Certain requirements and procedures contained or referred to in the Indenture, the Tax Agreement and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Coats Rose, P.C.

Tax Opinions

In the opinion of Coats Rose, P.C., Bond Counsel to the Issuer, under existing laws, regulations, rulings and judicial decisions and assuming continuing compliance by the Issuer with its Covenants and the Tax Agreement, interest on the Bonds is excludible from gross income for federal income tax purposes under Section 103(a) of the Code.”

In the further opinion of Bond Counsel, interest on the Bonds is not an item of tax preference under Section 57(a) of the Code in computing the federal alternative minimum tax for individuals and corporations. However, interest on the Bonds is included in the “adjusted financial statement income” (as determined under Section 56A of the Code) of “applicable corporations” (as defined in Section 59 of the Code) for purposes of determining the alternative minimum tax under section 55 of the Code applicable to such “applicable corporations.”

Ownership of the Bonds may result in certain collateral federal income tax consequences to certain Bondholders.

A copy of the opinion of Bond Counsel for the Bonds is set forth in Appendix D, attached hereto.

Certain Federal and State Tax Consequences

The following is a discussion of certain federal and state income tax matters under existing statutes. It does not purport to deal with all aspects of federal or state taxation that may be relevant to particular bondholders of the Bonds.

Although Bond Counsel has rendered an opinion that, with certain assumptions, interest on the Bonds is excludible from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest

on, the Bonds may otherwise affect a Bondholder's federal, state or local tax liabilities. The nature and extent of these other tax consequences may depend upon the particular tax status of the Bondholder or the Bondholder's other items of income or deduction. Bond Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion, and each Bondholder or potential Bondholder is urged to consult with tax counsel with respect to the effects of purchasing, holding or disposing of the Bonds on the tax liabilities of the individual or entity.

For example, ownership or disposition of the Bonds may result in other collateral federal, state or local tax consequence for certain taxpayers, including, without limitation, increasing the federal tax liability of certain foreign corporations subject to the branch profits tax imposed by Section 884 of the Code, increasing the federal tax liability of certain insurance companies under Section 832 of the Code, increasing the federal tax liability and affecting the status of certain S Corporations subject to Sections 1362 and 1375 of the Code, and increasing the federal tax liability of certain individual recipients of Social Security or Railroad Retirement benefits under Section 86 of the Code. Ownership of the Bonds may also result in the limitation of interest, and certain other deductions for financial institutions and certain other taxpayers under Section 265 of the Code. Finally, residence of the holder of the Bonds in a state may result in income or other tax liability being imposed by such states or their political subdivision based on the interest or other income from the Bonds.

Changes in Federal and State Tax Law

From time to time, legislative proposals are pending in Congress that if enacted would alter or amend one or more of the federal tax matters referred to above in certain respects or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any of such proposals, either pending or that could be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced that, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the bonds or the market value thereof would be impacted thereby.

Prospective purchasers of the Bonds should consult their tax advisors as to the impact of any proposed or pending legislation, regulatory action or litigation.

Information Reporting and Backup Withholding Requirement

Interest on tax-exempt obligations such as the Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. In general, such information reporting requirements are satisfied if the bondholder completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or the bondholder is one of a limited class of exempt recipients, such as corporations. Backup withholding (i.e., the requirement for the payor to deduct and withhold a tax, calculated in the manner determined under the Code, from the interest payment) may be imposed on payments made to any bondholder who fails to provide certain required information, including an accurate taxpayer identification number, to any person required to collect such information under Section 6049 of the Code. Neither compliance with this reporting requirement nor backup withholding, in and of itself, affects or alters the excludability of interest on the Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

THE FEDERAL TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON A BONDHOLDER'S PARTICULAR SITUATION. INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX IMPLICATIONS OF HOLDING AND DISPOSING OF THE BONDS UNDER APPLICABLE STATE OR LOCAL LAWS, INCLUDING THE EFFECT OF ANY PENDING OR PROPOSED LEGISLATION, REGULATORY INITIATIVES OR LITIGATION. FOREIGN INVESTORS SHOULD ALSO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES UNIQUE TO INVESTORS WHO ARE NOT U.S. PERSONS.

BOND COUNSEL'S OPINIONS ARE BASED ON EXISTING LEGISLATION AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY AUTHORITIES AS OF THE DATE OF ISSUANCE AND DELIVERY OF THE BONDS. SUCH OPINIONS ARE FURTHER BASED ON BOND COUNSEL'S KNOWLEDGE OF FACTS AS OF THE DATE THEREOF. BOND COUNSEL ASSUMES NO DUTY TO UPDATE OR SUPPLEMENT ITS OPINIONS TO REFLECT ANY FACTS OR CIRCUMSTANCES THAT MAY THEREAFTER COME TO BOND COUNSEL'S ATTENTION OR TO REFLECT ANY CHANGES IN ANY LAW THAT MAY THEREAFTER OCCUR OR BECOME EFFECTIVE. MOREOVER, BOND COUNSEL'S OPINIONS ARE NOT A GUARANTEE OF RESULT AND ARE NOT BINDING ON THE INTERNAL REVENUE SERVICE (THE "SERVICE"); RATHER, SUCH OPINIONS REPRESENT BOND COUNSEL'S LEGAL JUDGMENT BASED UPON ITS REVIEW OF EXISTING LAW AND IN RELIANCE UPON THE REPRESENTATIONS AND COVENANTS REFERENCED ABOVE THAT IT DEEMS RELEVANT TO SUCH OPINIONS.

THE SERVICE HAS AN ONGOING AUDIT PROGRAM TO DETERMINE COMPLIANCE WITH RULES THAT RELATE TO WHETHER INTEREST ON STATE OR LOCAL OBLIGATIONS IS INCLUDABLE IN GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. NO ASSURANCE CAN BE GIVEN WHETHER OR NOT THE SERVICE WILL COMMENCE AN AUDIT OF THE BONDS. IF AN AUDIT IS COMMENCED, IN ACCORDANCE WITH ITS CURRENT PUBLISHED PROCEDURES, THE SERVICE IS LIKELY TO TREAT THE ISSUER AS THE TAXPAYER AND THE BONDHOLDERS MAY NOT HAVE A RIGHT TO PARTICIPATE IN SUCH AUDIT. PUBLIC AWARENESS OF ANY FUTURE AUDIT OF THE BONDS COULD ADVERSELY AFFECT THE VALUE OF THE BONDS DURING THE PENDENCY OF THE AUDIT REGARDLESS OF THE ULTIMATE OUTCOME OF THE AUDIT.

ABSENCE OF MATERIAL LITIGATION

There is no controversy of any nature now pending against the Issuer, or, to the knowledge of the Issuer's officers, threatened, which seeks to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or the application of the proceeds of the Bonds as contemplated by the Indenture, or in any way contesting or affecting the validity of the Bonds, any proceedings of the Issuer taken with respect to the issuance or sale thereof, the pledge or application of any money or security provided for the payment of the Bonds, the existence or powers of the Issuer or the title of any officers of the Issuer to their respective positions.

APPROVAL OF LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds by the Issuer are subject to the approving legal opinion of Coats Rose, P.C., Houston, Texas, Bond Counsel to the Issuer. The form of the opinion of Bond Counsel with respect to the Bonds is attached as Appendix D. The opinion of Bond Counsel is given based on factual representations made to Bond Counsel, and under existing law, as of the date of initial delivery of the Bonds, and Bond Counsel assumes no obligation to revise or supplement its opinion to reflect any facts or circumstances that may thereafter come to its attention, or any changes in law that may thereafter occur. The opinion of Bond Counsel is an expression of its professional judgment on the matters expressly addressed in its opinion and does not constitute a guarantee of result. Certain legal matters will be passed upon for the Issuer by its counsel, Coats Rose, P.C., and for the Underwriter by its counsel, Dinsmore & Shohl LLP.

CONTINUING DISCLOSURE

Undertaking to Provide Continuing Disclosure

To meet the requirements of paragraph (b)(5) of United States Securities and Exchange Commission ("SEC") Rule 15c2-12 ("Rule 15c2-12"), as applicable to a participating underwriter for the Bonds, the Issuer and the Sponsor will each undertake (each an "Undertaking" and collectively, the "Undertakings") for the benefit of holders of the Bonds to provide, or cause to be provided, to the Municipal Securities Rulemaking Board ("MSRB"), certain annual financial information of the Issuer and the Sponsor, notices of certain events, and certain information regarding the Project. The forms of Undertakings are set forth in Appendices F-1 and F-2.

RATING

S&P Global Ratings (the “Rating Agency”) has assigned a rating of “A+” to the Bonds. Such rating reflects only the view of the Rating Agency and an explanation of the significance of such rating mentioned above may only be obtained from the Rating Agency. There is no assurance that the rating mentioned above will continue for any given period of time or that such rating will not be suspended, revised downward or withdrawn entirely, if in the judgment of the Rating Agency circumstances so warrant. The Issuer and the Underwriter have undertaken no responsibility to oppose any such proposed revision or withdrawal. Any suspension, downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds are being purchased by KeyBanc Capital Markets Inc. (the “Underwriter”) pursuant to a bond purchase contract entered into by and among the Issuer, the Sponsor and the Underwriter. The Bonds are being purchased at a price equal to \$ _____ (representing the aggregate principal amount of the Bonds, minus an original issue discount of \$ _____, less an underwriting discount of \$ _____). The bond purchase contract provides that the Underwriter will purchase all of the Bonds, if any are purchased. The obligation of the Underwriter to accept delivery of the Bonds is subject to various conditions contained in the bond purchase contract.

The Underwriter intends to offer the Bonds to the public at the offering price set forth on the inside front cover page of this Official Statement, which offering price may subsequently change without any requirement of prior notice.

ISSUER AUDITS

Because the Issuer is a newly formed special-purpose organization, recently formed to provide for the financing and operation of the Project, no financial statements of the Issuer are available.

SPONSOR AUDITS

CliftonLarsonAllen, LLP is the Sponsor’s independent auditor, and it currently audits the Sponsor’s financial statements. The Sponsor’s audited financial statements for the years ended December 31, 2023 and December 31, 2024, are included in APPENDIX C-1. CliftonLarsonAllen, LLP has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen, LLP also had not performed any procedures relating to this Official Statement.

CONFLICTS

Some or all of the fees of the Underwriter, Trustee, Underwriter’s Counsel, Bond Counsel and Issuer’s Counsel are contingent upon the sale of the Bonds. Furthermore, from time to time Bond Counsel may serve as counsel to the Underwriter with respect to transactions other than the issuance of bonds by affiliates of the Sponsor. None of the Directors or officers of the Issuer or Commissioners or other officers of the Sponsor have interests in the issuance of the Bonds that are prohibited by applicable law.

OTHER MATTERS

All excerpts from, and summaries and explanations of, the Indenture, the Funding Agreement, the Regulatory Agreement, the Deed of Trust, the Regulatory Agreement and the other documents referred to herein do not purport to be complete, and reference is made to those documents for full and complete statements of their provisions. Copies of such documents are available from the Trustee at the address set forth on page 1 of this Official Statement. The appendices attached hereto are a part of this Official Statement. All statements in this Official Statement involving matters of opinion, estimates or projections whether or not expressly so stated, are intended as such and not as representations of fact.

[Remainder of Page Intentionally Blank]

Execution

This Official Statement has been issued by the Issuer. This Official Statement is not to be construed as a contract or agreement between the Issuer and the purchasers or holders of any of the Bonds.

FW RAMBLE PUBLIC FACILITY CORPORATION,
a Texas public facility corporation

By: _____
Mary-Margaret Lemons, Secretary/Treasurer

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

DEFINITIONS OF CERTAIN TERMS; SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL DOCUMENTS

The following statements are brief summaries of certain provisions of the principal documents executed in connection with the issuance of the Bonds that have not been described elsewhere in this Official Statement. The summaries do not purport to be complete and reference is made to the actual documents available from the Trustee for a full and complete statement of the provisions thereof.

Certain Definitions

Unless the context otherwise requires, capitalized terms used in the following summaries of the principal documents and elsewhere in this Official Statement have the meanings set forth below, such definitions to be equally applicable to both the singular and plural forms of any of the terms defined below.

“Accountant” means any firm of independent certified public accountants selected by the Issuer.

“Acquisition Account” means the account of that name within the Project Fund established pursuant to the Indenture.

“Act” means Chapters 303 and 392, Texas Local Government Code, as amended.

“Authorized Denomination” means \$5,000 or any integral multiple thereof.

“Authorized Investments” means:

1. Government Obligations.
2. Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:
 - (a) Senior debt obligations rated in one of the two highest long-term rating category by at least two nationally recognized rating agencies issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC).
 - (b) Senior debt obligations of the Federal Home Loan Bank System.
 - (c) Senior debt obligations of other U.S. government sponsored agencies.
3. U.S. dollar denominated deposit accounts, certificates of deposit, federal funds and bankers' acceptances with domestic commercial banks which either (a) have a rating on their short-term certificates of deposit on the date of purchase in the highest short-term rating category of at least two nationally recognized rating agencies, (b) are insured at all times by the Federal Deposit Insurance Corporation, or (c) are collateralized with direct obligations of the United States of America at one hundred two percent (102%) valued daily. All such certificates must mature no more than three hundred sixty (360) days after the date of purchase (ratings on holding companies are not considered as the rating of the bank).
4. Commercial paper that is rated at the time of purchase in the highest short-term rating category of at least two (2) nationally recognized rating agencies and that matures not more than two hundred seventy (270) days after the date of purchase.
5. Investments in (a) money market funds subject to SEC Rule 2a-7 and rated in the highest short-term rating category of at least two nationally recognized rating agencies.
6. Pre-refunded municipal obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, authority, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(a) that are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest long-term rating category of at least two (2) nationally recognized rating agencies; or

(b) (i) that are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or direct obligations of the United States of America, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and

(ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

7. General obligations of states with a long-term rating in one (1) of the three (3) highest rating categories of at least two (2) nationally recognized rating agencies. If such obligations are variable rate obligations, the interest rate on such obligations must be reset not less frequently than annually.

8. Other forms of investments (including repurchase agreements) approved in writing by the Issuer (which writing shall be accompanied by an opinion of Bond Counsel to the effect that such investment is permitted under applicable State law) and provided or guaranteed by a financial institution with a long-term rating in one (1) of the three (3) highest rating categories of at least two (2) nationally recognized rating agencies at the time the agreement is entered into. In the event such obligations are variable rate obligations, the interest rate on such obligations must be reset not less frequently than annually.

“Authorized Representative” means, with respect to the Trustee, any officer thereof, and with respect to the Issuer, any officer or any other person(s) designated by resolution of the Issuer’s Board of Directors as the authorized representative of the Issuer.

“Bond” or “Bonds” means one or more of the Issuer’s Residential Development Revenue Bonds (Ramble and Rose Project) Series 2025, authorized by, and at any time Outstanding pursuant to, the Indenture.

“Bond Counsel” means Coats Rose, P.C., or any other firm of nationally recognized bond counsel designated by the Issuer as its bond counsel for the Bonds.

“Bond Fund” means the fund of that name established pursuant to the Indenture.

“Bond Register” means the books for registration of the Bonds kept for the Issuer by the Bond Registrar as provided in the Indenture.

“Bond Registrar” means the authenticating agent, paying agent and bond registrar for the Bonds, which shall initially be the Trustee.

“Bond Year” means each one-year period that ends on the date selected by the Issuer. The first and last Bond Years may be periods shorter than a one-year period. If no date is selected by the Issuer before the earlier of the final maturity date of the Bonds or the date that is five years after the Date of Issue, Bond Years shall end on each anniversary of the Date of Issue and on the final maturity date of the Bonds.

“Bondowner” means the Owner of any Bond.

“Business Day” means any day, other than a Saturday or a Sunday, on which banking institutions are open in the State of Texas and in the state(s) in which the Corporate Trust Office of the Trustee and the office of the Bond Registrar designated from time to time by the Bond Registrar for the transfer or exchange of Bonds are located.

“Capitalized Interest Account” means the account of that name within the Project Fund established pursuant to the Indenture.

“Closing Memorandum” means the Memorandum of Bond Closing with respect to the Bonds, prepared by KeyBanc Capital Markets Inc., and dated the Date of Issue.

“Code” means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code, and (d) the Regulations promulgated under the provisions described in (b) and (c).

“Computation Period” means each period for which the Rebate Amount is determined.

“Condemnation Award” means the total condemnation proceeds actually paid by the condemnor as a result of the condemnation of all or any part of the property subject to the Deed of Trust, less the actual costs and expenses, including attorneys’ fees, incurred by the Issuer and/or the Trustee in obtaining such award.

“Corporate Trust Office” means the office of the Trustee located at (i) for purposes of presentation of Bonds for payment or transfer, the designated corporate trust or operations office of the Trustee, initially at 1707 Grand Boulevard, Kansas City, Missouri, or (ii) for all other purposes, BOKF, NA, 5956 Sherry Lane, Suite 900 Dallas, Texas 75225, or such other office(s) as the Trustee may designate from time to time.

“Costs of Issuance” means all expenses of issuing the Bonds, including but not limited to legal, fiscal and printing expenses, the initial fees of the Trustee (including any fees and expenses of counsel to the Trustee) under the Indenture, or the initial fee of any bank or other agency for collection or administration of the Bonds, advertising expenses, any underwriter’s discount on or placement fee for the Bonds, financial advisor fees and expenses and any and all other similar out-of-pocket expenses incurred for the purpose of issuing the Bonds.

“Costs of Issuance Fund” means the fund of that name created pursuant to the Indenture.

“Date of Issue” means the date the Bonds are issued and delivered to the initial purchaser thereof.

“Debt Service Shortfall” has the meaning ascribed to such term in the Funding Agreement.

“Debt Service Requirements” is defined under the heading “The Funding Agreement – Sponsor Payment of Funding Obligations.”

“Debt Service Shortfall” is defined under the heading “The Funding Agreement – Sponsor Payment of Funding Obligations.”

“Declaration of Acceleration” means a declaration given in accordance with the provisions of the Indenture that all principal of and interest on the Bonds are due and payable immediately.

“Deed of Trust” means the Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing, dated as of the Date of Issue, executed by the Issuer, as grantor, to a deed of trust trustee named therein, in favor of the Trustee, as beneficiary, on behalf of the Registered Owners, as amended, and any other encumbrance on the Project securing the repayment of any debt of the Issuer.

“Determination of Taxability” means a final judgment or order of a court of original jurisdiction, a final order of any other court of competent jurisdiction, or a final ruling or decision of the Internal Revenue Service, in any such case to the effect that the interest on the Bonds is not excludable from the gross income of the Owners thereof for federal income tax purposes. With respect to the foregoing, a judgment or order of a court or a ruling or decision of the Internal Revenue Service shall be considered final only if no appeal or action for judicial review has been filed and the time for filing such appeal or action has expired.

“DTC” means The Depository Trust Company.

“Event of Default” means any of the events specified in the Indenture as set forth under the heading, “THE INDENTURE – Events of Default and Remedies of Bondowners – Events of Default.”

“Extraordinary Maintenance Expenses” means the cost of those unforeseen repairs and improvements, and other expenses, that are necessary, in the opinion of the Chief Executive Officer or Secretary of the Issuer (or, if the Trustee

has foreclosed the Deed of Trust or appointed a receiver for the Project, in the opinion of the Trustee or its agent or advisors), for the viability of the Project.

“Environmental Laws” means all local, state and federal laws, ordinances, regulations, orders and reported state or federal court decisions thereunder related to (i) environmental protection; (ii) the use, storage, generation, production, treatment, emission, discharge, remediation, removal, disposal or transport of any Hazardous Substance; or (iii) any other environmental matter.

“Fair Market Value” means the price at which a willing buyer would purchase an investment from a willing seller in a bone fide, arm’s-length transaction, except for specified investments described in Section 1.148-5(d)(6) of the Regulations, including United States Treasury obligations, certificates of deposit, guaranteed investment contracts, and investments for yield restricted defeasance escrows. Fair Market Value is generally determined on the date on which a contract to purchase or sell an investment becomes binding, and, to the extent required by the applicable regulations under the Code, the “investment” will include a hedge.

“Fiscal Year” means the fiscal year of the Issuer, initially the 12-month period ending on December 31 of each year.

“Funding Agreement” means the Funding Agreement dated as of December 1, 2025, between the Issuer and the Sponsor.

“Funds” means the funds created and established pursuant to the Indenture, including, but not limited to, the Bond Fund, the Costs of Issuance Fund and the Project Fund, but excluding the Rebate Fund.

“Government Obligations” means (1) noncallable, nonredeemable, direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America, including instruments evidencing an ownership interest in securities described in this clause (1); and (2) obligations, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following: Federal Home Loan Bank System, Export-Import Bank of the United States, Federal Financing Bank, Federal Land Banks, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association or Federal Housing Administration.

“Hazardous Substances” means any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous, toxic or radioactive substance, or other similar term, by any Environmental Laws, and shall include any such substance or material as may hereafter become defined or designated as a hazardous or toxic material by any Environmental Laws.

“Indenture” means the Trust Indenture dated as December 1, 2025, between the Issuer and the Trustee, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture.

“Insurance Proceeds” means the total proceeds of casualty insurance (excluding business interruption insurance and other insurance intended to replace lost revenue) actually paid or payable in respect of insurance on the Project, less the actual costs and expenses, including attorneys’ fees and expenses, incurred by the Issuer and/or the Trustee in collecting such proceeds.

“Interest Payment Date” means the first day of each April 1* and October 1* after the Date of Issue, commencing April 1, 2026*. In the case of payment of defaulted interest, “Interest Payment Date” also means the date of such payment established pursuant to the Indenture.

“Investment Earnings” means all net earnings derived from the investment of money held in any of the Funds.

“Issuer” means FW Ramble Public Facility Corporation, a public facility corporation organized and existing under the laws of the State.

* Preliminary, subject to change.

“Letter of Representations” means the Blanket Issuer Letter of Representations from the Issuer to DTC.

“Net Operating Income” means Project Revenues less Operation and Maintenance Costs.

“Operation and Maintenance Costs” means all necessary costs to the Issuer of operating and maintaining the Project, including but not limited to administrative and general expenses, costs of insurance (including reasonable contributions for self-insurance reserves, if any), consulting and technical services and repairs and replacements (to the extent not properly classifiable as capital costs), but excluding depreciation (or reserves therefor), amortization of intangibles or other bookkeeping entries of a similar nature and debt service on the Bonds and any other debt obligations of the Issuer relating to the Project.

“Outstanding,” when used as of any particular time with reference to Bonds, means all Bonds theretofore, or thereupon being, authenticated and delivered by the Bond Registrar under the Indenture except (1) Bonds theretofore canceled by the Bond Registrar or surrendered to the Bond Registrar for cancellation; (2) Bonds with respect to which all liability of the Issuer shall have been discharged as described under the heading, “THE INDENTURE – Discharge of Obligations to Bondowners – Defeasance of Bonds”, and (3) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Bond Registrar pursuant to the Indenture.

“Owner”, whenever used with respect to a Bond, means the Person in whose name such Bond is registered on the Bond Register.

“Permitted Encumbrances” means (a) liens for taxes, assessments or similar charges either not yet due or being contested in good faith; (b) liens of materialmen, mechanics, warehousemen, or carriers, or other like liens arising in the ordinary course of business and securing obligations that are not yet delinquent; (c) easements, rights-of-way, servitudes, restrictions, mineral reservations and other defects, encumbrances and irregularities that do not materially impair the use or value of the subject property; (d) regulatory agreements, covenants and other instruments that require the Issuer to restrict residential leasing of the Project or any portion thereof to qualified residential tenants and/or to lease the Project at affordable rates; (e) rights reserved to or vested in any municipality or public authority (other than the Issuer) by the terms of any right, power, franchise, grant, license, permit or provision of law affecting the Project or portion thereof, so long as such rights do not secure monetary obligations and the Issuer’s title to the Project or portion thereof cannot be foreclosed pursuant thereto; (f) leases and other use rights permitted by the Indenture; (g) liens securing Subordinate Obligations; and (h) the liens and encumbrances of record against the Project on the Date of Issue.

“Person” means an individual, corporation, firm, association, partnership, limited liability company, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Project” means the multifamily rental housing facility consisting of a total of approximately 275 units and related improvements, personal property and equipment known initially as Ramble and Rose, 501 W Rosedale St., Fort Worth, TX 76104.

“Project Account” means the account of that name within the Project Fund created pursuant to the Indenture.

“Project Fund” means the fund of that name created pursuant to the Indenture.

“Project Revenues” means all amounts due to or received by the Issuer or by the Trustee for the account of the Issuer pursuant or with respect to the Project, including without limitation all rental revenue, subsidy payments, lease payments, payments on contractors’ bonds, and Insurance Proceeds and Condemnation Awards, and proceeds resulting from foreclosure of the Deed of Trust, but excluding refundable security deposits.

“Rating Agency” means the nationally recognized rating agency or agencies, if any, at the time rating the Bonds at the request of the Issuer, initially S&P Global Ratings.

“Rebate Amount” means an amount equal to the sum of (1) the excess of (a) the aggregate amount earned from the Date of Issue on all nonpurpose investments in which gross proceeds of the Bonds are invested (not including income attributable to the excess amount described in clause (1)) over (b) the amount that would have been earned if the yield

on such nonpurpose investments (not including income attributable to the excess amount described in clause (1)) had been equal to the yield on the Bonds, plus (2) all income attributable to the excess amount described in clause (1) whether or not that income exceeds the yield on the Bonds (i.e., whether or not that income was earned at a yield higher than the yield on the Bonds), all as determined in accordance with Section 148 of the Code.

“Rebate Fund” means the fund of that name, the creation of which is provided for in the Indenture.

“Record Date” means the 15th day of the calendar month preceding each Interest Payment Date.

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Sponsor” means the Housing Authority of the City of Fort Worth, Texas d/b/a Fort Worth Housing Solutions.

“State” means the State of Texas.

“Subordinate Obligations” shall mean, individually and collectively, obligations of the Issuer payable in whole or in part from all or a portion of Project Revenues and/or secured by any lien or encumbrance on the Project, so long as (i) such obligations are specifically subordinated as to payment to the Bonds, and (ii) the obligee of such obligation agrees, for the benefit of the Trustee and its successors and assigns that, until the Bonds have been paid in full, if a default occurs and is continuing under documents pertaining to such obligations, the obligee shall not, without the Trustee’s prior written consent, accelerate its loan(s), commence foreclosure proceedings with respect to the Project, collect rents, appoint (or seek the appointment of) a receiver, or institute any other enforcement action with respect to the Project (other than actions for specific performance of any regulatory agreements, covenants, and other instruments that require the Issuer to restrict residential leasing of the Project or portion thereof to any qualified residential tenants and/or to lease the Project at affordable rents). Any consent of the Trustee as described in clause (ii) above shall be given only in accordance with the Indenture.

“Subordinate Obligation Documents” shall mean, collectively, all instruments, agreements and other documents evidencing, securing or otherwise relating to the Subordinate Obligations or executed and delivered by the Issuer in connection with the Subordinate Obligations, as the same may be amended, restated, supplemented or otherwise.

“Supplemental Indenture” means any indenture hereafter duly authorized and entered into between the Issuer and the Trustee, supplementing, modifying or amending the Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized thereunder.

“Tax Certificate” means the Tax Regulatory Agreement and No-Arbitrage Certificate dated the Date of Issue.

“Trust Estate” means the trust estate pledged by the Issuer and described in the Granting Clauses of the Indenture.

“Trustee” means BOKF, NA, a national banking association organized and existing under the laws of the United States of America, or its successor, in its capacity as trustee under the Indenture.

“Trustee’s Ordinary Fees and Expenses” means the annual administration fee for Trustee’s ordinary fees and expenses in rendering its services under the Indenture during each twelve-month period, which fee is initially equal to \$8,000 (plus a one-time acceptance fee on the Date of Issue of \$2,500) and shall be payable annually in advance on the Date of Issue and each annual anniversary thereof, together with all third party and out-of-pocket expenses of Trustee (including, but not limited to, the fees and expenses of counsel to Trustee), and other compensation and fees as set forth in the Trustee’s Schedule of Fees.

The Indenture

General

The Indenture sets forth the terms of the Bonds, the nature and extent of the security, the various rights of the Owners, the rights, duties and immunities of the Trustee and the rights and obligations of the Issuer. Certain provisions of the

Indenture are summarized below. Other provisions are described in this Official Statement under the captions “THE BONDS” and “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

Creation of Funds and Accounts

The Indenture provides for the creation of a Bond Fund, a Project Fund (and within such fund an Acquisition Account, a Project Account and a Capitalized Interest Account), a Costs of Issuance Fund, and, if necessary, a Rebate Fund, all of which are to be held by the Trustee.

Bond Fund. The Trustee shall deposit in or transfer to the Bond Fund, to the extent funds are available for that purpose, and, if applicable, the Issuer shall deliver to the Trustee:

(a) on or before the 20th day of each May* and November* (or the immediately preceding Business Day if such day is not a Business Day), commencing in May 2026* (each, a “Debt Service Deposit Due Date”), from Net Operating Income of the Project the amount required to pay principal of and interest on the Bonds on the next Interest Payment Date, taking into account other amounts on deposit in the Capitalized Interest Account of the Project Fund or the Bond Fund available for that purpose; provided that principal amounts called for optional redemption on the immediately succeeding Interest Payment Date, in accordance with the Indenture, and interest thereon, shall not be required to deposit to the Bond Fund prior to such Interest Payment Date/redemption date;

(b) on or before any optional redemption date, an amount equal to the principal of and, if not an Interest Payment Date interest on the Bonds to be redeemed on that date as described under the heading, “The Bonds – Redemption of the Bonds – Optional Redemption” in the forepart of this Official Statement, taking into account other amounts on deposit in the Bond Fund available for that purpose;

(c) all amounts required to be transferred to the Bond Fund from the Costs of Issuance Fund;

(d) the net earnings on investments of money in the Bond Fund (except as described under “Investment of Money in Bond Fund” below);

(e) all amounts provided by the Sponsor pursuant to the Funding Agreement; and

(f) all other money required to be transferred to or deposited in the Bond Fund pursuant to any provision of the Indenture and the proceeds of any investment thereof.

The money and investments in the Bond Fund are irrevocably pledged and shall be used by the Trustee, from time to time, to the extent required, in the following order of priority:

(A) for the payment of the principal of and/or interest on Bonds coming due on the next Interest Payment Date;

(B) for the payment of the redemption price of Bonds called for optional redemption; and

(C) for transfer to the Rebate Fund, if any, to the extent the Trustee has received notice pursuant to the Tax Certificate that a Rebate Amount must be deposited in the Rebate Fund.

The Trustee shall deliver to the Bond Registrar on each redemption date or Interest Payment Date money from the Bond Fund to the extent available therein, in an amount sufficient to pay the principal of and premium, if any, and interest on all Bonds coming due on that date.

Investment of Money in Bond Fund. Pending application of money in the Bond Fund as set forth under the heading “Bond Fund” herein, such money shall be invested and reinvested by the Trustee in Authorized Investments. All net earnings on money and investments in the accounts in the Bond Fund shall first be transferred to the Rebate Fund, if any, if so required by paragraph (c) under the heading “Bond Fund”, and next shall be deposited in the Bond Fund.

* Preliminary, subject to change.

Debt Service Shortfall. If the amount on deposit in the Bond Fund following the deposits or transfers described in paragraph (a) under the heading “Bond Fund” above are insufficient to pay the principal (including pursuant to a mandatory sinking fund redemption as described under the heading, “The Bonds – Redemption of the Bonds – Mandatory Sinking Fund Redemption” in the forepart of this Official Statement) and interest due on the next Interest Payment Date, the Trustee is required, no later than two Business Days after the applicable Debt Service Deposit Due Date, to notify the Sponsor of the amount of the Debt Service Shortfall and request that pursuant to the Funding Agreement, the Sponsor provide the Trustee with such amount no later than one Business Day prior to the applicable Interest Payment Date.

Project Fund. Promptly upon receipt thereof, the Trustee shall deposit into the Project Account within the Project Fund all amounts derived from Bond proceeds required to be deposited therein pursuant to the Indenture, all net earnings on investments of money in the Project Account, and any amounts received by the Trustee for deposit therein from the Issuer or from any other source for purposes of paying capital expenditures associated with improvement and equipping of the Project.

The money and investments in the Project Fund shall be held in trust by the Trustee and applied in accordance with and subject to the provisions described under this subheading and, pending such application, shall be held for the further security of the Owners of the Bonds until applied as provided herein.

Immediately upon giving a Declaration of Acceleration, the Trustee shall transfer all funds in the Project Fund to the Bond Fund, until the amount on deposit in the Bond Fund equals the amount necessary to pay the principal of and interest on the Bonds coming due by reason of such acceleration.

Payments from the Project Fund.

(a) Acquisition Account. For or in connection with the acquisition of the Project, the Trustee shall, without the necessity of a funding requisition, transfer the balance of the Acquisition Account as specified in the Closing Memorandum.

(b) Project Account. Promptly following the deposit to the Project Account of the Project Fund set forth in the Indenture, the Trustee shall, without the necessity of a funding requisition, transfer amounts on deposit in the Project Account as specified in the Closing Memorandum. In addition, costs of capital expenditures associated with improvement and equipping of the Project shall be paid by the Trustee from the Project Account, but only to the extent of the balance therein, within five Business Days following receipt by the Trustee of a written request for payment from an Authorized Representative of the Issuer in substantially the form attached to the Indenture as an exhibit. All payments made from the Project Account pursuant to a written request for payment shall be presumed to be made properly and the Trustee shall not be required to see to the application of any payments made from the Project Account or to make any investigation or inquiry into the purposes for which withdrawals are being made from the Project Account.

(c) Capitalized Interest Account: On the Business Day immediately preceding each Interest Payment Date, commencing with the first Interest Payment Date following the Date of Issue, the Trustee shall transfer from the Capitalized Interest Account of the Project Fund to the Bond Fund, without submission of any request, the greater of the amount necessary to pay interest due on the Bonds on the next succeeding Business Day or the balance of the Capitalized Interest Account.

Establishment of Completion. The deemed completion date of the improvement and equipping of the Project shall be the earliest of (a) the date when the Trustee shall have received a certificate of an Authorized Representative of the Issuer to the effect that all capital costs associated with the improvement and/or equipping of the Project have been paid in full, (b) the date on which no money remains in the Project Account, or (c) the date that is three years after the Date of Issue, unless such date is extended upon receipt by the Trustee of an opinion of Bond Counsel that such extension will not result in a Determination of Taxability. Within five Business Days of the deemed completion date, the Trustee shall transfer any money and investments remaining in the Project Account to the Bond Fund, and the Trustee shall close the Project Fund. Such funds shall be used to make the payment of principal of and/or interest on the Bonds due on the next Interest Payment Date.

Investment of Money in the Project Fund. Pending application of money in the Project Fund, such money shall be invested and reinvested by the Trustee in accordance with the requirements described under the heading “Investment of Funds; Rebate Fund – Investment of Funds” herein. All Investment Earnings on money in the accounts within the Project Fund shall be deposited in such accounts within that Fund, subject to the provisions of described in paragraph (b) under the heading “Investment of Funds; Rebate Fund – Allocation of Income and Losses” herein.

Costs of Issuance Fund. Promptly upon receipt thereof, the Trustee shall deposit into the Costs of Issuance Fund all amounts derived from Bond proceeds required to be deposited therein, all net earnings on investments of money in the Costs of Issuance Fund and all amounts received by the Trustee from the Issuer or from any other source for purposes of paying Costs of Issuance. The money and investments in the Costs of Issuance Fund shall be held in trust by the Trustee and applied in accordance with and subject to the provisions described under this subheading and, pending such application, shall be held for the further security of the Owners of the Bonds until applied as provided in the Indenture. Immediately upon giving a Declaration of Acceleration, the Trustee shall transfer all funds in the Costs of Issuance Fund to the Bond Fund, until the amount on deposit in the Bond Fund equals the amount necessary to pay the principal of and interest on the Bonds coming due by reason of such acceleration.

Payments From Costs of Issuance Fund. Promptly following the deposit to the Costs of Issuance Fund set forth in the Indenture, the Trustee shall, without the necessity of a funding requisition, transfer amounts on deposit in the Costs of Issuance Fund as specified in the Closing Memorandum. Additional Costs of Issuance shall be paid by the Trustee from the Costs of Issuance Fund, but only to the extent of the balance therein, within five Business Days following receipt by the Trustee of a written request for payment from an Authorized Representative of the Issuer in substantially the form set forth in the Indenture (except that the Trustee shall pay those Costs of Issuance set forth in the Closing Memorandum without the necessity of a written request from the Issuer), provided, however, that the Issuer may pay such costs directly, in which case the Trustee shall reimburse the Issuer from the Costs of Issuance Fund, but only to the extent of the balance therein, within five Business Days of the Trustee’s receipt of the written request of an Authorized Representative of the Issuer in substantially the form set forth in the Indenture. All payments made from the Costs of Issuance Fund pursuant to a written request for payment from an Authorized Representative of the Issuer shall be presumed to be made properly and the Trustee shall not be required to see to the application of any payments made from the Costs of Issuance Fund or to make any investigation or inquiry into the purposes for which withdrawals are being made from the Costs of Issuance Fund.

Application of Balance in Costs of Issuance Fund. Within five Business Days of the earlier to occur of (a) the date when the Trustee shall have received a certificate of an Authorized Representative of the Issuer to the effect that all Costs of Issuance have been paid in full, (b) January 1, 2026, or (c) the date on which no money remains in the Costs of Issuance Fund, the Trustee shall transfer any money and investments remaining in the Costs of Issuance Fund (other than any money determined to be a Rebate Amount) to the Bond Fund to be used to make the payment of principal of or interest on Bonds due on the next Interest Payment Date and the Trustee shall close the Costs of Issuance Fund.

Investment of Money in the Costs of Issuance Fund. Pending application of money in the Costs of Issuance Fund as set forth under the heading “Costs of Issuance Fund” herein, such money shall be invested and reinvested by the Trustee in accordance with the requirements described under the heading “Investment of Funds; Rebate Fund – Investment of Funds”. All Investment Earnings on money in the Costs of Issuance Fund shall be deposited in that Fund, subject to the provisions described in paragraph (b) under the heading “Investment of Funds; Rebate Fund – Allocation of Income and Losses” herein.

Investment of Funds; Rebate Fund

Investment of Funds. Except as otherwise provided in the Indenture, money on deposit in the Project Fund, the Costs of Issuance Fund, and the Bond Fund shall be invested and reinvested by the Trustee in Authorized Investments, as directed in writing by an Authorized Representative of the Issuer at least two Business Days in advance of the investment, which direction shall certify that such investment is an Authorized Investment; but in the event of the failure of the Issuer to provide timely written directions as to such investment or reinvestment, the Trustee shall invest or reinvest any or all money held by it in the Project Fund, the Costs of Issuance Fund, and the Bond Fund in the sweep investment vehicle identified by an Authorized Representative of the Issuer in writing at least one Business Day in advance of the investment, and if no sweep investment vehicle is identified, the Trustee shall hold such funds uninvested. The Trustee may deem such investments as Authorized Investments without independent investigation thereof.

Money in the Bond Fund shall be invested only in Authorized Investments, as evidenced by the certificate of the Issuer described in the preceding paragraph, maturing no later than the date money in such account is needed to make the payments authorized to be made therefrom. The Trustee is hereby authorized and directed to sell or redeem any such investments as it deems necessary to make any payments or distributions required under the Indenture.

Pending application of the money in the Rebate Fund as required pursuant to the Indenture as described in the fourth paragraph under the heading “Investment of Funds; Rebate Fund – Rebate Fund” herein, such money shall be invested and reinvested, without regard to yield, in such Government Obligations maturing on or before the date the money invested therein is required to be paid to the United States pursuant to the Indenture as an Authorized Representative of the Issuer shall direct in writing at least two Business Days prior to the date of investment. However, if no such investment is available or if no such written direction is given, the Trustee shall invest such money in the sweep investment vehicle identified by an Authorized Representative of the Issuer in writing at least one Business Day in advance of the investment (and, if no investment vehicle is identified, all money shall be held uninvested).

The Trustee may invest in any Authorized Investment under the Indenture by or through its own or any affiliate’s investment department and may invest funds in its own proprietary money market funds or deposit products.

Allocation of Income and Losses. The interest and income received with respect to the investments in any Fund or account held by the Trustee under the Indenture, and any profit or loss resulting from the sale of any such investments, shall be deposited and credited upon receipt, or charged, as follows: (a) all interest, income and profit received from the investment of money in the Rebate Fund shall be deposited and credited, upon receipt, to the Rebate Fund; (b) all earnings received from the investment of money in any Fund or account that has been determined to be a Rebate Amount, as determined in accordance with the provisions described in the second paragraph under the heading “Investment of Funds; Rebate Fund – Rebate Fund” herein, shall be deposited in and credited to the Rebate Fund (to the extent such money has not been previously disbursed to any Person pursuant to the terms of the Indenture); and (c) all loss resulting from the sale of any investments in any specified Fund or account shall be charged to such Fund or such account, and all earnings received from the investment of money in any Fund or account shall be credited as described above under the heading, “THE INDENTURE – Creation of Funds and Accounts.”

The Trustee may conclusively rely on the written instructions of the Issuer in investing money in any Fund or account (including that such investments are Authorized Investments and with respect to the suitability and legality of the directed investment), and shall not be accountable for any losses or depreciation in the value of the investments made in accordance with the provisions of the Indenture or for any losses incurred upon any authorized disposition thereof.

Rebate Fund. The Issuer authorizes the Trustee to establish a separate special fund designated as the “Rebate Fund” if at any time there is determined, pursuant to the second paragraph under this subheading, to be a Rebate Amount, which fund shall be segregated from all other funds and accounts held by the Trustee. If such a fund is established, the Trustee shall maintain the Rebate Fund until the expiration of 60 days after the retirement of the last Outstanding Bond.

Within 30 days after the end of each Computation Period, the Issuer shall determine or cause to be determined, by an Accountant or other qualified Person selected by the Issuer, in accordance with Section 148 of the Code and applicable Regulations promulgated under Section 148(f) of the Code and written instructions of Bond Counsel delivered to the Trustee and the Issuer from time to time, the Rebate Amount attributable to each account and/or fund for each Computation Period (initially, a five year period ending on the last day of each fifth Bond Year) on such determination date or dates as may be permitted by Section 148 of the Code and written instructions of Bond Counsel delivered to the Issuer and the Trustee, and give written notice to the Trustee not later than 15 days prior to the date on which payment is due to the U.S. Treasury of such Rebate Amount. The Trustee and the Issuer may conclusively rely upon the opinions, calculations, determinations, directions and advice of such Accountant or other Person without further investigation or inquiry, copies of all of which opinions, calculations, determinations, directions and advice shall be given to the Trustee by the Issuer. If the Trustee receives written notice that a Rebate Amount is determined to exist, the Trustee shall, after making the transfers to the Rebate Fund required by the Indenture, as described in paragraph (c) under the heading “Bond Fund” herein, notify the Issuer of the amount in the Rebate Fund available to pay the Rebate Amount, and the Issuer shall deliver an amount equal to any deficiency in the Rebate Fund to the Trustee, with instructions to deposit that amount in the Rebate Fund. If for any Computation Period the amount of money and investments held in the Rebate Fund exceeds the Rebate Amount for that Computation Period, the Trustee shall deposit

such excess to the Bond Fund. The Trustee shall not be responsible for calculating Rebate Amounts or for the adequacy or correctness of any rebate report.

The Trustee shall deposit in and credit to the Rebate Fund all amounts described in the subsections (a) and (b) in the first paragraph under the heading “Investment of Funds; Rebate Fund – Allocation of Income and Losses” herein, as determined in accordance with the second paragraph under the heading “Investment of Funds; Rebate Fund – Rebate Fund” herein, and all earnings received from the investment of those amounts.

The Trustee shall make the following payments from the money and investments in the Rebate Fund to the United States Treasury when and as indicated below as directed in writing by the Issuer (or on such other payment date or dates as may be permitted by Section 148 of the Code and specified in written instructions of the Issuer or Bond Counsel delivered to the Trustee), and shall file with the Internal Revenue Service such forms and/or reports as the Issuer provides to the Trustee for such purpose:

(a) not later than the 60th day following the end of each fifth Bond Year, an amount equal to 90% of the Rebate Amount for the Computation Period ending immediately prior to the date of payment; and

(b) not earlier than the date of payment of the last outstanding Bond, nor later than the 60th day thereafter, the amount, if any, which, when added to amounts previously paid to the United States as Rebate Amounts, will equal 100% of the Rebate Amount with respect to the Bonds.

The Trustee shall retain all records that have been delivered to it regarding the source of and determination of the Rebate Amounts required to be deposited and credited to the Rebate Fund, the proceeds of any investments of money in the Rebate Fund, and of the amounts paid to the United States Treasury from the Rebate Fund for six years after the retirement of the last Outstanding Bond, such other period as may be authorized by Section 148 of the Code, or for such longer period as may be required by the Trustee’s policies and procedures.

The Trustee may, in its sole discretion, establish such accounts within the Rebate Fund established under the Indenture, and subaccounts within any of such accounts, as the Trustee may deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from such accounts or subaccounts, but the establishment of any such additional account or subaccount shall not alter or modify any of the requirements of the Indenture with respect to the deposit or use of money in the Rebate Fund established under the Indenture or result in commingling of funds not permitted thereunder.

The Trustee shall have no responsibility or liability, independent of the specific duties set forth in the Indenture, resulting from its failure to enforce the Issuer’s compliance with any rebate requirements.

Acquisition, Valuation and Disposition of Investments. Except as otherwise provided in the next succeeding paragraph, all investments of amounts deposited in any fund or account created by or pursuant to the Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Code) will be acquired, disposed of, and valued (as of the date that valuation is required by the Indenture or the Code) at Fair Market Value. In determining Fair Market Value of Authorized Investments, the Trustee may use and rely conclusively and without liability upon any generally recognized pricing information service (including brokers and dealers in securities) available to it.

Investments in Funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code (unless valuation is undertaken at least annually) will be valued at their present value (within the meaning of Section 148 of the Code), as determined by the Issuer.

Issuer Covenants

The Issuer has covenanted and represented:

In General. That it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture and the Deed of Trust, in any and every Bond executed, authenticated and delivered under the Indenture and in all proceedings of its Board of Directors pertaining thereto.

Condemnation Awards and Insurance Proceeds. That it will at all times maintain such insurance on the Project, with such insurers and in such amounts, as is normally maintained by prudent owners of similar property in the area in which the Project is located.

If Insurance Proceeds or a Condemnation Award is paid, the Issuer shall, within 120 days after receipt of such Condemnation Award or Insurance Proceeds, determine whether it is economically practicable and desirable to restore the Project. If the Issuer determines that the restoration of the Project is economically practicable and desirable, the Issuer shall use the proceeds of the Condemnation Award or Insurance Proceeds to pay for costs of such restoration, and such proceeds shall, if required by the Indenture and described in the fourth paragraph under this subheading, be deposited with the Trustee.

If the Issuer determines that it is not economically practicable and desirable to restore the Project, the Issuer may immediately transfer such Condemnation Award or Insurance Proceeds to the Trustee, with written instructions to deposit such funds in the Bond Fund and to apply them to the payment, redemption or defeasance of Bonds.

If the Issuer determines to restore the Project following damage or condemnation, it shall apply any Condemnation Award or Insurance Proceeds to the restoration of the Project:

(a) If the Condemnation Award or Insurance Proceeds exceeds \$1,000,000, the Issuer shall certify to the Trustee in writing the amount of the Condemnation Award or Insurance Proceeds and that the Issuer has determined to restore the Project damaged or condemned, and the Issuer shall cause such Condemnation Award or Insurance Proceeds to be transferred to the Trustee for deposit into an insurance and condemnation account to be established for such purpose within the Project Fund. The Trustee shall disburse such funds to pay the costs of the restoration of the Project in accordance with the procedures described in subsection (b) under the heading "Payments from the Project Fund" herein. In such event, the Completion Date of the Project determined in accordance with the provisions described under the heading "Payments from the Project Fund" herein shall be adjusted to reflect a reasonable date for completion of such restoration, as determined by the Issuer and indicated in written notice from the Issuer to the Trustee, but in no event later than three years from the date of receipt by the Issuer of the Condemnation Award or Insurance Proceeds.

(b) If a Condemnation Award or the amount of Insurance Proceeds received by the Issuer in connection with the damage or condemnation of the Project is less than or equal to \$1,000,000, the Issuer may elect, at its option, to follow the procedures in (a) above, or to apply such proceeds directly to the restoration of the Project without depositing such proceeds or award with the Trustee; provided, however, that the Issuer shall provide written notice to the Trustee of the amount of such Condemnation Award or Insurance Proceeds and its election to apply such funds direction to restoration of the Project as contemplated by this subsection (b).

If the Issuer determines not to restore the Project, and to apply proceeds of the Insurance Proceeds or Condemnation Award to payment, redemption or defeasance of Bonds, the Issuer shall immediately transfer such Condemnation Award or Insurance Proceeds to the Trustee, with written instructions to deposit such funds in the Bond Fund and to apply them to the payment, redemption, or defeasance of Bonds.

Extensions of Payment of Bonds. That it will not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of the interest thereon without the consent of the Owners of all Outstanding Bonds.

Maintenance of the Project. That it will maintain the buildings and other improvements that are part of the Project in such condition as will not impair the operating unity or character of the Project as a multifamily residential facility and will neither commit nor suffer any waste on the Project.

Lien of Indenture. Except for Permitted Encumbrances and as otherwise contemplated in the Indenture, that it will not create or suffer to be created any lien securing repayment of a monetary obligation upon the Trust Estate or any part thereof. The Issuer agrees that except for refunding bonds and Subordinate Obligations, it will issue no other obligations, the payment of which is secured by money or amounts derived from Project Revenues.

At the written request of the Issuer, the Trustee shall release a portion of the property constituting the Project that is not material to the operation of the Project from the lien of the Indenture, and reconvey the Deed of Trust with respect to that portion of such property.

Sale, Encumbrance, or Lease of Project. Except for tenant leases of individual dwelling units, Permitted Encumbrances, and as otherwise permitted by the Indenture, so long as any Bonds remain Outstanding, neither property constituting the Project, nor any part thereof or interest therein, shall be encumbered by the Issuer. So long as any Bonds remain Outstanding, the Issuer shall not sell, lease or otherwise dispose of the Project, except (a) following release and conveyance of such portion of the property constituting the Project in accordance with the provisions of the Indenture described above under “*Lien of Indenture*”, (b) residential leases and (c) that the Issuer may lease space in the Project in a manner that will not result in a Determination of Taxability; and, in any event, such sale, lease or other disposition must not result in a Determination of Taxability.

Subordinate Obligations. That it will not cause or permit any default under any Subordinate Obligation Document to occur and continue beyond any applicable notice or grace period, if such default may result in an acceleration of the Issuer’s obligations under any Subordinate Obligation Document or the exercise of foreclosure, deed in lieu of foreclosure, or similar remedies under any Subordinate Obligation Document.

Events of Default and Remedies of Bondowners

Events of Default. The following events shall be Events of Default:

(1) default in the due and punctual payment of the principal of, premium, if any, or interest on any Bond when and as the same shall become due and payable, whether on any Interest Payment Date, at maturity as expressed therein, by proceedings for redemption (except as otherwise provided under the heading “The Bonds – Redemption of Bonds – Notice and Effect of Redemption” in the forepart of this Official Statement), by acceleration, or otherwise;

(2) default by the Issuer in the observance of any of the other covenants, agreements or conditions on its part contained in the Indenture, the Deed of Trust or the Bonds.

Notice and Opportunity to Cure Certain Defaults. No default under paragraph (2) under “Events of Default and Remedies of the Bondowners – Events of Default” herein shall constitute an Event of Default until a written notice shall have been given to the Issuer by the Trustee or by the Owners of a majority in the aggregate principal amount of the Bonds at the time Outstanding (with a copy of such notice to the Trustee), and the Issuer shall have had 60 days after the receipt of such notice to correct such default or cause such default to be corrected, and shall have failed to do so. In the event, however, that the default be such that it cannot be corrected within such 60 day period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer within such period and is diligently pursued until the default is corrected; provided that such cure period shall not extend more than one year from the Issuer’s receipt of written notice of such default as described under this subheading. Written notice of default provided to the Issuer shall (a) specify the default, (b) require that such default be remedied, and (c) request that the Issuer provide written confirmation of its receipt of such notice to the Trustee within five days of the Issuer’s receipt of such notice. If the Trustee has not received such written confirmation of receipt from the Issuer within 15 days of the Issuer’s deemed receipt of the initial notice, the Trustee shall provide a second written notice of default marked “Second Notice” to the Issuer (in substantially the same form as, or including a copy of, the initial notice of default), and the Trustee shall, if it has a telephone number for the Issuer, telephonically contact the Issuer to alert the Issuer to the delivery of such written notice.

Acceleration of Maturity. If an Event of Default described in paragraph (1) under “Events of Default and Remedies of Bondowners – Events of Default” herein shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee shall be entitled, upon written notice to the Issuer, or the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding shall be entitled, upon notice in writing to the Issuer and the Trustee, to declare the principal of all of the Bonds then Outstanding and the interest accrued thereon to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything contained in the Indenture or in the Bonds to the contrary notwithstanding.

The Trustee shall give or cause to be given notice of any such Declaration of Acceleration to the respective Owners of the Bonds at their addresses appearing on the Bond Register. Notice of such Declaration of Acceleration having

been given as aforesaid, anything to the contrary contained in the Indenture or in the Bonds notwithstanding, interest shall cease to accrue on such Bonds from and after the date established for payment of the Bonds pursuant to the Declaration of Acceleration if and to the extent that money to make such payment is on hand with the Trustee in any of the Funds on that date as determined under “Events of Default and Remedies of Bondowners – Application of Project Revenues and Other Funds After Default” herein.

Remedies Upon Default. Upon the occurrence and during the continuance of any Event of Default, then and in every such case the Trustee in its discretion may (subject to the provisions described under the subheading “*Trustee to Represent Bondowners*” below), and upon the written direction of the Owners of a majority in principal amount of the Bonds then Outstanding and receipt of indemnity against anticipated fees and expenses, including counsel fees, and liability satisfactory to the Trustee in its sole discretion (which indemnity is a condition precedent to its duties described under this subheading) shall, in its capacity as the Trustee of an express trust, pursue any one or more of the following remedies to the extent permitted by applicable law:

- (1) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Owners and require the Issuer to carry out any agreements with or for the benefit of the Bondowners and to perform its duties under the Act and the Indenture, provided that any such remedy may be taken only to the extent permitted under the applicable provisions of those agreements, the Act or the Indenture, as the case may be;
- (2) bring suit upon the Bonds;
- (3) by mandamus, or other suit, action or proceeding at law or in equity, require the Sponsor to carry out its agreements and obligations under the Funding Agreement;
- (4) foreclose the Deed of Trust to the extent permitted thereby, or exercise any remedies thereunder;
- (5) by action or suit in equity require the Issuer to account as if it were the trustee of an express trust for the Owners of the Bonds; or
- (6) by action or suit in equity enjoin any acts or things that may be unlawful or in violation of the rights of the Owners of the Bonds.

Upon instituting any such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Project Revenues and other assets pledged under the Indenture or the Deed of Trust, pending resolution of such proceeding. The Trustee shall have the right to decline to follow any direction of Bondowners that in the sole discretion of the Trustee would be unjustly prejudicial to the Trustee or to Bondowners not parties to such direction, that would expose the Trustee to unreasonable liability or financial exposure or that is not in accordance with law or the provisions of the Indenture, shall be entitled to rely without further investigation or inquiry upon any direction given by the Owners of a majority in aggregate principal amount of the Bonds Outstanding, and shall not be responsible for the propriety of or liable for the consequences of following any such direction. The Trustee shall not be required to foreclose the Deed of Trust or bid on behalf of Bondowners at any foreclosure sale (a) if, in the Trustee’s sole discretion, such action would subject the Trustee to personal liability for the cost of investigation, removal and/or remedial activity with respect to Hazardous Substances or (b) if the presence of any Hazardous Substance on the property subject to the Deed of Trust results in such property having no or nominal value. It is acknowledged and agreed that the Trustee has no authority to manage, own, or operate the Project, or any portion thereof, except as necessary to exercise remedies upon default.

Application of Project Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all Project Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of the Indenture (subject to Indenture provisions regarding payment of arbitrage rebate and discharge of the Indenture), Funding Agreement or the Deed of Trust shall be applied by the Trustee as follows and in the following order:

- (1) To the payment of any expenses necessary in the sole discretion of the Trustee to protect the interests of the Owners of the Bonds and reimbursement of the Trustee for any advances made by the Trustee for such purposes, and payment of reasonable fees, charges and expenses of the Trustee, including the Trustee’s Ordinary Fees and Expenses (and including reasonable fees of its counsel, agents and advisors) incurred in and about the performance of its powers and duties under the Indenture and the Deed of Trust;

(2) If the Trustee appoints a receiver or exercises remedies under the Deed of Trust, to the payment of Operation and Maintenance Costs and Extraordinary Maintenance Expenses;

(3) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of the Indenture, as follows:

(a) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

First: To the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the Persons entitled thereto of the unpaid principal of any Bonds that shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds, and, if the amount available shall not be sufficient to pay in full all of the principal due on the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the Persons entitled thereto, without any discrimination or preference; or

(b) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds, with interest on the overdue principal at the rate borne by the Bonds, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference; and

(4) To the Issuer.

Trustee to Represent Bondowners. Pursuant to the Indenture, the Trustee is irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be deemed to have so appointed the Trustee) as trustee for and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds, the Indenture, the Deed of Trust and applicable provisions of any law. All rights of action under the Indenture, the Deed of Trust or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all Owners of Bonds, subject to the provisions of the Indenture. The foregoing notwithstanding, the Trustee shall not be entitled to vote in favor of any plan of reorganization or similar restructure plan in any bankruptcy or other insolvency proceeding, to the extent that such a vote by the Trustee would alter the Indenture, or the rights of the Owners of any Outstanding Bonds, in any manner not permitted by the Indenture.

Bondowners' Direction of Proceedings. No Owner of any Bond shall have the right to institute any proceeding, judicial or otherwise, for the enforcement of the covenants contained in the Indenture, without the written concurrence of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time outstanding; but the Owners of such principal amount of Bonds may, subject to the limitations of and upon compliance with the Indenture, either at law or in equity, by suit, action, mandamus, application for appointment of a receiver or other proceeding, protect and enforce the rights of all Owners of Bonds, and may enforce the performance of all covenants and duties of the Issuer and its officials as set forth in the Indenture, including but not limited to foreclosure of the Deed of Trust and the collection and proper segregation and application of all Project Revenues. Nothing therein shall be construed as limiting or otherwise modifying the rights of the Owners and the Trustee under the Indenture, nor shall anything therein impair the absolute and unconditional right of the Owner of each Bond to receive payment of the principal thereof and interest thereon at the times provided in such Bond and in the Indenture, and to institute suit for the

enforcement of any such payment. Before the Owners may take any action under the Indenture, the Trustee may require that it be furnished an indemnity bond satisfactory to it in its sole discretion for the reimbursement of all expenses to which it may be put (including the reasonable expenses and disbursements of its in-house and outside counsel, independent appraisers, accountants, consultants, agents and other experts) and to protect it against all liability by reason of any action so taken by the Owners, except liability which is adjudicated to have resulted from the negligence or willful misconduct of the Trustee.

Limitation on Bondowners' Right to Sue. No Owner of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, or take any other action described above under the heading "THE INDENTURE – Events of Default and Remedies of Bondholders – *Bondowners' Direction of Proceedings*", for the protection or enforcement of any right or remedy under the Indenture, the Deed of Trust or any applicable law with respect to such Bond, unless (1) the Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in their names; (3) such Owner or Owners shall have tendered to the Trustee indemnity satisfactory to the Trustee in its sole discretion against the costs, expenses and liabilities to be incurred in compliance with such request (including the reasonable fees of its counsel, and the reasonable expenses and disbursements of independent appraisers, accountants, consultants, agents and other experts); and (4) the Trustee shall have refused or failed to comply with such request for a period of 60 days after such written request shall have been received by, and such tender of indemnity shall have been made to, the Trustee. Such notification, request, tender of indemnity and refusal or failure are declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy under the Indenture or under law; it being understood and intended that no one or more Bondowners shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Indenture or the Deed of Trust or the rights of any other Bondowners, or to enforce any right under the Indenture or applicable law with respect to the Bonds, except in the manner provided in the Indenture, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner provided in the Indenture, and for the benefit and protection of all Owners of Outstanding Bonds, subject to the provisions of the Indenture

Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Bondowners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Owners, then in every such case the Issuer, the Trustee and the Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights under the Indenture, severally and respectively, and all rights, remedies, powers and duties of the Issuer, the Trustee and the Owners shall continue as though no such proceedings had been taken. The Trustee shall restore the balance in each fund or account to its level prior to the occurrence of the Event of Default from and to the extent of money transferred from such fund or account as a result of the occurrence of such Event of Default and not disbursed in accordance with the Indenture.

Remedies Not Exclusive. Except with respect to the limitations on Owners' rights to sue set forth in "THE INDENTURE – Events of Default and Remedies of Bondholders – *Limitation on Bondowners' Right to Sue*", no remedy conferred by the Indenture upon or reserved to the Trustee or the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given under the Indenture or now or hereafter existing at law or in equity or otherwise.

No Waiver of Default. No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy given by the Indenture to the Trustee or to the Owners may be exercised from time to time and as often as may be deemed expedient.

Concerning the Trustee

Qualifications of Trustee. There shall at all times be a Trustee under the Indenture which shall be an association or a corporation organized and doing business under the laws of the United States of America or any state thereof, authorized under such laws to exercise corporate trust powers. Any successor Trustee shall have a combined capital and surplus of at least \$50,000,000 (or shall be a wholly owned subsidiary of an association or corporation that has such combined capital and surplus) and be subject to supervision or examination by federal or state authority, or shall have been appointed by a court of competent jurisdiction pursuant to the Indenture. If such association or corporation publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining

authority referred to above, then for the purposes of the provisions described under this subheading, the combined capital and surplus of such association or corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time any successor Trustee shall cease to be eligible in accordance with the provisions described under this subheading and another association or corporation is eligible, the Trustee shall resign in the manner and with the effect specified in the Indenture.

Resignation of Trustee. The Trustee may resign and be discharged from the trusts created by the Indenture by giving to the Issuer at least 60 days' advance written notice. Such resignation shall take effect on the day specified in such notice, but the Trustee shall not be discharged from the trusts created until a successor Trustee has been approved and appointed. Subsequent to such date, the Trustee shall have no further duties and obligations under the Indenture.

Removal of Trustee. The Trustee may be removed at any time, either with or without cause, by written notice from the Issuer so long as there has been no Event of Default which then remains uncured and provided that all fees and expenses of the Trustee that are due and owing and that are not disputed shall first be paid. The Trustee may be removed at any time, either with or without cause, by written notice from the Issuer or at the written request of the Owners of a majority in aggregate principal amount of Outstanding Bonds if an Event of Default has occurred and remains uncured, provided that all fees and expenses of the Trustee that are due and owing pursuant and that are not disputed shall first be paid. Any removal of the Trustee as described in this paragraph shall be effected by delivery to the Trustee and the Issuer (if applicable) of a written instrument to that effect signed by an Authorized Representative of the Issuer, or representatives of the Owners of a majority in aggregate principal amount of Outstanding Bonds, as applicable. Such removal shall take effect on the day specified in such notice, but the Trustee shall not be discharged from the trusts created by the Indenture until a successor Trustee has been approved and appointed. Subsequent to such date, the Trustee shall have no further duties and obligations under the Indenture.

Appointment of Successor Trustee. In case at any time the Trustee shall resign, be removed or otherwise become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver of the Trustee or of its property shall be appointed, or if a public supervisory office shall take charge or control of the Trustee or of its property or affairs, a vacancy shall forthwith and automatically be created in the office of such Trustee under the Indenture, and the Issuer shall promptly appoint a successor trustee. Any such appointment shall be made by a written instrument executed by an Authorized Representative of the Issuer. The Issuer shall direct the successor Trustee to mail notice by first class mail, postage prepaid, at least once within 30 days of such appointment, to the Owners of all Outstanding Bonds at their addresses on the Bond Register.

If, in a proper case, no appointment of a successor Trustee shall be made as described above within 90 days after the receipt by the Issuer of the Trustee's notice of resignation or of removal of the Trustee, the retiring Trustee, at the expense of the Issuer, or any Owner, may apply to any court of competent jurisdiction to appoint a successor Trustee. The court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Merger of Trustee. Any Person into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, automatically shall be and become successor trustee under the Indenture and shall be vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties to the Indenture, anything therein to the contrary notwithstanding, but only if such resulting entity is entitled under state or federal law to exercise corporate trust powers.

Discharge of Obligations to Bondowners

Defeasance of Bonds. If, in accordance with a refunding or defeasance plan, the Issuer shall issue refunding bonds or shall have money available from any other lawful source to pay the principal of and interest on the Bonds or such portion thereof included in the refunding or defeasance plan as the same become due and payable and to refund or defease such then Outstanding Bonds and to pay the costs of refunding or defeasance and any fees and expenses then due to the Trustee, and the Issuer shall have set aside irrevocably in a special fund for and pledged to such payment, refunding or defeasance, money and/or Government Obligations described in paragraph (1) of the definition of Government Obligations that are not subject to redemption prior to maturity sufficient in amount, together with known

earned income from the investments thereof, to make such payments and to accomplish the refunding or defeasance as scheduled (the “trust account”), and shall make irrevocable provisions for redemption of such Bonds, if applicable, then in that case all right and interest of the Owners of the Bonds to be so retired, refunded or defeased (collectively, the “defeased Bonds”) in the covenants of the Indenture, in the Trust Estate, and in the funds and accounts obligated to the payment of such defeased Bonds, other than the right to receive the funds so set aside and pledged, thereupon shall cease and become void, except that such Owners shall have the right to receive payment of the principal of and premium, if any, and interest on the defeased Bonds from the trust account and, in the event the funds in the trust account are not available for such payment, shall have the residual right to receive payment of the principal of and premium, if any, and interest on the defeased Bonds from the Trust Estate (but only if the Indenture has not been discharged as described below under the heading, “*Discharge of Indenture*”) without any priority of lien or charge against the Trust Estate or those covenants with respect thereto except to be paid therefrom (except that such rights as exist with respect to payment, exchange and transfer of such Bonds under the pertinent provisions of the Indenture shall continue in full force and effect). The Issuer shall include in the refunding or defeasance plan such provisions as the Issuer deems necessary for the random selection of any defeased Bonds that constitute less than all of the Bonds, for notice of the defeasance to be given to the Owners of the defeased Bonds and to such other Persons as the Issuer shall determine, for any required replacement of Bond certificates for defeased Bonds, and for new CUSIP numbers to be assigned to all or a portion of the defeased Bonds if less than all of the Bonds are to be defeased. After the establishing and full funding of such trust account, the defeased Bonds shall be deemed to be discharged and the Issuer then may cause any money in any other fund or account established for the payment or redemption of the defeased Bonds to such lawful purposes as it shall determine, subject only to the rights of the Owners of any other Bonds then Outstanding and the rights of the Trustee.

If the Bonds are registered in the name of DTC or its nominee, notice of any defeasance of Bonds shall be given to DTC in the manner prescribed in the Letter of Representations for notices of redemption of Bonds.

The Issuer shall notify the Trustee in writing of the defeasance of any Bonds. The Trustee may rely on any notice provided to it by the Issuer pursuant to the Indenture. However, the Trustee may in its discretion request that the Issuer provide to the Trustee (a) an opinion of Bond Counsel stating that the defeased Bonds are no longer deemed Outstanding under the Indenture and (b) unless cash and/or Government Obligations in a combined principal amount equal to the amount needed to pay principal of and interest on the defeased Bonds to their maturity or earlier date of redemption, without the need for any earnings on any such Government Obligations, is deposited in the trust account, written verification by an Accountant of the conformity of the trust account with the provisions described under this subheading. The Trustee may rely on any notice provided to it by the Issuer pursuant to the provisions described under this subheading.

Discharge of Indenture. The obligations of the Trustee under the Indenture shall remain in effect with respect to all Bonds until the principal of and premium, if any, and interest on all Bonds shall have been paid in full or discharged, notwithstanding that the lien of the Indenture may have been discharged with respect to some of the Bonds as described in the previous subheading. Any money held by the Trustee after payment or discharge of principal of and interest on all of the Bonds and all amounts due to the Trustee under the Indenture shall be free from the trust thereof and, except for any money held in the Rebate Fund, shall promptly thereafter be transferred to the Issuer, and the Trustee shall be released and discharged with respect thereto. None of the Issuer, the Trustee or the Bond Registrar shall be responsible for accounting for, or paying to, any Bondowner any return on or benefit from money held for the payment of unredeemed Bonds or outstanding checks, and no calculation of the same shall affect or result in any offset against fees and expenses due to the Trustee or the Bond Registrar under the Indenture

Amendment of Indenture

The Indenture shall not be supplemented or amended in any respect subsequent to the initial issuance of the Bonds, except as provided in and in accordance with and subject to the provisions of the Indenture.

Amendments to Indenture Without Consent of Owners. The Issuer and the Trustee may from time to time and at any time, without the consent of or notice to the Owners of the Bonds, enter into Supplemental Indentures for the following purposes:

(a) to cure any formal defect, omission, inconsistency or ambiguity in the Indenture in a manner not materially adverse to the Owner of any Bond;

(b) to impose upon the Trustee (with its consent) for the benefit of the Owners of the Bonds any additional rights, remedies, powers, authority, security, liabilities or duties that may lawfully be granted, conferred or imposed and that are not contrary to or inconsistent with the Indenture or the rights of the Trustee under the Indenture as theretofore in effect;

(c) to add to the covenants and agreements of, and limitations and restrictions upon, the Issuer in the Indenture other covenants, agreements, limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(d) to confirm, as further assurance, any pledge under, and the subjection to any claim, lien or pledge created or to be created by, the Indenture of any other money, securities or funds;

(e) to comply with any future federal law, regulation or interpretation to prevent the occurrence of an event that in the opinion of Bond Counsel would lead to a Determination of Taxability;

(f) to authorize different denominations of the Bonds and to make correlative amendments and modifications to the Indenture regarding exchangeability of Bonds of different Authorized Denominations, redemptions of portions of Bonds of particular Authorized Denominations and similar amendments and modifications of a technical nature;

(g) to make such changes as are required to provide for the conversion of the Bonds to certificated form;

(h) to make such changes as are required by the Rating Agency to obtain or maintain a rating for the Bonds;

(i) to make such changes as are elsewhere expressly permitted by the Indenture; and

(j) to modify, alter, amend or supplement the Indenture in any other respect which is not materially adverse to the Owners of the Bonds to be Outstanding after the effective date of the change and which does not involve a change described in “Amendment of Indenture, Funding Agreement and Deed of Trust – *Amendments to Indenture Requiring Consent of Majority of Owners.*”

Before the Issuer and the Trustee shall adopt any such Supplemental Indenture pursuant to the Indenture or simultaneously with such adoption, there shall be or have been delivered to the Issuer and the Trustee an opinion of Bond Counsel, to the effect that such Supplemental Indenture is authorized or permitted by the Indenture and will, upon the execution and delivery thereof, be valid and binding upon the Issuer in accordance with its terms and will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

Amendments to Indenture Requiring Consent of Majority of Owners. Except for any Supplemental Indenture entered into pursuant to the provisions described under “Amendment of Indenture, Funding Agreement and Deed of Trust – *Amendments to Indenture Without Consent of Owners*”, subject to the terms and provisions described under “Amendment of Indenture, Funding Agreement and Deed of Trust – *Amendments to Indenture Requiring Consent of Majority of Owners*” and not otherwise, the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding shall have the right from time to time to consent to and approve the entering into by the Issuer and the Trustee of any Supplemental Indenture deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in the Indenture.

Amendments to Indenture Requiring Consent of All Owners. Unless approved in writing by the Owners of all Bonds then outstanding, nothing in the Indenture shall permit, or be construed as permitting:

(a) a change in the times, amounts or currency of payment of the principal of or interest on any outstanding Bond, or a reduction in the principal amount or redemption price of any outstanding Bond or a change in the method of redemption or redemption price of any outstanding Bond, or

(b) a preference or priority of any Bond over any other Bond, or

(c) a reduction in the aggregate principal amount of Bonds, the consent of the Owners of which is required for any such Supplemental Indenture, or

(d) the creation of any lien or pledge of Project Revenues (other than the lien of any bonds issued to defease Bonds) ranking prior to or on a parity with the lien of the Bonds, or

(e) the modification of any of the provisions of the Indenture described under “Amendment of Indenture.

Procedures for Consent. If the Bonds are registered in the name of DTC or its nominee, then for purposes of obtaining the consent of the Owners of the Bonds the Trustee shall establish a record date for determining the identity of beneficial owners in accordance with the Letter of Representations, and notice to DTC of such record date shall be given to the address specified in the Letter of Representations.

If at any time the Issuer shall notify the Trustee in writing of its desire to enter into any Supplemental Indenture for any of the purposes described under “*Amendments to Indenture Requiring Consent of All Owners*” and “*Amendments to Indenture Requiring Consent of Majority Owners*” of this summary listed directly above, the Trustee shall, within 30 days of its receipt of such notice, cause notice (in the form provided by the Issuer) of the proposed Supplemental Indenture to be given by first class mail, postage prepaid, to all Owners of the then Outstanding Bonds and to the Rating Agency, if any. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture, shall request the consent of each Bondowner and shall state that a copy of the proposed Supplemental Indenture is on file at the office of the Trustee for inspection by all Owners of outstanding Bonds. After the date of the mailing of such notice, the Issuer and the Trustee may enter into such Supplemental Indenture substantially in the form described in such notice, but only if there shall have first been or is simultaneously delivered to the Trustee (i) the required consents, in writing, of the Owners of at least the required percentage of the aggregate principal amount of the Bonds outstanding, and (ii) an opinion of Bond Counsel, stating that such Supplemental Indenture is authorized or permitted by the Indenture and, upon the execution and delivery thereof, will be valid and binding upon the Issuer in accordance with its terms and will not in and of itself cause interest on the Bonds to be includable in gross income of the Owners for federal income tax purposes.

If the Owners of not less than the percentage of Bonds required as described under “*Amendments to Indenture Requiring Consent of All Owners*” and “*Amendments to Indenture Requiring Consent of Majority Owners*” shall have consented to and approved the execution and delivery thereof as provided in the Indenture, no Owner of any Bond shall have any right to object to the adoption of such Supplemental Indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Issuer or the Trustee from entering into the same or from taking any action pursuant to the provisions thereof. Any written consent to a permitted amendment may be embodied in and evidenced by one or any number of concurrent written instruments of substantially similar tenor signed by Bondowners in person or by an agent duly appointed in writing, and such consent shall become effective when such instrument or instruments are delivered to the Issuer or the Trustee.

Amendments to Funding Agreement or Deed of Trust

Amendments to Funding Agreement or Deed of Trust Without Consent of Bondowners. The Trustee and the Issuer may enter into any amendment, change or modification of the Funding Agreement or Deed of Trust in connection with: (a) carrying out the provisions of the Indenture, (b) curing any ambiguity or formal defect or omission in the Funding Agreement, the Deed of Trust or the Indenture, (c) adding any additional rights acquired in accordance with the provisions of the Indenture, (d) in the case of the Deed of Trust, as needed to allow for release of a portion of the Project as permitted by the Indenture, (e) any other change therein which is not to the material prejudice of the Trust Estate or the Owners of the Bonds to be Outstanding after the effective date of the change. The Issuer and the Trustee shall, without the consent of or notice to any of the Owners of the Bonds, enter into any amendment, change or modification of the Funding Agreement or the Deed of Trust as may be necessary, in the opinion of Bond Counsel, to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated by the Department of the Treasury or the Internal Revenue Service pertaining to obligations issued under Section 103 of the Code.

Modification of Funding Agreement or Deed of Trust with Consent of Majority of Bondowners. Except for the amendment, changes or modifications described under “*Amendments to Funding Agreement or Deed of Trust Without Consent of Bondowners*”, and subject to the provisions of the Indenture requiring the consent of all Owners, the Issuer and Trustee shall not enter into any other amendment, change or modification of the Funding Agreement or the Deed of Trust without the written approval or consent of the Owners of a majority of the principal amount of Bonds then Outstanding.

Opinion of Bond Counsel. The Issuer and the Trustee shall not enter into or consent to any amendment, change or modification to the Funding Agreement or the Deed of Trust unless the Issuer has received an opinion of Bond Counsel to the effect that such amendment will comply the procedures discussed under this heading “Amendments to Funding Agreement or Deed of Trust” and will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes. The Issuer and the Trustee may rely upon any such opinion of Bond Counsel.

The Funding Agreement

Sponsor Agreement to Pay Funding Obligations

Under the Funding Agreement, the Sponsor will agree, but solely from General Revenues, unless prohibited by applicable law, to contribute to the Trustee on behalf of the Issuer, from time to time, a sufficient amount of funds, if necessary (as described under “Sponsor Payment of Funding Obligations” below), to provide for the full and prompt payment of any Debt Service Requirements through the payment of any Debt Service Shortfalls. The Sponsor’s obligations to pay Debt Service Shortfalls are collectively referred to as the “Funding Obligations.” “General Revenues” shall mean all revenues of the Sponsor from any source (including cash and cash equivalents, restricted cash and cash equivalents, investments and restricted investments, as reported annually in the year-end audited financial statements of the Sponsor), but only to the extent that those revenues are available to pay the Funding Obligations and are not prohibited, pledged or restricted, by law, regulation, contract, covenant, resolution, deed of trust or otherwise (including restrictions relating to funds made available to the Sponsor under the U.S. Housing Act of 1937), solely to another particular purpose.

Issuer Agreements Regarding Low Income Tenants

Under the Funding Agreement, the Issuer will reserve, at all times, the Required Percentage (defined below) of the units in the Project (such units are referred to herein collectively as the “Reserved Units”) to benefit individuals and families whose incomes, at the time of initial occupancy, are not more than 60 percent of the area median family income, adjusted for family size, as determined by the United States Department of Housing and Urban Development for the Fort Worth, TX HUD Metro FMR Area (such individuals and families are referred to collectively as “Low Income Tenants”). “Required Percentage” on any date shall mean a fraction, the numerator of which is the sum of (i) the maximum Debt Service Requirements due on any future Interest Payment Date other than at maturity, and (ii) the amount of any funds provided by the Sponsor pursuant to this Agreement, and the denominator of which shall be the original principal amount of the Bonds. For the avoidance of doubt, the Issuer must always have the Required Percentage of units reserved in advance of any funds provided by the Sponsor, and the Sponsor shall not provide any funds above the requisite Required Percentage unless and until a recalculated adjustment has been made that accounts for the Sponsor funds to be advanced. The Issuer will not permit any lease for a Reserved Unit in the Project with a term ending after the maturity of the Bonds to be with an individual or family that is not a Low-Income Tenant.

Continuing Obligation

The Funding Agreement shall be a continuing, absolute and unconditional agreement and shall remain in full force and effect until the entire principal of, redemption premium, if any, and interest on the Bonds shall have been paid or provided for according to the terms of the Indenture, at which time the Funding Agreement shall automatically terminate and be of no further force and effect.

Sponsor Payment of Funding Obligations

Under the Funding Agreement, the Sponsor expressly waives any right to require that any action be brought against the Issuer or any other person or to require that resort be had to any other security prior to a demand by the Trustee

for payment thereunder. If the Issuer has not deposited or caused to be deposited with the Trustee by the time required by the Indenture an amount sufficient to pay the principal of and interest on the Bonds when and as the same shall become due (whether on an interest payment date, at maturity or by acceleration) (“Debt Service Requirements”), the Sponsor, upon written request (a “Funding Obligation Request”) from the Trustee pursuant to the Indenture, without notice other than such Funding Obligation Request and without the necessity of further action by the Trustee, its successors or assigns, shall promptly (but in no event later than one Business Day prior to the applicable Interest Payment Date) and fully pay an amount (the “Debt Service Shortfall”) equal to the applicable Debt Service Requirements less the amount on deposit with the Trustee available for payment of such Debt Service Requirements, as specified in such Funding Obligation Request. In case of any Event of Default under the Funding Agreement, the Sponsor, unless prohibited by applicable law, shall pay all reasonable costs and expenses, including reasonable attorneys’ fees and expenses, paid or incurred by the Trustee and the Issuer in connection with the enforcement of the Funding Obligations or any other obligations of the Sponsor under the Funding Agreement.

Event of Default; Remedies

Failure of the Sponsor to pay any Funding Obligation upon receipt of demand by the Trustee or the Issuer to the Sponsor given in accordance with the Funding Agreement shall be an Event of Default under the Funding Agreement.

Whenever an Event of Default under the Funding Agreement shall have happened and be continuing, unless prohibited by applicable law, the Trustee in the manner provided in the Indenture may declare the entire unpaid principal of, or redemption premium, if any, and interest on the Bonds to be immediately due and payable, and the Trustee may take whatever action at law or in equity as may appear necessary or desirable to collect payments then due or thereafter to become due under the Funding Agreement or to enforce observance or performance of any covenant, condition or agreement of the Sponsor under the Funding Agreement.

In case the Trustee shall have proceeded to enforce the Funding Agreement and such proceedings shall have been discontinued or abandoned for any reason, then and in every such case the Sponsor and the Trustee shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Sponsor and the Trustee shall continue as though no such proceeding had been taken.

Enforcement of Remedies

The Issuer or the Trustee shall be entitled to bring any suit, action or proceeding against the Sponsor for the enforcement of any provision of the Funding Agreement without exhausting any other remedies that it may have pursuant to the terms of the Bonds or the Indenture and without resort to any other security held by or available to the Issuer or the Trustee. For avoidance of doubt, the Trustee is expressly intended to be a third-party beneficiary of the Funding Agreement.

The Regulatory Agreement

Definitions

In the Regulatory Agreement certain capitalized terms not otherwise defined herein will have the meaning set forth below:

“60% Income Tenant” means and includes any person from the general public whose Annual Income (including the anticipated annual income of all persons that intend to reside with such person in one Unit) was, for the immediately preceding tax year, does not exceed 60% of the Median Gross Income for the Area. The determination of a tenant’s status as a 60% Income Tenant shall be made by or on behalf of the Issuer upon initial occupancy of a Unit by such tenant and annually thereafter, on the basis of an Income Certification executed by the tenant; provided, however that once a tenant qualifies as a 60% Income Tenant, such tenant shall continue to qualify except as provided in the Regulatory Agreement.

“80% Income Tenant” means and includes any person from the general public whose Annual Income (including the anticipated annual income of all persons that intend to reside with such person in one Unit) was, for the immediately preceding tax year, does not exceed 80% of the Median Gross Income for the Area. The determination of a tenant’s status as an 80% Income Tenant shall be made by or on behalf of the Issuer

upon initial occupancy of a Unit by such tenant and annually thereafter, on the basis of an Income Certification executed by the tenant; provided, however that once a tenant qualifies as an 80% Income Tenant, such tenant shall continue to qualify except as provided in the Regulatory Agreement.

“Act” means collectively, Chapters 303 and 392 of the Texas Local Government Code, as amended.

“Annual Income” means the anticipated annual income of a person (together with the anticipated annual income of all persons that intend to reside with such person in one Unit) calculated pursuant to an Income Certification.

“Available Unit” means a Unit (except for any Unit reserved for a resident manager, security personnel, or maintenance personnel that is reasonably required for the Project, as described in the Regulatory Agreement that has been leased at least once after becoming available for occupancy; provided that (a) a Unit that is occupied on Closing Date is not an “Available Unit” and does not become an “Available Unit” until it has been leased for the first time after such date, and (b) a Unit that is not available for occupancy due to renovations is not an “Available Unit” and does not become an “Available Unit” until it has been leased for the first time after renovations are completed.

“Certificate of Continuing Program Compliance” means the Certificate of Continuing Program Compliance and accompanying Occupancy Summary to be filed by or on behalf of the Issuer with the Trustee, at the times specified in the Regulatory Agreement, such report to be in substantially the form attached to the Regulatory Agreement or such other form as may be prescribed by the Issuer in accordance with the Agreement.

“Closing Date” means the date upon which the Bonds are issued and delivered in exchange for the proceeds representing the purchase price of the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the Regulations promulgated under the provisions described in (b) and (c).

“Eligible Tenant” means and includes any person from the general public whose Annual Income (including the anticipated annual income of all persons that intend to reside with such person in one Unit) did not, for the immediately preceding tax year, exceed 140% of the Median Gross Income for the Area, or such other amount as may be determined hereafter by the Issuer in accordance with the Regulatory Agreement. The determination of a tenant’s status as an Eligible Tenant shall be made by or on behalf of the Issuer upon initial occupancy of a Unit by such tenant and annually thereafter, on the basis of an Income Certification executed by the tenant; provided, however that once a tenant qualifies as an Eligible Tenant, such tenant shall continue to qualify except as provided in the Regulatory Agreement. All Lower Income Tenants shall be Eligible Tenants.

“Favorable Opinion of Bond Counsel” means, with respect to any action, or omission of an action, the taking or omission of which requires such an opinion, an unqualified written opinion of Bond Counsel to the effect that such action or omission does not in and of itself adversely affect the excludability of interest payable on the Bonds from gross income for federal income tax purposes (subject to the inclusion of any exceptions contained in the opinion delivered upon original issuance of the Bonds or other customary exceptions acceptable to the recipient(s) thereof).

“Housing Act” means the United States Housing Act of 1937, as amended, or its successor.

“HUD” means the United States Department of Housing and Urban Development or its successors.

“Income Certification” means a certification as to income and other matters provided by each Lower Income Tenant or Eligible Tenant in the Project, in form acceptable to Issuer; or (ii) the certification form available on the website of the Texas Department of Housing and Community Affairs at the time of submission used to certify income and other matters with respect to projects of similar type.

“Initial Compliance Date” means the first date on which the Project satisfies the requirements set forth in the Regulatory Agreement, which date may be the Closing Date.

“Lower Income Tenant” means either a 60% Income Tenant or an 80% Income Tenant.

“Median Gross Income for the Area” means, with respect to the Project, the median income for the households in the area which includes the standard metropolitan statistical area in which the Project is located, as determined from time to time by the Secretary of HUD, under Section 8 of the Housing Act (or if such program is terminated, median income determined under the program in effect immediately before such termination), without adjustments for family size.

“Owner” means, when used with respect to the Bonds, the Owner of a Bond then Outstanding under the Indenture as shown on the registration books maintained by the Trustee pursuant to the Indenture.

“Project” means, collectively, the Project Facilities and the Project Sites.

“Project Facilities” means the multifamily housing structures and related buildings and other improvements acquired on the Project Site by the Issuer, and all fixtures and other property owned by the Issuer and located on, or used in connection with, such buildings, structures and other improvements constituting the Project as more fully set forth in Exhibit B attached to the Regulatory Agreement.

“Project Site” means the parcels of real property described in Exhibit A attached to the Regulatory Agreement, and all rights and appurtenances appertaining thereunto.

“Property Manager” means any Person who enters into a property management agreement with the Issuer to operate and manage the Project on behalf of the Issuer.

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Restricted Period” means, with respect to the Project, the period beginning on the Closing Date and ending on the first date on which there are no Bonds Outstanding.

“Unit” means a residential accommodation containing separate and complete facilities for living, sleeping, eating, cooking and sanitation located within the Project; provided that, a residential accommodation will not fail to be treated as a “Unit” merely because it is a single-room occupancy unit.

Lower Income Tenants and Eligible Tenants; Records and Reports

Pursuant to the requirements of the Act, the Issuer hereby represents, as of the date of the Regulatory Agreement, and covenants and agrees as follows:

(a) Commencing on the Initial Compliance Date, no less than (i) 10% of the Available Units of the Project shall at all times be rented to and occupied by 60% Income Tenants, (ii) 40% of the Available Units of the Project shall at all times be rented to and occupied by 80% Income Tenants, and (iii) 90% of the Available Units (inclusive of any Available Units rented to and occupied by Lower Income Tenants) of the Project shall at all times be reserved for or rented to and occupied by Eligible Tenants. For the purposes of this paragraph (a), a vacant Unit that was most recently occupied by a Lower Income Tenant or an Eligible Tenant is treated as rented and occupied by a Lower Income Tenant or an Eligible Tenant, as applicable, until reoccupied, at which time the character of such Unit shall be redetermined. Prior to the Initial Compliance Date for the Project: (x) no tenant will be denied continued occupancy of a Unit because the requirements in clauses (i) or (ii) of this paragraph (a), or both, have not been satisfied and such tenant does not qualify as a Lower Income Tenant or an Eligible Tenant, as applicable, and (y) any Unit occupied by such a tenant that becomes vacant, or any vacant Unit on the Closing Date, shall be held vacant until rented to a Lower Income Tenant or an Eligible Tenant, as applicable, so that such Unit may be included for purposes of satisfying the requirements set forth in clauses (i) and (ii) of this paragraph (a).

(b) (i) No tenant qualifying as a 60% Income Tenant shall be denied continued occupancy of a Unit because, after commencement of occupancy, such tenant's Annual Income increases to exceed the qualifying limit for 60% Income Tenants; provided, however, that, should a 60% Income Tenant's Annual Income, as of the most recent determination thereof, exceed the then applicable income limit for a 60% Income Tenant and such 60% Income Tenant constitutes a portion of the 10% requirement of clause (a)(i) above, the next available Unit of comparable or smaller size shall be rented to (or held vacant and available for immediate occupancy by) a 60% Income Tenant and such new 60% Income Tenant shall then constitute a portion of the 10% requirement of clause (a)(i) above; and provided, further, that, until such next available Unit is rented to a tenant who is a 60% Income Tenant, the former 60% Income Tenant who has ceased to qualify as such shall be deemed to continue to be a 60% Income Tenant for purposes of the 10% requirement set forth in clause (a)(i) above.

(ii) No tenant qualifying as an 80% Income Tenant shall be denied continued occupancy of a Unit because, after commencement of occupancy, such tenant's Annual Income increases to exceed the qualifying limit for 80% Income Tenants; provided, however, that, should an 80% Income Tenant's Annual Income, as of the most recent determination thereof, exceed the then applicable income limit for an 80% Income Tenant and such 80% Income Tenant constitutes a portion of the 40% requirement of clause (a)(i) of this Section, the next available Unit of comparable or smaller size shall be rented to (or held vacant and available for immediate occupancy by) an 80% Income Tenant and such 80% Income Tenant shall then constitute a portion of the 40% requirement of clause (a)(i) of this Section; and provided, further, that, until such next available Unit is rented to a tenant who is an 80% Income Tenant, the former 80% Income Tenant who has ceased to qualify as such shall be deemed to continue to be an 80% Income Tenant for purposes of the 40% requirement of clause (a)(i) of this Section.

(iii) No tenant qualifying as an Eligible Tenant shall be denied continued occupancy of a Unit because, after commencement of occupancy, such tenant's Annual Income increases to exceed the qualifying limit for Eligible Tenants; provided, however, that, should an Eligible Tenant's Annual Income, as of the most recent determination thereof, exceed the then applicable income limit for an Eligible Tenant and such an Eligible Tenant constitutes a portion of the 90% requirement of clause (a)(ii) above, the next available Unit of comparable or smaller size shall be rented to (or held vacant and available for immediate occupancy by) an Eligible Tenant and such new an Eligible Tenant shall then constitute a portion of the 90% requirement of clause (a)(ii) above; and provided, further, that, until such next available Unit is rented to a tenant who is an Eligible Tenant, the former Eligible Tenant who has ceased to qualify as such shall be deemed to continue to be an Eligible Tenant for purposes of the 90% requirement set forth in clause (a)(ii) above.

(c) At all times during the Restricted Period, the Issuer shall obtain, complete and maintain, or cause to be obtained, completed and maintained, on file Income Certifications from each Lower Income Tenant and Eligible Tenant, including (i) an Income Certification dated immediately prior to the initial occupancy of each new Lower Income Tenant or Eligible Tenant in the Project and (ii) thereafter, annual Income Certifications which must be obtained on or before the anniversary of such Lower Income Tenant or Eligible Tenant's occupancy of the Unit, and in no event less than once per lease renewal following each Lower Income Tenant or Eligible Tenant's occupancy of a Unit. For administrative convenience, the Issuer may establish the first date that an Income Certification for the Project is received as the annual recertification date for all tenants in the Project. The Issuer shall make, or cause the Property Manager to make, a diligent and good-faith effort to determine that the income information provided by an applicant in an Income Certification is accurate by taking one or more of the various steps outlined in the Regulatory Agreement to obtain information from the tenants or other sources regarding tenant income.

(d) The Issuer shall maintain or cause to be maintained by the Property Manager complete and accurate records pertaining to the Units occupied by Lower Income Tenants or Eligible Tenants and will permit, at all reasonable times and upon reasonable notice during normal business hours, any duly authorized representative of the Trustee to enter upon the Project Site to examine and inspect the Project and to inspect the books and records of the Issuer or the Property Manager pertaining to the Project, including those Income Certifications and other records pertaining to the occupancy of the Units occupied by Lower Income Tenants or Eligible Tenants.

(e) The Issuer shall prepare or cause to be prepared and submit to the Trustee, by February 1 of each calendar year until the end of the Restricted Period, a Certificate of Continuing Program Compliance covering the immediately preceding calendar year in substantially the form attached to the Regulatory Agreement as an exhibit executed by the Issuer.

(f) Each lease or rental agreement with a Lower Income Tenant or Eligible Tenant shall contain a provision to the effect that the Issuer has relied on the Income Certification and supporting information supplied by the Lower Income Tenant or Eligible Tenant in determining qualification for occupancy of the Unit and that any material misstatement in such certification (whether or not intentional) may be cause for immediate termination of such lease or rental agreement. Each such lease or rental agreement shall also provide (and shall so disclose to the tenant) that the tenant's income is subject to annual certification in accordance with the Regulatory Agreement.

Sale or Transfer of Project

The Issuer covenants and agrees in the Regulatory Agreement not to, directly or indirectly, by operation of law or otherwise, voluntarily assign, sell, convey, transfer, lease, mortgage or otherwise dispose of its interest in the Project, or any portion thereof (other than for individual tenant use as contemplated hereunder), except in connection with ordinary easements, licenses or rights of way, unless: (a) the Trustee receives written evidence acceptable to the Trustee that (i) the Issuer shall not be in default under the Regulatory Agreement (which may be evidenced by a Certificate of Continuing Program Compliance), or the transferee reasonably undertakes to cure any defaults of the Issuer; (ii) the continued operation of the Project shall comply with the provisions of the Regulatory Agreement; and (iii) the Person that is to acquire the Project does not have pending against it, and does not have a history of significant and material building code violations or complaints concerning the maintenance, upkeep, operation, and regulatory agreement compliance of any of its projects as identified by any local, state or federal regulatory agencies; (b) the execution by the transferee of any document reasonably requested by the Issuer with respect to the assumption of the Issuer's obligations under the Regulatory Agreement with respect to the Project, including without limitation an instrument of assumption hereof and thereof, and delivery to the Issuer and the Trustee of an opinion of such transferee's counsel to the effect that each such document and the Regulatory Agreement are valid, binding and enforceable obligations of such transferee, subject to bankruptcy and other standard limitations affecting creditor's rights; (c) receipt by the Issuer and the Trustee of a Favorable Opinion of Bond Counsel with respect to such transfer and an opinion of Bond Counsel to the effect that such transfer is permitted under the Act; and (d) receipt by the Issuer of all fees and/or expenses then currently due and payable to the Owner.

It is hereby expressly stipulated and agreed that any transfer of the Project in violation of the provisions described above shall be null, void and without effect, shall cause a reversion of title to the Issuer, and shall be ineffective to relieve the Issuer of its obligations under the Regulatory Agreement. Upon any transfer of the Project that complies with the Regulatory Agreement, the Issuer shall be fully released from its obligations under the Regulatory Agreement to the extent such obligations have been fully assumed in writing by the transferee of the Project.

Covenants To Run With the Land

The Issuer hereby subjects the Project (including the Project Site) to the covenants, reservations and restrictions set forth in the Regulatory Agreement. The Issuer hereby declares its express intent that the covenants, reservations and restrictions set forth in the Regulatory Agreement shall be deemed covenants running with the land and shall pass to and be binding upon the Issuer's successors in title to the Project; provided, however, that upon the termination of the Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

No breach of any of the provisions of the Regulatory Agreement shall impair, defeat or render invalid the lien of any mortgage, deed of trust or like encumbrance made in good faith and for value encumbering the Project or any portion thereof.

Default; Enforcement

If the Issuer defaults in the performance or observance of any covenant, agreement or obligation of the Issuer set forth in the Regulatory Agreement, and if such default remains uncured by the Issuer for a period of 30 days after written notice thereof shall have been given by the Trustee to the Issuer, then the Trustee, after being indemnified to its satisfaction, acting on behalf of the Owners of the Bonds, shall declare an "Event of Default" to have occurred hereunder; provided, however, if the default stated in the notice is of such a nature that it cannot be corrected within 60 days, such default shall not constitute an Event of Default under the Regulatory Agreement and shall not be declared

an Event of Default so long as (a) the Issuer institutes corrective action within said 60 days and diligently pursues such action until the default is corrected and (b) in the opinion of Bond Counsel delivered to the Trustee, the failure to cure said default within 60 days will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

The Trustee and the Issuer hereby agree that cure of any Event of Default made or tendered by the Property Manager shall be deemed to be a cure by the Issuer and shall be accepted or rejected on the same basis as if made or tendered by the Issuer.

Following the declaration of an Event of Default hereunder, the Trustee, subject to being indemnified to its satisfaction with respect to the costs and expenses of any proceeding, at its option, take any one or more of the following steps:

(i) by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Issuer to perform its obligations and covenants hereunder or enjoin any acts or things that may be unlawful or in violation of the rights of the Trustee hereunder;

(ii) have access to and inspect, examine and make copies of all of the books and records of the Issuer or the Property Manager pertaining to the Project; and

(iii) take such other action at law or in equity as may be necessary to enforce the obligations, covenants and agreements of the Issuer hereunder.

The Issuer agrees in the Regulatory Agreement that specific enforcement of the Issuer's agreements contained therein is the only means by which the Trustee may obtain the benefits of such agreements made by the Issuer therein, and the Issuer therefore agrees to the imposition of the remedy of specific performance against it in the case of any Event of Default by the Issuer thereunder.

The Deed of Trust

Mortgaged Property

Under the Deed of Trust, "Mortgaged Property" means all of Issuer's right, title and interest in, to and under the real property (the "Land") in Fort Worth, Tarrant County, Texas, described in the Deed of Trust generally the Project as defined herein, together with any greater or additional estate therein as hereafter may be acquired by Issuer, together with any and all buildings and improvements (collectively, the "Improvements", and together with the Land, collectively, the "Real Property") now or after the date of the Deed of Trust erected thereon, including, to the extent permitted by law, the fixtures, attachments, appliances, equipment, machinery, and other articles attached to such buildings and improvements;

Together with all interests, estate or other claims, both in law and in equity, which Issuer now has or may after the date of the Deed of Trust acquire in the Real Property and, to the extent permitted by law, the other Property, as defined in the Deed of Trust;

Together with all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, and all tenements, hereditaments and appurtenances thereof and thereto, and all water rights and shares of stock evidencing the same, and all existing and future as-extracted collateral produced from or allocated to the Land;

Together with all right, title and interest of Issuer, owned or after the date of the Deed of Trust acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Land; and any and all sidewalks, alleys, and strips and gores of land adjacent to or used in connection with the Land;

Together with, to the extent permitted by law, all right, title and interest of Issuer in and to all personal property (collectively, the "Personal Property") now or after the date of the Deed of Trust owned by Issuer and now or at any time after the date of the Deed of Trust located on or at the Improvements or used in connection therewith, including, all goods, machinery, tools, insurance proceeds, fixtures and equipment, supplies and all proceeds thereof;

Together with all the estate, interest, right, title, other claim or demand, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Issuer has or may after the date of the Deed of Trust acquire in the Real Property, and, to the extent permitted by law, the other property and any and all awards made for the taking by eminent domain or by any proceeding or purchase in lieu thereof of the whole or any part of the Real Property, including any awards resulting from a change of grade of streets and awards for severance damages;

Together with, Leases and Rents as defined in the Deed of Trust and various other collateral as described in the Deed of Trust, any and all existing and future leases (including subleases thereof), whether written or oral, rental agreements and all future agreements for use and occupancy, and any and all extensions, renewals and replacements thereof, upon all or relating to any part of the Improvements, all licenses and agreement relating to the management, leasing or operation of the Land and the Improvements or any portion thereof, and all guarantees of and security for lessee's performance thereunder (collectively, the "Leases");

Obligations

Under the Deed of Trust, "Obligations" means:

(a) All of Issuer's payment obligations under the Indenture, including without limitation payment of debt service on the Bonds and the payment of the principal thereof and interest thereon and the performance by Issuer of its other obligations under the Indenture, and any and all modifications, extensions, and renewals thereof. The payment or other terms of the Indenture may be indexed, adjusted, renewed, or renegotiated without affecting the priority of the Deed of Trust; and

(b) Payment of all sums which may become due in respect of the Mortgaged Property or advances by Beneficiary or its successor, with interest thereon at the rate set forth in the Deed of Trust, which include but are not limited to, fire and other hazard insurance and taxes upon the real property described in the Deed of Trust, according to the terms of the Deed of Trust; all attorney fees and costs incurred by the Deed of Trust Trustee or Beneficiary in foreclosing the Deed of Trust or realizing upon any of the collateral for the obligations which the Deed of Trust secures; all attorney fees and costs incurred by the Deed of Trust Trustee or Beneficiary in defending the priority or validity of the Deed of Trust or the title to the Property; all sums advanced by Beneficiary to or on behalf of Issuer for the purpose of clearing encumbrances or defects from the title to the Mortgaged Property described in the Deed of Trust where Beneficiary, in good faith, believes such encumbrances to be superior to the lien of the Deed of Trust, including, without limitation, payment of ad valorem taxes and mechanics' or materialmen's liens which may have gained priority over the lien of the Deed of Trust; all attorney fees and costs incurred by the Deed of Trust Trustee or Beneficiary in any bankruptcy proceedings or any reorganization or arrangement proceeding under the Bankruptcy Act affecting Issuer or the Deed of Trust, and payment of all other sums advanced by Beneficiary to protect the Property, with interest thereon at the rate set forth herein.

Grant

To secure the full and timely payment of the Indebtedness and the full and timely performance of the Obligations in the Deed of Trust, Issuer Mortgages, Grants, Bargains, Assigns, Sells and Conveys with Power of Sale, the Mortgaged Property to the Deed of Trust Trustee and the Deed of Trust Trustee's successors and assigns, for the benefit and security of the Beneficiary, subject, however, to the Permitted Encumbrances, to Have and to Hold the Mortgaged Property unto the Deed of Trust Trustee, and Issuer binds itself, its successors and assigns to Warrant and Forever Defend the title to the Mortgaged Property unto the Deed of Trust Trustee for so long as any of the Obligations remain outstanding, upon the trust, terms and conditions contained in the Deed of Trust.

The Deed of Trust sets forth various warranties, representations and covenants of the Issuer with respect to the Mortgaged Property.

Event of Default

Any of the following events shall be deemed an event of default ("*Event of Default*") under the Deed of Trust:

- (a) An Event of Default has occurred under the Indenture; or
- (b) Any representation or warranty made in the Deed of Trust is false in any material respect as of the date of the Deed of Trust; breach of any covenant set forth in the Deed of Trust; or the Mortgaged Property or any portion thereof or other interest is transferred in violation of certain terms of the Deed of Trust; or
- (c) Issuer or its Authorized Representative fails to perform any covenant contained in the Deed of Trust and such failure is not cured within 30 days after written notice thereof given to Issuer by Beneficiary or, if the failure cannot reasonably be cured within 30 days, Issuer does not substantially commence cure within such 30-day period or thereafter fails to complete the curative action within a reasonable period of time not to exceed 90 days unless extended in the sole discretion of Beneficiary; or
- (d) A writ of execution or attachment or any similar process shall be issued or levied against all or any part of or interest in the Property, or any judgment involving monetary damages shall be entered against Issuer which shall become a lien on the Property or any portion thereof or interest therein and such execution, attachment or similar process or judgment is not released, bonded, satisfied, vacated or stayed within 20 days after its entry or levy; or
- (e) There has occurred a breach of or default under any term, covenant, agreement, condition, provision, representation, or warranty contained in the Indenture Documents subject to any applicable cure period specified in the Indenture Documents.

Remedies

If an Event of Default has occurred and is continuing, Beneficiary may, at Beneficiary's election, exercise any or all of the following rights, remedies and recourses:

- (a) Exercise any of certain specific remedies set forth in the Indenture;
- (b) Declare the Obligations to be immediately due and payable, without further notice, presentment, protest, notice of intent to accelerate, notice of acceleration, demand or action of any nature whatsoever (each of which hereby is expressly waived by Issuer), whereupon the same shall become immediately due and payable;
- (c) Enter the Mortgaged Property and take exclusive possession thereof and of all books, records and accounts relating thereto or located thereon. If Issuer remains in possession of the Mortgaged Property after an Event of Default and without Beneficiary's prior written consent, Beneficiary may invoke any legal remedies to dispossess Issuer. Neither Beneficiary's nor Deed of Trust Trustee's nor any receiver's entry upon and taking possession of all or any part of the Property, nor any collection of rents, issues, profits, insurance proceeds, condemnation proceeds or damages, other security or proceeds of other security, or other sums, nor the application of any collected sum to any obligation secured hereby, nor the exercise or failure to exercise of any other right or remedy by Beneficiary or Deed of Trust Trustee or any receiver shall cure or waive any breach, default or notice of default under the Deed of Trust, or nullify the effect of any notice of default or sale (unless all obligations secured by the Deed of Trust then due have been paid and performed and Issuer has cured all other defaults), or impair the status of the security, or prejudice Beneficiary or Deed of Trust Trustee in the exercise of any right or remedy, or be construed as an affirmation by Beneficiary of any tenancy, lease or option or a subordination of the lien of the Deed of Trust;
- (d) Hold, lease, develop, manage, operate or otherwise use the Mortgaged Property upon such terms and conditions as Beneficiary may deem reasonable under the circumstances (making such repairs, alterations, additions and improvements and taking other actions, from time to time, as Beneficiary deems necessary or desirable), and apply all Rents and other amounts collected by Beneficiary in connection therewith in accordance with the provisions of the Deed of Trust;
- (e) Institute proceedings for the complete foreclosure of the Deed of Trust, either by judicial action or by power of sale, in which case the Mortgaged Property may be sold for cash or credit in one or more parcels. With respect to any notices required or permitted under the Texas UCC, Issuer agrees that ten (10) days' prior written notice shall be deemed commercially reasonable. At any such sale by virtue of any judicial proceedings, power of sale, or

any other legal right, remedy or recourse, the title to and right of possession of any such property shall pass to the purchaser thereof, and to the fullest extent permitted by law, Issuer shall be completely and irrevocably divested of all of its right, title, interest, claim, equity, equity of redemption, and demand whatsoever, either at law or in equity, in and to the property sold and such sale shall be a perpetual bar both at law and in equity against Issuer, and against all other Persons claiming or to claim the property sold or any part thereof, by, through or under Issuer. Beneficiary may be a purchaser at such sale and if Beneficiary is the highest bidder, Beneficiary shall credit the portion of the purchase price that would be distributed to Beneficiary against the Indebtedness in lieu of paying cash. In the event the Deed of Trust is foreclosed by judicial action, appraisal of the Mortgaged Property is waived;

(f) Make application to a court of competent jurisdiction for, and obtain from such court as a matter of strict right and without notice to Issuer or regard to the adequacy of the Mortgaged Property for the repayment of the Obligations, the appointment of a receiver of the Mortgaged Property, and Issuer irrevocably consents to such appointment. Any such receiver shall have all the usual powers and duties of receivers in similar cases, including the full power to rent, maintain and otherwise operate the Mortgaged Property upon such terms as may be approved by the court, and shall apply such Rents in accordance with the provisions of the Deed of Trust;

(g) Exercise any and all remedies granted to a secured party under applicable law and/or exercise all other rights, remedies and recourses granted under the Bond Documents or otherwise available at law or in equity and/or

(h) To cure any breach or default of Issuer and if Beneficiary chooses to do so in connection with any such cure, Beneficiary may also enter the Mortgaged Property and/or do any and all things that it may in its sole discretion, consider necessary and appropriate to protect the security of the Deed of Trust.

Separate Sales

The Mortgaged Property may be sold in one or more parcels and in such manner and order as Beneficiary in its sole discretion may elect; the right of sale arising out of any Default shall not be exhausted by any one or more sales. Beneficiary shall incur no liability as a result of the sale of the Mortgaged Property, or any part thereof, at any private or public sale pursuant to the Deed of Trust conducted in accordance with the requirements of applicable laws. In the Deed of Trust Issuer waives any claims against Beneficiary arising by reason of the fact that the price at which the Mortgaged Property may have been sold at such a private sale was less than the price that might have been obtained at a public sale or was less than the aggregate amount of the Obligations, even if Issuer accepts the first offer received and does not offer the Mortgaged Property to more than one offeree, provided that such private sale is conducted in accordance with applicable laws and the Deed of Trust. Issuer hereby agrees that in respect of any sale of any of the Mortgaged Property pursuant to the terms of the Deed of Trust, Beneficiary is authorized to comply with any limitation or restriction in connection with such sale as it may be advised by counsel is necessary in order to avoid any violation of applicable laws, or in order to obtain any required approval of the sale or of the purchaser by any governmental authority or official, and Issuer further agrees that such compliance shall not, in and of itself, result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall Beneficiary be liable or accountable to Issuer for any discount allowed by reason of the fact that such Mortgaged Property is sold in compliance with any such limitation or restriction.

APPENDIX B

CERTAIN INFORMATION REGARDING THE PROJECT

[THIS PAGE INTENTIONALLY LEFT BLANK]

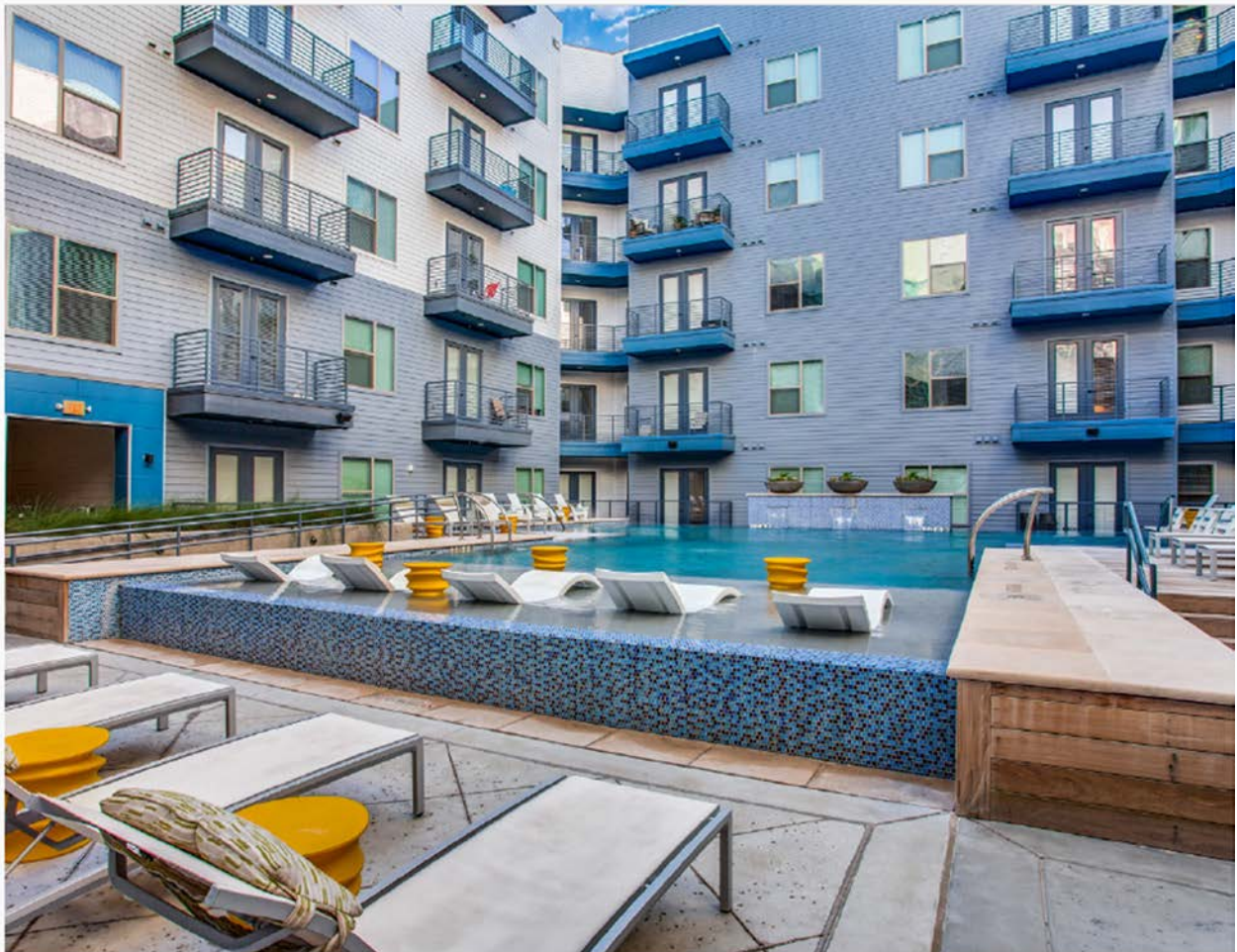
APPENDIX B

CERTAIN INFORMATION REGARDING THE PROJECT

General. Ramble & Rose (the “Property”) is located at 501 West Rosedale Street, Fort Worth, TX 76104, situated immediately south of Downtown.. The Issuer plans to acquire the Project in December 2025. The Project includes 275 units in total.

Unit Mix. The following table sets forth the unit mix and current average monthly in place rents for units within the Project.

Unit Type	No. of Units	Average Unit Size (sq. ft.)	Current Average in Place Net Rent
Studio/Efficiency	31	487	\$1,161
1 Bedroom	170	744	\$1,389
2 Bedroom	74	1,104	\$1,747
Total	275		





Ramble & Rose

Project Location. Completed in 2021, the property is positioned to benefit from access to major hospitals, expanding research facilities, and Fort Worth’s Near Southside neighborhood. Ramble & Rose is located near Fort Worth’s top employers, including Texas Health Harris Methodist, Cook Children’s Medical Center, and JPS Hospital – collectively supporting many healthcare jobs.

Fort Worth, Texas, is experiencing a population expansion, becoming one of the fastest-growing cities in the U.S. It merges its rich Western heritage with a modern, dynamic economy. The city's growth is fueled by diverse sectors including aerospace, energy, and healthcare, attracting both businesses and residents. Fortune 500 employers such as American Airlines are headquartered in Fort Worth, as well as the Naval Air Station where Lockheed Martin employs over 20,000, building the F-35 and other planes. This growth is supported by infrastructure development, and a cost of living that's attractive compared to other major cities.

Project Management. RESPROP MANAGEMENT COMPANY, LLC d/b/a ResProp Management (“ResProp”) will manage the Project and will be responsible for the leasing, maintenance, marketing, lease enforcement, and other day-to-day needs of the Project. ResProp currently manages around 18,000 units across the U.S., and is

headquartered in Austin, TX.

Collateral Value. At any time, the value of the property encumbered by the Deed of Trust could be less than the principal amount of obligations secured thereby. There can be no assurance that any particular sale price will be obtained for the Project upon foreclosure of the Deed of Trust or otherwise.

An appraisal of the Project has been separately conducted by Newmark. As of August 22, 2025, the “as is encumbered” market value was \$67,800,000.

Project Environmental: A Phase I Environmental Site Assessment was performed for the property by W&M Environmental Group in accordance with ASTM standards, last updated August 2, 2018. The assessment has revealed no evidence of recognized environmental conditions in connection with the Property.

Occupancy Rates. As described above, the Issuer plans to acquire the Project in December 2025. The occupancy rates for the 12 months ending October 2025 and are set forth below:

Ramble & Rose

Month	Occupancy Rate
Nov 2024	96.0%
Dec 2024	97.8%
Jan 2025	96.7%
Feb 2025	96.4%
Mar 2025	94.2%
Apr 2025	90.9%
May 2025	90.2%
Jun 2025	91.3%
Jul 2025	94.9%
Aug 2025	96.7%
Sept 2025	93.8%
Oct 2025	91.6%

[Remainder of Page Intentionally Blank]

Project Operating Revenue and Expenses. As described above, the Issuer will plan to acquire the Project in December 2025. The Issuer has reviewed and conducted due diligence on the historical operating information provided by the sellers of the Project. The table below sets forth cumulative projected revenues and expenses of the Project for 2025, provided by the seller, as well as trailing 12-month unaudited historical financials through October 2025 provided by the seller for the Project.

<u>Category</u>	Oct 2025 T12	Oct 2025 Annualized	2025 Budget
Operating Revenue			
Occupancy	94%	92%	92%
Rental	\$4,481,051	\$4,386,625	\$4,265,310
Other	635,626	624,872	612,076
Total Operating Revenue	\$5,116,677	\$5,011,497	\$4,877,386
Operating Expenses			
Payroll & Leasing Bonuses	\$350,831	\$405,614	\$444,827
General & Admin, Applications	46,345	8,334	100,484
Adv & Mktg	97,355	69,459	95,163
Utilities	195,454	215,663	327,175
Contract Services	258,790	274,567	147,409
Turnover; Repairs & Maintenance	83,162	39,889	171,381
Property Mgmt Fee	126,444	122,338	146,322
Insurance, Professional Services	(277,481)	191,849	217,446
Franchise Tax	15,943	0	12,795
Replacement Reserve	68,750	68,750	68,750
Total Operating Expenses	\$880,898	\$1,327,713	\$1,731,752
Net Operating Income	\$4,235,779	\$3,683,784	\$3,145,634

Leasing Restrictions; Tenant Occupancy. Upon the acquisition of the Facilities, pursuant to the Regulatory Agreement, the Issuer has agreed to ensure that the following income restrictions are met following the Initial Compliance Date and thereafter, at all times:

- (i) no less than 50% of the available units in the Project shall be rented to and occupied by tenants whose income is less than 80% of median gross income for the Metropolitan Statistical Area for Fort Worth-Arlington, Texas, as defined by HUD (the “Area”), with no adjustments for family size (“Lower Income Tenant”); and
- (ii) this 50% shall include ten percent (10%) of the Units which will be rented to Residents earnings no more than sixty percent (60%) of the area median income

While failure by the Issuer to meet the targeted income restriction categories will result in a default under the Regulatory Agreement, the sole remedy for such a default is specific performance. There can be no assurance that the Issuer can meet the targeted income restriction categories due to the availability of qualified tenants for each income restriction category.

The Regulatory Agreement imposes other substantial limitations on the ownership and operation of the Project. See Appendix A – “DEFINITIONS OF CERTAIN TERMS; SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL DOCUMENTS – THE REGULATORY AGREEMENT.”

Historic and Future Tenant Income Levels.

At September 30, 2025, the property was 93.8% occupied by Eligible Tenants and 42% occupied by Lower Income Tenants. Prior to the acquisition of the Facilities, the Project has operated under a ground lease agreement from a PFC affiliate of the Sponsor as landlord to a tenant entity owned by a private developer and another LLC affiliate of the Sponsor.

The current median and average income of the Property's tenants is seen in the table below.

	Median	Average
Lower Income Tenants	\$36,000	\$36,747
All Other	\$65,004	\$77,908

Prior Rents.

The Property currently operates with units for Lower Income Tenants in the same proportion as will be required under the new Regulatory Agreement. Units occupied by a Lower Income Tenant had a scheduled rent averaging \$1,323. On units not occupied by a Lower Income Tenant, the rental rate averaged \$1,547.

Future Affordability.

The rental rates of the five closest comparable apartment complexes currently average \$1,520 per unit per month, compared to rates on affordable units at the property averaging \$1,323, representing an approximately 15% discount to market rate on these units. The Property expects it will maintain a similar discount going forward and grow this discount over time if rents exceed growth in the statutory Area AMI limit. Lower Income Tenants are distributed through all types of units at the property, including studio, 1-bedroom, and 2-bedroom units.

Property Tax Exemption. The Project is eligible for an exemption from certain taxes including ad valorem real estate taxes and voter approved taxes (collectively, the "Real Estate Taxes") pursuant to Section 11.11(a) of the Texas Tax Code and Section 392.005 of Chapter 392 of the Texas Local Government Code by virtue of being owned by the Issuer and being used for public purposes. Upon acquisition of the Project, in order to obtain the exemption, the Issuer must file a change in ownership report with Tarrant Appraisal District, the property tax authority for all governmental entities in Tarrant County, in connection with recording the deed with the applicable county recorder and the property tax exemption will apply automatically by virtue of Texas law. There can be no absolute assurance that this will be the case.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C-1

**SPONSOR'S FINANCIAL AND SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2024**

[THIS PAGE INTENTIONALLY LEFT BLANK]

**FORT WORTH HOUSING SOLUTIONS
FORT WORTH, TEXAS**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

**FORT WORTH HOUSING SOLUTIONS
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2023**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	11
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	13
STATEMENT OF CASH FLOWS	14
COMBINING STATEMENT OF NET POSITION – DISCRETELY PRESENTED COMPONENT UNITS	16
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – DISCRETELY PRESENTED COMPONENT UNITS	22
NOTES TO FINANCIAL STATEMENTS	25
FINANCIAL DATA SCHEDULE	
ENTITY-WIDE BALANCE SHEET	83
ENTITY-WIDE REVENUES AND EXPENSES	87
SINGLE AUDIT REPORT	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORT AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	92
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	94
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	97
SCHEDULE OF EXPENDITURES OF STATE AWARDS	98
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS	99
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	100



INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Fort Worth Housing Solutions
Fort Worth, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Fort Worth Housing Solutions (FWHS) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise FWHS' basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of FWHS, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the blended component units of Cobb Park Townhomes II, LP, Aventine Tarrant Parkway Apartments, LP, Overton Square, LP, LP, Post Oak East Apartments, LP and Lincoln Terrace, LP, which represent 13%, (15)%, and 10% respectively, of the assets, net position, and revenues of the business-type activities as of December 31, 2023. We did not audit the financial statements of the discretely presented component units, which represent 100% of the assets, net position and revenues of the aggregate discretely presented component units as of December 31, 2023.

Those statements of the blended component units mentioned above were audited by other auditors whose reports have been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements the blended component units mentioned above which conform the presentation of those financial statements to present in accordance with accounting standards issued by the Governmental Accounting Standards Board. Our opinion, insofar as it relates to the amounts included for the blended component units mentioned above, prior to these conversion adjustments, is based solely on the report of the other auditors.

Those statements of the discretely presented component units mentioned above, which were prepared in accordance with the accounting standards issued by the Financial Accounting Standard Board, were audited by other auditors whose reports have been furnished to us. We have applied limited audit procedures on the presentation only conversion adjustments to the financial statements of the discretely presented component units mentioned above. Our opinion, insofar as it relates to the amounts included for the discretely presented component units mentioned above, prior to the limited presentation only conversion adjustments, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of FWHS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The financial statements of Cobb Park Townhomes II, LP, Lincoln Terrace, LP, Samuels Avenue, LP, Trinity Quality Housing, LP, Western Hills Affordable Housing, LP, FW Hunter Plaza, LP, LDG Stallion Pointe, LP, Woodmont Apartments, Ltd, Palladium Fort Worth, Ltd, Western Center Reserve, LLC, FW Alton Park, LP, Amtex Avondale, LP, FW Campus Apartments, LP, FW Patriot Pointe, LP, FW Stallion Ridge, LP, Fossil Ridge II, LP and Reserve at McAlister Senior Living, LLC (the component units) were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about FWHS's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FWHS's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about FWHS's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

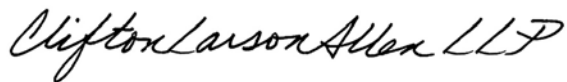
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the FWHS's basic financial statements. The financial data schedules on pages 83 through 90 and the schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the financial data schedules and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2024, on our consideration of FWHS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of FWHS's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FWHS's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Baltimore, Maryland
September 23, 2024

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Fort Worth Housing Solutions (FWHS) is proud to provide this narrative overview and analysis of FWHS' financial activities for the year ended December 31, 2023. It is designed to identify changes in FWHS' financial position as well as individual fund issues or concerns. It should be read in conjunction with the Financial Statements following this Management's Discussion and Analysis (MD&A), and the Notes to the Financial Statements.

The MD&A is presented in conformance with the Governmental Accounting Standards Board (GASB) financial reporting model as set forth in GASB Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*, and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. These financial reporting standards require the inclusion of 3 basic financial statements, namely the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows.

This MD&A covers the Enterprise Fund only.

FINANCIAL HIGHLIGHTS

- Assets of FWHS exceeded liabilities at December 31, 2023 by \$137.2 million (net position). This amount represents an increase of approximately \$10.6 million from the balance at December 31, 2022. This increase is reflected in the Statement of Revenues, Expenses, and Changes in Net Position and discussed in detail below.
- FWHS' cash and cash equivalents and investments balance as of December 31, 2023 was \$57.2 million representing an decrease of \$4.7 million from December 31, 2022.
- Total assets increased by approximately \$40.5 million. This is due to the recording of the Bond Ranch ground lease and the new notes receivables associated with Cowan Place and Hughes House in the current year.
- Total operating income was \$4.9 million. This is mostly due to the income received for the construction of Casa De Los Suenos and Hughes House.

OVERVIEW OF THE FINANCIAL STATEMENTS

Our analysis of FWHS' financial information as a whole asks the most important question, "Has FWHS' financial health improved or declined as a result of the year's activities?" The following analysis of entity-wide net position, revenues, and expenses is provided to assist with answering this question. This analysis includes all assets and liabilities using the accrual method of accounting, which recognizes revenue when earned and expenses when incurred regardless of when cash is received or paid.

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Statement of Net Position

The Statement of Net Position presents information about FWHS' assets and liabilities and is similar to a balance sheet. The Statement of Net Position reports all financial and capital resources for FWHS. The statement is presented in the format where assets and deferred outflow of resources, minus liabilities and deferred inflow of resources, equals net position. Assets and liabilities are presented in order of liquidity and are classified as "current" (convertible to cash within one year), and "noncurrent." Increases or decreases in net position will serve as a useful indicator of whether the financial position of FWHS is improving or deteriorating.

	2023	2022	Change	
			Amount	Percent
Current Assets	\$ 101,142,166	\$ 93,838,945	\$ 7,303,221	8 %
Noncurrent Assets	62,020,750	21,528,076	40,492,674	188
Capital Assets, Net	223,953,739	226,351,032	(2,397,293)	(1)
Total Assets	387,116,655	341,718,053	45,398,602	13
Current Liabilities	21,459,483	13,611,836	7,847,647	58
Long-Term Liabilities	93,648,622	93,039,211	609,411	1
Total Liabilities	115,108,105	106,651,047	8,457,058	8
Deferred Inflows	134,802,315	108,491,718	26,310,597	100
Net Position:				
Net Investment in Capital Assets	123,770,953	126,516,481	(2,745,528)	(2)
Restricted Net Position	9,913,958	7,362,118	2,551,840	35
Unrestricted Net Position	3,521,324	(7,303,311)	10,824,635	(148)
Total Net Position	137,206,235	126,575,288	10,630,947	8
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 387,116,655</u>	<u>\$ 341,718,053</u>	<u>\$ 45,398,602</u>	<u>13 %</u>

Total assets of FWHS at December 31, 2023 amounted to \$387.1 million. This amount represents an increase of approximately \$45.4 million from the balance at December 31, 2022. As noted above, this is due to the activity of Hughes House, Casa De Los Suenos and Bond Ranch during the year.

Current assets are comprised of cash and cash equivalents and investments, accounts receivable, inventories and prepaid expenses. The noncurrent assets include capital assets, long-term notes receivable and other assets. Capital assets include land, buildings, construction in progress and furniture and equipment and are shown net of accumulated depreciation.

Total liabilities of FWHS, which are broken down into current and long-term portions, amounted to \$115.1 million at December 31, 2023. This balance represents a increase of approximately \$8.5 million from what was reported at the end of 2022. This is primarily due the increase in amounts due from the related partnerships.

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Statement of Net Position (Continued)

Current liabilities include accounts payable and other accrued liabilities, unearned revenue, ground leases, and the current portions of the notes and bonds payable. A liability is considered current if it is due within one year. The long-term liabilities are comprised of the long-term portion of the notes and bonds payable and compensated absences. Additional information regarding the composition of the Statement of Net Position is detailed in Section II of this report in the Notes to the Financial Statements.

Net position represents the equity of FWHS after liabilities are subtracted from assets. Net position is divided into three major categories. The first category, Net Investment in Capital Assets, shows FWHS' equity in land, building structures, construction in progress and furniture and equipment, net of related capital debt outstanding. The next category, Restricted Net Position, has external limitations on the way in which it may be used. The last category, Unrestricted Net Position, is available to use for any lawful and prudent purpose of FWHS. Total Net Position of FWHS increased by approximately \$10.6 million during the year ended December 31, 2023.

Statement of Revenues, Expenses, and Changes in Net Position

The purpose of the statement of revenues, expenses, and changes in net position is to present the revenues earned and the expenses incurred, both operating and nonoperating and any other revenues, expenses, gains, and losses received or spent by FWHS. Generally, operating revenues are amounts received for providing housing to FWHS' residents. Operating expenses are those paid to maintain the housing units and provide other services for the residents. Nonoperating revenues are funds received for which goods and services are not provided.

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Statement of Revenues, Expenses, and Changes in Net Position (Continued)

	2023	2022	Change	
			Amount	Percent
Operating Revenues				
Net Tenant Rental Revenue	\$ 18,519,601	\$ 18,190,085	\$ 329,516	2 %
HUD Operating Grants	70,831,237	67,477,910	3,353,327	5
Other Revenue	16,519,968	25,534,866	(9,014,898)	(35)
Total Operating Revenues	105,870,806	111,202,861	(5,332,055)	(5)
Operating Expenses				
Administrative	18,180,943	18,443,624	(262,681)	(1)
Tenant Services	237,412	207,739	29,673	14
Utilities	2,208,547	2,224,550	(16,003)	(1)
Ordinary Maintenance and Operations	7,409,290	6,591,410	817,880	12
General and Other	4,325,545	5,302,519	(976,974)	(18)
Housing Assistance Payments	63,395,124	68,639,802	(5,244,678)	(8)
Depreciation	5,186,636	5,451,104	(264,468)	(5)
Total Operating Expenses	100,943,497	106,860,748	(5,917,251)	(6)
Operating Income	4,927,309	4,342,113	585,196	1
Nonoperating Revenues				
HUD Capital Grants	6,674,533	6,733,736	(59,203)	(1)
Investment Income	2,016,015	800,229	1,215,786	152
Gain (Loss) on Sale of Capital Assets	(455,821)	3,884,558	(4,340,379)	(112)
Total Nonoperating Revenues	8,234,727	11,418,523	(3,183,796)	39
Nonoperating Expenses				
Interest Expense	2,545,222	2,963,252	(418,030)	(14)
Casualty Loss	(14,138)	31,306	(45,444)	(145)
Total Nonoperating Expenses	2,531,084	2,994,558	(463,474)	(15)
Nonoperating Income (Loss)	5,703,643	8,423,965	(2,720,322)	(32)
Change in Net Position	10,630,952	12,766,078	(2,135,126)	(17)
Net Position - Beginning	126,575,283	113,809,210	12,766,073	11
Net Position - Ended	<u>\$ 137,206,235</u>	<u>\$ 126,575,288</u>	<u>\$ 10,630,947</u>	<u>8 %</u>

Fiscal year 2023 resulted in income on operating income of \$4.9 million, a favorable change of \$0.6 million from 2022. Total operating revenues decreased by \$5.3 million and total operating expenses decreased by \$5.9 million. Operating revenue decreased mostly due to the decrease in other revenue of \$9.0 million. The primary driver for the decrease no significant disposition or transfers of properties. HUD Operating grants increased \$3.4 million primarily as a result of the CNI funds utilized for Cowan Place and Hughes House. Total operating expenses decreased mostly due to the decrease in HAP payments during the year for HCVP because of the decrease in unit leased.

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Statement of Revenues, Expenses, and Changes in Net Position (Continued)

Total nonoperating revenues increased by \$1.2 million and total nonoperating expenses decreased by \$4.3 million. This change is related to increase interest rates driving of the investment income and no significant gain/loss in the current year on disposal of capital assets.

As shown in the above financial statements, the overall financial position of FWHS has increased compared to last year as a result of the year's financial activities. The reason for this, as this MD&A explains, is due to various factors.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The summary below shows the balances by line item for 2023 and 2022. Additional details for activities affecting capital assets are presented in Note 7 of the Notes to the Financial Statements included in Section II of this report.

	2023	2022
Land	\$ 83,827,413	\$ 82,482,580
Buildings	206,200,714	200,338,863
Furniture, Equipment, and Machinery - Dwellings	5,847,897	5,656,276
Furniture, Equipment, and Machinery - Administrative	4,453,338	4,575,899
Leasehold Improvements	16,887,526	16,983,553
Construction in Progress	2,444,402	6,974,323
Total Capital Assets	319,661,290	317,011,494
Less: Accumulated Depreciation	(95,707,551)	(90,660,462)
Net Capital Assets	<u>\$ 223,953,739</u>	<u>\$ 226,351,032</u>

Debt Administration

FWHS made its required debt service payments during the audit period. The table below shows the outstanding debt at the end of 2023 as compared to the end of the previous year. Additional details for activities affecting outstanding debt are presented in Note 9 of the Notes to Financial Statements included in Section II of this report.

	2023	2022	Change
Bonds, Notes, and Loans Payable	<u>\$ 95,078,467</u>	<u>\$ 94,761,287</u>	<u>\$ 317,180</u>

**FORT WORTH HOUSING SOLUTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

ECONOMIC FACTORS

Most of the FWHS' funding is from HUD in the form of capital fund grants, housing assistance payments, administrative fees, and other smaller grants. These represented about 46% of FWHS' total operating revenues in 2023. Additionally, a majority of its \$224 million net capital assets as of December 31, 2023 were acquired and/or developed over the years with funding received from multiple sources including grants or loans from HUD. Such assistance has typically come with use restrictions and generally limits FWHS' ability to encumber or leverage debt financing against HUD properties in its portfolio.

Several significant economic factors affecting FWHS are as follows:

- Congress and the federal government maintained stable from the year prior, this funding impacts FWHS' economic position because federal housing dollars is a significant source of revenue for the Agency. Based on HUD's funding letters and notices, most programs will continue to receive renewal funding; however, it will still be less than 100% of eligibility.
- The Department of HUD has historically underestimated the subsidy, and administrative fee needs of public housing authorities. In 2023 the operating fund and housing voucher administrative fee were prorated at 95 % and 85.5%, respectively. On March 23, 2024, the 2024 omnibus appropriations bill was signed into law, and it included an increase of \$13.5 for HUD funding. It is anticipated that the housing assistant payments for the HCV Program will be fully funded. The administrative fee for HCV is anticipated to be prorated at 89% and the Public Housing Subsidies proration is estimated at 98%.
- The economic condition in the Fort Worth metropolitan is strong and it aligns with the national trend and although we have a low unemployment rate of 4.2%, price increases over the years have decreased the availability of lower-cost housing in both single-family and multifamily, across the city.
- A report prepared by Interface Studio estimates the need for 35,000 affordable housing units. As an Agency, FWHS will continue to work with other partners, look for innovative ways to develop new projects and turn to the private sector for more support to address this need.

In FY 2024, the Authority looks forward to developing additional high-quality affordable housing units throughout the City of Fort Worth and particularly the Stop Six Neighborhood area a CNI funded revitalization; enhancing property management and housing operations; expanding educational, job training and health services to residents and implementing additional efficiencies across the board.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of FWHS' finances for interested parties. Questions concerning any of the information presented in this report or requests for additional information should be addressed to:

Hector Ordonez, Vice President Finance and Administration
Fort Worth Housing Solutions
1407 Texas Street
Fort Worth, Texas 76102
www.fwhs.org (Fort Worth Housing Solutions website)

FORT WORTH HOUSING SOLUTIONS
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Enterprise Fund	Discretely Presented Component Units
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents - Unrestricted	\$ 46,449,181	\$ 6,159,782
Cash and Cash Equivalents - Restricted	10,761,583	45,093,558
Accounts Receivable - HUD	11,934,558	-
Accounts Receivable - Tenants (Net of Allowance)	630,024	1,473,320
Accounts Receivable - Other (Net of Allowance)	30,010,993	748,911
Prepaid Expenses	1,355,827	3,317,488
Total Current Assets	<u>101,142,166</u>	<u>56,793,059</u>
 NONCURRENT ASSETS		
Capital Assets:		
Land	83,827,413	-
Buildings	206,200,714	438,344,126
Furniture, Equipment, and Machinery - Dwelling	5,847,897	15,364,969
Furniture, Equipment, and Machinery - Administration	4,453,338	8,287,987
Leasehold Improvements	16,887,526	3,096,931
Construction in Progress	2,444,402	-
Total	<u>319,661,290</u>	<u>465,094,013</u>
Less: Accumulated Depreciation	<u>(95,707,551)</u>	<u>(122,117,528)</u>
Total Capital Assets	223,953,739	342,976,485
 Notes Receivable - Noncurrent	34,763,252	-
Lease Receivable	25,666,824	-
Other Assets	1,590,674	36,739,750
Total Noncurrent Assets	<u>285,974,489</u>	<u>379,716,235</u>
 Total Assets	<u><u>\$ 387,116,655</u></u>	<u><u>\$ 436,509,294</u></u>

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2023

	Enterprise Fund	Discretely Presented Component Units
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$ 2,421,830	\$ 6,945,060
Accounts Payable - HUD	2,043	-
Accrued Wages and Payroll Taxes Payable	258,302	6,419
Current Portion of Notes and Mortgage Payable	1,931,177	29,700,571
Accrued Compensated Absences - Current	381,359	-
Accrued Interest Payable	186,150	4,033,585
Accrued Liabilities - Other	142,820	-
Tenant Security Deposits	404,908	979,743
Unearned Revenue	5,240,655	480,052
Other Current Liabilities	10,490,239	6,200,724
Total Current Liabilities	<u>21,459,483</u>	<u>48,346,154</u>
LONG-TERM LIABILITIES		
Notes and Mortgage Payable, Net of Current Portion	93,147,290	253,802,164
Accrued Compensated Absences - Noncurrent Portion	58,615	-
Noncurrent Liabilities - Other	442,717	-
Interest Rate Swap	-	23,113,243
Total Long-Term Liabilities	<u>93,648,622</u>	<u>276,915,407</u>
Total Liabilities	115,108,105	325,261,561
DEFERRED INFLOWS OF RESOURCES		
Ground Leases	134,802,315	-
NET POSITION		
Net Investment in Capital Assets	123,770,953	59,473,750
Restricted Net Position:		
Replacement, Escrow, and Operating Reserves	9,913,958	44,113,815
Unrestricted Net Position	3,521,324	7,660,168
Total Net Position	<u>137,206,235</u>	<u>111,247,733</u>
Total Liabilities and Net Position	<u>\$ 387,116,655</u>	<u>\$ 436,509,294</u>

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2023

	Enterprise Fund	Discretely Presented Component Units
OPERATING REVENUES		
Net Tenant Rental Revenue	\$ 18,519,601	\$ 36,673,627
HUD Operating Grants	70,831,237	-
Other Governmental Grants	7,860,478	-
Other Revenue	8,659,490	11,684,965
Total Operating Revenues	<u>105,870,806</u>	<u>48,358,592</u>
OPERATING EXPENSES		
Administrative	18,180,943	8,551,785
Tenant Services	237,412	10,681
Utilities	2,208,547	2,828,543
Ordinary Maintenance and Operations	7,409,290	8,163,721
Protective Services	1,074,811	1,037,080
General	3,250,734	5,558,671
Housing Assistance Payments	63,395,124	-
Depreciation and Amortization	5,186,636	16,749,737
Total Operating Expenses	<u>100,943,497</u>	<u>42,900,218</u>
OPERATING INCOME	4,927,309	5,458,374
NONOPERATING REVENUES (EXPENSES)		
Investment Income	2,016,015	290,869
Interest Expense	(2,545,222)	(10,687,195)
Loss on Sale of Capital Assets	(455,821)	-
Capital Grants	6,674,533	-
Casualty Loss	14,138	(12,094)
Total Nonoperating Revenues (Expenses)	<u>5,703,643</u>	<u>(10,408,420)</u>
CHANGE IN NET POSITION	10,630,952	(4,950,046)
Total Net Position - Beginning of Year	<u>126,575,283</u>	<u>116,197,779</u>
TOTAL NET POSITION - END OF YEAR	<u><u>\$ 137,206,235</u></u>	<u><u>\$ 111,247,733</u></u>

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023**

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Dwelling Rent Receipts	\$ 18,294,660
Operating Subsidy and Grant Receipts	74,700,264
Other Receipts	2,284,444
Payments to Vendors	(6,080,371)
Payments to Employees	(18,269,373)
Housing Assistance Payments	(63,395,124)
Net Cash Provided by Operating Activities	<u>7,534,500</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	<u>2,016,015</u>
Net Cash Provided by Investing Activities	<u>2,016,015</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Grant Receipts	6,674,533
Proceeds from Debt	2,750,000
Casualty Loss	14,138
Payments Received on Notes Receivable	(3,046,558)
Purchases of Capital Assets	(16,698,486)
Loss on Disposition of Capital Assets	1,043,592
Payments on Debt	(2,432,820)
Interest Paid on Debt	(2,545,222)
Net Cash Used by Capital and Related Financing Activities	<u>(14,240,823)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,690,308)
Cash and Cash Equivalents - Beginning of Year	<u>61,901,072</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 57,210,764</u></u>

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

	Enterprise Fund
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 4,927,309
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation	5,186,636
Provision for Bad Debts	215,184
Effects of Changes in Operating Assets and Liabilities:	
Accounts Receivable - HUD	(3,991,451)
Accounts Receivable - Tenants	(457,567)
Accounts Receivable - Other	(6,979,744)
Prepaid Expenses and Other Assets	(149,513)
Lease Receivable	264,143
Accounts Payable	881,256
Accrued Wages and Payroll Taxes Payable	(108,050)
Accrued Interest Payable	(39,075)
Accrued Compensated Absences	19,620
Tenant Security Deposits	17,442
Unearned Revenue	454,620
Other Current Liabilities	6,807,976
Noncurrent Liabilities - Other	106,084
Deferred Inflows - Ground Leases	379,630
Net Cash Provided by Operating Activities	<u>\$ 7,534,500</u>

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2023**

	South Hulen, LP	Samuels Avenue, LP	Trinity Quality Housing, LP	Western Hills Affordable Housing, LP	LDG Stallion Pointe, LP	Hometowne at Matador Ranch, LP	Woodmont Apartments, Ltd
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents - Unrestricted	\$ 982,173	\$ 7,714	\$ 644,206	\$ 10,918	\$ 74,465	\$ 429,874	\$ 6,446
Cash and Cash Equivalents - Restricted	2,398,854	154,612	710,670	1,507,283	1,908,688	1,093,453	330,130
Accounts Receivable - Tenants (Net of Allowance)	69,522	12,131	71,273	196,024	319,493	55,104	118,912
Accounts Receivable - Other (Net of Allowance)	6,870	1,330	-	22,112	11	208,612	-
Prepaid Expenses	211,654	65,077	89,901	241,219	131,749	216,678	1,289,200
Total Current Assets	3,669,073	240,864	1,516,050	1,977,556	2,434,406	2,003,721	1,744,688
NONCURRENT ASSETS							
Capital Assets, Net of Accumulated Depreciation	6,408,039	1,645,810	8,033,693	7,091,486	30,425,755	10,093,411	13,327,078
Other Assets	309,656	166,675	463,004	22,245	3,005,809	133,521	952,599
Total Noncurrent Assets	6,717,695	1,812,485	8,496,697	7,113,731	33,431,564	10,226,932	14,279,677
 Total Assets	 \$ 10,386,768	 \$ 2,053,349	 \$ 10,012,747	 \$ 9,091,287	 \$ 35,865,970	 \$ 12,230,653	 \$ 16,024,365

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
DECEMBER 31, 2023**

	FW Alton Park, LP	FW Campus Apartments, LP	Palladium Fort Worth, Ltd	FW Steele Prince Hall, LLC	FW Steele Sabine Place, LLC	Western Center Reserve, LLC	Reserve at McAlister Senior Living, LLC
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents - Unrestricted	\$ 56,454	\$ 272,579	\$ 1,135	\$ 66,122	\$ 63,639	\$ 91,379	\$ 419,951
Cash and Cash Equivalents - Restricted	1,088,071	1,369,522	314,966	490,066	450,837	587,472	777,954
Accounts Receivable - Tenants (Net of Allowance)	73,378	88,705	17,709	56,556	(801)	34,992	37
Accounts Receivable - Other (Net of Allowance)	14,069	1,426	-	30,457	17,080	-	9,060
Prepaid Expenses	41,307	86,053	48,190	11,176	11,057	39,367	34,716
Total Current Assets	1,273,279	1,818,285	382,000	654,377	541,812	753,210	1,241,718
NONCURRENT ASSETS							
Capital Assets, Net of Accumulated Depreciation	20,647,665	25,089,378	17,883,340	7,451,974	7,477,106	9,071,244	8,587,819
Other Assets	4,364,502	1,987,104	2,169,313	341,780	614,789	1,232,751	2,077,810
Total Noncurrent Assets	25,012,167	27,076,482	20,052,653	7,793,754	8,091,895	10,303,995	10,665,629
 Total Assets	 \$ 26,285,446	 \$ 28,894,767	 \$ 20,434,653	 \$ 8,448,131	 \$ 8,633,707	 \$ 11,057,205	 \$ 11,907,347

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
DECEMBER 31, 2023

	Amtex Avondale, LP	The Standard at Boswell Marketplace, LP	FW Stallion Ridge, LP	FW Patriot Pointe, LP	Fossil Ridge II, LP	Cowan Place	Hunter Plaza	Total
ASSETS								
CURRENT ASSETS								
Cash and Cash Equivalents - Unrestricted	\$ 193,937	\$ 1,523,945	\$ 199,516	\$ 195,347	\$ 830,065	\$ 10,044	\$ 79,873	\$ 6,159,782
Cash and Cash Equivalents - Restricted	657,684	857,277	690,270	1,311,983	1,170,768	26,280,651	942,347	45,093,558
Accounts Receivable - Tenants (Net of Allowance)	14,713	68,088	152,836	65,083	46,869	12,696	-	1,473,320
Accounts Receivable - Other (Net of Allowance)	-	1,999	21,691	7,831	72,952	317,610	15,801	748,911
Prepaid Expenses	95,470	48,040	143,482	104,098	182,870	86,264	139,920	3,317,488
Total Current Assets	961,804	2,499,349	1,207,795	1,684,342	2,303,524	26,707,265	1,177,941	56,793,059
NONCURRENT ASSETS								
Capital Assets, Net of Accumulated Depreciation	17,357,777	15,936,903	35,050,413	31,883,144	12,994,680	36,369,484	20,150,286	342,976,485
Other Assets	1,040,875	3,116,928	2,038,351	3,869,406	1,693,417	2,055,841	5,083,374	36,739,750
Total Noncurrent Assets	18,398,652	19,053,831	37,088,764	35,752,550	14,688,097	38,425,325	25,233,660	379,716,235
 Total Assets	 \$ 19,360,456	 \$ 21,553,180	 \$ 38,296,559	 \$ 37,436,892	 \$ 16,991,621	 \$ 65,132,590	 \$ 26,411,601	 \$ 436,509,294

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
DECEMBER 31, 2023

LIABILITIES	South Hulen, LP	Samuels Avenue, LP	Trinity Quality Housing, LP	Western Hills Affordable Housing, LP	LDG Stallion Pointe, LP	Hometowne at Matador Ranch, LP	Woodmont Apartments, Ltd
CURRENT LIABILITIES							
Accounts Payable	\$ 11,602	\$ 26,724	\$ 150	\$ 1,414,393	\$ 46,892	\$ 19,282	\$ 527,632
Accrued Wages and Payroll Taxes Payable	-	-	-	-	-	-	-
Current Portion of Notes and Mortgage Payable	142,024	44,407	162,612	-	425,678	137,893	348,727
Accrued Interest Payable	26,479	389,721	-	278,107	150,027	734,653	22,718
Security Deposits Payable	42,428	7,905	26,496	65,486	77,331	45,900	88,313
Unearned Revenue - Current	47,709	4,780	30,688	57,654	53,915	12,742	7,685
Other Liabilities	342,969	225,900	328,175	30,163	476,339	2,040,733	1,003,826
Total Current Liabilities	613,211	699,437	548,121	1,845,803	1,230,182	2,991,203	1,998,901
LONG-TERM LIABILITIES							
Notes and Mortgage Payable, Net of Current Portion	7,489,445	1,321,592	2,936,909	5,239,057	25,598,573	10,101,308	16,705,434
Noncurrent Liabilities - Other	-	403,079	174,996	-	655,650	750,997	763,558
Total Long-Term Liabilities	7,489,445	1,724,671	3,111,905	5,239,057	26,254,223	10,852,305	17,468,992
Total Liabilities	8,102,656	2,424,108	3,660,026	7,084,860	27,484,405	13,843,508	19,467,893
NET POSITION							
Net Investment in Capital Assets	(1,223,430)	279,811	4,934,172	1,852,429	4,401,504	(145,790)	(3,727,083)
Restricted Net Position	2,356,426	146,707	684,174	1,441,797	1,831,357	1,047,553	241,817
Unrestricted Net Position	1,151,116	(797,277)	734,375	(1,287,799)	2,148,704	(2,514,618)	41,738
Total Net Position	2,284,112	(370,759)	6,352,721	2,006,427	8,381,565	(1,612,855)	(3,443,528)
Total Liabilities and Net Position	<u>\$ 10,386,768</u>	<u>\$ 2,053,349</u>	<u>\$ 10,012,747</u>	<u>\$ 9,091,287</u>	<u>\$ 35,865,970</u>	<u>\$ 12,230,653</u>	<u>\$ 16,024,365</u>

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
DECEMBER 31, 2023

LIABILITIES	FW Alton Park, LP	FW Campus Apartments, LP	Palladium Fort Worth, Ltd	FW Steele Prince Hall, LLC	FW Steele Sabine Place, LLC	Western Center Reserve, LLC	Reserve at McAlister Senior Living, LLC
CURRENT LIABILITIES							
Accounts Payable	\$ 65,405	\$ 61,838	\$ 35,946	\$ 15,190	\$ 50,020	\$ 37,803	\$ 51,871
Accrued Wages and Payroll Taxes Payable	-	-	-	-	-	-	-
Current Portion of Notes and Mortgage Payable	280,200	247,686	144,220	98,554	98,710	65,000	68,184
Accrued Interest Payable	69,134	454,113	56,464	29,497	5,822	15,814	17,041
Security Deposits Payable	56,049	55,587	24,941	17,346	17,326	40,181	46,238
Unearned Revenue - Current	9,802	39,756	5,956	-	1,626	13,979	39,556
Other Liabilities	28,416	18,651	44,371	27,725	45,599	6,423	7,383
Total Current Liabilities	509,006	877,631	311,898	188,312	219,103	179,200	230,273
LONG-TERM LIABILITIES							
Notes and Mortgage Payable, Net of Current Portion	21,509,552	20,586,066	12,274,634	6,627,898	6,422,092	2,947,181	3,427,427
Noncurrent Liabilities - Other	423,139	1,026,294	1,634,996	110,000	412,229	-	-
Total Long-Term Liabilities	21,932,691	21,612,360	13,909,630	6,737,898	6,834,321	2,947,181	3,427,427
Total Liabilities	22,441,697	22,489,991	14,221,528	6,926,210	7,053,424	3,126,381	3,657,700
NET POSITION							
Net Investment in Capital Assets	(1,142,087)	4,255,626	5,464,486	725,522	956,304	6,059,063	5,092,208
Restricted Net Position	1,032,022	1,313,935	290,025	472,720	433,511	547,291	731,716
Unrestricted Net Position	3,953,814	835,215	458,614	323,679	190,468	1,324,470	2,425,723
Total Net Position	3,843,749	6,404,776	6,213,125	1,521,921	1,580,283	7,930,824	8,249,647
Total Liabilities and Net Position	<u>\$ 26,285,446</u>	<u>\$ 28,894,767</u>	<u>\$ 20,434,653</u>	<u>\$ 8,448,131</u>	<u>\$ 8,633,707</u>	<u>\$ 11,057,205</u>	<u>\$ 11,907,347</u>

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
DECEMBER 31, 2023

LIABILITIES	Amtex Avondale, LP	The Standard at Boswell Marketplace, LP	FW Stallion Ridge, LP	FW Patriot Pointe, LP	Fossil Ridge II, LP	Cowan Place	Hunter Plaza	Total
CURRENT LIABILITIES								
Accounts Payable	\$ 14,679	\$ 17,650	\$ 121,246	\$ 145,086	\$ 277,732	\$ 3,990,312	\$ 13,607	\$ 6,945,060
Accrued Wages and Payroll Taxes Payable	-	-	-	-	6,419	-	-	6,419
Current Portion of Notes and Mortgage Payable	128,806	14,418	190,000	210,000	-	26,639,796	253,656	29,700,571
Accrued Interest Payable	28,476	239,795	295,349	147,856	15,068	77,049	980,402	4,033,585
Security Deposits Payable	46,626	46,986	68,914	92,557	53,091	23,700	36,342	979,743
Unearned Revenue - Current	11,879	17,851	40,382	25,458	12,567	29,069	16,998	480,052
Other Liabilities	16,440	15,388	204,720	14,128	509,225	10,668	803,482	6,200,724
Total Current Liabilities	246,906	352,088	920,611	635,085	874,102	30,770,594	2,104,487	48,346,154
LONG-TERM LIABILITIES								
Notes and Mortgage Payable, Net of Current Portion	8,666,246	9,422,582	24,235,000	24,419,838	4,742,000	23,379,771	15,749,559	253,802,164
Noncurrent Liabilities - Other	303,092	98,111	4,336,036	2,668,826	-	2,162,872	7,189,368	23,113,243
Total Long-Term Liabilities	8,969,338	9,520,693	28,571,036	27,088,664	4,742,000	25,542,643	22,938,927	276,915,407
Total Liabilities	9,216,244	9,872,781	29,491,647	27,723,749	5,616,102	56,313,237	25,043,414	325,261,561
NET POSITION								
Net Investment in Capital Assets	8,562,725	6,499,903	10,625,413	7,253,306	8,252,680	(13,650,083)	4,147,071	59,473,750
Restricted Net Position	611,058	810,291	621,356	1,219,426	1,117,677	26,256,951	906,005	44,113,815
Unrestricted Net Position	970,429	4,370,205	(2,441,857)	1,240,411	2,005,162	(3,787,515)	(3,684,889)	7,660,168
Total Net Position	10,144,212	11,680,399	8,804,912	9,713,143	11,375,519	8,819,353	1,368,187	111,247,733
Total Liabilities and Net Position	\$ 19,360,456	\$ 21,553,180	\$ 38,296,559	\$ 37,436,892	\$ 16,991,621	\$ 65,132,590	\$ 26,411,601	\$ 436,509,294

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2023

	South Hulen, LP	Samuels Avenue, LP	Trinity Quality Housing, LP	Western Hill Affordable Housing, LP	LDG Stallion Pointe, LP	Hometowne at Matador Ranch, LP	Woodmont Apartments, Ltd
OPERATING REVENUES							
Net Tenant Rental Revenue	\$ 1,882,476	\$ 345,677	\$ 1,287,560	\$ 2,196,860	\$ 2,906,179	\$ 2,170,833	\$ 2,228,881
Other Revenue	50,612	8,569	50,347	75,399	187,416	78,540	92,552
Total Operating Revenues	1,933,088	354,246	1,337,907	2,272,259	3,093,595	2,249,373	2,321,433
OPERATING EXPENSES							
Administrative	369,417	68,868	310,366	698,189	494,871	394,332	671,116
Tenant Services	-	-	-	-	-	-	-
Utilities	163,399	47,667	113,032	249,000	207,318	159,399	214,421
Ordinary Maintenance and Operations	663,278	86,007	504,337	531,267	350,176	706,093	657,304
Protective Services	69,305	-	75,115	223,071	249,822	-	199,278
General	193,494	55,993	125,854	595,256	333,544	355,543	726,561
Depreciation and Amortization	633,730	146,173	413,018	616,362	1,334,338	415,850	919,380
Total Operating Expenses	2,092,623	404,708	1,541,722	2,913,145	2,970,069	2,031,217	3,388,060
OPERATING INCOME (LOSS)	(159,535)	(50,462)	(203,815)	(640,886)	123,526	218,156	(1,066,627)
NONOPERATING REVENUES (EXPENSES)							
Interest Income	47,856	-	36,345	5,512	67,571	950	-
Interest Expense	(312,224)	(143,012)	(25,000)	(163,239)	(999,315)	(516,874)	(557,858)
Total Nonoperating Revenues (Expenses)	(264,368)	(143,012)	11,345	(157,727)	(931,744)	(515,924)	(557,858)
CHANGE IN NET POSITION	(423,903)	(193,474)	(192,470)	(798,613)	(808,218)	(297,768)	(1,624,485)
Net Position - Beginning of Year	2,708,015	(177,285)	6,545,191	2,805,040	9,189,783	(1,315,087)	(1,819,043)
NET POSITION - END OF YEAR	<u>\$ 2,284,112</u>	<u>\$ (370,759)</u>	<u>\$ 6,352,721</u>	<u>\$ 2,006,427</u>	<u>\$ 8,381,565</u>	<u>\$ (1,612,855)</u>	<u>\$ (3,443,528)</u>

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	FW Alton Park, LP	FW Campus Apartments, LP	Palladium Fort Worth, Ltd.	FW Steele Prince Hall, LLC	FW Steele Sabine Place, LLC	Western Center Reserve, LLC	Reserve at McAlister Senior Living, LLC
OPERATING REVENUES							
Net Tenant Rental Revenue	\$ 2,420,733	\$ 2,626,222	\$ 1,663,262	\$ 1,049,728	\$ 1,139,299	\$ 1,346,891	\$ 1,258,040
Other Revenue	58,845	112,590	95,884	18,842	8,763	37,144	33,077
Total Operating Revenues	2,479,578	2,738,812	1,759,146	1,068,570	1,148,062	1,384,035	1,291,117
OPERATING EXPENSES							
Administrative	365,428	421,763	414,012	220,036	165,968	354,911	250,470
Tenant Services	-	-	-	-	-	-	-
Utilities	154,308	119,099	167,378	112,740	182,333	101,401	74,482
Ordinary Maintenance and Operations	300,135	517,780	199,356	134,483	183,600	364,623	250,973
Protective Services	357	78,158	-	21	-	-	-
General	224,631	178,294	229,063	91,470	64,354	279,843	202,554
Depreciation and Amortization	1,109,871	1,261,480	1,631,692	462,734	481,309	691,641	572,500
Total Operating Expenses	2,154,730	2,576,574	2,641,501	1,021,484	1,077,564	1,792,419	1,350,979
OPERATING INCOME (LOSS)	324,848	162,238	(882,355)	47,086	70,498	(408,384)	(59,862)
NONOPERATING REVENUES (EXPENSES)							
Interest Income	1,518	1,751	725	73	48	1,863	10,036
Interest Expense	(974,325)	(1,094,099)	(710,232)	(364,117)	(342,907)	(207,733)	(217,514)
Total Nonoperating Revenues (Expenses)	(972,807)	(1,092,348)	(709,507)	(364,044)	(342,859)	(205,870)	(207,478)
CHANGE IN NET POSITION	(647,959)	(930,110)	(1,591,862)	(316,958)	(272,361)	(614,254)	(267,340)
Net Position - Beginning of Year	4,491,708	7,334,886	7,804,987	1,838,879	1,852,644	8,545,078	8,516,987
NET POSITION - END OF YEAR	<u>\$ 3,843,749</u>	<u>\$ 6,404,776</u>	<u>\$ 6,213,125</u>	<u>\$ 1,521,921</u>	<u>\$ 1,580,283</u>	<u>\$ 7,930,824</u>	<u>\$ 8,249,647</u>

See accompanying Notes to Financial Statements.

FORT WORTH HOUSING SOLUTIONS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	Amtex Avondale, LP	The Standard at Boswell Marketplace, LP	FW Stallion Ridge, LP	FW Patriot Pointe, LP	Fossil Ridge II, LP	Cowan Place	Hunter Plaza	Total
OPERATING REVENUES								
Net Tenant Rental Revenue	\$ 1,730,833	\$ 1,411,649	\$ 2,618,935	\$ 2,870,444	\$ 1,792,361	\$ 128,655	\$ 1,598,109	\$ 36,673,627
Other Revenue	35,505	52,174	142,188	90,955	174,572	10,224,317	56,674	11,684,965
Total Operating Revenues	1,766,338	1,463,823	2,761,123	2,961,399	1,966,933	10,352,972	1,654,783	36,350,837
OPERATING EXPENSES								
Administrative	372,482	295,192	481,371	440,658	1,132,644	215,876	413,815	8,551,785
Tenant Services	-	-	-	-	-	-	10,681	10,681
Utilities	138,806	70,097	166,863	128,497	131,841	18,492	107,970	2,828,543
Ordinary Maintenance and Operations	405,324	355,018	101,162	602,558	544,057	78,136	628,054	8,163,721
Protective Services	-	-	68,176	73,777	-	-	-	1,037,080
General	196,711	196,229	365,710	262,050	171,365	409,189	313,057	5,570,765
Depreciation and Amortization	646,342	751,608	1,231,845	1,157,815	646,352	529,341	1,096,355	16,749,736
Total Operating Expenses	1,759,665	1,668,144	2,415,127	2,665,355	2,626,259	1,251,034	2,569,932	42,912,311
OPERATING INCOME (LOSS)	6,673	(204,321)	345,996	296,044	(659,326)	9,101,938	(915,149)	5,446,281
NONOPERATING REVENUES (EXPENSES)								
Interest Income	11,199	27,878	23,394	52,613	687	850	-	290,869
Interest Expense	(354,826)	(375,720)	(1,132,969)	(1,200,531)	(189,511)	(283,435)	(521,754)	(10,687,195)
Total Nonoperating Revenues (Expenses)	(343,627)	(347,842)	(1,109,575)	(1,147,918)	(188,824)	(282,585)	(521,754)	(10,396,326)
CHANGE IN NET POSITION	(336,954)	(552,163)	(763,579)	(851,874)	(848,150)	8,819,353	(1,436,903)	(4,950,045)
Net Position - Beginning of Year	10,481,166	12,232,562	9,568,491	10,565,017	12,223,669	-	2,805,090	116,197,778
NET POSITION - END OF YEAR	<u>\$ 10,144,212</u>	<u>\$ 11,680,399</u>	<u>\$ 8,804,912</u>	<u>\$ 9,713,143</u>	<u>\$ 11,375,519</u>	<u>\$ 8,819,353</u>	<u>\$ 1,368,187</u>	<u>\$ 111,247,733</u>

See accompanying Notes to Financial Statements.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Fort Worth Housing Solutions (FWHS) is a public body corporate and politic organized under the laws of the state of Texas by the City of Fort Worth for the purpose of providing adequate housing for qualified low-income individual led by a Board of Housing Commissioners appointed by the mayor of the city of Fort Worth.

The Housing Commissioners provide leadership, set policy, approve budgets, earn support in the community for housing programs and are responsible for hiring a President to manage the day-to-day operations of the Agency.

Additionally, FWHS entered into an Annual Contribution Contract with the U.S. Department of Housing and Urban Development (HUD) to be the administrator of the housing and housing related programs described herein.

Reporting Entity

On the basis of the application of these criteria, FWHS is a legally separate entity that is fiscally independent of other governments. There are no other entities that are to be reported as component units of FWHS which are not included in this report and FWHS is not included in the City of Fort Worth financial reports; therefore, FWHS reports independently.

Basis of Accounting and Measurement Focus

FWHS uses the accrual basis of accounting in the business-type activities. Under this method, revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place.

Basis of Presentation

The financial statements of FWHS are presented from a fund perspective. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain FWHS functions. The fund is a separate accounting entity with a self-balancing set of accounts. The accounting and financial reporting method applied by a fund is determined by the fund's measurement focus. The accounting objectives are a determination of net income, financial position, and cash flows. FWHS uses the following fund type:

Business-Type Activities

Business-type activities consist of the enterprise fund, which is reported using an economic resources measurement focus. Additionally, it is used to account for operations that are financed and operated in a manner similar to private businesses where a fee is charged to external users for services provided. FWHS is required to follow all statements of the Governmental Accounting Standards Board (GASB). GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, was issued to incorporate FASB and AICPA guidance into GASB authoritative literature.

Within the business-type activities, FWHS records activities related to certain programs and component units described below as shown on the financial data schedule in the supplemental information section.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

HUD Funded Programs

Low Rent Public Housing

Funding for the public housing units is provided by advances from HUD. The objective of the program is to provide decent, safe, and sanitary housing and related facilities for eligible low-income families and the elderly. This program, along with the Capital Fund Program discussed below, comprise the Public Housing program. Butler Place Apartments is currently being converted to a Rental Assistance Demonstration (RAD) property.

Capital Fund Program

The objective of this program is to improve the physical condition of the Low-Income Public Housing units and upgrade the management of the program. As noted above, this program is included in the Public Housing program.

Housing Choice Voucher (HCV), Mainstream Vouchers, Veterans Affairs Supportive Housing (VASH), Emergency Housing Vouchers (EHV), and Moderate Rehabilitation Programs

The objective of these programs is to provide housing for eligible low-income families through housing assistance payments to private landlords. The VASH program provides rental assistance under a supportive housing program for homeless veterans and is included with the Housing Choice Voucher program. The EHV program was created and implemented in the current year.

Continuum of Care Program

The objective of this program is to provide housing for persons who are homeless and disabled through housing assistance payments to private landlords.

Resident Opportunities and Supportive Services Program

The objective of this program is to provide counseling and other services to encourage resident self-sufficiency.

Family Self Sufficiency Coordinator Program

The objective of this program is to provide salaries and benefits to coordinators implementing the family self-sufficiency program under Public Housing and Housing Choice Voucher programs.

Rental Assistance Demonstration (RAD)

The Consolidated and Further Continuing Appropriations Act of 2012 authorized RAD. It allows public housing agencies to convert properties currently funded under the public housing program to long-term project-based Section 8 rental assistance contracts to preserve and improve these properties through access to private debt and equity to address immediate and long-term capital needs.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

HUD Funded Programs (Continued)

Choice Neighborhood Implementation Grants

The objective of this program is to transform neighborhoods of poverty into viable mixed-income neighborhoods with access to economic activities by revitalizing a target housing project and catalyzing critical improvements in the neighborhood, including vacant property, housing, businesses, services, and schools.

State and Local Programs

State and local program operations include the operation of the Directions Home fund that are intended to expand existing capacity of the continuum of care to serve people who are homeless residing in the City of Fort Worth. Various grants and other receipts are also accounted for under this category.

Blended Component Units

FWHS' financial statements also include non-HUD related programs. These programs are included in the blended component unit combining schedules. The determination to include a component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting and Financial Reporting Standards and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34* and GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*. These criteria include financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable.

The following activities are presented in the financial statements as blended component units:

Gateway Public Facility Corporation (GPFC)

GPFC is a public, nonprofit corporation created and existing under the laws of the state of Texas and acting as an instrumentality of FWHS. As of December 31, 2023, the GPFC board composition was identical to that of FWHS. The GPFC was established to serve as the owner of the Villas of Oak Hill and as the borrower for the acquisition loan. Villas of Oak Hill was sold to a third party in 2019.

Fort Worth Affordability, Inc. (FWAI)

As part of FWHS' long-range plan to expand and manage its affordable housing portfolio, it sponsored an affiliate, Fort Worth Affordability, Inc. to finance the development and rehabilitation of some of the properties under the FWHS portfolio. FWAI is a nonprofit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It also serves as owner of Spring Glen Apartments, Woodmont Apartments GP, LLC, Carlyle Crossing, Cobb Park Townhomes II, LP, and Post Oak East Apartments, LP.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units (Continued)

Eastwood Public Facility Corporation (EPFC)

EPFC is a public, nonprofit corporation created and existing under the laws of the state of Texas and acting as an instrumentality of FWHS. As of December 31, 2023, the EPFC board composition was identical to that of FWHS. The EPFC was established to serve as the owner of the Villas of Eastwood Terrace Apartments and to assume its HUD enhanced loan. The Villas of Eastwood Terrace Apartments consist of 160 elderly units purchased in August 2013. It has 13 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.

Aventine Tarrant Parkway Apartments, LP (Aventine)

Aventine was formed as a limited partnership under the laws of Texas on June 16, 2004, for the purpose of acquiring, constructing, and operating a 240-unit low-income residential housing project located in Fort Worth, Texas called Aventine Apartments (the project). Aventine has 36 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD. FWHS and affiliates own 100% of the partnership.

Hillside Public Facility Corporation (HPFC)

HPFC is a public, nonprofit corporation created and existing under the laws of the state of Texas and acting as an instrumentality of FWHS. As of December 31, 2023, the HPFC board composition was identical to that of FWHS. The HPFC was established to serve as the owner of the Knights of Pythias Lofts and as the borrower for the acquisition loan. The Knights of Pythias Lofts consists of 10 affordable and 8 market rate units and was purchased in 2012.

New 172 Hillside Partners, LLC

FWHS is the sole member of New 172 Hillside Partners, LLC who owns the improvements and land of Hillside Apartments. As of December 31, 2023, the Hillside Apartments board composition was made up of the majority of FWHS board.

Trinity River Public Facility Corporation (TRPFC)

TRPFC is a public, nonprofit corporation created and existing under the laws of the state of Texas and acting as an instrumentality of FWHS. As of December 31, 2023, the TRPFC board composition was identical to that of FWHS. The TRPFC was established to finance public facilities and was specifically created to serve as the borrower for the line of credit and issuer of bonds associated with the properties acquired by FWHS.

Fair Oaks Public Facility Corporation (FOPFC)

FOPFC is a public, nonprofit corporation created and existing under the laws of the state of Texas and acting as instrumentality of FWHS. As of December 31, 2023, the FOPFC board composition was identical to that of FWHS. The FOPFC was established to serve as the owner of the 76-unit Fair Oaks Apartments when it converted to Project-Based Rental Assistance under the Rental Assistance Demonstration program in April 2014.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units (Continued)

Fair Park Public Facility Corporation (FPPFC)

FPPFC is a public, nonprofit corporation created and existing under the laws of the state of Texas and acting as instrumentality of FWHS. As of December 31, 2023, the FPPFC board composition was identical to that of FWHS. The FPPFC was established to serve as the owner of the 48-unit Fair Park Apartments when it converted to Project-Based Rental Assistance under the Rental Assistance Demonstration program in April 2014.

Overton Square, L.P. (Overton)

Consists of a 216-unit multi-family apartment complex, Overton Park Townhomes, that was purchased by FWHS in 2002. The project was financed through a mortgage under Section 221(d)(4) of the National Housing Act as regulated by HUD and through low-income housing tax credits. As of December 31, 2023, Overton's board composition was identical to that of FWHS. Overton has 54 Project Based Rental Assistance units under the Rental Assistance Demonstration program. FWHS and affiliates own 100% of the partnership.

Pennsylvania Place Apartments, LP (Pennsylvania Place)

Pennsylvania Place was formed as a limited partnership under the laws of Texas on December 26, 1996, for the purpose of developing and operating a 152-unit project known as Pennsylvania Place Apartments. FWAI is the sole member of Pennsylvania Place's general partner with 99% ownership. It has 12 Project Based Rental Assistance units under the Rental Assistance Demonstration program. FWHS and affiliates own 100% of the partnership.

Cavile Place Public Facility Corporation (CPPFC)

FWHS is the sole member of Cavile Place Public Facility Corporation who owns Cavile Place Apartments. As of December 31, 2023, the CPPFC board composition was identical to that of FWHS. Accordingly, the financial statements are presented on a blended basis and are included in the Blended Component Unit combining statements.

Ironwood Crossing Public Facility Corporation (ICPFC)

ICPFC is a public nonprofit corporation created and existing under the laws of the state of Texas and acting as instrumentality of FWHS. The ICPFC was established to assist FWHS in financing, refinancing, or providing "public facilities" as defined in the Texas Public Facility Corporation Act. As of December 31, 2023 the ICPFC Board composition was identical to that of FWHS.

Lincoln Terrace, LP (Villas on the Hill)

Lincoln Terrace, LP was formed as a limited partnership under the laws of Texas on June 16, 2010, to construct, develop and operate a 72-unit apartment project, known as the Villas on the Hill in Fort Worth, Texas. Wind Terrace, Inc. (a blended component unit) is the sole member of Lincoln Terrace GP, LLC (the general partner) and FWAI (a blended component unit) is the limited partner.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Blended Component Units (Continued)

FW Casa de Esperanza, LP

FW Casa de Esperanza, LP was purchased in October 2020 in relation to CARES Act funding received from the City of Fort Worth. The property was purchased to operate as permanent supportive housing of 119 units to provide protective housing for high risk COVID vulnerable households. FW Casa de Esperanza GP, LLC (100% owned by FWHS) owns 99.99% of the LP as the General Partner. FWHS controls this entity.

FW Casa De Los Suenos, LLC

FW Casa de Los Suenos, LLC was purchased in June 2023 using ARPA and CDBG funding received from Tarrant County and the City of Fort Worth. The property was purchased to operate as permanent supportive housing of 55 units to provide supportive housing for homeless families. FW Casa de Los Suenos, LLC is 100% owned by FWHS and FWHS controls this entity.

Post Oak East Apartments, LP

Post Oak East Apartments, LP was formed as a limited partnership under the laws of Texas on April 15, 2004, to construct, develop and operate a 246-unit apartment project for low-income residents. Trinity River Public Facility Corporation (a blended component unit) is the sole member of 246 Post Oak East, LLC (the general partner and Class B Limited Partner) and FWAI (a blended component unit) is the limited partner.

Huntley Public Facility Corporation (HPFC)

FWHS is the sole member of Huntley Place Public Facility Corporation who owns the land of SCP FW Weatherford, LP (the Huntley). As of December 31, 2023, the HPFC board composition was identical to that of FWHS. Accordingly, the financial statements are presented on a blended basis and are included in the Blended Component Unit combining statements. This entity is owned 100% by FWHS.

FW Bonds Ranch Public Facility Corporation (BRPFC)

BRPFC is a public nonprofit corporation created and existing under the laws of the state of Texas and acting as instrumentality of FWHS. The BRPFC was established to hold the land and ground lease of Inspire Homes Bonds Ranch, LLC. As of December 31, 2023 the BRPFC Board composition was identical to that of FWHS.

Other projects that are included as blended component units that have limited activity include: Chisholm V Corporation, WHAH General Partner LLC, Pioneers of Samuels LLC, Wind Terrace, Inc., Housing Development Corporation of Fort Worth, and Barbara Holston - Education Fund.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Units

FWHS has a controlling minority interest in these real estate limited partnerships as of December 31, 2023. The majority interests are held by third parties unrelated to FWHS. FWHS, or a FWHS affiliate, operates as either General Partner, Managing Member, Class B Limited Partner, or Special Limited Partner in the limited partnerships. As such, FWHS has certain rights and responsibilities which enable it to impose its will on the limited partnerships. FWHS also has outstanding loans and net advances to the limited partnerships at December 31, 2023. The limited partnerships do not serve FWHS exclusively, or almost exclusively, and therefore, are shown as discretely presented component units.

1. Candletree Apartments – Owned by South Hulen, L.P. and consists of a 216-unit multi-family apartment complex that was purchased by FWHS in 1994 through the Resolution Trust Corporation. The \$15,000,000 renovation of this property started in 2007 and was completed in 2008 and was financed by tax credits and construction loans. FWHS is general partner of this entity and owns .008%. Candletree has Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
2. The Pavilion at Samuels Avenue – Owned by Samuels Avenue, L.P. and consists of a 36-unit multi-family apartment complex constructed on land FWHS purchased in 2004. Tax credit and construction loan financed construction was completed in 2007. FWHS is general partner of this entity and owns .009%.
3. Wind River Apartments – Owned by Trinity Quality Housing, L.P. and consists of a 168-unit multi-family apartment complex purchased by FWHS. FWHS is the general partner of this entity and owns .01%. Wind River has 34 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
4. Cambridge Court Apartments – Owned by Western Hills Affordable Housing, L.P. and consists of a 330-unit multi-family apartment complex purchased in 2004. Renovation was completed in 2007. During 2006, third-party tax credit equity was received for 99.9% of the equity. FWHS is the general partner of this entity and owns .009%. Cambridge has 33 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
5. Hunter Plaza – Owned by FW Hunter Plaza, LP and will consist of 115 affordable and 49 market rate units. Twenty-five affordable units received housing assistance payment contracts under the Rental Assistance Demonstration program, Project-Based Rental Assistance, in October 2014. FWHS is general partner of this entity and owns .005%.
6. Stallion Pointe – Owned by LDG Stallion Pointe, LP and consists of 264 multi-family residential units. FWHS is general partner of this entity and owns .01%. Stallion Pointe has 15 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
7. Matador Ranch – Owned by Hometowne at Matador Ranch, LP and consists of 198-unit senior apartments. FWHS is the general partner of this entity and owns .01%.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Units (Continued)

8. Woodmont – Owned by Woodmont Apartments, LTD and consists of 252-unit apartment. FWHS is the general partner of this entity and owns .01%.
9. Alton Park – Owned by FW Alton Park, LP and consists of a 195-unit multifamily apartment complex. FWHS is the general partner of this entity and owns .005%. Alton Park has 15 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
10. Campus Villas – Owned by FW Campus Apartments, LP and consists of a 224-unit multifamily apartment complex. FWHS is the general partner of this entity and owns .005%. Campus has 15 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
11. Palladium Fort Worth, Ltd. – Owns a 150-unit multifamily residential rental community known as Palladium Fort Worth. FWHS is the general partner of this entity and owns .005%. Palladium has 15 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
12. FW Steele Prince Hall, LLC – Owns a 76-unit apartment property in 10 buildings known as Prince Hall Gardens II. FWHS is the managing member of this entity and owns .01%.
13. FW Steele Sabine Place, LLC – Owns a 72-unit apartment property in 12 buildings known as Sabine Place Apartments. FWHS is the managing member of this entity and owns .01%.
14. Standard at Boswell – Owned by The Standard at Boswell Marketplace, LP a 128-unit complex. FWHS is the general partner of this entity and owns .01%.
15. Western Center Reserve, LLC – Owns a 120-unit apartment project known as The Reserve at Western Center. FWHS is the managing member of this entity and owns .0048%. Western Center has 23 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
16. Reserve at McAlister Senior Living, LLC – Owns a 124-unit apartment project known as the Reserve at McAlister Senior Living. FWHS is the managing member of this entity and owns .0029%. This property has 22 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
17. Amtex Avondale, LP – Owns a 160-unit multifamily apartment complex known as Avondale Apartments. FWHS is the general partner of this entity and owns .01%. Avondale has 25 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
18. FW Stallion Ridge, LP – owns a 204-unit multifamily apartment complex known as Stallion Ridge Apartments. FWHS is both the general partner and special limited partner of this entity and owns .02%. Stallion Ridge has 20 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Units (Continued)

19. FW Patriot Pointe, LP – owns a 220-unit multifamily apartment complex known as Patriot Pointe Apartments. FWHS is both the general partner and special limited partner of this entity and owns .02%. Patriot Pointe has 22 Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
20. Fossil Ridge II, LP - owns a 172-unit multifamily apartment complex known as Sedona Village. FWHS is both the general partner and class B limited partner and owns .02%. Sedona Village has Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.
21. FW Cowan Place, LP - owns a 174-unit multifamily low-income apartment complex known as Cowan Place Apartments. FWHS is both the general partner and special limited partner and owns .02%. Cowan Place Apartments has Rental Assistance Demonstration units that are subject to a Section 8 Housing Assistance Payments program agreement with HUD.

Copies of the separately issued audited financial statements of the discretely presented component units can be obtained by contacting the Department of Finance and Administration, Fort Worth Housing Solutions, 1407 Texas Street, Fort Worth, Texas 76102.

Use of Estimates

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

Budgets

FWHS adopts budgets on the basis of accounting consistent with the basis of accounting for the fund to which the budget applies. FWHS prepares annual operating budgets, which are formally adopted by its governing Board of Commissioners. The budgets for programs funded by HUD form the basis of the Federal Financial Assistance received through HUD. The programs funded by the state of Texas are presented in the Supplemental Information Section of this report.

Cash and Cash Equivalents

FWHS' cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less when purchased.

Investments

Investments are stated at fair value. FWHS reports all money market investments having a remaining maturity at time of purchase of one year or less at amortized cost. Investment securities are normally held to maturity at par value and adjustments are made to the investment portfolio to reflect increases/decreases in gains made.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are recorded at cost. Inventories held for resale are recorded at the lower of cost or market, cost being determined on a first-in, first-out basis.

Subsidies

Subsidies received from HUD or other grantor agencies for operating purposes are recorded as operating revenue in the operating statement while capital grant funds are recorded after nonoperating revenues and expenses.

Capital Assets and Depreciation

Capital assets are stated at historical cost. Donated capital assets are stated at their acquisition value on the date donated. This includes site acquisition and improvements, structures, and equipment. Depreciation of exhaustible capital assets utilizes the straight-line method and is charged as an expense against operations, and accumulated depreciation is reported in the Statement of Net Position. Assets costing \$5,000 or more with a useful life greater than one year are capitalized.

The estimated useful lives for each major class of depreciable capital assets are as follows:

Buildings	30 to 40 Years
Building Improvements	10 Years
Site Improvements	10 Years
Furniture, Fixture, and Equipment	5 to 10 Years
Nondwelling Structures	30 Years

Impairment of Capital Assets

Financial reporting standards issued by the GASB's Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, requires certain note disclosures and adjustments for the impairment of capital assets. During the fiscal year ended December 31, 2023, there were no permanent impairments experienced by FWHS that required material adjustments to the Statement of Net Position.

Infrastructure Assets

FWHS does not have any capital asset balances that could be considered infrastructure assets. FWHS treats these expenses as noncapitalized costs and any related improvements are deeded to the City of Fort Worth.

Accounts Receivable

Accounts receivable consist of payments due from HUD and related affiliates, rent payments from tenants and other miscellaneous receivables arising from the normal course of operations.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Developer Fees Receivable

Developer fees receivable consists of amounts due from component units and unrelated parties in connection with the development of various projects. The fees are earned in accordance with the underlying developer fee agreement and are expected to be fully collected.

Collection Losses

Collection losses on accounts receivable are expensed, in the appropriate funds, using the allowance method. Allowance for doubtful accounts are adjusted periodically based on management's assessment of current economic conditions and a review of specific accounts.

Insurance

The primary technique used for risk financing is the purchase of insurance policies from commercial insurers that include a large deductible amount. The use of a large deductible clause reduces the cost of insurance, but, should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of FWHS. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. FWHS secures required insurance coverage through the competitive bid process. As of the date of the audit, FWHS had required coverage in force.

Compensated Absences

Compensated absences are absences for which employees will be paid, i.e., sick leave, vacation, and other approved leave. In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, FWHS accrues the liability for those absences as the employee earns the right to the benefits. Accrued amounts are based on the current salary rates.

Full-time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with FWHS. Employees also earn annual sick leave at established rates. Vacation and sick pay are recorded as an expense and related liability in the year earned by employees.

Income Taxes

FWHS is a quasi-governmental entity. FWHS is not subject to federal or state income taxes.

Revenues and Expenses

Revenues and expenses are recognized in essentially the same manner as used in commercial accounting. Revenues relating to FWHS' operating activities, including rental-related income, interest income and other sources of revenues are recognized in the accounting period in which they are earned. Other major sources of revenue include funding received from HUD in the form of operating subsidies. FWHS also receives funding for capital improvements in the form of grants from HUD. Grants of these types are designated as capital grants.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Revenues and Operating Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of FWHS are charges to customers for rents and HUD operating subsidies. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Net Position

Net position represents the difference between assets and deferred outflow of resources and liabilities and deferred inflow of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws and regulations of governments. FWHS first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Leases

The Authority is the lessor of dwelling units to low-income and market rate residents. The low-income rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time or renewed every year. The Authority may cancel the leases only for cause. A significant majority of the capital assets are used in these leasing activities. Revenues associated with these leases are recorded in the accompanying financial statements and related schedules within tenant revenue.

The Authority, acting as lessor, leases land to related parties under long-term, noncancelable lease agreements.

NOTE 2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of certificates of deposit and money market accounts and investments in the TexPool investment portfolio. It is the policy of FWHS that cash and cash equivalents be secured by collateral valued at 102% of fair value or par, whichever is greater, less the amount of FDIC insurance.

TexPool investment portfolio of TexPool is managed conservatively to provide a safe, efficient, and liquid investment alternative to Texas governments. The pools seek to maintain a \$1.00 value per share as required by the Texas Public Funds Investment Act.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

TexPool investments consist exclusively of U.S. Government securities, repurchase agreements collateralized by U.S. Government securities, and AAA-rated no-load money market mutual funds. TexPool Prime invests in the above plus commercial paper and certificates of deposit. TexPool is rated AAAm by *Standard & Poor's*, the highest rating a local government investment pool can achieve. The weighted average maturities of the pools cannot exceed 60 days, with the maximum maturity of any investment limited to 13 months. TexPool, like its participants, is governed by the Texas Public Funds Investment Act, and is in full compliance with the Act.

GASB 79 enables TexPool to utilize amortized cost for valuation and financial reporting so that the \$1.00 per unit value they pursue will not need to change to fluctuating pricing. There are no limitations or restrictions on withdrawals.

Custodial credit risk - This is the risk that in the event of a bank or other financial institution failure, FWHS' deposits and investments may not be returned to it. It is the policy of FWHS that investments be secured by collateral valued at 102% of fair value or par, whichever is greater, less the amount of FDIC insurance. For the fiscal year end December 31, 2023, the carrying amount of FWHS' cash and cash equivalents was \$57,210,764 and bank balances were \$55,708,800. Of the bank balance, \$459,946 was not collateralized at December 31, 2023. Most of this undercollateralized bank balance was related to blended component units.

Cash and cash equivalents are reported on the balance sheet of the enterprise fund as follows:

Cash and Cash Equivalents - Unrestricted	\$ 46,449,181
Cash and Cash Equivalents - Restricted	10,761,583
Total Cash and Cash Equivalents	<u><u>\$ 57,210,764</u></u>

NOTE 3 RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash for the enterprise fund as of December 31, 2023 consisted of the following:

Tenant Security Deposits	\$ 420,781
Escrows and Reserves	2,296,890
Restricted for Payment of Current Liabilities	7,574,064
HAP Vouchers	469,848
Total	<u><u>\$ 10,761,583</u></u>

FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 RESTRICTED CASH AND CASH EQUIVALENTS (CONTINUED)

Restricted cash for the discretely presented component units as of December 31, 2023 consisted of the following:

Tenant Security Deposits	\$ 850,355
Escrows and Reserves	10,403,917
Restricted for Payment of Current Liabilities	<u>33,839,286</u>
Total	<u><u>\$ 45,093,558</u></u>

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable as of December 31, 2023 consisted of the following:

Accounts Receivable - HUD	\$ 11,934,558
Tenants	630,024
Developer Fees Receivable	7,421,916
HCVP Landlord Overpayments (Net of Allowance \$478,040)	943,461
Related Party Transactions	18,794,934
State and Local Grants	13,843
Accrued Interest Receivable (Net of Allowance \$586,276)	2,542,845
Miscellaneous	<u>293,994</u>
Total	<u><u>\$ 42,575,575</u></u>

FWHS is involved in many related party transactions with discretely presented component units as well as entities and properties in which they have a small ownership interest in, or no ownership interest in at all. Most of the receivables are related to developer fees, for which FWHS has a developer fee sharing agreement with another entity. These are recognized as earned. Other related party receivables are related to operating, settlement and construction advances, ground leases, and other monies paid for on behalf of the entity by FWHS for which many are required to be paid back based on available cash flows and surplus cash.

NOTE 5 OTHER ASSETS

Prepaid expenses and other assets for discretely presented component units at December 31, 2023 were made up of the following:

Prepaid Ground Leases	\$ 3,317,488
Debt Issuance Costs	8,264,394
Other Costs and Fees	<u>28,475,356</u>
Total	<u><u>\$ 40,057,238</u></u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 NOTES RECEIVABLE

Notes receivable of the enterprise fund consists of the following:

<u>Description</u>	<u>Amount</u>
FWHS provided a \$1,000,000 promissory note between Trinity River Public Facility Corporation and FW Patriot Pointe, LP. The note accrues interest at a rate of 8% compounded annually.	\$ 669,919
FWHS provided a \$750,000 promissory note between Trinity River Public Facility Corporation and FW Stallion Ridge, LP. The note accrues interest at a rate of 8% compounded annually.	750,000
Fort Worth Affordability, Inc., a blended component unit of FWHS, entered into a master lease agreement in the amount of \$4,750,000 with another blended component unit, Cobb Park Townhomes II, L.P. (Villas by the Park) to finance the development and rehabilitation of the project. The lease obligation bears no interest and annual payments of \$158,333 are due annually beginning in 2011 until maturity on January 1, 2040. This lease is eliminated upon consolidation.	2,674,982
Fort Worth Affordability, Inc., a blended component unit of FWHS, entered into a promissory note agreement in the amount of \$1,788,850 with another blended component unit, Cobb Park Townhomes II, L.P. (Villas by the Park) for the rehabilitation of the Project. The note is noninterest bearing, except that if an event of default occurs under the provisions of the Additional Rent Agreement, then interest will accrue at the lesser of 18% per annum or the highest interest rate allowed by applicable law. Payment of principal only is due beginning on January 1, 2011, and due and payable in the amount of \$4,969 on a monthly basis thereafter. The note is collateralized by the capital lease of the Project and matures on December 1, 2040. This note is eliminated upon consolidation.	762,725

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 NOTES RECEIVABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
FWHS provided a \$1,750,000 promissory note between Trinity River Public Facility Corporation and FW Hunter Plaza, L.P., a discretely presented component unit. Interest on the note will not accrue. When the note matures on September 1, 2044, all unpaid principal and interest will bear interest at 8% per annum. Annual principal payments are required from the net cash flow. If there is no net cash flow available for an installment payment, it shall be deferred until available in subsequent fiscal years.	\$ 1,750,000
On September 1, 2014, FWHS provided a \$2,830,000 promissory note to FW Hunter Plaza, L.P., a discretely presented component unit. The note accrues interest at a rate of 2.94% per annum. As of December 31, 2021, accrued interest was \$614,249. The loan matures on September 1, 2044 at which time all unpaid principal and accrued interest are due.	2,830,000
On July 1, 2016 Trinity River Public Facility Corporation, a blended component unit of FWHS, entered into a promissory note agreement in the amount of \$2,000,000 with LDG Stallion Pointe, L.P. for the construction of the Project. The subordinate loan bears interest at 1% and is due and payable on July 1, 2056.	2,000,000
On June 1, 2017, Fort Worth Affordability, Inc., a blended component unit of FWHS, entered into a promissory note agreement in the amount of \$1,000,000 with The Standard at Boswell Marketplace, LP for the rehabilitation of the Project. Annual principal payments are required from residual cash flow. If there is no net cash flow available for an installment payment, it shall be deferred until available in subsequent fiscal years. The note accrues interest at a rate of 3% per annum. Beginning on the maturity date, June 1, 2057, unpaid principal and interest accrues interest at the lower of 8% default rate or the highest lawful rate.	1,000,000

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 NOTES RECEIVABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
On August 1, 2017, Trinity River Public Facility Corporation, a blended component unit of FWHS, entered into a promissory note agreement in the amount of \$1,000,000 with FW Campus Apartments, LP. for the rehabilitation of the Project. Annual principal payments are required from the residual cash flow. If there is no net cash flow available for an installment payment, it shall be deferred until available in subsequent fiscal years. The note accrues interest at a rate of 3% per annum. Beginning on the maturity date, August 1, 2057, unpaid principal and interest accrues interest at the lower of 8% default rate or the highest lawful rate.	\$ 1,916,451
On June 1, 2017, Trinity River Public Facility Corporation, a blended component unit of FWHS, entered into a loan agreement in the amount of \$3,219,037 with Alton Park, LP. The mortgage bears interest of 4.45% per annum and matures on June 1, 2052. As of December 31, 2022, the accrued interest was \$325,227.	3,146,950
On November 1, 2020 Fort Worth Affordability Inc, a blended component unit of FWHS, entered into a loan agreement in the amount of \$5,239,057.46 with Western Hills Affordable Housing, LP. The mortgage bears interest at 3% per annum, Interest only payments of \$13,098 beginning on January 1, 2021 are due monthly. As of December 31, 2022, the accrued interest was \$172,016.	5,216,812
On June 1, 2020 Fort Worth Affordability Inc, a blended component unit of FWHS, entered into a loan agreement in the amount of \$1,424,974 with Hillside Public Facility Corporation. The loan bears interest of 3% per annum. As of December 31, 2022, the accrued interest was \$39,575.	1,416,612

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 NOTES RECEIVABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
<p>On April 13, 2012 the City of Fort Worth ("City") and Hillside Public Facility Corporation ("Developer") made and entered into City Secretary Contract No. 43117 (the "Contract") as authorized by the City Council in M&C C-24974 adopted on June 14, 2011; the purpose of the Contract was to provide \$700,000.00 in the form of a subordinate forgivable loan for acquisition expenses, as well as soft costs and rehabilitation expenses for the renovation of the historic Knights of Pythias Lodge building, as part of the development of an 18 unit multifamily, mixed income housing development in downtown Fort Worth to be known as the Knights of Pythias Lofts a reevaluation of development costs and financing sources showed a funding gap and the City Council in M&C C-25644 adopted on fone 2, 2 12 authorized the award of an additional \$250,000.00 of CDB-0 funds for the project increasing the total grant award in the Contract to \$950,000.00 of CDBG funds the Contract provided for 10 Affordable Units to be rented to CDBGeligible tenants for a 15 year Affordability Period with repayment of the \$750,000.00 loan to be forgiven at the end of the Affordability Period provided all Contract terms and CDBG requirements were fulfilled.</p>	\$ 250,000
<p>On September 1, 2021, the Partnership obtained a second mortgage loan from Fort Worth Affordability, Inc. (FWAI) under a loan commitment of \$5,423,532, which was funded from a Choice Neighborhood Implementation (CNI) Grant to FWAI. The loan bears interest at a rate of 8% per annum, simple interest. Principal and interest payments are due annually in an amount equal to 80% of the annual Cash Flow. The loan is secured by a Leasehold Deed of Trust Security Agreement - Financing Statement, and matures on July 1, 2063.</p>	5,423,532
<p>On September 1, 2021, the Partnership obtained a third mortgage loan from FWAI under a loan commitment of \$1,250,000. The loan bears interest at a rate of 8% per annum, simple interest. Principal and interest payments are due at the maturity date, but only to the extent of 75% of available Surplus Cash or non-Project Assets, as defined in the HUD Regulatory Agreement. The loan matures 40 years after Project Stabilization, but no later than December 31, 2063. The loan is secured by a Leasehold Deed of Trust Security Agreement - Financing Statement.</p>	1,250,000

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 NOTES RECEIVABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
On September 1, 2021, the Partnership obtained a fourth mortgage loan from FWAI under a loan commitment of \$225,000. The loan bears interest at a rate of 8% per annum, simple interest. Principal and interest payments are due at the maturity date, but only to the extent of 75% of available Surplus Cash or non-Project Assets, as defined in the HUD Regulatory Agreement. The loan matures 40 years after Project Stabilization, but no later than December 31, 2063. The loan is secured by a Leasehold Deed of Trust Security Agreement - Financing Statement.	\$ 225,000
On September 1, 2021, the Partnership obtained a fifth mortgage loan from FWAI under a loan commitment of \$500,000, which was funded from a HOME Investment Partnerships Program (HOME) grant to FWAI. The loan bears interest at a rate of 8% per annum, simple interest. Principal and interest payments are due at the maturity date, but only to the extent of 75% of available Surplus Cash or non-Project Assets, as defined in the HUD Regulatory Agreement. The loan matures 40 years after Project Stabilization, but no later than December 31, 2063. The loan is secured by a Leasehold Deed of Trust Security Agreement - Financing Statement.	500,000
On September 1, 2021, the Partnership obtained a sixth mortgage loan from FWAI under a loan commitment of \$360,000, which was funded from an Urban Development Action Grant (UDAG) to FWAI. The loan bears interest at a rate of 8% per annum, simple interest. Principal and interest payments are due at the maturity date, but only to the extent of 75% of available Surplus Cash or non-Project Assets, as defined in the HUD Regulatory Agreement. The loan matures 40 years after Project Stabilization, but no later than December 31, 2063. The loan is secured by a Leasehold Deed of Trust Security Agreement - Financing Statement.	360,000

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 NOTES RECEIVABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
On September 1, 2021, the Partnership obtained an eighth mortgage loan from FWAI under a loan commitment of \$750,000, which was funded from a Community Development Block Grant (CDBG) to FWAI. The loan bears interest at a rate of 8% per annum, simple interest. Principal and interest payments are due at the maturity date, but only to the extent of 75% of available Surplus Cash or non-Project Assets, as defined in the HUD Regulatory Agreement. The loan matures 40 years after Project Stabilization, but no later than December 31, 2063. The loan is secured by a Leasehold Deed of Trust Security Agreement - Financing Statement.	\$ 668,122
On April 1, 2023, FWAI entered into a promissory note with FW Hughes House, LP for \$12,268,653 which requires all unpaid principal and interest to accrue at 9.95% be due at maturity at June 2065.	7,056,466
Less: Elimination for Consolidated Entities	<u>(5,104,319)</u>
Total Notes and Capital Lease Receivable	34,763,252
Less: Current Maturities	<u>-</u>
Long-Term	<u><u>\$ 34,763,252</u></u>
Accrued Interest Receivable	\$ 3,129,121
Allowance for Accrued Interest Receivable	<u>(586,276)</u>
Total Accrued Interest Receivable	<u><u>\$ 2,542,845</u></u>

FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 CAPITAL ASSETS

The following is a summary of changes in capital assets of the enterprise fund during the year ended December 31, 2023:

	Balance December 31, 2022	Additions	Deletions	Adjustment/ Reclass	Balance December 31, 2023
Nondepreciable:					
Land	\$ 82,482,580	\$ 1,412,246	\$ (67,413)	\$ -	\$ 83,827,413
Construction in Progress	6,974,323	8,971,066	(1,108,529)	(12,392,458)	2,444,402
Depreciable:					
Buildings and Improvements	200,338,864	5,898,139	(36,289)	-	206,200,714
Furniture, Equipment, and Machinery	10,232,175	417,035	(347,975)	-	10,301,235
Leasehold Improvements	16,983,552	-	(96,027)	-	16,887,526
Total	317,011,494	16,698,486	(1,656,233)	(12,392,458)	319,661,290
Accumulated Depreciation:					
Buildings and Improvements	(88,493,478)	(5,186,636)	139,547	-	(93,540,567)
Furniture, Equipment, and Machinery	(2,166,984)	-	-	-	(2,166,984)
Total	(90,660,462)	(5,186,636)	139,547	-	(95,707,551)
Total Capital Assets, Net	<u>\$ 226,351,032</u>	<u>\$ 11,511,850</u>	<u>\$ (1,516,686)</u>	<u>\$ (12,392,458)</u>	<u>\$ 223,953,739</u>

The following is a summary of changes in capital assets of the discretely presented component units during the year ended December 31, 2023:

	Balance December 31, 2022	2023 Activity	Balance December 31, 2023
Nondepreciable:			
Land	\$ -	\$ -	\$ -
Construction in Progress	-	-	-
Depreciable:			
Buildings and Improvements	408,662,591	32,778,466	441,441,057
Furniture, Equipment, and Machinery	21,685,821	1,967,135	23,652,956
Total	430,348,412	34,745,601	465,094,013
Less: Accumulated Depreciation	(106,331,271)	(15,786,257)	(122,117,528)
Total Capital Assets, Net	<u>\$ 324,017,141</u>	<u>\$ 18,959,344</u>	<u>\$ 342,976,485</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 OTHER LIABILITIES

For the year ended December 31, 2023, noncurrent liabilities and unearned revenue includes deferred ground lease revenue, exchange program deferred revenue, family self-sufficiency escrow liabilities, various project based unearned revenue and compensated absences.

The following is a summary of changes in FWHS' other liabilities for the year ended December 31, 2023:

	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023	Within One Year
Family Self-Sufficiency Escrow	\$ 336,628	\$ 319,007	\$ (212,918)	\$ 442,717	\$ -
Compensated Absences	420,354	34,090	(14,470)	439,974	381,359
Total	<u>\$ 756,982</u>	<u>\$ 353,097</u>	<u>\$ (227,388)</u>	<u>\$ 882,691</u>	<u>\$ 381,359</u>

NOTE 9 MORTGAGES AND NOTES PAYABLE

Mortgages and notes payable of the enterprise fund consists of the following at December 31, 2023:

<u>Description</u>	<u>Amount</u>
During fiscal year 2010, Fort Worth Affordability, Inc. (FWAI) entered into a promissory note with the Texas Department of Housing and Community Affairs (TDHCA) in an amount not to exceed \$6,538,850. The note bears no interest. Monthly payments of \$18,163 began on June 1, 2013 and are due through maturity on May 1, 2042.	\$ 4,213,018
During fiscal year 2011, Fort Worth Affordability, Inc. (FWAI) entered into a promissory note with the Texas Department of Housing and Community Affairs (TDHCA) in an amount not to exceed \$4,499,906. The note bears no interest. Monthly payments of \$12,500 began on February 1, 2013 and are due through maturity on January 1, 2043.	3,034,662
On September 30, 2020, the City of Fort Worth loaned \$9,250,000 of Coronavirus Relief Funds to FW Casa de Esperanza, LP. The loan is fully forgivable after the 20 year period of performance period is completed. Annual interest rate on matured, unpaid amounts is 12%.	9,238,325

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
During fiscal year 2017, Eastwood Public Facility Corporation refinanced their HUD-insured mortgage. The mortgage now bears interest at 3.47% per annum payable in equal monthly installments of \$36,220, including principal and interest, through September 1, 2055. Substantially all of Eastwood's Capital Assets and its restricted deposits are pledged as collateral. Should noncompliance with any debt covenants and regulations occur, the maturity date of the debt can be accelerated.	\$ 8,356,798
On November 27, 2019, Overton Square, L.P. refinanced its' mortgage loan in the amount of \$14,000,000 from Mason Joseph Company, Inc. The loan bears interest at 3.05%. Monthly installments of principal and interest of \$54,270 are due beginning February 1, 2020 and until the loan matures on January 1, 2055. The mortgage payable is collateralized by the Property.	13,068,348
During fiscal year 2015, New 172 Hillside Partners, LLC entered into a promissory note with Mutual of Omaha Bank in the amount of \$9,500,000. The note bears interest at 4% per annum and is payable in monthly installments of \$45,842, including principal and interest, through the maturity date on May 22, 2025.	7,780,014
On November 29, 2010, Cobb Park Townhomes II, L.P. entered into a capital lease obligation with Fort Worth Affordability, Inc. (Villas by the Park) to finance development and rehabilitation of the project. The lease obligation bears no interest and annual payments of \$158,333 are due beginning in 2011 until maturity on January 1, 2040. This lease is eliminated upon consolidation.	2,674,982

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
On November 29, 2010, Cobb Park Townhomes II, L.P. (Villas by the Park) entered into a promissory note agreement for \$1,788,850 with Fort Worth Affordability, Inc. for the rehabilitation of the Project. The note is noninterest bearing, except that if an event of default occurs under the provision of the Additional Rent Agreement, then interest will accrue at the lesser of 18% per annum or the highest interest rate allowed by applicable law. Payment of principal only is due on January 1, 2011 and due an payable in the amount of \$4,969 on a monthly basis thereafter. The note is collateralized by the capital lease on the Project an matures on December 1, 2040. This note is eliminated upon consolidation.	\$ 762,725
On June 16, 2010, Lincoln Terrace, LP (Villas on the Hill) entered into an agreement with the Lender to obtain a construction loan in the principal amount of \$2,300,000. The construction loan was converted to permanent financing on June 14, 2013. The mortgage payable bears interest at 6.0% and is collateralized by the Project. Payments of principal and interest are due monthly with a maturity date of June 14, 2028.	1,399,349
On June 16, 2010, Lincoln Terrace, LP (Villas on the Hill) entered into a \$7,894,851 note under the Tax Credit Exchange Program with the Texas Department of Housing and Community Affairs to finance development of the project. The note bears no interest and will not be payable as long as the project maintains compliance with program requirements for 40 years.	1,390,074
On November 30, 2017, Aventine Tarrant Parkway Apartments, LP refinanced its existing mortgage into a mortgage with Red Mortgage Capital, LLC. The #12,865,900 loan bears interest at a rate of 3.4% per annum and is payable in monthly installments of \$88,292, including principal and interest beginning on January 1, 2018 and maturing 25 years later on December 1, 2052.	19,520,306

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
On June 1, 2020 Fort Worth Affordability Inc, a blended component unit of FWHS, entered into a loan agreement in the amount of \$1,424,974 with Hillside Public Facility Corporation on behalf of Knights of Pythias. The loan bears interest of 3% per annum. This note is eliminated upon consolidation.	\$ 1,416,612
On April 26, 2021, Post Oak East Apartments, LP refinanced its existing mortgage into a new mortgage with Lument Capital, LLC in the original amount of \$25,600,000. The mortgage bears interest at 2.28% and matures on May 1, 2056. Monthly principal and interest payments of \$88,528 are required until maturity.	24,327,574
Casa De Los Suenos	1,500,000
Cowan Place	1,250,000
Knights of Pythias - add this one is eliminated upon consolidation	250,000
Elimination	<u>(5,104,319)</u>
Total	95,078,468
Less: Current Portion	<u>(1,931,177)</u>
Total Primary Government Note Payable - Noncurrent	<u><u>\$ 93,147,291</u></u>

Mortgages and notes payable of the discretely presented component units consist of the following at December 31, 2023:

<u>Description</u>	<u>Amount</u>
On November 2020 Western Hills Affordable Housing, LP obtained a mortgage loan in the amount of \$5,239,057 from Fort Worth Affordability, Inc., an affiliate of the General Partner. The loan bears interest at a rate of 3% per year, compounding annually. Interest only payments of \$13,098 are due monthly commencing January 1, 2021, through maturity on November 1, 2037. The mortgage is collateralized by the Project.	\$ 5,239,057

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
During fiscal year 2009, Samuels Avenue, L.P. entered into a financing agreement with Pacific Life in the amount of \$1,625,500 in connection with the rehabilitation of the Pavilion at Samuels Avenue. The loan bears interest at a rate of 6.99% with monthly principal and interest installments of \$10,804. As of December 31, 2022, no interest remained outstanding.	\$ 1,239,499
In December 2007, Samuels Avenue, LP obtained a loan of \$126,500 for the Project from the City of Fort Worth pursuant to the HOME Investment Partnership Program. The note bears interest at the greater of 4.72% or the applicable federal rate for long term debt, compounded annually; is collateralized by the Project, matures on December 16, 2027; and is payable from available net cash flow beginning in December 2008.	126,500
During May 2009, South Hulen, L.P. entered into a permanent financing agreement with Wells Fargo Bank, N.A., in the amount of \$4,000,000. On March 27, 2018, the Date of Refinance, the Partnership obtained a loan insured by HUD, which is held by Greystone, in the amount of \$8,339,700. The HUD Mortgage bears interest at 3.9% per annum with monthly principal and interest payments of \$34,426 starting May 1, 2018 through April 1, 2053. The loan is secured by the Project.	7,631,469
FW Hunter Plaza L.P. entered into a promissory note with the City of Fort Worth for the construction of the Project. The note has a term of 20 years and is collateralized by the Project. The HOME loan is only payable from surplus cash of the Project.	1,800,000
FW Hunter Plaza, L.P. entered into a financing agreement with Trinity River Public Facility Corporation (the Issuer and TRPFC) to use the proceeds from the issuance of tax-exempt bonds for the construction and development of the project. The bonds were issued on September 1, 2014 and will mature September 1, 2032. The bonds are collateralized by the Project and bear interest at 4%.	9,623,215

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
On September 1, 2014, FW Hunter Plaza L.P. obtained a loan from the Housing Authority (FWHS). The loan is in the amount of \$2,830,000, has an interest rate of 2.94% per annum and matures on September 1, 2044. The loan is secured by a deed or trust as set forth in the agreement.	\$ 2,830,000
On September 1, 2014, FW Hunter Plaza, L.P. obtained a loan of \$1,750,000 for the Project from TRPFC (FWHS). The note does not accrue interest for a 30 year term and matures on September 1, 2044. The loan secured by a deed of trust as set forth in the agreement.	1,750,000
On January 12, 2010, Wind River Apartments entered into a \$4,950,523 note with the Texas Department of Housing and Community Affairs to finance development of the project. The note requires monthly payments of principal and interest in the amount of \$14,811, based on .5%, due until maturity on April 1, 2032.	3,099,521
On May 17, 2019, the Partnership obtained permanent financing of \$25,786,000 from Berkadia Commercial Mortgage LLC. The loan bears interest at a rate of 3.81% with monthly installments of principal and interest of \$111,284 due beginning July 1, 2019 through maturity on May 17, 2034.	24,024,251
On July 1, 2016, LDG Stallion Pointe, LP entered into an agreement with Trinity River Public Facility Corporation, a related party of the General Partner, in the amount of \$2,000,000 for the funding of construction of Stallion Pointe Apartments. The subordinate loan payable bears interest at 1.0% and is due and payable on July 1, 2056.	2,000,000
In March 2012, Woodmont Apartments, Ltd obtained a loan to convert multifamily housing revenue bonds issued by the Texas Department of Housing and Community Affairs. The loan bears interest of 2.70% and monthly payments of principal and interest are due until the maturity date.	12,586,907

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
In March 2012, Woodmont Apartments, Ltd obtained a loan from the Texas Department of Housing and Community Affairs through the Tax Credit Assistance Program for a principal sum of \$2,500,000. The loan will mature after 35 years. Interest on the loan accrues at 1% per annum. Principal and interest is repayable from available cash flows until the loan matures.	\$ 1,750,620
On May 23, 2009, Woodmont Apartments, Ltd obtained a loan from the Texas Department of Housing and Community Affairs for a principal sum of \$460,000. The loan will mature after 35 years. Interest on the loan accrues at the applicable federal rate, which was 4.38% at the time of the loan closing. Principal and interest is paid in 35 annual installments of \$25,932 to the extent of available surplus cash. 50% of residual cash will be added to annual payments to the extent there is residual cash.	413,390
On May 23, 2009, Woodmont Apartments, Ltd obtained a loan from the Texas Department of Housing and Community Affairs for a principal sum of \$316,000. The loan will mature after 35 years. Interest on the loan accrues at the applicable federal rate, which was 4.38% at the time of the loan closing. Principal and interest is paid in 35 annual installments of \$17,814 to the extent of available surplus cash. 50% of residual cash will be added to annual payments to the extent there is residual cash.	283,981
Woodmont Apartments, Ltd obtained a loan from the City of Fort Worth for a principal sum of \$1,500,000. The loan will mature on July 30, 2047. Interest on the loan accrues at 3% on the earlier of July 30, 2012, or when 90% lease up has been achieved for 90 days. The loan is repayable from available cash flows over 35 years. Interest only payments are due semiannually beginning with the year the Deferred Development Fee is paid in full. Principal payments based on a 28-year amortization will commence upon repayment of the accrued interest of this loan and will continue until the entire outstanding principal and interest is due and payable on the maturity date.	1,500,000

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
On December 19, 2017, Hometowne at Matador Ranch, LP obtained a mortgage from Dwight Capital LLC for a principal sum of \$10,301,500. The mortgage will mature on January 1, 2058. Interest on the mortgage accrues at 3.9% per annum. Principal and interest is payable in monthly installments of \$42,415 and are due beginning February 1, 2018.	\$ 9,589,201
During June 2007, Hometowne at Matador Ranch, LP obtained a loan from the City of Fort Worth for a principal sum of \$650,000. The loan will mature on June 25, 2049. Interest on the mortgage accrues at 4% per annum.	650,000
On June 1, 2017, FW Alton Park, LP obtained a loan from Trinity River Public Facility Corporation for a principal sum of \$20,000,000. The loan will mature on July 1, 2035. Interest on the loan accrues at 4.45% per annum.	18,642,801
On June 1, 2017, Alton Park, LP entered into a loan agreement in the amount of \$3,219,037 with Trinity River Public Facility Corporation. The mortgage bears interest of 4.45% per annum and matures on June 1, 2052.	3,146,951
On August 1, 2017, FW Campus Apartments, LP obtained a loan from Trinity River Public Facility Corporation for a principal sum of \$19,658,000. The loan will mature on March 1, 2037. Interest on the loan accrues at 4.93% per annum. Principal and interest is payable in monthly installments of \$100,091 beginning April 1, 2020.	18,917,301
On August 1, 2017, FW Campus Apartments, LP obtained a subordinate promissory note from Trinity River Public Facility Corporation for a principal sum of \$1,916,451. The loan will mature on August 1, 2052. Interest on the loan accrues at 3.00% per annum. Principal and interest payments prior to the maturity date shall consist of annual payments of 60% of residual cash flow as stipulated in the Partnership Agreement.	1,916,451
On September 26, 2019, for the Standard at Boswell Marketplace, LP, the construction note payable with Capital One, National Association converted to a permanent loan in the original amount of \$8,437,000. The loan accrues interest at a fixed rate of 3.42% per annum and will have a term of 15 years with monthly payments of principal and interest due.	8,437,000

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
On June 1, 2017, the Standard at Boswell Marketplace, LP entered into a promissory note with Trinity River Public Facility Corporation, a Texas nonprofit corporation, in the original amount of \$1,000,000. The note bears interest at a rate of 3% per annum. Annual payments are subject to available surplus cash as defined in the note. The note matures on June 1, 2057.	\$ 1,000,000
Amtex Avondale, L.P/ The Partnership entered into a multifamily loan agreement on March 30, 2022, in the original amount of \$9,000,000. with JLL Real Estate Capital, LLC. The loan secured is by, among other things, a lien on the Property. The loan bears interest at a rate of 3.76% per annum and requires monthly installments of principal and interest in the amount of \$38,564 through maturity at March 2024 at which all unpaid principal and interest is due.	8,795,052
On December 22, 2017, Palladium Fort Worth, Ltd. entered into a forward commitment agreement with the Lender to enter into a permanent mortgage upon maturity of the Construction Loan. On May 6, 2020 the Partnership entered into a promissory note and loan agreement with the Lender. The original loan amount is \$12,872,000 bearing an interest rate of 5.28% per annum. The term of the loan is 15 years with an amortization period of 35 years. The loan matures on June 1, 2035 with monthly principal and interest payments of \$67,280, based on a 35 year amortization and a balloon payment at maturity. Monthly deposits are made to a reserve for replacement account for future replacements and monthly repairs. Monthly deposits are made to an escrow for insurance and ground lease payments.	12,418,854

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
<p>The acquisition and rehabilitation of Prince Hall Gardens II by FW Steele Prince Hall, LLC was financed, in part, with the Trinity River Public Facility Corporation Governmental Note Series 2018 bonds (Bonds) in the amount of \$7,180,000. The loan agreement details an arrangement between the Trinity River Public Facility Corporation and Citibank, NA. Citibank purchased the Bonds issued by TRPFC, the proceeds of which were loaned to Prince Hall to finance the acquisition, construction and equipping of the Prince Hall Gardens II in the form of a nonrecourse permanent mortgage loan. The terms of the loan provide for a maximum principal in the amount of \$7,180,000 and an annual fixed interest rate of 5.19% with a term of at least 17 years with a mandatory prepayment date of July 1, 2035 and a maturity date of July 1, 2048. The loan also provides for monthly deposits for reserve for replacements and monthly principal and interest payments of \$37,111 commencing August 1, 2018 based on a 35-year amortization period with a balloon payment of the remaining principal balance at maturity.</p>	<p>\$ 6,726,452</p>
<p>The acquisition and rehabilitation of Sabine Place Apartments by FW Steele Sabine Place, LLC was financed, in part, with the Trinity River Public Facility Corporation Governmental Note Series 2018 bonds (Bonds) in the amount of \$7,000,000. The loan agreement details an arrangement between the Trinity River Public Facility Corporation and Citibank, NA. Citibank purchased the Bonds issued by TRPFC, the proceeds of which were loaned to Prince Hall to finance the acquisition, construction and equipping of the Prince Hall Gardens II in the form of a nonrecourse permanent mortgage loan. The terms of the loan provide for a maximum principal in the amount of \$7,000,000 and an annual fixed interest rate of 5.13% with a term of at least 17 years with a mandatory prepayment date of March 1, 2035 and a maturity date of July 1, 2048. The loan also provides for monthly deposits for reserve for replacements and monthly principal and interest payments of \$35,911 commencing August 1, 2018 based on a 35-year amortization period with a balloon payment of the remaining principal balance at maturity.</p>	<p>6,520,802</p>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
Reserve at McAlister Senior Living, LLC entered into an agreement for a mortgage payable with Capital One, National Association in the original amount of \$3,850,000. The loan bears interest at a rate of 5.85% per annum. Monthly principal and interest payments in the amount of \$22,572 are due until maturity on July 1, 2032. The liability of the Company under the mortgage note is limited to the underlying value of the real estate collateral, assignment of leases and rents, and other amounts deposited with the lender.	\$ 3,495,611
Western Center Reserve, LLC entered into an agreement with Pacific Life for a mortgage payable held by Impact C.I.L. in the original amount of \$3,405,000. The mortgage is secured by a deed of trust on the property. The loan accrues interest at 6.30% and matures on January 31, 2034. The loan requires monthly payments of principal and interest in the amount of \$21,076.	3,012,181
The acquisition and rehabilitation of FW Stallion Ridge, LP, was financed, in part, with the Trinity River Public Facility Corporation Multifamily Housing Revenue Bonds (Stallion Ridge Apartments Project) Series 2019A and Trinity River Public Facility Taxable Corporation Multifamily Housing Revenue Bonds (Stallion Ridge Apartments Project) Series 2019B in the amount of \$20,000,000 and \$7,425,000, respectively. The loan agreement details an arrangement between the Trinity River Public Facility Corporation and BOKF, NA. BOKF, NA purchased the Bonds issued by TRPFC, the proceeds of which were loaned to Stallion Ridge to finance the acquisition, construction and equipping of the Stallion Ridge Apartments in the form of a nonrecourse permanent mortgage loan. The maturity date for the bonds is June 1, 2059. The bonds provide for an annual fixed interest rate of 4.85% and 5.35%, respectively.	22,925,000

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
The Fossil Ridge II, LP entered into a loan agreement with Community Bank of Texas, N.A. in an amount not to exceed \$15,000,000. The terms of the loan required monthly payments of interest only at a WSJP floating rate with a floor of 3.5% per annum until the conversion date. Upon conversion on January 11, 2017, the loan was reduced to an amount not to exceed \$4,750,000. The loan bears interest at a rate of 6.5% per annum and requires monthly payments of principal and interest in the amount of \$30,272 through the scheduled maturity date of December 10, 2030.	\$ 4,742,000
On April 1, 2019, FW Patriot Pointe, LP entered into a subordinate promissory note with LDG Development, LLC in the amount of \$1,000,000. Interest on this Note shall accrue at 2.25% per annum, compounded annually. The note matures on April 1, 2061. Required payments under this Note prior to the Maturity Date shall consist of annual payments of Cash Flow.	669,919
On April 1, 2019, FW Patriot Pointe, LP entered into a subordinate promissory note with Trinity River Public Facility Corporation in the amount of \$1,000,000. Interest on this Note shall accrue at 2.25% per annum, compounded annually. The note matures on April 1, 2061. Required payments under this Note prior to the Maturity Date shall consist of annual payments of Cash Flow.	669,919
On June 1, 2019, FW Stallion Ridge, LP entered into a subordinate promissory note with Rickhaus Design, LLC in the amount of \$750,000. Interest on the note accrues at 3% per annum. The note matures on June 1, 2061. Required payments under this Note prior to the Maturity Date shall consist of annual payments of available cash flow and surplus cash.	750,000
On June 1, 2019, FW Stallion Ridge, LP entered into a subordinate promissory note with Trinity River Public Facility Corporation in the amount of \$750,000. Interest on the note accrues at 3% per annum, compounded annually. The Note matures on June 1, 2061. Required payments under this Note prior to Maturity Date shall consist of annual payments of available cash flow.	750,000

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
The General Partner and Class B Limited Partner are required to provide funds (Operating Deficit Loans) to the Partnership to pay for operating deficits after all funds in the operating reserve account are used during the period from achievement of stabilization through the date that is 10 years from the achievement of stabilization, as defined in the Partnership Agreement. Operating Deficit Loans are unsecured and cannot exceed \$956,103. Operating Deficit Loans bear interest at the prime rate and are payable from available cash flow, as defined in the Partnership Agreement.	\$ 519,263
On September 1, 2021, the Partnership obtained a mortgage loan from Mason Joseph Company, Inc. in the amount of \$15,677,000 (the FHA Loan). The loan is insured under Section 221(d)(4) of the National Housing Act. During construction, interest only payments were due and payable on the first day of each month. Commencing on August 1, 2023, and continuing through the maturity date on July 1, 2063, monthly principal and interest payments totaling \$53,886 shall be made. The note bears interest at a rate of 2.75% per annum and is secured by a first deed of trust and security agreement.	14,673,883
On September 1, 2021, the Partnership obtained construction financing from Trinity River Public Facility Corporation under a loan commitment of \$20,000,000 through the issuance of tax-exempt bonds. The loan accrues interest at a rate of 0.28% per annum and is secured by a deed of trust. Interest payments during construction shall be made on or before April 1 and October 1 of each year, commencing on April 1, 2022. The construction loan has an initial maturity date of October 1, 2024.	20,000,000

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

<u>Description (Continued)</u>	<u>Amount</u>
On September 16, 2021, the Partnership obtained construction financing from Enterprise Community Loan Fund, Inc. (ECLF), an affiliate of the Limited Partner, under a loan commitment of \$6,600,000. The loan accrues interest at a simple fixed rate of 5.50% per annum. Undisbursed principal in the amount of \$500,000 shall be used by ECLF as payment of monthly interest. A mandatory principal payment shall be made from the Second Installment from the Limited Partner, up to the maximum amount equal to the outstanding principal balance and accrued interest on the loan. The Partnership is required to pay all outstanding principal and accrued interest on the loan at the earlier of (i) the date the Partnership receives the Third Installment from the Limited Partner and (ii) the Maturity Date of June 16, 2024. Repayment of the loan is guaranteed by MBS and MBA Properties, Inc., both affiliates of the Special Limited Partner.	\$ 6,419,029
On September 1, 2021, the Partnership obtained a fifth mortgage loan from FWAI under a loan commitment of \$500,000, which was funded from a HOME Investment Partnerships Program (HOME) grant to FWAI. The loan bears interest at a rate of 8% per annum, simple interest. Principal and interest payments are due at the maturity date, but only to the extent of 75% of available Surplus Cash or non-Project Assets, as defined in the HUD Regulatory Agreement. The loan matures 40 years after Project Stabilization, but no later than December 31, 2063.	8,926,655
The acquisition and rehabilitation of FW Patriot Pointe, LP, was financed, in part, with the Trinity River Public Facility Corporation Multifamily Housing Mortgage Revenue Bonds (Patriot Pointe Apartments Project) Series 2019 in the amount of \$25,000,000. The loan agreement details an arrangement between the Trinity River Public Facility Corporation and BOKF, NA. BOKF, NA purchased the Bonds issued by TRPFC, the proceeds of which were loaned to Patriot Pointe to finance the acquisition, construction and equipping of the Patriot Pointe Apartments in the form of a nonrecourse permanent mortgage loan. The maturity date for the bonds is April 1, 2059 and the bond accrues interest at 4.9% per annum.	<u>23,290,000</u>
Total	283,502,735
Less: Current Portion	<u>(29,700,571)</u>
Total Discretely Presented Component Units - Debt - Noncurrent	<u>\$ 253,802,164</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

Principal and interest payments due on mortgages and notes payable for the enterprise fund each of the following years are as follows:

Fort Worth Affordability 1	Principal	Interest	Total
2024	\$ 217,962	\$ -	\$ 217,962
2025	217,962	-	217,962
2026	217,962	-	217,962
2027	217,962	-	217,962
2028	217,962	-	217,962
2028-2032	1,089,808	-	1,089,808
2033-2037	1,089,808	-	1,089,808
2038-2043	943,592	-	943,592
Total	<u>\$ 4,213,018</u>	<u>\$ -</u>	<u>\$ 4,213,018</u>
Fort Worth Affordability 2	Principal	Interest	Total
2024	\$ 158,330	\$ -	\$ 158,330
2025	158,330	-	158,330
2026	158,330	-	158,330
2027	158,330	-	158,330
2028	158,330	-	158,330
2029-2033	791,651	-	791,651
2034-2038	791,651	-	791,651
2039-2042	659,710	-	659,710
Total	<u>\$ 3,034,662</u>	<u>\$ -</u>	<u>\$ 3,034,662</u>
FW Casa de Esperanza, LP	Principal	Interest	Total
2024	\$ -	\$ -	\$ -
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029-2033	-	-	-
2034-2038	-	-	-
2039-2040	9,238,325	-	9,238,325
Total	<u>\$ 9,238,325</u>	<u>\$ -</u>	<u>\$ 9,238,325</u>
Eastwood Public Facility Corporation	Principal	Interest	Total
2024	\$ 146,983	\$ 292,253	\$ 439,236
2025	152,165	287,233	439,398
2026	157,985	282,036	440,021
2027	163,556	276,655	440,211
2028	169,322	271,085	440,407
2029-2033	940,480	1,264,752	2,205,232
2034-2038	1,098,112	1,092,907	2,191,019
2039-2043	1,350,213	888,555	2,238,768
2044-2048	1,581,516	645,548	2,227,064
2049-2053	1,880,681	356,572	2,237,253
2054-2055	715,785	53,533	769,318
Total	<u>\$ 8,356,798</u>	<u>\$ 5,711,129</u>	<u>\$ 14,067,927</u>

FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

Overton Square, L.P.	Principal	Interest	Total
2024	\$ 256,874	\$ 402,078	\$ 658,952
2025	264,819	394,371	659,190
2026	273,010	386,426	659,436
2027	281,454	378,235	659,689
2028	290,160	369,791	659,951
2029-2033	1,591,100	1,712,863	3,303,963
2034-2038	1,852,863	1,458,954	3,311,817
2039-2043	2,157,691	1,163,271	3,320,962
2044-2048	2,512,668	818,944	3,331,612
2049-2053	2,926,045	417,970	3,344,015
2054-2055	661,664	40,485	702,149
Total	<u>\$ 13,068,348</u>	<u>\$ 7,543,389</u>	<u>\$ 20,611,737</u>
Hillside Partners	Principal	Interest	Total
2024	\$ -	\$ 314,730	\$ 314,730
2025	7,780,014	305,140	8,085,154
2026	-	-	-
Total	<u>\$ 7,780,014</u>	<u>\$ 619,870</u>	<u>\$ 8,399,884</u>
Lincoln Terrace, LP	Principal	Interest	Total
2024	\$ 38,603	\$ 81,445	\$ 120,048
2025	40,984	79,064	120,048
2026	43,511	76,537	120,048
2027	46,195	73,853	120,048
2028	1,230,056	279,124	1,509,180
Total	<u>\$ 1,399,349</u>	<u>\$ 590,023</u>	<u>\$ 1,989,372</u>
Lincoln Terrace, LP	Principal	Interest	Total
2024	\$ 197,371	\$ -	\$ 197,371
2025	197,371	-	197,371
2026	197,371	-	197,371
2027	197,371	-	197,371
2028	197,371	-	197,371
2029-2032	403,219	-	403,219
Total	<u>\$ 1,390,074</u>	<u>\$ -</u>	<u>\$ 1,390,074</u>
Aventine Tarrant Parkway Apts, LP	Principal	Interest	Total
2024	\$ 402,045	\$ 657,465	\$ 1,059,510
2025	415,929	643,580	1,059,509
2026	430,293	629,216	1,059,509
2027	445,154	614,357	1,059,511
2028	460,521	614,357	1,074,878
2029-2033	2,552,437	2,830,289	5,382,726
2034-2038	3,024,688	2,373,802	5,398,490
2039-2043	3,584,316	1,832,856	5,417,172
2044-2048	4,247,486	1,191,824	5,439,310
2049-2052	3,957,437	432,188	4,389,625
Total	<u>\$ 19,520,306</u>	<u>\$ 11,819,933</u>	<u>\$ 31,340,239</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

Post Oak East Apartments, LP	Principal	Interest	Total
2024	\$ 513,007	\$ 549,330	\$ 1,062,337
2025	524,826	537,510	1,062,336
2026	536,918	525,418	1,062,336
2027	549,289	513,048	1,062,337
2028	561,944	500,392	1,062,336
2029-2033	3,009,996	2,301,686	5,311,682
2034-2038	3,373,095	1,938,587	5,311,682
2039-2043	3,779,994	1,531,688	5,311,682
2044-2048	4,235,979	1,075,704	5,311,683
2049-2053	4,746,968	564,714	5,311,682
2054-2057	2,495,558	71,753	2,567,311
Total	<u>\$ 24,327,574</u>	<u>\$ 10,109,830</u>	<u>\$ 34,437,404</u>

Zero Percent Forgivable Loans, No Amortization Schedule	Maturity Date	Amount
Cowan Place	12/31/2063	\$ 1,250,000
Casa de los Suenos	7/10/2028	1,500,000

Total - Enterprise Fund	Principal	Interest	Total
2024	\$ 1,931,177	\$ 2,297,301	\$ 4,228,478
2025	9,752,400	2,246,899	11,999,299
2026	2,015,380	1,899,634	3,915,014
2027	2,059,311	1,856,148	3,915,459
2028	4,785,666	2,034,749	6,820,415
2029-2033	10,378,691	8,109,591	18,488,282
2034-2038	11,230,217	6,864,250	18,094,467
2039-2043	21,713,841	5,416,370	27,130,211
2044-2048	12,577,649	3,732,020	16,309,669
2049-2053	13,511,131	1,771,443	15,282,574
2054-2058	3,873,005	165,771	4,038,776
2063	1,250,000	-	1,250,000
Total	<u>\$ 95,078,468</u>	<u>\$ 36,394,174</u>	<u>\$ 131,472,642</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

The breakdown between current and long-term portions of debt for the enterprise fund is as follows:

	Beginning Debt	Loan Proceeds	Principal Payments	Refinancing/ Adjustment	Ending Debt	Current Portion	Long-Term Portion	Total
TDHCA FWAI 1	\$ 4,431,888	\$ -	\$ (218,870)	\$ -	\$ 4,213,018	\$ 217,962	\$ 3,995,056	\$ 4,213,018
TDHCA FWAI 2	3,179,798	-	(145,136)	-	3,034,662	158,330	2,876,332	3,034,662
Eastwood Public Facility Corp	8,498,774	-	(141,976)	-	8,356,798	146,983	8,209,815	8,356,798
New 172 Hillside Partners, LLC	8,009,548	-	(229,534)	-	7,780,014	-	7,780,014	7,780,014
Overton Square, LP 4	13,316,729	-	(248,381)	-	13,068,348	256,874	12,811,474	13,068,348
Aventine Tarrant Pkwy Apts, LP	19,908,930	-	(388,624)	-	19,520,306	402,045	19,118,261	19,520,306
Cobb Park Townhomes, LP Lease*	2,833,315	-	(158,333)	-	2,674,982	158,333	2,516,649	2,674,982
Cobb Park Townhomes, LP Note*	822,353	-	(59,628)	-	762,725	59,630	703,095	762,725
Lincoln Terrace, LP Mortgage	1,435,251	-	(35,902)	-	1,399,349	38,603	1,360,746	1,399,349
Lincoln Terrace, LP Exchange Grant	1,916,397	-	(526,323)	-	1,390,074	197,371	1,192,703	1,390,074
Hillside PFC (Knights of Pythias)*	1,417,596	-	(984)	-	1,416,612	-	1,416,612	1,416,612
FW Casa De Esperanza, LP	9,234,945	-	3,380	-	9,238,325	-	9,238,325	9,238,325
Post Oak East	24,829,027	-	(501,453)	-	24,327,574	513,007	23,814,567	24,327,574
Casa de los Suenos	-	1,500,000	-	-	1,500,000	-	1,500,000	1,500,000
Casa de Esperanza	-	1,250,000	-	-	1,250,000	-	1,250,000	1,250,000
Public Facility Corporation	-	250,000	-	-	250,000	-	250,000	250,000
Elimination	(5,073,264)	-	(31,055)	-	(5,104,319)	(217,961)	(4,886,358)	(5,104,319)
Total	<u>\$ 94,761,287</u>	<u>\$ 3,000,000</u>	<u>\$ (2,682,819)</u>	<u>\$ -</u>	<u>\$ 95,078,468</u>	<u>\$ 1,931,177</u>	<u>\$ 93,147,291</u>	<u>\$ 95,078,468</u>

* Eliminated. No amortization schedule is shown on prior table for these notes.

FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

The breakdown between current and long-term portions of debt for the discretely presented component units (DCU) is as follows:

	Beginning Debt	Loan Proceeds	Principal Payments	Ending Debt	Current Portion	Long-Term Portion
Western Hills Affordable Housing, L.P.	\$ 5,239,057	\$ -	\$ -	\$ 5,239,057	\$ -	\$ 5,239,057
Samuels Avenue, L.P. - Pacific Life	1,280,916	-	(41,417)	1,239,499	44,407	1,195,092
Samuels Avenue, L.P. - City of Fort Worth	126,500	-	-	126,500	-	126,500
South Hulen, L.P. - Greystone	7,768,105	-	(136,636)	7,631,469	142,024	7,489,445
Wind River Apartments	3,261,374	-	(161,853)	3,099,521	162,612	2,936,909
FW Hunter Plaza, L.P. - City of Fort Worth	1,800,000	-	-	1,800,000	-	1,800,000
FW Hunter Plaza, L.P. - Bank of Oklahoma	9,882,607	-	(259,392)	9,623,215	253,656	9,369,559
FW Hunter Plaza, L.P. - FWHA	2,830,000	-	-	2,830,000	-	2,830,000
FW Hunter Plaza, L.P.- Trinity River PFC	1,750,000	-	-	1,750,000	-	1,750,000
LDG Stallion Pointe, L.P.	24,468,890	-	(444,639)	24,024,251	425,678	23,598,573
LDG Stallion Pointe, L.P. - Trinity River PFC	2,000,000	-	-	2,000,000	-	2,000,000
Woodmont - TDHCA Bonds	12,854,722	-	(267,815)	12,586,907	281,238	12,305,669
Woodmont - TDHCA TCAP	1,817,439	-	(66,819)	1,750,620	67,489	1,683,131
Woodmont - TDHCA HOME 1	413,390	-	-	413,390	-	413,390
Woodmont - TDHCA HOME 2	283,981	-	-	283,981	-	283,981
Woodmont - City of Fort Worth HOME	1,500,000	-	-	1,500,000	-	1,500,000
Woodmont - NRP Woodmont SLP, LLC Loan Payable	-	519,263	-	519,263	-	519,263
Hometowne at MR LP - Dwight Capital	9,721,398	-	(132,197)	9,589,201	137,893	9,451,308
Hometowne at MR LP - City of Fort Worth	650,000	-	-	650,000	-	650,000
FW Alton Park, LP - Citibank 1	18,910,828	-	(268,027)	18,642,801	280,200	18,362,601
FW Alton Park, LP - Trinity River PFC	3,146,951	-	-	3,146,951	-	3,146,951
FW Campus Apartments, LP	19,152,768	-	(235,467)	18,917,301	247,686	18,669,615
FW Campus Apartments, LP - Trinity River PFC	1,916,451	-	-	1,916,451	-	1,916,451
Standard at Boswell Marketplace, LP, Capital One	8,437,000	-	-	8,437,000	14,418	8,422,582
Standard at Boswell Marketplace, LP - FWAI	1,000,000	-	-	1,000,000	-	1,000,000
Amtext Avondale, LP - Comm Bank of Texas, NA	8,919,955	-	(124,903)	8,795,052	128,806	8,666,246
Palladium Fort Worth, Ltd - Bridge Loan	12,557,367	-	(138,513)	12,418,854	144,220	12,274,634
FW Steele Prince Hall, LLC - Trinity River PFC	6,820,033	-	(93,581)	6,726,452	98,554	6,627,898
FW Steele Sabine Place, LLC - Trinity River PFC	6,614,586	-	(93,784)	6,520,802	98,710	6,422,092
Reserve at McAlister Senior Living, LLC	3,559,930	-	(64,319)	3,495,611	68,184	3,427,427
Western Center Reserve, LLC	3,073,223	-	(61,042)	3,012,181	65,000	2,947,181
FW Stallion Ridge, LP - Subordinate Loans	1,500,000	-	-	1,500,000	-	1,500,000
FW Stallion Ridge, LP - Bonds	23,110,000	-	(185,000)	22,925,000	190,000	22,735,000
FW Patriot Pointe, LP - Notes	1,339,838	-	-	1,339,838	-	1,339,838
FW Patriot Pointe, LP - Bonds	23,490,000	-	(200,000)	23,290,000	210,000	23,080,000
Fossil Ridge II, LP - Colliers Mortgage, LLC	4,742,000	-	-	4,742,000	-	4,742,000
FW Cowan Place, LP - FHA Loan	-	14,673,883	-	14,673,883	220,767	14,453,116
FW Cowan Place, LP - Bond Loan	-	20,000,000	-	20,000,000	20,000,000	-
FW Cowan Place, LP - Bridge Loan	-	6,419,029	-	6,419,029	6,419,029	-
FW Cowan Place, LP - FWHS Loans	-	8,926,655	-	8,926,655	-	8,926,655
Total	\$ 235,939,309	\$ 50,538,830	\$ (2,975,404)	\$ 283,502,735	\$ 29,700,571	\$ 253,802,164

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 MORTGAGES AND NOTES PAYABLE (CONTINUED)

A summary of principal retirements for the discretely presented component unit's debt by five-year segments is as follows:

	Western/ Cambridge Apartments	Samuels Apartments	South Hulen/ Candletree Apts	Trinity/WR Apartments	Hunter Plaza	Stallion Pointe	Woodmont Apts, Ltd	
<u>Year Ending December 31,</u>								
2024	\$ -	\$ 44,407	\$ 142,024	\$ 162,612	\$ 253,656	\$ 425,678	\$ 348,727	
2025	-	47,612	147,663	163,427	263,990	442,191	296,650	
2026	-	51,049	153,526	164,246	274,745	459,345	312,906	
2027	-	1,096,431	159,621	165,069	285,939	477,164	330,054	
2028	-	-	165,959	165,897	297,588	495,675	348,141	
Thereafter	5,239,057	126,500	6,862,676	2,278,270	14,627,297	23,724,198	15,417,683	
Total Mortgage Payable	<u>\$ 5,239,057</u>	<u>\$ 1,365,999</u>	<u>\$ 7,631,469</u>	<u>\$ 3,099,521</u>	<u>\$ 16,003,215</u>	<u>\$ 26,024,251</u>	<u>\$ 17,054,161</u>	
	Hometowne at Matador Ranch LP	FW Alton Park, LP	FW Campus Apartments, LP	Standard at Boswell Marketplace, LP	Amtex Avondale, LP	Fossil Ridge II, LP	Palladium Fort Worth, Ltd	
<u>Year Ending December 31,</u>								
2024	\$ 137,893	\$ 280,200	\$ 247,686	\$ 14,418	\$ 128,806	\$ -	\$ 144,220	
2025	142,904	292,926	260,540	88,255	134,747	-	154,026	
2026	148,578	306,231	274,060	91,321	139,974	43,643	162,477	
2027	154,477	320,139	288,283	94,493	145,405	89,736	171,391	
2028	160,610	334,680	303,243	97,776	150,162	93,104	178,999	
Thereafter	9,494,739	20,255,576	19,459,940	9,050,737	8,095,958	4,515,517	11,607,741	
Total Mortgage Payable	<u>\$ 10,239,201</u>	<u>\$ 21,789,752</u>	<u>\$ 20,833,752</u>	<u>\$ 9,437,000</u>	<u>\$ 8,795,052</u>	<u>\$ 4,742,000</u>	<u>\$ 12,418,854</u>	
	FW Steele Prince Hall, LLC	FW Steele Sabine Place, LLC	Reserve at McAlister Senior Living, LLC	Western Center Reserve, LLC	FW Stallion Ridge, LP	FW Patriot Pointe, LP	FW Cowan Place, LP	Grand Total
<u>Year Ending December 31,</u>								
2024	\$ 98,554	\$ 98,710	\$ 68,184	\$ 65,000	\$ 190,000	\$ 210,000	\$ 26,639,796	\$ 29,700,571
2025	103,793	103,894	72,282	69,216	205,000	220,000	226,915	3,436,031
2026	109,310	109,351	76,625	73,705	210,000	235,000	233,234	3,629,326
2027	115,120	115,095	81,230	78,484	225,000	245,000	239,730	4,877,861
2028	121,239	121,140	86,112	83,574	230,000	255,000	246,406	3,935,305
Thereafter	6,178,436	5,972,612	3,111,178	2,642,202	23,365,000	23,464,838	22,433,486	237,923,641
Total Mortgage Payable	<u>\$ 6,726,452</u>	<u>\$ 6,520,802</u>	<u>\$ 3,495,611</u>	<u>\$ 3,012,181</u>	<u>\$ 24,425,000</u>	<u>\$ 24,629,838</u>	<u>\$ 50,019,567</u>	<u>\$ 283,502,735</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 10 ANNUAL CONTRIBUTIONS CONTRACTS

Pursuant to the Annual Contributions Contract, HUD contributes an operating subsidy approved in the operating budget. Operating subsidy contributions for the year ended December 31, 2023 were \$1,779,146 for FWHS' Low-Rent Public Housing Program.

Housing Choice Voucher Program Annual Contributions Contracts provide for housing assistance payments to private owners of residential units on behalf of eligible low or very low-income families. The program provides for such payments with respect to existing and moderately rehabilitated housing covering the difference between the maximum rental on a dwelling unit and the amount of rent contribution by a participating family and related administrative expense.

HUD contributions for the Housing Choice Voucher Program for the year ended December 31, 2023 were as follows:

Rental Vouchers	\$ 58,983,961
Moderate Rehabilitation	430,972
Mainstream	4,245,885
Total	<u>\$ 63,660,818</u>

NOTE 11 EMPLOYEE RETIREMENT PLAN

FWHS participates in a Defined Contribution Plan administered by VOYA Retirement Insurance and Annuity Company (VRIAC) formerly known as ING Insurance and Annuity Company. The plan complies with IRS Code Section 401(a) regulations and can be amended or modified by FWHS' Board of Commissioners pursuant to applicable IRS guidelines.

A defined contribution pension plan provides benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual account are to be determined instead of specifying the amount of benefits the individual is to receive.

The new plan, which became effective January 1, 2015, is a restatement of an existing plan to comply with the current law. Employees are eligible for participation in the plan the first of the month following the date of hire. FWHS contributes 5% of the eligible participants' base pay to the plan. The employees can voluntarily contribute up to 10% of their base pay to the plan on an after-tax basis. The new plan authorizes FWHS to match up to 5% of this contribution. Thus, after tax contributions above the 5% will not receive a matching contribution. Contributions made by FWHS vest at a rate of 20% per year during the first five years of participation and contributions made by the employees vest immediately. Employees leaving the employment of FWHS are entitled to their contributions and FWHS' contributions to the extent vested and the earnings on these accounts.

During the year ended December 31, 2023, FWHS' required 5% contributions and 5% matching amounted to \$692,247. The total eligible payroll totaled \$6,684,716.

FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 11 EMPLOYEE RETIREMENT PLAN (CONTINUED)

FWHS also offers its employees a 403(b) tax-deferred annuity plan also administered by VRIAC. Each employee may voluntarily take a portion of their earnings before taxes and invest it in any of the financial options available to them.

The VOYA Company Plan held no securities of FWHS or of other related parties during the year or as of the close of the fiscal year ended December 31, 2023. Additional information regarding the plan may be obtained by contacting VOYA Retirement Insurance and Annuity Company, PO Box 990063, Hartford, Connecticut 06199-0063 or by phone 800-262-3862.

NOTE 12 ECONOMIC DEPENDENCY

FWHS receives a significant portion of its revenue from funds provided through federal grants. The grant amounts are appropriated each year at the federal level. The amount of funds that FWHS receives has been reduced over the past several years. Current and future reductions are likely to have an adverse impact on operations.

NOTE 13 RELATED PARTY TRANSACTIONS

The material related party transactions to be reported for the fiscal year ended December 31, 2023 consisted of administrative and asset management fees charged by the Central Office Cost Center (COCC) to the various programs and various funding through Accounts Payable - Interfund and Accounts Receivable - Interfund to temporary funding between programs, to record the activity related to the administrative and asset management fees. The interfund balances for the Accounts Payable - Interfund and Accounts Receivable - Interfund within the enterprise fund as of December 31, 2023 was \$30,860,886, all of which has been eliminated for reporting purposes.

Other Related Parties

FWHS is a partner, owner, or interest holder either solely or severally with multiple organizations as part of various housing projects, development and construction projects, and for financing purposes. These separate legal entities are established to advance the mission of FWHS related to development and management of various forms of public housing. Activity of these entities is reflected in FWHS' financial statements as applicable, to the extent of their ownership interest and level of activity.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 13 RELATED PARTY TRANSACTIONS (CONTINUED)

The following table reflects those entities that do not meet the criteria of a component unit of FWHS:

Project	Date Formed	FWHS Interest	Percentage Ownership
Henderson Apartments, L.P.	1/3/2018	Special Limited Partner	0.010 %
650 South Main Tenant, LP (High Point)	5/10/2019	Special Limited Partner	0.010
Standard River District, LP	1/9/2019	Special Limited Partner	0.010
AmCal Alliance, LP (the Holston)	5/7/2018	Special Limited Partner	0.005
FW Springs SLP, LLC	7/20/2015	Special Limited Partner	0.010
SCP FW Weatherford, LP (the Huntley)	10/13/2020	Class A Special Limited Partner	0.005
Harmon Fund, LP	9/20/2016	Special Limited Partner	0.010
Skyline Prairie Homes	8/10/2021	Special Limited Partner	0.010
250 Penn Ave Tenant, LP (Siddons)	11/10/2022	Special Limited Partner	0.010
AmCal Lee, L.P (The Opal)	12/22/2022	Special Limited Partner	0.005
The Standard Homes at Chisholm (Chisholm Ranch)	8/1/2022	Special Limited Partner	0.010
Crestwood Apartments Tenant, LP	10/28/2022	Special Limited Partner	0.010
FW Bonds Ranch Public Facility Corporation	8/18/2023	Special Limited Partner	0.010

Lessor Activities – Ground Lease

FWHS entered into ground lease agreements as the lessor with several limited partnerships that have constructed or are in the process of constructing rental home projects, from 2002 through 2023. The units must be used for affordable housing and are subject to affordable housing requirements. If at any time during the lease the affordable housing requirements are not met, the tenant is deemed to be in default and the lease is voided.

The terms of these leases vary from 50 years to 99 years with varying rent terms. Almost all of the ground leases are prepaid and no asset is recorded, totaling \$136,076,425 (of which \$1,070,343 is eliminated between FW Casa de Esperanza, LP and FWHS). As of December 31, 2023, \$134,802,315 remains deferred and reported as deferred inflows in the statement of net position. Total rent of \$1,089,082 was earned for the year ended December 31, 2023.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 13 RELATED PARTY TRANSACTIONS (CONTINUED)

During FY 2023, FWHS signed an agreement with Inspire Homes Bond Ranch which requires an annual payment of \$140,000 for the first five years and then a 2% annual escalation for the remaining 99 year term. Total future minimum lease payments to be received under this lease agreement is the following:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ -	\$ -
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	142,800	142,800
2029 - 2033	-	758,000	758,000
2034 - 2038	-	836,893	836,893
2039 - 2043	-	923,997	923,997
2044 - 2048	-	1,020,168	1,020,168
2049 - 2053	-	1,126,348	1,126,348
2054 - 2058	-	1,243,579	1,243,579
2059 - 2063	483,636	889,376	1,373,011
2064 - 2068	695,391	820,525	1,515,916
2069 - 2073	879,801	793,892	1,673,693
2074 - 2078	1,087,189	760,704	1,847,893
2079 - 2083	1,320,074	720,148	2,040,223
2084 - 2088	1,581,243	671,327	2,252,571
2089 - 2093	1,873,776	613,244	2,487,020
2094 - 2098	2,201,079	544,792	2,745,871
2099 - 2103	2,566,916	464,748	3,031,664
2104 - 2108	2,975,448	371,753	3,347,202
2109 - 2113	3,431,277	264,304	3,695,581
2114 - 2118	3,939,486	140,735	4,080,220
2119 - 2121	2,631,508	17,737	2,649,244
Total	<u>\$ 25,666,824</u>	<u>\$ 13,125,070</u>	<u>\$ 38,791,894</u>

NOTE 14 RISK MANAGEMENT

FWHS is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. FWHS participates in the Texas Municipal League Intergovernmental Risk Pool (TML) for its property, liability, and worker's compensation coverage. TML's mission is to provide Texas municipalities and other units of local government with a stable source of risk financing and loss prevention services at the lowest cost consistent with sound business practices. By spreading the risk of losses across the state of Texas and across a variety of local governments, and by employing proactive loss prevention measures, TML is able to provide a stable and long-term risk financing system for its members. TML functions much like a commercial insurance carrier as premium payments are remitted to the carrier and deductible limits apply. FWHS utilizes commercial carriers for all remaining perils and claims. Liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. There were no claims in excess of coverage during the previous three years. These losses include an estimate of claims that have been incurred but not reported. At December 31, 2023, there were no liabilities to be reported.

FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 15 COMMITMENTS AND CONTINGENCIES

FWHS is subject to examination by federal regulators to determine compliance with terms, conditions, laws, and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refunds by FWHS to federal grantors and/or program beneficiaries. As of the date that the financial statements were available to be issued, FWHS had outstanding litigation cases that had not yet been resolved. FWHS has assessed the likelihood of such cases resulting in monetary settlement to be minimal and as such has not recorded an associated liability at fiscal year-end. Management believes the resolution of these matters will not have a material impact on FWHS' operations or will result in dismissal.

NOTE 16 CONDUIT DEBT OBLIGATIONS

Conduit (no-commitment) debt obligations are certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. Although conduit debt obligations bear the name of the governmental issuer, the issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued and is therefore not reported on the balance sheet.

On September 1, 2014, FW Hunter Plaza, L.P. entered into a financing agreement with the Trinity River Public Facility Corporation to issue tax-exempt bonds for the construction and development of the Project. The bonds are collateralized by the Project and will mature on September 1, 2032.

On March 1, 2018, FW Steele Sabine Place, LLC. entered into a financing agreement with the Trinity River Public Facility Corporation to issue tax-exempt bonds for the construction and development of the Project. The bonds are collateralized by the Project and will mature on March 1, 2048.

On July 1, 2018, FW Steele Prince Hall, LLC. entered into a financing agreement with the Trinity River Public Facility Corporation to issue tax-exempt bonds for the construction and development of the Project. The bonds are collateralized by the Project and will mature on July 1, 2048.

On April 1, 2019, FW Patriot Pointe, L.P. entered into a financing agreement with the Trinity River Public Facility Corporation to issue tax-exempt bonds for the construction and development of the Project. The bonds are collateralized by the Project and will mature on April 1, 2059.

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 16 CONDUIT DEBT OBLIGATIONS (CONTINUED)

On June 1, 2019, FW Stallion Ridge, L.P. entered into a financing agreement with the Trinity River Public Facility Corporation to issue tax-exempt bonds for the construction and development of the Project. The bonds are collateralized by the Project and will mature on June 1, 2059.

In September 2021, Trinity River Public Facility Corporation issued bonds on behalf of Cowan Place Apartments in the amount of \$20,000,000 to issue tax-exempt bonds for the construction and development of the Project. The bonds are collateralized by the Project and will mature on October 1, 2024.

In June 2023, Cinco Public Facility Corporation issued bonds on behalf of Northhill Manor in the amount of \$15,838,000 to issue tax-exempt bonds for the construction and development of the Project. The bonds are collateralized by the Project and will mature on October 1, 2024.

FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 17 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS

Condensed combining information for FWHS' blended component units is of and for the year ended December 31, 2023 and is provided as follows:

	Gateway Public Facility Corporation	Fort Worth Affordability, Inc.	Spring Glen Apartments	Woodmont GP	Carlyle Crossing	Cobb Park Townhomes II, LP	Post Oak East Apartments, LP	Aventine Tarrant Parkway Apartments, LP
ASSETS								
Cash	\$ 3,351,478	\$ 2,025,096	\$ 409,070	\$ -	\$ 109,394	\$ 135,349	\$ 1,054,437	\$ 2,074,658
Restricted Cash	-	-	-	-	132,946	719,587	1,194,046	1,406,602
Interprogram Assets	9,680,735	81,485	894,000	-	-	-	-	-
Other - Current Assets	11	7,283,870	-	60,000	159,213	140,641	1,632,571	239,968
Noncurrent Assets	-	13,144,519	-	-	(7,517)	-	-	427,189
Capital Assets, Net	-	1,979,047	-	-	3,686,677	6,243,902	8,669,665	9,464,611
Total Assets	13,032,224	24,514,017	1,303,070	60,000	4,080,713	7,239,479	12,550,719	13,613,028
LIABILITIES								
Current Liabilities	-	294,872	-	-	492,867	785,307	1,089,298	282,676
Interprogram Liabilities	-	2,410,522	-	61,000	202,157	89,354	206,074	156,122
Notes and Mortgage Payable	-	5,463,018	-	-	3,034,663	3,437,707	24,327,574	19,520,306
Total Liabilities	-	8,168,412	-	61,000	3,729,687	4,312,368	25,622,946	19,959,104
DEFERRED OUTFLOWS								
Ground Leases	-	-	-	-	-	-	-	-
NET POSITION								
Net Investment in								
Capital Assets	-	(3,483,971)	-	-	652,014	2,806,195	(15,657,909)	(10,055,695)
Restricted	-	-	-	-	132,946	719,587	1,194,046	1,406,602
Unrestricted	13,032,224	19,829,576	1,303,070	(1,000)	(433,934)	(598,671)	1,391,636	2,303,017
Total Net Position	13,032,224	16,345,605	1,303,070	(1,000)	351,026	2,927,111	(13,072,227)	(6,346,076)
Total Liabilities and Net Position	\$ 13,032,224	\$ 24,514,017	\$ 1,303,070	\$ 60,000	\$ 4,080,713	\$ 7,239,479	\$ 12,550,719	\$ 13,613,028

FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 17 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Hillside Public Facility Corporation/ Knights of Pythias	Hillside Apartments	Trinity River Public Facility Corporation	FW Bond Ranch PFC	Fair Oaks Public Facility Corporation	Fair Park Public Facility Corporation	Eastwood Public Facility Corporation	Overton Square, L.P.
ASSETS								
Cash	\$ 197,092	\$ 3,132,253	\$ 813,028	\$ -	\$ 7,207	\$ 7,289	\$ 556,266	\$ 84,874
Restricted Cash	4,800	342,423	-	-	121,200	39,395	1,863,201	2,542,282
Interprogram Assets	-	-	154,034	698,726	-	-	-	2,886
Other - Current Assets	27,858	137,220	6,722,144	-	396,267	211,319	196,265	461,569
Noncurrent Assets	-	(35,209)	12,085,879	25,666,824	-	-	-	-
Capital Assets, Net	2,459,377	9,278,745	-	-	1,473,461	1,467,918	3,428,957	6,671,660
Total Assets	2,689,127	12,855,432	19,775,085	26,365,550	1,998,135	1,725,921	6,044,689	9,763,271
LIABILITIES								
Current Liabilities	248,703	126,623	233,643	-	805,048	869,512	289,481	266,779
Interprogram Liabilities	791,671	127,839	-	-	1,064,314	1,546,464	3,182	13,397
Notes and Mortgage Payable	1,416,612	7,780,014	-	-	-	-	8,356,797	13,068,349
Total Liabilities	2,456,986	8,034,476	233,643	-	1,869,362	2,415,976	8,649,460	13,348,525
DEFERRED OUTFLOWS								
Ground Leases	-	-	-	25,930,967	-	-	-	-
NET POSITION								
Net Investment in Capital Assets	1,042,765	1,498,731	-	-	1,473,461	1,467,918	(4,927,840)	(6,396,689)
Restricted	4,800	342,423	-	-	121,200	39,395	1,863,201	2,542,282
Unrestricted	(815,424)	2,979,802	19,541,442	434,583	(1,465,888)	(2,197,368)	459,868	269,153
Total Net Position	232,141	4,820,956	19,541,442	434,583	128,773	(690,055)	(2,604,771)	(3,585,254)
Total Liabilities and Net Position	\$ 2,689,127	\$ 12,855,432	\$ 19,775,085	\$ 26,365,550	\$ 1,998,135	\$ 1,725,921	\$ 6,044,689	\$ 9,763,271

FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 17 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Pennsylvania Place Apartments, LP	Cavile Public Facility Corporation	Iron Wood Crossing Public Facility Corporation	Lincoln Terrace, LP	FW Casa De Esperanza, LP	Casa de los Suenos	Huntley Public Facility Corporation	Other Projects	Total Blended Component Units
ASSETS									
Cash	\$ 2,765,515	\$ -	\$ -	\$ 21,004	\$ 204,661	\$ -	\$ -	\$ 989,531	\$ 17,938,202
Restricted Cash	-	-	-	656,751	34,777	1,200,000	-	30,312	10,288,322
Interprogram Assets	-	-	1,003,287	-	-	190,134	187,398	616,167	13,508,852
Other - Current Assets	-	579,275	10,000	76,742	828,167	1,796,206	-	90,019	21,049,325
Noncurrent Assets	-	-	-	133,735	1,061,238	-	250,000	-	52,726,658
Capital Assets, Net	-	6,012,581	86,469,636	5,593,545	8,131,349	6,025,390	2,329,285	-	169,385,806
Total Assets	2,765,515	6,591,856	87,482,923	6,481,777	10,260,192	9,211,730	2,766,683	1,726,029	284,897,165
LIABILITIES									
Current Liabilities	17,057	19,644	357,768	4,234,103	590,004	866,026	-	100	11,869,511
Interprogram Liabilities	235	2,805,808	-	13,054	951,670	-	-	17,217	10,460,080
Notes and Mortgage Payable	-	-	-	2,789,423	9,238,323	1,500,000	250,000	-	100,182,786
Total Liabilities	17,292	2,825,452	357,768	7,036,580	10,779,997	2,366,026	250,000	17,317	122,512,377
DEFERRED OUTFLOWS									
Ground Leases	-	1,007,765	90,483,900	-	-	-	-	-	117,422,632
NET POSITION									
Net Investment in Capital Assets	-	6,012,581	86,469,636	2,804,122	(1,106,974)	4,525,390	2,079,285	-	69,203,020
Restricted	-	-	-	656,751	34,777	1,200,000	-	30,312	10,288,322
Unrestricted	2,748,223	(3,253,942)	(89,828,381)	(4,015,676)	552,392	1,120,314	437,398	1,678,400	(34,529,186)
Total Net Position	2,748,223	2,758,639	(3,358,745)	(554,803)	(519,805)	6,845,704	2,516,683	1,708,712	44,962,156
Total Liabilities and Net Position	\$ 2,765,515	\$ 6,591,856	\$ 87,482,923	\$ 6,481,777	\$ 10,260,192	\$ 9,211,730	\$ 2,766,683	\$ 1,726,029	\$ 284,897,165

FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 17 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Gateway Public Facility Corporation	Fort Worth Affordability, Inc.						Aventine Tarrant Parkway Apartments, LP
		Fort Worth Affordability, Inc.	Spring Glen Apartments	Woodmont GP	Carlyle Crossing	Cobb Park Townhomes II, LP	Post Oak East Apartments, LP	
OPERATING REVENUES								
Tenant Revenue	\$ -	\$ -	-	\$ -	\$ 1,196,504	\$ 1,705,906	\$ 3,088,010	\$ 3,026,410
Other Revenues	1,051	902,268	-	-	47,253	9,026	-	107,647
Total Operating Revenues	1,051	902,268	-	-	1,243,757	1,714,932	3,088,010	3,134,057
OPERATING EXPENSES								
Administrative	743	137,879	-	-	249,094	353,391	397,720	337,996
Tenant Services	-	-	-	-	325	1,293	43,493	31,148
Utilities	-	-	-	-	109,359	320,717	288,920	223,427
Ordinary Maintenance and Operations	-	-	-	-	729,678	784,486	1,107,168	717,119
Protective Services	-	-	-	-	66,948	120,626	78,059	-
General Expenses	86	86	-	-	105,036	218,295	459,708	262,136
Depreciation	-	-	-	-	154,907	102,295	394,581	430,128
Total Operating Expenses	829	137,965	-	-	1,415,347	1,901,103	2,769,649	2,001,954
OPERATING INCOME (LOSS)	222	764,303	-	-	(171,590)	(186,171)	318,361	1,132,103
Total Nonoperating Revenues (Expenses)	51,443	72,642	93,944	-	272,134	(48,197)	(537,090)	(683,328)
INCOME (LOSS) BEFORE TRANSFERS	51,665	836,945	93,944	-	100,544	(234,368)	(218,729)	448,775
Operating Transfers	-	-	(714,000)	-	-	-	-	-
CHANGE IN NET POSITION	51,665	836,945	(620,056)	-	100,544	(234,368)	(218,729)	448,775
Total Net Position - Beginning of Year	12,980,559	15,508,660	1,923,126	(1,000)	250,482	3,161,479	(12,853,498)	(6,794,851)
TOTAL NET POSITION - END OF YEAR	<u>\$ 13,032,224</u>	<u>\$ 16,345,605</u>	<u>1,303,070</u>	<u>\$ (1,000)</u>	<u>\$ 351,026</u>	<u>\$ 2,927,111</u>	<u>\$ (13,072,227)</u>	<u>\$ (6,346,076)</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 17 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Hillside Public Facility Corporation/ Knights of Pythias	Hillside Apartments	Trinity River Public Facility Corporation	FW Bond Ranch PFC	Fair Oaks Public Facility Corporation	Fair Park Public Facility Corporation	Eastwood Public Facility Corporation	Overton Square, L.P.
OPERATING REVENUES								
Tenant Revenue	\$ 218,500	\$ 2,247,644	-	\$ -	\$ 623,863	\$ 514,774	\$ 1,563,348	\$ 2,357,268
Other Revenues	-	-	286,026	434,583	132,183	(1,218)	414,910	-
Total Operating Revenues	218,500	2,247,644	286,026	434,583	756,046	513,556	1,978,258	2,357,268
OPERATING EXPENSES								
Administrative	279,064	413,684	377,957	-	199,930	171,289	254,832	456,117
Tenant Services	244	2,109	-	-	2,258	705	-	8,354
Utilities	14,358	145,387	99	-	147,559	167,666	168,206	156,907
Ordinary Maintenance and Operations	37,838	697,573	-	-	488,524	372,075	349,663	691,894
Protective Services	-	-	-	-	44,150	94	10,330	609
General Expenses	20,720	109,689	603	-	33,604	44,495	47,008	109,201
Depreciation	588	256,082	-	-	149,732	82,925	495,481	393,207
Total Operating Expenses	352,812	1,624,524	378,659	-	1,065,757	839,249	1,325,520	1,816,289
OPERATING INCOME (LOSS)	(134,312)	623,120	(92,633)	434,583	(309,711)	(325,693)	652,738	540,979
Total Nonoperating Revenues (Expenses)	(32,604)	(162,363)	68,228	-	-	-	(254,350)	(391,387)
INCOME (LOSS) BEFORE TRANSFERS	(166,916)	460,757	(24,405)	434,583	(309,711)	(325,693)	398,388	149,592
Operating Transfers	-	-	-	-	-	-	(371,890)	-
CHANGE IN NET POSITION	(166,916)	460,757	(24,405)	434,583	(309,711)	(325,693)	26,498	149,592
Total Net Position - Beginning of Year	399,057	4,360,199	19,565,847	-	438,484	(364,362)	(2,631,269)	(3,734,846)
TOTAL NET POSITION - END OF YEAR	<u>\$ 232,141</u>	<u>\$ 4,820,956</u>	<u>19,541,442</u>	<u>\$ 434,583</u>	<u>\$ 128,773</u>	<u>\$ (690,055)</u>	<u>\$ (2,604,771)</u>	<u>\$ (3,585,254)</u>

FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 17 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Pennsylvania Place Apartments, LP	Cavile Public Facility Corporation	Iron Wood Crossing Public Facility Corporation	Lincoln Terrace, LP	FW Casa De Esperanza, LP	Casa de los Suenos	Huntley Public Facility Corporation	Other Projects	Total Blended Component Units
OPERATING REVENUES									
Tenant Revenue	\$ -	\$ -	\$ -	723,007	\$ 1,216,781	\$ -	\$ -	\$ -	\$ 18,482,015
Other Revenues	157,413	50,706	253,807	-	81,414	6,873,773	870,226	788,792	11,409,860
Total Operating Revenues	157,413	50,706	253,807	723,007	1,298,195	6,873,773	870,226	788,792	29,891,875
OPERATING EXPENSES									
Administrative	17,815	47,169	-	207,409	124,143	4,100	-	67,760	4,098,092
Tenant Services	-	-	-	1,436	-	-	-	-	91,365
Utilities	-	178	-	84,992	118,058	23,969	-	-	1,969,802
Ordinary Maintenance and Operations	-	133,807	-	352,999	389,357	-	-	-	6,852,181
Protective Services	-	-	-	61,249	230,990	-	-	-	613,055
General Expenses	236	318	20	78,930	977,118	-	-	168	2,467,457
Depreciation	-	-	1,642,881	280,351	365,798	-	-	-	4,748,956
Total Operating Expenses	18,051	181,472	1,642,901	1,067,366	2,205,464	28,069	-	67,928	20,840,908
OPERATING INCOME (LOSS)	139,362	(130,766)	(1,389,094)	(344,359)	(907,269)	6,845,704	870,226	720,864	9,050,967
Total Nonoperating Revenues (Expenses)	(343,062)	18,450	-	83,229	(506)	-	-	35,260	(1,757,557)
INCOME (LOSS) BEFORE TRANSFERS	(203,700)	(112,316)	(1,389,094)	(261,130)	(907,775)	6,845,704	870,226	756,124	7,293,410
Operating Transfers	-	-	-	-	-	-	-	395	(1,085,495)
CHANGE IN NET POSITION	(203,700)	(112,316)	(1,389,094)	(261,130)	(907,775)	6,845,704	870,226	756,519	6,207,915
Total Net Position - Beginning of Year	2,951,923	2,870,955	(1,969,651)	(293,673)	387,970	-	1,646,457	952,193	38,754,241
TOTAL NET POSITION - END OF YEAR	<u>\$ 2,748,223</u>	<u>\$ 2,758,639</u>	<u>\$ (3,358,745)</u>	<u>(554,803)</u>	<u>\$ (519,805)</u>	<u>\$ 6,845,704</u>	<u>\$ 2,516,683</u>	<u>\$ 1,708,712</u>	<u>\$ 44,962,156</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 17 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Gateway Public Facility Corporation	Fort Worth Affordability, Inc.	Spring Glen Apartments	Woodmont GP	Carlyle Crossing	Cobb Park Townhomes II, LP	Post Oak East Apartments, LP	Aventine Tarrant Parkway Apartments, LP
NET CASH PROVIDED (USED) BY								
Operating Activities	\$ 51,443	\$ 115,345	\$ (1,514,056)	\$ -	\$ 225,840	\$ 386,468	\$ (448,868)	\$ 765,827
Capital and Related Financing Activities	-	1,031,131	-	-	(145,135)	(217,961)	(106,872)	(388,625)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	51,443	1,146,476	(1,514,056)	-	80,705	168,507	(555,740)	377,202
Cash and Cash Equivalents - Beginning of Year	3,300,035	878,620	1,923,126	-	161,635	686,429	2,804,223	3,104,058
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,351,478	\$ 2,025,096	\$ 409,070	\$ -	\$ 242,340	\$ 854,936	\$ 2,248,483	\$ 3,481,260

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 17 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Hillside Public Facility Corporation/ Knights of Pythias	Hillside Apartments	Trinity River Public Facility Corporation	FW Bond Ranch PFC	Fair Oaks Public Facility Corporation	Fair Park Public Facility Corporation	Eastwood Public Facility Corporation	Overton Square, L.P.
NET CASH PROVIDED (USED) BY								
Operating Activities	\$ 50,192	\$ 816,264	\$ (11,440,959)	\$ -	\$ (2,777)	\$ (80,573)	\$ 670,020	\$ 220,839
Capital and Related Financing Activities	(983)	(784,965)	11,237,907	-	-	(449)	(141,977)	63,833
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	49,209	31,299	(203,052)	-	(2,777)	(81,022)	528,043	284,672
Cash and Cash Equivalents - Beginning of Year	152,683	3,443,377	1,016,080	-	131,184	127,706	1,891,424	2,342,484
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 201,892</u>	<u>\$ 3,474,676</u>	<u>\$ 813,028</u>	<u>\$ -</u>	<u>\$ 128,407</u>	<u>\$ 46,684</u>	<u>\$ 2,419,467</u>	<u>\$ 2,627,156</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 17 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Pennsylvania Place Apartments, LP	Cavile Public Facility Corporation	Iron Wood Crossing Public Facility Corporation	Lincoln Terrace, LP	FW Casa De Esperanza, LP	Casa de los Suenos	Huntley Public Facility Corporation	Other Projects	Total Blended Component Units
NET CASH PROVIDED (USED) BY									
Operating Activities	\$ (182,492)	\$ 469,091	\$ 31,372,664	\$ 161,547	\$ (998,503)	\$ 5,725,390	\$ 432,726	\$ 408,154	\$ 27,203,582
Capital and Related Financing Activities	-	(469,091)	(31,372,664)	(309,594)	252,725	(4,525,390)	(432,726)	-	(26,310,836)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(182,492)	-	-	(148,047)	(745,778)	1,200,000	-	408,154	892,746
Cash and Cash Equivalents - Beginning of Year	2,948,007	-	-	825,802	985,216	-	-	611,689	27,333,778
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,765,515</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 677,755</u>	<u>\$ 239,438</u>	<u>\$ 1,200,000</u>	<u>\$ -</u>	<u>\$ 1,019,843</u>	<u>\$ 28,226,524</u>

**FORT WORTH HOUSING SOLUTIONS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 18 SUBSEQUENT EVENTS

In preparing the financial statements, FWHS has evaluated events and transactions for potential recognition or disclosure through September 23, 2024, the date the financial statements were available to be issued.

Hughes House is a three-phase mixed-use development named after famed basketball coach Robert Hughes, the development is located at the intersection of East Rosedale Street and Amanda Avenue of the Stop Six Neighborhood, which is part of a Choice Neighborhood Initiative (CNI). An effort launched in 2020, when the US Department of Housing and Urban Development awarded FWHS and the City of Fort Worth a \$35,000,000 Grant.

Hughes House I, a 162-unit affordable mix-income/multi-family development, broke ground on June 14, 2023. Construction costs are estimated at \$54.6M; the project will be covered from multiple funding streams including an FHA Construction Loan (\$16.1M), CNI Grant (\$12.2M), Tax Credits (\$3.6M), Home Loan (\$1M), other loans and sources (\$ 21M).

On June 20, 2024, the second phase of Hughes House II received a \$4.1 million award., Phase II is a 237-unit, multi-family/mixed income development with estimated construction costs estimated at \$106M which will have multiple funding streams including an FHA Construction Loan (\$38.5M), CNI Grant (\$8.8 M), Tax Credits (\$32M), Home Loan (\$1 M),CDBG Grant (\$2M) and other loans and sources (\$23.7M).

The first phase of Hughes House is expected to be completed around spring 2025, and the second is expected to be completed in late 2026 or early 2027.

On August 26, 2024 Fort Worth Housing Solutions, along with valued partners, broke ground on Babers Manor, the latest mixed income/multifamily development in the Stop Six Choice Neighborhood Initiative. Named for the distinguished community leader, Mr. Clarence Donald Babers, the 80-unit development will include a combination of townhome and garden apartments on Ramey Avenue between S. Hughes Ave and S. Edgewood Terrace.

Babers Manor project construction cost is estimated at \$31M that will be covered from the following funding streams: FHA Construction Loan (\$10.3M), CNI Grant (\$4M), Tax Credit (\$14.8M), Home Loan (\$1M), and other loans and sources (\$900K).

On September 19, 2024; FWHS's Board of Commissioners will be presented with a resolution to approve the option to exercise FWHS' first right of refusal to acquire the interest from RBC, the Limited Partner, of these three properties, for a consideration of \$1 each. By purchasing the partnership interests in the Partnership, Cowtown Housing Development, an instrumentality of FWHS, will assume its roles and responsibilities under the amended and restated agreement of limited partnership. The closing date of this transaction is expected to be October 30, 2024.

On June 27, 2024, the Board of Commissioners approved a resolution to engage Averro Advisors, to assist with the needs assessment, identification and implementation of a new Enterprise resource Planning (ERP) system. The cost of this project is not to exceed \$600K, the consulting firm began working on the needs assessment on August 16, 2024.

SUPPLEMENTARY INFORMATION

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE BALANCE SHEET
DECEMBER 31, 2023**

Line Item #	Accounts Description	Project Totals	Continuum of Care	Resident Opportunity and Supportive Services	Mainstream Vouchers	Section 8 Mod Rehab	State/Local	Business Activities	Component Unit - Blended	Housing Choice Vouchers
ASSETS										
CURRENT ASSETS										
Cash:										
111	Unrestricted	\$ 9,574,133	\$ 290,880	\$ -	\$ 1,088,538	\$ 193,712	\$ -	\$ 9,307,691	\$ 17,938,202	\$ 22,045
113	Other Restricted	-	-	-	-	-	-	-	2,296,890	761,358
114	Tenant Security Deposits	3,413	-	-	-	-	-	-	417,368	-
115	Cash - Restricted for Current Liabilities	-	-	-	-	-	-	-	7,574,064	-
100	Total Cash	9,577,546	290,880	-	1,088,538	193,712	-	9,307,691	28,226,524	783,403
Accounts and Notes Receivable:										
122	Hud Other Projects	-	102,980	100,439	-	13,518	-	-	-	2,369,986
124	Other Government	-	-	-	-	-	13,843	-	-	-
125	Miscellaneous	310,664	-	-	-	834	-	5,923,924	17,223,884	1,421,501
126	Tenants	-	-	-	-	-	-	-	630,024	-
126.1	Allowance for Doubtful Accounts - Tenants	-	-	-	-	-	-	-	-	-
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	(447,845)	(138,431)	(478,040)
127	Notes, Loans, and Mortgages Receivable - Current	-	-	-	-	-	-	-	217,961	-
129	Accrued Interest Receivable	-	-	-	-	-	-	697,451	1,955,030	-
120	Total Accounts and Notes Receivable	310,664	102,980	100,439	-	14,352	13,843	6,173,530	19,888,468	3,313,447
142	Prepaid Expenses and Other Assets	43,859	554	-	-	-	-	26,541	1,160,857	2,691
144	Interprogram - Due From	2,073,055	-	-	-	26,108	208,271	15,044,600	13,508,852	-
150	Total Current Assets	12,005,124	394,414	100,439	1,088,538	234,172	222,114	30,552,362	62,784,701	4,099,541
NONCURRENT ASSETS										
Capital Assets:										
161	Land	4,001,105	-	-	-	-	-	36,354,663	43,452,261	-
162	Buildings	24,545,080	-	-	-	-	-	5,316,570	161,029,019	-
163	Furniture, Equipment and Mach - Dwellings	33,214	-	-	-	-	-	255	5,768,654	16,360
164	Furniture, Equipment and Mach - Admin.	641,308	3,000	-	-	-	-	-	2,013,692	533,999
165	Leasehold Improvements	-	-	-	-	-	-	-	16,887,516	-
166	Accumulated Depreciation	(21,022,329)	(3,000)	-	-	-	-	(182)	(61,573,291)	(451,039)
167	Construction In Progress	-	-	-	-	-	-	636,447	1,807,955	-
160	Total Capital Assets, Net of Accumulated Depreciation	8,198,378	-	-	-	-	-	42,307,753	169,385,806	99,320
171	Notes, Loans and Mortgages Receivable - Noncurrent	-	-	-	-	-	-	2,830,000	24,409,880	-
174	Other Assets	-	-	-	-	-	-	-	28,316,778	-
180	Total Noncurrent Assets	8,198,378	-	-	-	-	-	45,137,753	222,112,464	99,320
290	Total Assets	<u>\$ 20,203,502</u>	<u>\$ 394,414</u>	<u>\$ 100,439</u>	<u>\$ 1,088,538</u>	<u>\$ 234,172</u>	<u>\$ 222,114</u>	<u>\$ 75,690,115</u>	<u>\$ 284,897,165</u>	<u>\$ 4,198,861</u>

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE BALANCE SHEET (CONTINUED)
DECEMBER 31, 2023**

Line Item #	Accounts Description	Emergency Housing Vouchers	Choice Neighborhoods Implementation Grants	Emergency Rental Assistance Program	Emergency Shelter Grants Program	COCC	Eliminations	Total Enterprise Fund	Component Unit - Discretely Presented	Total Reporting Entity
ASSETS										
CURRENT ASSETS										
Cash:										
111	Unrestricted	\$ 1,295,089	\$ -	\$ -	\$ -	\$ 6,447,381	\$ -	\$ 46,157,671	\$ 6,159,782	\$ 52,317,453
113	Other Restricted	-	-	-	-	-	-	3,058,248	10,403,917	13,462,165
114	Tenant Security Deposits	-	-	-	-	-	-	420,781	850,355	1,271,136
115	Cash - Restricted for Current Liabilities	-	-	-	-	-	-	7,574,064	33,839,286	41,413,350
100	Total Cash	<u>1,295,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,447,381</u>	<u>-</u>	<u>57,210,764</u>	<u>51,253,340</u>	<u>108,464,104</u>
Accounts and Notes Receivable:										
122	Hud Other Projects	-	9,347,635	-	-	-	-	11,934,558	-	11,934,558
124	Other Government	-	-	-	-	-	-	13,843	-	13,843
125	Miscellaneous	53,306	865	422,672	-	2,574,695	-	27,932,345	748,911	28,681,256
126	Tenants	-	-	-	-	-	-	630,024	1,542,221	2,172,245
126.1	Allowance for Doubtful Accounts - Tenants	-	-	-	-	-	-	-	(68,901)	(68,901)
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	(1,064,316)	-	(1,064,316)
127	Notes, Loans, and Mortgages Receivable - Current	-	-	-	-	-	(217,961)	-	-	-
129	Accrued Interest Receivable	-	476,640	-	-	-	-	3,129,121	-	3,129,121
120	Total Accounts and Notes Receivable	<u>53,306</u>	<u>9,825,140</u>	<u>422,672</u>	<u>-</u>	<u>2,574,695</u>	<u>(217,961)</u>	<u>42,575,575</u>	<u>2,222,231</u>	<u>44,797,806</u>
142	Prepaid Expenses and Other Assets	-	-	-	-	121,325	-	1,355,827	3,317,488	4,673,315
144	Interprogram - Due From	-	-	-	-	-	(30,860,886)	-	-	-
150	Total Current Assets	<u>1,348,395</u>	<u>9,825,140</u>	<u>422,672</u>	<u>-</u>	<u>9,143,401</u>	<u>(31,078,847)</u>	<u>101,142,166</u>	<u>56,793,059</u>	<u>157,935,225</u>
NONCURRENT ASSETS										
Capital Assets:										
161	Land	-	-	-	-	19,384	-	83,827,413	-	83,827,413
162	Buildings	-	-	-	-	15,310,045	-	206,200,714	438,344,126	644,544,840
163	Furniture, Equipment and Mach - Dwellings	-	-	-	-	29,414	-	5,847,897	15,364,969	21,212,866
164	Furniture, Equipment and Mach - Admin.	-	-	-	-	1,261,339	-	4,453,338	8,287,987	12,741,325
165	Leasehold Improvements	-	-	-	-	10	-	16,887,526	3,096,931	19,984,457
166	Accumulated Depreciation	-	-	-	-	(12,657,710)	-	(95,707,551)	(122,117,528)	(217,825,079)
167	Construction In Progress	-	-	-	-	-	-	2,444,402	-	2,444,402
160	Total Capital Assets, Net of Accumulated Depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,962,482</u>	<u>-</u>	<u>223,953,739</u>	<u>342,976,485</u>	<u>566,930,224</u>
171	Notes, Loans and Mortgages Receivable - Noncurrent	-	12,409,730	-	-	-	(4,886,358)	34,763,252	-	34,763,252
174	Other Assets	-	-	-	-	-	(1,059,280)	27,257,498	36,739,750	63,997,248
180	Total Noncurrent Assets	<u>-</u>	<u>12,409,730</u>	<u>-</u>	<u>-</u>	<u>3,962,482</u>	<u>(5,945,638)</u>	<u>285,974,489</u>	<u>379,716,235</u>	<u>665,690,724</u>
290	Total Assets	<u>\$ 1,348,395</u>	<u>\$ 22,234,870</u>	<u>\$ 422,672</u>	<u>\$ -</u>	<u>\$ 13,105,883</u>	<u>\$ (37,024,485)</u>	<u>\$ 387,116,655</u>	<u>\$ 436,509,294</u>	<u>\$ 823,625,949</u>

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE BALANCE SHEET (CONTINUED)
DECEMBER 31, 2023**

Line Item #	Accounts Description	Project Totals	Continuum of Care	Resident Opportunity and Supportive Services	Mainstream Vouchers	Section 8 Mod Rehab	State/Local	Business Activities	Component Unit - Blended	Housing Choice Vouchers
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION										
CURRENT LIABILITIES										
312	Accounts Payable <= 90 days	\$ 11,057	\$ 954	\$ -	\$ 286,886	\$ -	\$ 98	\$ 5,671	\$ 1,037,057	\$ 319,161
321	Accrued Wage/Payroll Taxes Payable	7,897	23,804	16,597	422	984	4,035	-	8,156	104,156
322	Accrued Compensated Absences - Current Portion	16,887	-	-	406	984	5,809	-	1,862	86,147
325	Accrued Interest Payable	-	-	-	-	-	-	-	186,150	-
331	Accounts Payable - Hud	-	-	-	-	2,043	-	-	-	-
341	Tenant Security Deposits	3,413	-	-	-	-	-	-	401,495	-
342	Deferred Revenues	10,442	1,653	-	-	-	248,920	-	4,806,049	-
343	Current Portion of Long-Term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	-	2,149,138	-
345	Other Current Liabilities	179,865	1,924	-	39,880	-	238	508,537	5,285,922	352,445
346	Other Liabilities	-	-	-	-	-	-	-	142,820	-
347	Interprogram (Due To)	797,821	368,670	83,842	358,744	-	10,092	923,726	10,460,080	2,078,741
310	Total Current Liabilities	1,027,382	397,005	100,439	686,338	4,011	269,192	1,437,934	24,478,729	2,940,650
NONCURRENT LIABILITIES										
351	Long-Term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	-	98,033,648	-
353	Noncurrent Liabilities - Other	-	-	-	-	-	-	-	-	442,717
354	Accrued Compensated Absences - Noncurrent	1,766	-	-	53	-	467	-	-	8,271
350	Total Noncurrent Liabilities	1,766	-	-	53	-	467	-	98,033,648	450,988
300	Total Liabilities	1,029,148	397,005	100,439	686,391	4,011	269,659	1,437,934	122,512,377	3,391,638
400	DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	18,438,963	117,422,632	-
NET POSITION										
508.4	Net Investment In Capital Assets	8,198,378	-	-	-	-	-	42,307,753	69,203,020	99,320
511.4	Restricted Net Position	-	-	-	-	-	-	-	9,886,827	318,641
512.4	Unrestricted Net Position	10,975,976	(2,591)	-	402,147	230,161	(47,545)	13,505,465	(34,127,691)	389,262
513	Total Net Position	19,174,354	(2,591)	-	402,147	230,161	(47,545)	55,813,218	44,962,156	807,223
600	Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 20,203,502	\$ 394,414	\$ 100,439	\$ 1,088,538	\$ 234,172	\$ 222,114	\$ 75,690,115	\$ 284,897,165	\$ 4,198,861

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE BALANCE SHEET (CONTINUED)
DECEMBER 31, 2023**

Line Item #	Accounts Description	Emergency Housing Vouchers	Choice Neighborhoods Implementation Grants	Emergency Rental Assistance Program	Emergency Shelter Grants Program	COCC	Eliminations	Total Enterprise Fund	Component Unit - Discretely Presented	Total Reporting Entity
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION										
CURRENT LIABILITIES										
312	Accounts Payable <= 90 days	\$ -	\$ 760,946	\$ -	\$ -	\$ -	\$ -	\$ 2,421,830	\$ 6,945,060	\$ 9,366,890
321	Accrued Wage/Payroll Taxes Payable	1,767	9,104	-	-	81,380	-	258,302	6,419	264,721
322	Accrued Compensated Absences - Current Portion	-	-	-	-	269,264	-	381,359	-	381,359
325	Accrued Interest Payable	-	-	-	-	-	-	186,150	4,033,585	4,219,735
331	Accounts Payable - Hud	-	-	-	-	-	-	2,043	-	2,043
341	Tenant Security Deposits	-	-	-	-	-	-	404,908	979,743	1,384,651
342	Deferred Revenues	173,591	-	-	-	-	-	5,240,655	480,052	5,720,707
343	Current Portion of Long-Term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-	(217,961)	1,931,177	29,700,571	31,631,748
345	Other Current Liabilities	9,023	2,636,663	-	-	1,475,742	-	10,490,239	6,200,724	16,690,963
346	Other Liabilities	-	-	-	-	-	-	142,820	-	142,820
347	Interprogram (Due To)	982,907	6,418,792	26,217	-	8,351,254	(30,860,886)	-	-	-
310	Total Current Liabilities	1,167,288	9,825,505	26,217	-	10,177,640	(31,078,847)	21,459,483	48,346,154	69,805,637
NONCURRENT LIABILITIES										
351	Long-Term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	-	(4,886,358)	93,147,290	253,802,164	346,949,454
353	Noncurrent Liabilities - Other	-	-	-	-	-	-	442,717	23,113,243	23,555,960
354	Accrued Compensated Absences - Noncurrent	-	-	-	-	48,058	-	58,615	-	58,615
350	Total Noncurrent Liabilities	-	-	-	-	48,058	(4,886,358)	93,648,622	276,915,407	370,564,029
300	Total Liabilities	1,167,288	9,825,505	26,217	-	10,225,698	(35,965,205)	115,108,105	325,261,561	440,369,666
400	DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	(1,059,280)	134,802,315	-	134,802,315
NET POSITION										
508.4	Net Investment In Capital Assets	-	-	-	-	3,962,482	-	123,770,953	59,473,750	183,244,703
511.4	Restricted Net Position	-	-	-	-	-	-	10,205,468	44,113,815	54,319,283
512.4	Unrestricted Net Position	181,107	12,409,365	396,455	-	(1,082,297)	-	3,229,814	7,660,168	10,889,982
513	Total Net Position	181,107	12,409,365	396,455	-	2,880,185	-	137,206,235	111,247,733	248,453,968
600	Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 1,348,395	\$ 22,234,870	\$ 422,672	\$ -	\$ 13,105,883	\$ (37,024,485)	\$ 387,116,655	\$ 436,509,294	\$ 823,625,949

**FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2023**

Line Item #	Accounts Description	Project Totals	Continuum of Care	Resident Opportunity and Supportive Services	Mainstream Vouchers	Section 8 Mod Rehab	State/Local	Business Activities	Component Unit - Blended	Housing Choice Vouchers
REVENUE										
70300	Net Tenant Rental Revenue	\$ 37,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,759,040	\$ -
70400	Tenant Revenue - Other	-	-	-	-	-	-	-	1,722,975	-
70500	Total Tenant Revenue	37,586	-	-	-	-	-	-	18,482,015	-
70600	HUD PHA Operating Grants	1,565,358	3,196,231	438,200	4,245,885	430,972	-	-	-	58,983,961
70610	Capital Grants	-	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-
70730	Bookkeeping Fee	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	-
70800	Other Governmental Grants	-	-	-	-	-	1,091,779	-	5,978,356	-
71100	Investment Income - Unrestricted	421,372	-	-	-	-	-	470,418	957,348	4,358
71400	Fraud Recovery	-	-	-	100	4,875	-	-	272,000	58,915
71500	Other Revenue	204,452	-	-	-	-	500	3,149,095	5,431,504	29,092
71600	Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	-	-	(455,821)	-
70000	Total Revenue	2,228,768	3,196,231	438,200	4,245,985	435,847	1,092,279	3,619,513	30,665,402	59,076,326
EXPENSES										
Administrative:										
91100	Administrative Salaries	232,335	476,094	340,300	7,947	20,864	156,585	3,792	1,298,042	2,171,141
91200	Auditing Fees	13,844	7,000	-	6,028	966	-	30,899	110,712	129,289
91300	Management Fee	-	-	-	66,548	12,762	4,999	-	-	951,844
91310	Bookkeeping Fee	-	-	-	32,663	5,400	-	-	-	430,568
91400	Advertising And Marketing	-	-	-	-	-	1,148	-	30,697	839
91500	Employee Benefit Contributions - Administrative	63,709	136,804	97,900	2,695	6,849	48,872	-	229,041	733,977
91600	Office Expense	387,816	52,630	-	2,665	27	7,452	51,861	589,445	509,368
91700	Legal Expense	-	-	-	-	-	-	425	139,334	1,626
91800	Travel	674	-	-	-	-	5,480	-	4,883	7,421
91900	Other	47,613	-	-	-	-	4,585	11,583	1,626,418	1,276
	Total Administrative	745,991	672,528	438,200	118,546	46,868	229,121	98,560	4,028,572	4,937,349
92000	Asset Management Fee	1,920	-	-	-	-	-	-	69,520	-
Tenant Services:										
92200	Relocation Cost	-	58	-	-	-	-	-	-	-
92400	Other	2,515	-	-	-	-	22,595	-	91,365	-
	Total Tenant Services	2,515	58	-	-	-	22,595	-	91,365	-
Utilities:										
93100	Water	55,970	-	-	-	-	-	-	1,460,126	-
93200	Electricity	6,230	-	-	-	-	-	-	331,878	-
93300	Gas	1,714	-	-	-	-	-	-	114,663	-
93600	Sewer	-	-	-	-	-	-	-	-	-
93800	Other Utilities Expense	-	-	-	-	-	-	-	63,135	-
	Total Utilities	63,914	-	-	-	-	-	-	1,969,802	-
Ordinary Maintenance and Operations:										
94100	Labor	27,197	-	-	-	-	-	-	1,352,605	-
94200	Materials and Other	10,765	-	-	-	-	-	-	946,096	10,084
94300	Contracts	37,414	3,340	-	-	-	1,295	27,278	4,428,113	48,702
94500	Employee Benefits Contribution	7,535	-	-	-	-	-	-	125,367	-
	Total Ordinary Maintenance and Operations	82,911	3,340	-	-	-	1,295	27,278	6,852,181	58,786

FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE REVENUES AND EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

Line Item #	Accounts Description	Emergency Housing Vouchers	Choice Neighborhoods Implementation Grants	Emergency Rental Assistance Program	Emergency Shelter Grants Program	COCC	Eliminations	Total Enterprise Fund	Component Unit - Discretely Presented	Total Reporting Entity
REVENUE										
70300	Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,796,626	\$ 36,075,951	\$ 52,872,577
70400	Tenant Revenue - Other	-	-	-	-	-	-	1,722,975	597,676	2,320,651
70500	Total Tenant Revenue	-	-	-	-	-	-	18,519,601	36,673,627	55,193,228
70600	HUD PHA Operating Grants	1,067,603	903,027	-	-	-	-	70,831,237	-	70,831,237
70610	Capital Grants	-	6,674,533	-	-	-	-	6,674,533	-	6,674,533
70710	Management Fee	-	-	-	-	1,061,447	(1,061,447)	-	-	-
70720	Asset Management Fee	-	-	-	-	44,400	(44,400)	-	-	-
70730	Bookkeeping Fee	-	-	-	-	479,903	(479,903)	-	-	-
70700	Total Fee Revenue	-	-	-	-	1,585,750	(1,585,750)	-	-	-
70800	Other Governmental Grants	-	-	738,134	52,209	-	-	7,860,478	-	7,860,478
71100	Investment Income - Unrestricted	-	-	-	-	162,519	-	2,016,015	290,869	2,306,884
71400	Fraud Recovery	-	-	-	-	-	-	335,890	-	335,890
71500	Other Revenue	-	-	-	-	358,957	(850,000)	8,323,600	11,684,965	20,008,565
71600	Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	-	(455,821)	-	(455,821)
70000	Total Revenue	1,067,603	7,577,560	738,134	52,209	2,107,226	(2,435,750)	114,105,533	48,649,461	162,754,994
EXPENSES										
Administrative:										
91100	Administrative Salaries	-	207,463	55,244	25,090	4,014,748	-	9,009,645	2,791,185	11,800,830
91200	Auditing Fees	-	-	4,739	-	5,411	-	308,888	261,688	570,576
91300	Management Fee	25,294	-	-	-	-	(1,061,447)	-	99,979	99,979
91310	Bookkeeping Fee	11,272	-	-	-	-	(479,903)	-	-	-
91400	Advertising And Marketing	-	-	-	-	17,682	-	50,366	165,601	215,967
91500	Employee Benefit Contributions - Administrative	-	54,454	16,738	5,414	1,065,203	-	2,461,656	492,288	2,953,944
91600	Office Expense	-	638,635	22,882	-	2,052,038	-	4,314,819	672,308	4,987,127
91700	Legal Expense	-	-	-	-	65,892	-	207,277	936,972	1,144,249
91800	Travel	-	1,567	-	-	107,329	-	127,354	33,013	160,367
91900	Other	-	-	-	-	9,463	-	1,700,938	3,098,751	4,799,689
	Total Administrative	36,566	902,119	99,603	30,504	7,337,766	(1,541,350)	18,180,943	8,551,785	26,732,728
92000	Asset Management Fee	-	-	-	-	-	(44,400)	27,040	10,681	37,721
Tenant Services:										
92200	Relocation Cost	-	-	-	-	-	-	58	-	58
92400	Other	93,452	-	-	-	387	-	210,314	-	210,314
	Total Tenant Services	93,452	-	-	-	387	-	210,372	-	210,372
Utilities:										
93100	Water	-	-	-	-	14,267	-	1,530,363	1,879,000	3,409,363
93200	Electricity	-	-	-	-	146,225	-	484,333	840,481	1,324,814
93300	Gas	-	-	-	-	14,339	-	130,716	89,501	220,217
93600	Sewer	-	-	-	-	-	-	-	876	876
93800	Other Utilities Expense	-	-	-	-	-	-	63,135	18,685	81,820
	Total Utilities	-	-	-	-	174,831	-	2,208,547	2,828,543	5,037,090
Ordinary Maintenance and Operations:										
94100	Labor	-	-	-	-	-	-	1,379,802	2,145,818	3,525,620
94200	Materials and Other	-	-	-	-	45,465	-	1,012,410	1,241,670	2,254,080
94300	Contracts	-	-	-	-	338,034	-	4,884,176	4,550,112	9,434,288
94500	Employee Benefits Contribution	-	-	-	-	-	-	132,902	226,121	359,023
	Total Ordinary Maintenance and Operations	-	-	-	-	383,499	-	7,409,290	8,163,721	15,573,011

FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE REVENUES AND EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

Line Item #	Accounts Description	Project Totals	Continuum of Care	Resident Opportunity and Supportive Services	Mainstream Vouchers	Section 8 Mod Rehab	State/Local	Business Activities	Component Unit - Blended	Housing Choice Vouchers
EXPENSES (CONTINUED)										
Protective Services:										
95200	Other Contract Costs	\$ 177,063	\$ 2,811	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 610,954	\$ 186,591
95300	Protective Services - Other	-	-	-	-	-	-	-	2,101	-
95000	Total Protective Services	177,063	2,811	-	-	-	-	-	613,055	186,591
Insurance Premiums:										
96110	Property Insurance	46,345	-	-	-	-	-	19,014	875,438	-
96120	Liability Insurance	2,765	-	-	-	-	-	4	3,960	-
96130	Workmen's Compensation	1,196	1,659	-	35	121	893	-	56,387	11,441
96140	All Other Insurance	195	-	-	-	-	-	-	110,641	897
96100	Total Insurance Premiums	50,501	1,659	-	35	121	893	19,018	1,046,426	12,338
General Expenses:										
96200	Other General Expenses	156,557	-	-	-	-	-	228,915	1,153,783	-
96210	Compensated Absences	11,714	-	-	95	157	3,345	-	1,862	7,110
96300	Payments In Lieu of Taxes	-	-	-	-	-	-	-	50,202	-
96400	Bad Debt - Tenant Rents	-	-	-	-	-	-	-	215,184	-
96000	Total General Expenses	168,271	-	-	95	157	3,345	228,915	1,421,031	7,110
96710	Interest of Mortgage Payable	-	-	-	-	-	-	-	2,430,360	-
96720	Interest on Notes Payable	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	114,862	-
96700	Total Interest Expense and Amortization Cost	-	-	-	-	-	-	-	2,545,222	-
96900	Total Operating Expenses	1,293,086	680,396	438,200	118,676	47,146	257,249	373,771	18,637,174	5,202,174
97000	EXCESS OF OPERATING REVENUE OVER OPERATING EXPENSES	935,682	2,515,835	-	4,127,309	388,701	835,030	3,245,742	12,028,228	53,874,152
97200	Casualty Losses - Noncapitalized	-	-	-	-	-	-	-	(14,138)	-
97300	Housing Assistance Payments	-	2,602,641	-	3,886,347	330,178	959,708	-	-	54,113,133
97350	HAP Portability - In	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	39,622	-	-	-	-	-	-	4,748,956	9,230
90000	Total Expenses	1,332,708	3,283,037	438,200	4,005,023	377,324	1,216,957	373,771	23,371,992	59,324,537
Other Financing Sources (Uses):										
10010	Operating Transfer In	-	170,598	-	-	-	60	373,896	395	-
10020	Operating Transfer Out	-	(1,558)	-	-	-	(11,712)	(560,395)	(1,085,890)	-
10093	Transfers Between Program and Project - In	557	-	-	-	-	-	2,075,140	-	-
10094	Transfers Between Project and Program - Out	(2,075,697)	-	-	-	-	-	-	-	-
10100	Total Other Financing Sources (Uses)	(2,075,140)	169,040	-	-	-	(11,652)	1,888,641	(1,085,495)	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	<u>\$ (1,179,080)</u>	<u>\$ 82,234</u>	<u>\$ -</u>	<u>\$ 240,962</u>	<u>\$ 58,523</u>	<u>\$ (136,330)</u>	<u>\$ 5,134,383</u>	<u>\$ 6,207,915</u>	<u>\$ (248,211)</u>

FORT WORTH HOUSING SOLUTIONS
ENTITY-WIDE REVENUES AND EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

Line Item #	Accounts Description	Emergency Housing Vouchers	Choice Neighborhoods Implementation Grants	Emergency Rental Assistance Program	Emergency Shelter Grants Program	COCC	Eliminations	Total Enterprise Fund	Component Unit - Discretely Presented	Total Reporting Entity
EXPENSES (CONTINUED)										
Protective Services:										
95200	Other Contract Costs	\$ -	\$ -	\$ -	\$ -	\$ 95,291	\$ -	\$ 1,072,710	\$ 968,904	\$ 2,041,614
95300	Protective Services - Other	-	-	-	-	-	-	2,101	68,176	70,277
95000	Total Protective Services	-	-	-	-	95,291	-	1,074,811	1,037,080	2,111,891
Insurance Premiums:										
96110	Property Insurance	-	-	-	-	43,074	-	983,871	2,827,003	3,810,874
96120	Liability Insurance	-	-	-	-	30	-	6,759	-	6,759
96130	Workmen's Compensation	-	908	85	21	21,442	-	94,188	53,105	147,293
96140	All Other Insurance	-	-	-	-	76,079	-	187,812	2,787	190,599
96100	Total Insurance Premiums	-	908	85	21	140,625	-	1,272,630	2,882,895	4,155,525
General Expenses:										
96200	Other General Expenses	-	998,539	-	-	-	(850,000)	1,687,794	1,544,524	3,232,318
96210	Compensated Absences	-	-	-	-	641	-	24,924	-	24,924
96300	Payments In Lieu of Taxes	-	-	-	-	-	-	50,202	137,623	187,825
96400	Bad Debt - Tenant Rents	-	-	-	-	-	-	215,184	993,629	1,208,813
96000	Total General Expenses	-	998,539	-	-	641	(850,000)	1,978,104	2,675,776	4,653,880
96710	Interest of Mortgage Payable	-	-	-	-	-	-	2,430,360	10,181,373	12,611,733
96720	Interest on Notes Payable	-	-	-	-	-	-	-	505,822	505,822
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	114,862	936,296	1,051,158
96700	Total Interest Expense and Amortization Cost	-	-	-	-	-	-	2,545,222	11,623,491	14,168,713
96900	Total Operating Expenses	130,018	1,901,566	99,688	30,525	8,133,040	(2,435,750)	34,906,959	37,773,972	72,680,931
97000	EXCESS OF OPERATING REVENUE OVER OPERATING EXPENSES	937,585	5,675,994	638,446	21,684	(6,025,814)	-	79,198,574	10,875,489	90,074,063
97200	Casualty Losses - Noncapitalized	-	-	-	-	-	-	(14,138)	12,094	(2,044)
97300	Housing Assistance Payments	1,237,944	-	241,991	23,182	-	-	63,395,124	-	63,395,124
97350	HAP Portability - In	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	-	-	-	-	388,828	-	5,186,636	15,813,441	21,000,077
90000	Total Expenses	1,367,962	1,901,566	341,679	53,707	8,521,868	(2,435,750)	103,474,581	53,599,507	157,074,088
Other Financing Sources (Uses):										
10010	Operating Transfer In	-	-	-	1,498	1,283,706	(1,830,153)	-	-	-
10020	Operating Transfer Out	-	-	-	-	(170,598)	1,830,153	-	-	-
10093	Transfers Between Program and Project - In	-	-	-	-	-	(2,075,697)	-	-	-
10094	Transfers Between Project and Program - Out	-	-	-	-	-	2,075,697	-	-	-
10100	Total Other Financing Sources (Uses)	-	-	-	1,498	1,113,108	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	<u>\$ (300,359)</u>	<u>\$ 5,675,994</u>	<u>\$ 396,455</u>	<u>\$ -</u>	<u>\$ (5,301,534)</u>	<u>\$ -</u>	<u>\$ 10,630,952</u>	<u>\$ (4,950,046)</u>	<u>\$ 5,680,906</u>

SINGLE AUDIT REPORT



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Commissioners
Fort Worth Housing Solutions
Fort Worth, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of Fort Worth Housing Solutions (FWHS) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise FWHS' basic financial statements, and have issued our report thereon dated September 23, 2024. Our report includes a reference to other auditors who audited the financial statements of Cobb Park Townhomes II, LP, Aventine Tarrant Parkway Apartments, LP, Overton Square, LP,, Post Oak East Apartments, LP and Lincoln Terrace, LP (the blended component units) and South Hulen, LP, Samuels Avenue, LP, Trinity Quality Housing LP, Western Hills Affordable Housing, LP, FW Hunter Plaza, LP, LDG Stallion Pointe, LP, Hometowne at Matador Ranch, LP, Woodmont Apartments, LP, FW Alton Park, LP, FW Campus Apartments, LP, Palladium Fort Worth, Ltd., FW Steele Prince Hall LLC, FW Steele Sabine Place, LLC, Western Center Reserve, LLC, Reserve at McAlister Senior Living, LLC, Amtex Avondale, LP, The Standard at Boswell Marketplace, LP, FW Patriot Pointe, LP, FW Stallion Ridge, LP, FW Cowan Place, LP and Fossil Ridge II, LP (the discretely presented component units) as described in our report on FWHS' financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

The financial statements of Cobb Park Townhomes II, LP, Lincoln Terrace, LP, , Samuels Avenue, LP, Trinity Quality Housing, LP, Western Hills Affordable Housing, LP, FW Hunter Plaza, LP, LDG Stallion Pointe, LP, Woodmont Apartments, Ltd, Palladium Fort Worth, Ltd, Western Center Reserve, LLC, FW Alton Park, LP, Amtex Avondale, LP, FW Campus Apartments, LP, FW Patriot Pointe, LP, FW Stallion Ridge, LP, Fossil Ridge II, LP, and Reserve at McAlister Senior Living, LLC (the component units) were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with those component units.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fort Worth Housing Solutions' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of FWHS's internal control. Accordingly, we do not express an opinion on the effectiveness of Fort Worth Housing Solutions' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether FWHS's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Baltimore, Maryland
September 23, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Commissioners
Fort Worth Housing Solutions
Fort Worth, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Fort Worth Housing Solutions' (FWHS) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of FWHS' major federal programs for the year ended December 31, 2023. FWHS' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, FWHS complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of FWHS and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of FWHS's compliance with the compliance requirements referred to above.

Other Matter – Federal Expenditures Not included in the Compliance Audit

The Authority's basic financial statements include the operations of the discretely presented component units which may have received federal awards, and which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2023. Our audit, described below, did not include the operations of the aggregate discretely presented component units because other auditors were engaged to perform audits of compliance.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to FWHS's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on FWHS's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about FWHS's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding FWHS's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of FWHS's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of FWHS's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matter

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to this matter.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on FWHS's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. FWHS response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Baltimore, Maryland
September 23, 2024

**FORT WORTH HOUSING SOLUTIONS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development (HUD)				
Direct Awards:				
Public and Indian Housing	14.850	-	-	\$ 1,561,288
Capital Fund Program	14.872	-	-	4,130
Resident Opportunity and Supportive Services	14.870	-	-	438,200
Continuum of Care	14.267	-	-	3,283,037
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	-	-	377,324
Hope VI Cluster:				
Choice Neighborhoods Implementation Grant	14.889	-	-	7,577,560
Housing Voucher Cluster:				
Mainstream Vouchers	14.879	-	-	4,005,023
Emergency Housing Vouchers	14.871	-	-	1,367,962
Housing Choice Vouchers	14.871	-	-	59,324,537
Section 8 Housing Choice Vouchers Subtotal				<u>60,692,499</u>
Total Housing Voucher Cluster				64,697,522
Passed through from the City of Fort Worth:				
Emergency Solutions Grant	14.231	756000528	-	53,707
Passed Through from the County of Tarrant				
Community Development Block Grants/Entitlement Grants	14.218	N/A	-	<u>1,500,000</u>
Total U.S. Department of Housing and Urban Development (HUD)				79,492,768
U.S. Department of Treasury (DOT)				
Passed through from the City of Fort Worth:				
(COVID-19) Emergency Rental Assistance	21.023	756000528	-	341,679
Passed through from the County of Tarrant:				
(COVID) Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	<u>5,543,773</u>
Total U.S. Department of Treasury (DOT)				<u>5,885,452</u>
Total Expenditures of Federal Awards				<u><u>\$ 85,378,220</u></u>

See accompanying Notes to Schedule of Expenditures of Federal and State Awards.

**FORT WORTH HOUSING SOLUTIONS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2023**

State Grantor/Pass Through Grantor/ State Program	Grant Number	Pass-Through Entity Identifying Number	State Expenditures
Pass-Through from the City of Fort Worth: Homeless Housing and Services Program (HHSP)	63206010006	75-6000528	\$ 335,493
Total Expenditures of State Awards			\$ 335,493

See accompanying Notes to Schedule of Expenditures of Federal and State Awards.

FORT WORTH HOUSING SOLUTIONS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2023

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Fort Worth Housing Solutions (FWHS) under programs of the federal and state government for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State of Texas Uniform Grant Management Standards (UGMS). Because the schedule presents only a selected portion of the operations of FWHS, it is not intended to and does not present the financial position, changes in net position, or cash flow of FWHS.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and UGMS, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 SUBRECIPIENTS

FWHS provided no federal awards to subrecipients during the fiscal year ended December 31, 2023.

NOTE 4 INDIRECT COST RATE

The Authority has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 5 DISCLOSURE OF OTHER FORMS OF ASSISTANCE

The Authority received no federal or state awards of nonmonetary assistance that are required to be disclosed for the fiscal year ended December 31, 2023.

**FORT WORTH HOUSING SOLUTIONS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified

2. Internal control over financial reporting:
 - Material weakness(es) identified? _____ yes _____ x _____ no
 - Significant deficiency(ies) identified? _____ yes _____ x _____ none reported

3. Noncompliance material to financial statements noted? _____ yes _____ x _____ no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? _____ yes _____ x _____ no
 - Significant deficiency(ies) identified? _____ x _____ yes _____ none reported

2. Type of auditors’ report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ x _____ yes _____ no

Identification of Major Federal Programs

Assistance Listing Numbers

14.871/14.879
14.627
21.027

Name of Federal Program or Cluster

Housing Voucher Cluster
Continuum of Care
Coronavirus Local Fiscal Recovery

Dollar threshold used to distinguish between Type A and Type B programs:

\$2,561,345

Auditee qualified as low-risk auditee?

_____ yes _____ x _____ no

**FORT WORTH HOUSING SOLUTIONS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

2023 – 001

Federal Agency: US Department of Housing and Urban Development

Federal Program Title: Coronavirus State and Local Fiscal Recovery Funds

Assistance Listing Number: 21.027

Award Period: January 1, 2023 through December 31, 2023

Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: 2 CFR Subpart D 200.302 (1) and 200.303 (a) stipulates that the auditee must identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal programs and award identification shall include, as applicable, the ALN title and number, Federal award identification number and year, name of Federal agency, and name of the pass-through entity; establish and maintain effective internal control over Federal award that provides reasonable assurance that the auditee is managing Federal awards in compliance with Federal statutes, regulation, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Controller General of the United States and the “Internal Control Integrated Framework”, issued by the Committee on Sponsoring Organizations of the Treadway Commission (COSO).

Condition: The Authority’s schedule of expenditures of federal awards (SEFA) did not include the expenditures related to the Coronavirus State and Local Fiscal Recovery Funds on the SEFA as required by Uniform Guidance for federal program 21.027.

Questioned costs: None

Context: During the review of revenue, this federal grant discovered and determined it was not reported on the SEFA.

Cause: The Agency was not aware of the requirements to include these expenditures on the SEFA.

Effect: The Authority was not in compliance with 2 CFR Subpart D 200.302 (1), 200.303 (a). The Agency’s program expenditures may be disallowed if the expenditures are not reported correctly on the SEFA.

Repeat Finding: No

**FORT WORTH HOUSING SOLUTIONS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Recommendation: We recommend that the Agency review current procedures for creating the SEFA to ensure that it is accurately reporting loan balances and expenditures during the year under audit for all federal programs to ensure compliance with Uniform Guidance.

Views of responsible officials: There is no disagreement with the audit finding.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

FORM OF BOND COUNSEL APPROVING OPINION

December ___, 2025

FW Ramble Public Facility Corporation
Fort Worth, Texas

Re: \$65,980,000* FW RAMBLE PUBLIC FACILITY CORPORATION
Residential Development Revenue Bonds (Ramble and Rose Project)
Series 2025 (the “Bonds”)

Ladies and Gentlemen:

We have acted as bond counsel to FW Ramble Public Facility Corporation (the “Issuer”) concerning the issuance of the above-captioned bonds (the “Bonds”) by the Issuer. The Issuer is issuing the Bonds under and pursuant to the provisions of Texas Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended, and the Texas Housing Authorities Law, Chapter 392, Texas Local Government Code, as amended (collectively, the “Act”), a resolution adopted by the Issuer on November 20, 2025, and a Trust Indenture dated as of December 1, 2025 (the “Indenture”) between the Issuer and BOKF, NA, as Trustee (the “Trustee”). Unless the context clearly indicates otherwise, each capitalized term used in this opinion shall have the same meaning as set forth in the Indenture.

The Bonds are being issued for the purpose of financing the costs of the acquisition of a multifamily residential rental project for occupancy by certain eligible tenants to be located in Fort Worth, Tarrant County, Texas (the “Property”), (ii) to fund necessary reserves for the Bonds and the operation of the Property, (iii) to pay all or a portion of the costs of issuing the Bonds, and (iv) to pay other transaction costs or costs related to the financing and development of the Property (collectively, the “Project”).

The scope of our engagement as bond counsel extends solely to an examination of the facts and law incident to rendering an opinion with respect to the legality and validity of the Bonds under the laws of the State of Texas (the “State”) and the security therefor and with respect to the excludability of interest on the Bonds from gross income for federal income tax purposes. We have not been engaged to review, or undertaken the review of, the accuracy, completeness or sufficiency of any offering material relating to the Bonds, and we express no opinion relating thereto (excepting only the matters set forth in our supplemental opinion of bond counsel of even date herewith). We have not assumed any responsibility with respect to the financial condition or capability of the Issuer or the disclosure thereof.

In our capacity as bond counsel, (a) we have examined such documents and considered such issues of law as we deem necessary to enable us to express the opinions set forth below, including (i) a transcript of the proceedings of the Issuer authorizing the issuance of the Bonds, (ii) certain certified and original proceedings of the Issuer and customary certificates, opinions and other documents executed by officers, agents and representatives of the Issuer and others concerning the expected use of proceeds of the Bonds, and (iii) (A) the Indenture, (B) the Funding Agreement, (C) the Tax Compliance Certificate (the “Tax Certificate”) by the Issuer executed and dated as of the date hereof, (D) the Regulatory Agreement and (E) the final expected cash flows and the final sources and uses of Bonds proceeds (collectively, the “Financial Backup” and together with the Tax Certificate and the Regulatory Agreement, the “Tax Documents”), and (iv) such other documents, instruments, proofs and matters of law as we have deemed relevant to the issuance of the Bonds and necessary for the purpose of this opinion (collectively with the documents described in clauses (i) through (iv) above, the “Transaction Documents”), and (b) we have assumed compliance with the provisions of the Transaction Documents by each of the parties thereto. No matters have come to our attention that, in our opinion, make unreasonable or incorrect the representations made in the Transaction Documents.

* Preliminary, subject to change.

Based on the foregoing and assuming continuing compliance by the Issuer with the respective covenants as described above, and, in particular, the covenants contained in the Transaction Documents, it is our opinion that:

1. The Bonds were duly authorized, executed and delivered, are valid and binding obligations of the Issuer and are enforceable against the Issuer in accordance with their terms.
2. Under the laws, regulations, rulings and judicial decisions in effect as of the date hereof and assuming continuing compliance by the Issuer with its respective covenants in the Tax Documents, interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103(a) of the Code. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the Bonds is included in the “adjusted financial statement income” (as determined under Section 56A of the Code) of “applicable corporations” (as defined in Section 59 of the Code) for purposes of determining the alternative minimum tax under section 55 of the Code applicable to such “applicable corporations.”

We express no other opinion as to the federal or Texas tax consequences of purchasing, holding or disposing of the Bonds. We express no opinion as to the priority or perfection of the security interest granted by the Issuer in the Trust Estate.

In rendering opinion 2, we have relied on representations of facts, estimates and expectations of the Issuer with respect to matters solely within the knowledge of the Issuer which we have not independently verified, and, as stated above, have assumed continuing compliance with the covenants in the Tax Documents pertaining to those sections of the Code (e.g., Section 103 and 141 - 150) that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. In the event that such representations and/or assumptions are determined to be inaccurate or incomplete or the Issuer fails to comply with the foregoing covenants, interest on the Bonds could be includable in gross income for federal income tax purposes from the date of their original delivery, regardless of the date on which the event causing such inclusion occurs.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of certain recipients. The extent of these other tax consequences will depend upon the recipient’s particular tax status or other items of income or deduction. We express no opinion regarding any such consequences and investors should consult their tax advisors regarding the tax consequences of purchasing or holding the Bonds.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the Transaction Documents may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable, and that their enforcement may also be subject to the exercise of the sovereign police powers of the Texas or its governmental bodies and the exercise of judicial discretion in appropriate cases.

The opinions and conclusions set forth herein may be affected by actions taken or omitted or events occurring after the date hereof. For purposes of this opinion, our services as bond counsel have not extended beyond the examinations and expressions of the conclusions referred to above. This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in the law that may hereafter occur. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or whether such events do occur, and we disclaim any obligations to update this letter. Except as stated above, no opinion is expressed as to any federal or state tax consequences resulting from the ownership of, receipt of interest on, or disposition of, the Bonds.

Our engagement with respect to the Bonds has concluded with their issuance. This opinion may be relied upon only by the addressee hereto.

Sincerely,

COATS ROSE, P.C.

APPENDIX E

DTC'S BOOK-ENTRY ONLY SYSTEM

The following information has been provided by DTC. The Issuer makes no representation as to the accuracy or completeness thereof. Beneficial Owners should confirm the following with DTC or the Participants (as hereinafter defined). Neither the information on the website listed in 2. below, nor any links from that website, is part of this Official Statement, and such information cannot be relied upon to be accurate as of the date of this Official Statement, nor should any such information be relied upon to make investment decisions regarding the Bonds.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to Tender/Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

APPENDIX F-1

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement (this “Agreement”) dated as of December 1, 2025 is executed and delivered by FW Ramble Public Facility Corporation, a public facility corporation organized and existing under the laws of the State of Texas (including its successors and assigns, the “Issuer”) and BOKF, NA (the “Dissemination Agent”), in connection with the issuance by the Issuer of its \$65,980,000* Residential Development Revenue Bonds (Ramble and Rose Project) Series 2025 (the “Bonds”). The Bonds are being issued pursuant to the Indenture described below.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Purpose of this Agreement. This Agreement is being executed and delivered by the Issuer and the Dissemination Agent for the benefit of the holders and Beneficial Owners (defined below) of the Bonds and in order to assist KeyBanc Capital Markets Inc. (the “Underwriter”) in complying with the Rule (defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and as specified in Section 4(a) of this Agreement.

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3(b) and 4(b) of this Agreement.

“Beneficial Owner” shall mean any Person that (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including Persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the Owner of any Bonds for federal income tax purposes.

“Bond Trustee” shall mean BOKF, NA, as trustee under the Indenture.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Dissemination Agent” shall mean BOKF, NA, acting in its capacity as dissemination agent hereunder, or any successor dissemination agent designated in writing by the Issuer and that has filed with the Bond Trustee a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system of the MSRB as provided at <http://www.emma.msrb.org>, or any similar system that is acceptable to or as may be specified by the Securities and Exchange Commission from time to time. A current list of such systems may be obtained from the Securities and Exchange Commission at <http://www.sec.gov/info/municipal/nrmsir.htm>.

“Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the twelve (12) month period commencing on January 1 of each calendar year and ending on December 31 of the immediately succeeding calendar year.

* Preliminary, subject to change.

“Indenture” shall mean the Trust Indenture dated as of December 1, 2025, by and between the Issuer and the Bond Trustee.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Agreement.

“MSRB” means the Municipal Securities Rulemaking Board.

“Person” shall mean any individual, public or private corporation, partnership, limited liability company, county, district, authority, municipality, political subdivision or other entity of the State, or the United States of America, and any partnership, association, firm, trust, estate or any other entity or organization whatsoever.

“Project” shall mean the multifamily rental housing facilities consisting of a total of approximately 275 units and related improvements, personal property and equipment known initially as Ramble and Rose.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

“State” means the State of Texas.

“Underwriter” shall mean KeyBanc Capital Markets Inc., the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

SECTION 3. Provision of Annual Reports; Other Reporting Requirements.

(a) The Issuer shall provide, or shall cause the Dissemination Agent to provide, not later than 120 days after the end of each Fiscal Year, commencing with the report for the Fiscal Year ending December 31, 2025, to EMMA, an Annual Report consistent with the requirements of Section 4 of this Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Agreement. If the Fiscal Year of the Issuer changes, the Issuer shall notify the Dissemination Agent and the Bond Trustee in writing of such change.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Reports to EMMA, the Issuer shall provide the Annual Report to the Dissemination Agent. If, by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer to determine if the Issuer is in compliance with subsection (a) above.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to EMMA by the date required in subsection (b) above, the Dissemination Agent shall send a notice to EMMA in substantially the form attached hereto as Exhibit A.

(d) The Dissemination Agent shall, if and to the extent the Issuer has provided the Annual Report to the Dissemination Agent, provide confirmation to the Bond Trustee (if the Dissemination Agent is not the Bond Trustee) stating that the Annual Report has been provided pursuant to this Agreement and stating the date it was provided.

SECTION 4. Content of Reports.

(a) The Annual Report of the Issuer shall contain or include by reference the following Annual Financial Information:

(i) audited financial statements for the Issuer, including a balance sheet and related statements of income and changes in financial position for and as of the end of such Fiscal Year and for such Fiscal Year, which shall be prepared and reported on without qualification by an independent certified public accountant in accordance with generally accepted accounting principles (“GAAP”); and

(ii) Additional information in substantially the form set forth in Exhibit B attached hereto, including the information described therein.

(b) Any or all of the items above may be set forth in one document or a set of documents. The items above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule), that are available to the public on the internet web site of the MSRB or filed with the SEC. If the document included by reference is a final limited offering or private placement memorandum, it must be available on the internet web site of the MSRB or filed with the SEC. The Issuer shall clearly identify each such other document so included by reference. Notwithstanding anything to the contrary contained herein, the Dissemination Agent shall have no duty or obligation to review the content of the Annual Report for compliance with this Agreement or the Rule but shall file the Annual Report in the form it is received by the Dissemination Agent.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events relating to the Issuer (each, a “Listed Event”):

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

- (vii) Modifications to rights of security holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances of the Bonds or any portion thereof;
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the Issuer. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

(xiii) Consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into

a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or a change of name of a trustee, if material;

(xv) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of a Listed Event, provide the Issuer with written notice. It is agreed and understood that the duty to identify Listed Events and to make or cause to be made the disclosures herein is that of the Issuer, and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort or for monetary damages, or other monetary penalty or payment to any person or entity as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event or an event that might constitute a Listed Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Issuer shall, within five (5) Business Days after obtaining such knowledge and in any event no more than seven (7) Business Days after the occurrence of such event, determine if such event is in fact a Listed Event and provide the Dissemination Agent with written notice pursuant to subsection (e) or (f) below, as applicable.

(d) If the Issuer determines that an event is a Listed Event, the Issuer shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent to report the occurrence pursuant to subsection (f). Such notice shall include sufficient information concerning the Listed Event to enable the Dissemination Agent to report the occurrence.

(e) If the Issuer determines that an event is not a Listed Event, the Issuer shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with EMMA within five (5) Business Days of its receipt of such instructions from the Issuer. Notwithstanding the foregoing, notice of Listed Events described in clauses (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the holders of affected Bonds pursuant to the Indenture.

SECTION 6. Termination of Reporting Obligation. Except as otherwise provided herein, the obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer’s obligations under the Indenture are assumed in full by another Person, such other Person shall be responsible for compliance with this Agreement in the same manner as if it were the Issuer and the Issuer shall have no further responsibility hereunder (except with respect to obligations of the Issuer which survive the termination hereof pursuant to Section 11 hereof). If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 5(f) hereof.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such

Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared pursuant to this Agreement or for any failure to prepare such notice or report. The initial Dissemination Agent shall be BOKF, NA. The Dissemination Agent may resign at any time by providing at least 30 days' written notice to the Issuer, and such resignation shall be effective as of the date of the appointment of a successor Dissemination Agent. If the Issuer has failed to appoint a successor Dissemination Agent prior to the expiration of 30 days following the notice given above, the Dissemination Agent shall be entitled, at its sole discretion (at the sole cost and expense of the Issuer, including with respect to reasonable attorneys' fees and expenses) to apply to a court of competent jurisdiction to appoint a successor or for other appropriate relief, and any such resulting appointment or relief shall be binding upon the parties to this Agreement, and thereafter shall have no further duties, responsibilities or obligations hereunder.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Issuer and the Dissemination Agent may amend this Agreement (and the Dissemination Agent shall agree to any reasonable amendment so requested by the Issuer other than amendments increasing or affecting the immunities, indemnities, obligations or duties of the Dissemination Agent, which amendments shall require the consent of the Dissemination Agent, as applicable) and any provision of this Agreement may be waived if such amendment or waiver would not, in the opinion of nationally recognized federal securities law counsel, cause the undertakings herein to violate the Rule as in effect at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule.

In the event of any amendment or waiver of a provision of this Agreement, the Issuer shall describe such amendment in the next Annual Report of the Issuer and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e), and (ii) the Annual Reports for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report, or notice of occurrence of a Listed Event or other reporting requirement, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any Annual Report, or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Agreement, the Issuer shall not have any obligation under this Agreement to update such information or include it in any future Annual Report, or notice of occurrence of a Listed Event.

SECTION 10. Default. If the Issuer fails to comply with any provision of this Agreement, the Dissemination Agent may, at the written direction of any holder or Beneficial Owner of the Bonds (but only if and to the extent the Dissemination Agent is indemnified to its satisfaction from any costs, liability, or expense including, without limitation, fees and expenses of its attorneys, as provided in Section 11 below), take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Indenture or the other documents related to the Bonds and the sole remedy under this Agreement if the Issuer fails to comply with this Agreement shall be an action to compel specific performance by court order; provided, however that nothing in this Agreement shall limit any holder's or Beneficial Owner's rights under applicable federal securities laws.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent.

The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement, and no further duties or responsibilities shall be implied. The Dissemination Agent shall have no duty or obligation to review or verify any information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the holders of the Bonds or any other party. In its actions under this Agreement, the Dissemination Agent is acting as an agent to the Issuer with respect to the dissemination of the information

described herein and not as Trustee, provided that the Dissemination Agent shall be entitled to the same protection in so acting under this Agreement as it has in acting as Trustee under the Indenture as fully as if the applicable provisions of the Indenture were set forth herein. Any corporation or association into which the Dissemination Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Dissemination Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the business of the Dissemination Agent in its individual capacity may be sold or otherwise transferred, shall be the Dissemination Agent under this Agreement without further act.

THE ISSUER COVENANTS AND AGREES TO INDEMNIFY AND HOLD THE DISSEMINATION AGENT AND ITS DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES (COLLECTIVELY, THE "INDEMNITEES") HARMLESS FROM AND AGAINST ANY AND ALL LIABILITIES, LOSSES, DAMAGES, FINES, SUITS, ACTIONS, DEMANDS, PENALTIES, COSTS AND EXPENSES, INCLUDING OUT-OF-POCKET, INCIDENTAL EXPENSES, LEGAL FEES AND EXPENSES, THE ALLOCATED COSTS AND EXPENSES OF IN-HOUSE COUNSEL AND LEGAL STAFF AND THE COSTS AND EXPENSES OF DEFENDING OR PREPARING TO DEFEND AGAINST ANY CLAIM ("LOSSES") THAT MAY BE IMPOSED ON, INCURRED BY, OR ASSERTED AGAINST, THE INDEMNITEES OR ANY OF THEM FOR FOLLOWING ANY INSTRUCTION OR OTHER DIRECTION UPON WHICH THE DISSEMINATION AGENT IS AUTHORIZED TO RELY PURSUANT TO THE TERMS OF THIS AGREEMENT. PROVIDED THE DISSEMINATION AGENT HAS NOT ACTED NEGLIGENTLY, THE ISSUER ALSO COVENANTS AND AGREES TO INDEMNIFY AND HOLD THE INDEMNITEES AND EACH OF THEM HARMLESS FROM AND AGAINST ANY AND ALL LOSSES THAT MAY BE IMPOSED ON, INCURRED BY, OR ASSERTED AGAINST THE INDEMNITEES OR ANY OF THEM IN CONNECTION WITH OR ARISING OUT OF THE DISSEMINATION AGENT'S PERFORMANCE UNDER THIS AGREEMENT.

The provisions of this Section 11 shall survive the termination of this Agreement and the resignation or removal of the Dissemination Agent for any reason. Anything in this Agreement to the contrary notwithstanding, in no event shall the Dissemination Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to loss of profits), even if the Dissemination Agent has been advised of such loss or damage and regardless of the form of action. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds or the termination hereof.

Neither the Dissemination Agent nor the Trustee shall have any obligation to make disclosure about the Bonds, the Issuer, or any other matter except as expressly provided herein. The fact that the Dissemination Agent and the Trustee, or any affiliate thereof, may have any fiduciary or banking relationship with the Issuer, any manager of the Project financed with the Bonds or any person with whom the Issuer contracts in connection with such Project, apart from the relationship created by the Indenture or this Agreement, shall not be construed to mean (whether or not an Event of Default has occurred or is continuing under the Indenture) that (i) the Dissemination Agent or the Trustee has actual knowledge of any event or condition except in its capacity as Trustee under the Indenture when deemed pursuant to the Indenture to have actual knowledge or except as may be provided by written notice to the Dissemination Agent pursuant to this Agreement or (ii) the Dissemination Agent or the Trustee has any duties or obligations under the Indenture or this Agreement other than those expressly set forth in the Indenture and this Agreement and in the capacity of agent to the Issuer.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Agreement may be given as follows:

To the Issuer:

FW RAMBLE PUBLIC FACILITY CORPORATION
1407 Texas Street
Fort Worth, Texas 76102

with a copy to:

Coats Rose, P.C.
9 Greenway Plaza, Suite 1000
Houston, TX 77046

To the Dissemination Agent:

BOKF, NA
5956 Sherry Lane, Suite 900
Dallas, Texas 75225
Attention: Corporate Trust

Any Person may, by written notice to the other Persons listed above, designate a different address to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. This Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Underwriter, and the holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other Person.

SECTION 14. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. Applicable Law. This Agreement shall be construed under the laws of the State.

SECTION 16. No Liability of Issuer's Member or Officers. No recourse under or upon any obligation, covenant, or agreement contained in this Agreement or in any other documents delivered in connection with the issuance of the Bonds, or for any claim based thereon, or under any judgment obtained against the Issuer, or by the enforcement of any assessment or penalty or otherwise or by any legal or equitable proceeding by virtue of any constitution, rule of law or equity, or statute or otherwise or under any other circumstances, under or independent hereof, shall be had against any incorporator, director, member, or officer, as such, past, present, or future of the Issuer, or any incorporator, director, member, or officer of any successor entity, as such, either directly or through the Issuer or any successor entity, or otherwise, for the payment for or to the Issuer or any receiver thereof, of any sum that may be due and unpaid by the Issuer under this Agreement or any other documents delivered in connection with the issuance of the Bonds.

(SIGNATURES APPEAR ON THE FOLLOWING PAGE)

IN WITNESS WHEREOF, the Issuer and the Dissemination Agent have executed this Agreement on the date and year first written above.

FW RAMBLE PUBLIC FACILITY CORPORATION,
a Texas public facility corporation

By: _____
Mary-Margaret Lemons, Secretary/Treasurer

BOKF, NA,
as Dissemination Agent

By: _____
Name: Dayna Smith
Title: Vice President

EXHIBIT A

NOTICE TO EMMA OF FAILURE TO FILE REPORT

Name of Issuer: FW Ramble Public Facility Corporation (the “Issuer”)

Name of Bond Issue: Residential Development Revenue Bonds (Ramble and Rose Project) Series 2025
(the “Bonds”)

Date of Issuance: _____, 2025

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds.

Dated: _____

BOKF, NA,
on behalf of FW RAMBLE PUBLIC FACILITY CORPORATION

By: _____
Name: _____
Title: _____

EXHIBIT B

FORM OF CONTINUING DISCLOSURE ANNUAL REPORT

Name of Issuer: FW RAMBLE PUBLIC FACILITY CORPORATION

Name of Bond Issue: Residential Development Revenue Bonds (Ramble and Rose Project) Series 2025
(the "Bonds")

Date of Issuance: _____, 2025

Report for Period Ending: _____

1. *Annual Financial Statements of the Issuer.* Enclosed herewith are the [un]audited Financial Statements of the Issuer for the Fiscal Year ended _____. *[If not available when the Annual Report is filed, Annual Financial Statements are to be filed when/if available.]*
2. *Project Operating Results.* Set forth below are actual revenues and expenses for the Project for the Fiscal Year ended _____ in substantially the form set forth in Appendix B –of the Official Statement under the caption "CERTAIN INFORMATION REGARDING THE PROJECT – *Project Operating Revenue and Expenses*".

	FY [20__]
Operating Revenues	
Rental	
Other	
Total Operating Revenues	_____
Operating Expenses	
Payroll	
General & Admin	
Adv & Mktg	
Utilities	
Contract Services	
Turnover; Repairs & Maintenance	
Property Mgmt Fee	_____
Insurance, Professional Services	_____
Franchise Tax*	_____
Total Operating Expenses	_____
Net Operating Income (Loss)	=====

3. *Occupancy Rates.* The occupancy rate for the Chaparral Project as of _____, 20__ was: ____%.
4. *Unit Mix.* The following table sets forth the unit mix and current average monthly in place rents for units within the Chaparral Project:

Unit Type	No. of Units	Average Unit Size (sq. ft.)	Current Average in Place Net Rent
-----------	--------------------	--------------------------------	--------------------------------------

5. *Certificate of no Event of Default.* A certificate signed by the Issuer stating that no Event of Default has occurred or exists, except as disclosed in such certificate is attached hereto.

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Continuing Disclosure Agreement dated as of December 1, 2025 (the “Continuing Disclosure Agreement”), between the Issuer and BOKF, NA. The Issuer hereby certifies that the financial and operating information contained herein and attached hereto is the Annual Report required by the Continuing Disclosure Agreement.

FW RAMBLE PUBLIC FACILITY CORPORATION, a Texas
public facility corporation

By: _____
Mary-Margaret Lemons, Secretary/Treasurer

*[Note to Issuer when preparing Annual Report. When preparing Annual Report, but **not** as part of Annual Report, please also review Section 5 of the Continuing Disclosure Agreement, and confirm that no listed event required to be disclosed thereunder has occurred. If necessary, please provide notice of any event required to be disclosed pursuant to Section 5 of the Continuing Disclosure Agreement that has occurred since the date of the last report for which notice has not previously been provided in accordance therewith.]*

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX F-2

CONTINUING DISCLOSURE AGREEMENT OF THE SPONSOR

This Continuing Disclosure Agreement (this “Agreement”) dated as of December 1, 2025 is executed and delivered by the Housing Authority of the City of Fort Worth, Texas d/b/a Fort Worth Housing Solutions, a housing authority and public body corporate and politic of the State of Texas (including its successors and assigns, the “Sponsor”), and BOKF, NA (the “Dissemination Agent”), in connection with the issuance by FW Ramble Public Facility Corporation, a public facility corporation organized and existing under the laws of the State of Texas (the “Issuer”), of its \$65,980,000* Residential Development Revenue Bonds (Ramble and Rose Project) Series 2025 (the “Bonds”). The Bonds are being issued pursuant to the Indenture described below.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Purpose of this Agreement. This Agreement is being executed and delivered by the Sponsor and the Dissemination Agent for the benefit of the holders and Beneficial Owners (defined below) of the Bonds and in order to assist KeyBanc Capital Markets Inc. (the “Underwriter”) in complying with the Rule (defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and as specified in Section 4(a) of this Agreement.

“Annual Report” shall mean any Annual Report provided by the Sponsor pursuant to, and as described in, Sections 3(b) and 4(b) of this Agreement.

“Beneficial Owner” shall mean any Person that (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including Persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the Owner of any Bonds for federal income tax purposes.

“Bond Trustee” shall mean BOKF, NA, as trustee under the Indenture.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Dissemination Agent” shall mean BOKF, NA, acting in its capacity as dissemination agent hereunder, or any successor dissemination agent designated in writing by the Sponsor and that has filed with the Bond Trustee a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system of the MSRB as provided at <http://www.emma.msrb.org>, or any similar system that is acceptable to or as may be specified by the Securities and Exchange Commission from time to time. A current list of such systems may be obtained from the Securities and Exchange Commission at <http://www.sec.gov/info/municipal/nrmsir.htm>.

“Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

* Preliminary, subject to change.

“Fiscal Year” means the twelve (12) month period commencing on January 1 of each calendar year and ending on December 31 of the immediately succeeding calendar year.

“Indenture” shall mean the Trust Indenture dated as of December 1, 2025, by and between the Issuer and the Bond Trustee.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Agreement.

“MSRB” means the Municipal Securities Rulemaking Board.

“Person” shall mean any individual, public or private corporation, partnership, limited liability company, county, district, authority, municipality, political subdivision or other entity of the State, or the United States of America, and any partnership, association, firm, trust, estate or any other entity or organization whatsoever.

“Project” shall mean the multifamily rental housing facilities consisting of a total of approximately 275 units and related improvements, personal property and equipment known initially as Ramble and Rose.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

“State” means the State of Texas.

“Underwriter” shall mean KeyBanc Capital Markets Inc., the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

SECTION 3. Provision of Annual Reports; Other Reporting Requirements.

(a) The Sponsor shall provide, or shall cause the Dissemination Agent to provide, not later than October 1 after the end of each Fiscal Year, commencing with the report for the Fiscal Year ending December 31, 2025, to EMMA, an Annual Report consistent with the requirements of Section 4 of this Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Agreement. If the Fiscal Year of the Sponsor changes, the Sponsor shall notify the Dissemination Agent and the Bond Trustee in writing of such change.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Reports to EMMA, the Sponsor shall provide the Annual Report to the Dissemination Agent. If, by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Sponsor to determine if the Sponsor is in compliance with subsection (a) above.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to EMMA by the date required in subsection (b) above, the Dissemination Agent shall send a notice to EMMA in substantially the form attached hereto as Exhibit A.

(d) The Dissemination Agent shall, if and to the extent the Sponsor has provided the Annual Report to the Dissemination Agent, provide confirmation to the Bond Trustee (if the Dissemination Agent is not the Bond Trustee) stating that the Annual Report has been provided pursuant to this Agreement and stating the date it was provided.

SECTION 4. Content of Reports.

(a) The Annual Report of the Sponsor shall contain or include by reference the following Annual Financial Information:

(i) audited financial statements for the Sponsor, including a balance sheet and related statements of income and changes in financial position for and as of the end of such Fiscal Year and for such

Fiscal Year, which shall be prepared and reported on without qualification by an independent certified public accountant in accordance with generally accepted accounting principles (GAAP); and

(ii) a certificate signed by the Sponsor or Disclosure Representative stating that no Event of Default has occurred or exists under the Funding Agreement, except as disclosed in such certificate.

Any or all of the items above may be set forth in one document or a set of documents. The items above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Sponsor is an “obligated person” (as defined by the Rule), that are available to the public on the internet web site of the MSRB or filed with the SEC. If the document included by reference is a final limited offering or private placement memorandum, it must be available on the internet website of the MSRB or filed with the SEC. The Sponsor shall clearly identify each such other document so included by reference. Notwithstanding anything to the contrary contained herein, the Dissemination Agent shall have no duty or obligation to review the content of the Annual Report for compliance with this Agreement or the Rule but shall file the Annual Report in the form it is received by the Dissemination Agent.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events relating to the Sponsor (each, a “Listed Event”):

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of security holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances of the Bonds or any portion thereof;
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Sponsor. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Sponsor in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Sponsor, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Sponsor;

(xiii) Consummation of a merger, consolidation or acquisition involving the Sponsor or the sale of all or substantially all of the assets of the Sponsor, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or a change of name of a trustee, if material;

(xv) incurrence of a Financial Obligation of the Sponsor, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Sponsor, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Sponsor, any of which reflect financial difficulties.

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of a Listed Event, provide the Sponsor with written notice. It is agreed and understood that the duty to identify Listed Events and to make or cause to be made the disclosures herein is that of the Sponsor, and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Sponsor as an accommodation to assist it in monitoring the occurrence of such event but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort or for monetary damages, or other monetary penalty or payment to any person or entity as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) Whenever the Sponsor obtains knowledge of the occurrence of a Listed Event or an event that might constitute a Listed Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Sponsor shall, within five (5) Business Days after obtaining such knowledge and in any event no more than seven (7) Business Days after the occurrence of such event, determine if such event is in fact a Listed Event and provide the Dissemination Agent with written notice pursuant to subsection (e) or (f) below, as applicable.

(d) If the Sponsor determines that an event is a Listed Event, the Sponsor shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent to report the occurrence pursuant to subsection (f). Such notice shall include sufficient information concerning the Listed Event to enable the Dissemination Agent to report the occurrence.

(e) If the Sponsor determines that an event is not a Listed Event, the Sponsor shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the Sponsor to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with EMMA within five (5) Business Days of its receipt of such instructions from the Sponsor. Notwithstanding the foregoing, notice of Listed Events described in clauses (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the holders of affected Bonds pursuant to the Indenture.

SECTION 6. Termination of Reporting Obligation. Except as otherwise provided herein, the obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Sponsor’s obligations under the Funding Agreement are assumed in full by another Person, such other Person shall be responsible for compliance with this Agreement in the same manner as if it were the Sponsor and the Sponsor shall have no further responsibility hereunder (except with respect to obligations of the Sponsor which survive the termination hereof pursuant to Section 11 hereof). If such termination or substitution occurs prior to the final maturity of the Bonds, the Sponsor shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 5(f) hereof.

SECTION 7. Dissemination Agent. The Sponsor may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared pursuant to this Agreement or for any failure to prepare such notice or report. The initial Dissemination Agent shall be BOKF, NA. The Dissemination Agent may resign at any time by providing at least 30 days' written notice to the Sponsor, and such resignation shall be effective as of the date of the appointment of a successor Dissemination Agent. If the Sponsor has failed to appoint a successor Dissemination Agent prior to the expiration of 30 days following the notice given above, the Dissemination Agent shall be entitled, at its sole discretion (at the sole cost and expense of the Sponsor, including with respect to reasonable attorneys' fees and expenses) to apply to a court of competent jurisdiction to appoint a successor or for other appropriate relief, and any such resulting appointment or relief shall be binding upon the parties to this Agreement, and thereafter shall have no further duties, responsibilities or obligations hereunder.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Sponsor and the Dissemination Agent may amend this Agreement (and the Dissemination Agent shall agree to any reasonable amendment so requested by the Sponsor other than amendments increasing or affecting the immunities, indemnities, obligations or duties of the Dissemination Agent, which amendments shall require the consent of the Dissemination Agent, as applicable) and any provision of this Agreement may be waived if such amendment or waiver would not, in the opinion of nationally recognized federal securities law counsel, cause the undertakings herein to violate the Rule as in effect at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule.

In the event of any amendment or waiver of a provision of this Agreement, the Sponsor shall describe such amendment in the next Annual Report of the Sponsor and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Sponsor. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e), and (ii) the Annual Reports for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Sponsor from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report, or notice of occurrence of a Listed Event or other reporting requirement, in addition to that which is required by this Agreement. If the Sponsor chooses to include any information in any Annual Report, or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Agreement, the Sponsor shall not have any obligation under this Agreement to update such information or include it in any future Annual Report, or notice of occurrence of a Listed Event.

SECTION 10. Default. If the Sponsor fails to comply with any provision of this Agreement, the Dissemination Agent may, at the written direction of any holder or Beneficial Owner of the Bonds (but only if and to the extent the Dissemination Agent is indemnified to its satisfaction from any costs, liability, or expense including, without limitation, fees and expenses of its attorneys, as provided in Section 11 below), take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Sponsor to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Indenture or the other documents related to the Bonds and the sole remedy under this Agreement if the Sponsor fails to comply with this Agreement shall be an action to compel specific performance by court order; provided, however that nothing in this Agreement shall limit any holder's or Beneficial Owner's rights under applicable federal securities laws.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent.

The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement, and no further duties or responsibilities shall be implied. The Dissemination Agent shall have no duty or obligation to review or verify any information, disclosures or notices provided to it by the Sponsor and shall not be deemed to be acting in

any fiduciary capacity for the Sponsor, the holders of the Bonds or any other party. In its actions under this Agreement, the Dissemination Agent is acting as an agent to the Sponsor with respect to the dissemination of the information described herein and not as Trustee, provided that the Dissemination Agent shall be entitled to the same protection in so acting under this Agreement as it has in acting as Trustee under the Indenture as fully as if the applicable provisions of the Indenture were set forth herein. Any corporation or association into which the Dissemination Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Dissemination Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the business of the Dissemination Agent in its individual capacity may be sold or otherwise transferred, shall be the Dissemination Agent under this Agreement without further act.

TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE SPONSOR COVENANTS AND AGREES TO INDEMNIFY AND HOLD THE DISSEMINATION AGENT AND ITS DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES (COLLECTIVELY, THE "INDEMNITEES") HARMLESS FROM AND AGAINST ANY AND ALL LIABILITIES, LOSSES, DAMAGES, FINES, SUITS, ACTIONS, DEMANDS, PENALTIES, COSTS AND EXPENSES, INCLUDING OUT-OF-POCKET, INCIDENTAL EXPENSES, LEGAL FEES AND EXPENSES, THE ALLOCATED COSTS AND EXPENSES OF IN-HOUSE COUNSEL AND LEGAL STAFF AND THE COSTS AND EXPENSES OF DEFENDING OR PREPARING TO DEFEND AGAINST ANY CLAIM ("LOSSES") THAT MAY BE IMPOSED ON, INCURRED BY, OR ASSERTED AGAINST, THE INDEMNITEES OR ANY OF THEM FOR FOLLOWING ANY INSTRUCTION OR OTHER DIRECTION UPON WHICH THE DISSEMINATION AGENT IS AUTHORIZED TO RELY PURSUANT TO THE TERMS OF THIS AGREEMENT. PROVIDED THE DISSEMINATION AGENT HAS NOT ACTED NEGLIGENTLY AND TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE SPONSOR ALSO COVENANTS AND AGREES TO INDEMNIFY AND HOLD THE INDEMNITEES AND EACH OF THEM HARMLESS FROM AND AGAINST ANY AND ALL LOSSES THAT MAY BE IMPOSED ON, INCURRED BY, OR ASSERTED AGAINST THE INDEMNITEES OR ANY OF THEM IN CONNECTION WITH OR ARISING OUT OF THE DISSEMINATION AGENT'S PERFORMANCE UNDER THIS AGREEMENT.

The provisions of this Section 11 shall survive the termination of this Agreement and the resignation or removal of the Dissemination Agent for any reason. Anything in this Agreement to the contrary notwithstanding, in no event shall the Dissemination Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to loss of profits), even if the Dissemination Agent has been advised of such loss or damage and regardless of the form of action. The obligations of the Sponsor under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds or the termination hereof.

Neither the Dissemination Agent nor the Trustee shall have any obligation to make disclosure about the Bonds, the Sponsor, or any other matter except as expressly provided herein. The fact that the Dissemination Agent and the Trustee, or any affiliate thereof, may have any fiduciary or banking relationship with the Sponsor, any manager of the Project financed with the Bonds or any person with whom the Sponsor contracts in connection with such Project, apart from the relationship created by the Indenture or this Agreement, shall not be construed to mean (whether or not an Event of Default has occurred or is continuing under the Indenture) that (i) the Dissemination Agent or the Trustee has actual knowledge of any event or condition except in its capacity as Trustee under the Indenture when deemed pursuant to the Indenture to have actual knowledge or except as may be provided by written notice to the Dissemination Agent pursuant to this Agreement or (ii) the Dissemination Agent or the Trustee has any duties or obligations under the Indenture or this Agreement other than those expressly set forth in the Indenture and this Agreement and in the capacity of agent to the Sponsor.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Agreement may be given as follows:

To the Sponsor:

Fort Worth Housing Solutions
1407 Texas Street
Fort Worth, TX 76102

with a copy to:

Coats Rose, P.C.
9 Greenway Plaza, Suite 1000
Houston, TX 77046

To the Dissemination Agent:

BOKF, NA
5956 Sherry Lane, Suite 900
Dallas, Texas 75225
Attention: Corporate Trust

Any Person may, by written notice to the other Persons listed above, designate a different address to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. This Agreement shall inure solely to the benefit of the Sponsor, the Dissemination Agent, the Underwriter, and the holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other Person.

SECTION 14. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. Applicable Law. This Agreement shall be construed under the laws of the State.

SECTION 16. No Liability of Sponsor's Member or Officers. No recourse under or upon any obligation, covenant, or agreement contained in this Agreement or in any other documents delivered in connection with the issuance of the Bonds, or for any claim based thereon, or under any judgment obtained against the Sponsor, or by the enforcement of any assessment or penalty or otherwise or by any legal or equitable proceeding by virtue of any constitution, rule of law or equity, or statute or otherwise or under any other circumstances, under or independent hereof, shall be had against any incorporator, director, member, or officer, as such, past, present, or future of the Sponsor, or any incorporator, director, member, or officer of any successor entity, as such, either directly or through the Sponsor or any successor entity, or otherwise, for the payment for or to the Sponsor or any receiver thereof, of any sum that may be due and unpaid by the Sponsor under this Agreement or any other documents delivered in connection with the issuance of the Bonds.

(SIGNATURES APPEAR ON THE FOLLOWING PAGE)

IN WITNESS WHEREOF, the Sponsor and the Dissemination Agent have executed this Agreement on the date and year first written above.

**HOUSING AUTHORITY OF THE CITY OF FORT WORTH,
TEXAS D/B/A FORT WORTH HOUSING SOLUTIONS**

By: _____
Name: Mary-Margaret Lemons
Title: President

BOKE, NA,
as Dissemination Agent

By: _____
Name: Dayna Smith
Title: Vice President

EXHIBIT A

NOTICE TO EMMA OF FAILURE TO FILE REPORT

Name of Sponsor: Housing Authority of the City of Fort Worth, Texas d/b/a Fort Worth Housing Solutions (the "Sponsor")

Name of Bond Issue: Residential Development Revenue Bonds (Ramble and Rose Project) Series 2025 (the "Bonds")

Date of Issuance: _____, 2025

NOTICE IS HEREBY GIVEN that the Sponsor has not provided an Annual Report with respect to the above-named Bonds.

Dated: _____

BOKF, NA,
on behalf of Housing Authority of the City of Fort Worth, Texas d/b/a
Fort Worth Housing Solutions

By: _____
Name: _____
Title: _____

[THIS PAGE INTENTIONALLY LEFT BLANK]

