CHDO TAX EXEMPTION – SANSOM BLUFF APARTMENTS

Tarrant County ("COUNTY") hereby agrees to a fifty percent (50%) tax exemption of ad valorem taxes for Sansom Bluff Apartments, 2900 La Junta Drive, Sansom Park, Texas 76114 pending approval by the Tarrant Appraisal District (TAD).

[END OF AGREEMENT]

SIGNED AND EXECUTED this ________ day of _________________, 2023.

COUNTY OF TARRANT
STATE OF TEXAS

____
Tim O'Hare,
County Judge

APPROVED AS TO FORM:

Cy Price
____
Criminal District Attorney's Office*

*By law, the District Attorney's Office may only approve contracts for its clients. We reviewed this document from our client's legal perspective. Other parties may not rely on this approval. Instead those parties should seek contract review from independent counsel.

Application for Constructing or Rehabilitating Low-Income Housing Property Tax Exemption

Tarrant Appraisal District
Appraisal District's Name

817-284-0024
Phone *(area code and number)*

2500 Handley-Ederville Road	Fort Worth	Tarrant	TX	76118
Address	City	County	State	Zip Code

GENERAL INSTRUCTIONS: This application is for use in claiming exemptions pursuant to Tax Code Section 11.1825 and pre-acquisition, preliminary determinations of qualification for such exemptions pursuant to Tax Code Section 11.436(c).

FILING INSTRUCTIONS: You must furnish all information and documentation required by this application so that the chief appraiser is able to determine whether the statutory qualifications for the exemption have been met. This document and all supporting documentation must be filed with the appraisal district office in each county in which the property is located. Do not file this document with the Texas Comptroller of Public Accounts. A directory with contact information for appraisal district offices may be found on the Comptroller's website.

APPLICATION DEADLINES: Generally, the completed application and required documentation must be filed between Jan. 1 and no later than April 30 of the year for which an exemption is requested. Pursuant to Tax Code Section 11.436(a), an organization that acquires property that qualifies for an exemption under Tax Code Section 11.1825 may apply for the exemption for the year of acquisition not later than the 30th day after the date the organization acquires the property. The deadline provided by Tax Code Section 11.43(d) does not apply to the application for that year. If an application filed pursuant to Tax Code Section 11.436(a) is granted, the exemption for that year applies only to the portion of the year in which the property qualifies for the exemption as provided by Tax Code Section 26.111. A new application must be filed each year an exemption is claimed.

PRELIMINARY DETERMINATION APPLICATIONS: To facilitate the financing associated with the acquisition of a property, Tax Code Section 11.436(c) allows an organization, before acquiring the property, to request from the chief appraiser of the appraisal district established for the county in which the property is located a preliminary determination of whether the property would qualify for an exemption under Tax Code Section 11.1825 if acquired by the organization. The request must include the information that would be included in an application for an exemption for the property under Tax Code Section 11.1825. Not later than the 45th day after the date a request is submitted under Tax Code Section 11.436(c), the chief appraiser shall issue a written preliminary determination for the property included in the request. A preliminary determination does not affect the granting of an exemption under Section 11.1825.

OTHER IMPORTANT INFORMATION

Pursuant to Tax Code Section 11.45, after considering this application and all relevant information, the chief appraiser may request additional information from you. You must provide the additional information within 30 days of the request or the application is denied. For good cause shown, the chief appraiser may extend the deadline for furnishing the additional information by written order for a single period not to exceed 15 days.

STEP 1: State Whether an Exemption or Preliminary Determination is Sought

☑ Exemption ☐ Preliminary Determination

STEP 2: State the Year for Which Exemption or Preliminary Determination is Sought

2022	
Exemption	Preliminary Determination

STEP 3: Provide Name and Mailing Address of Property Owner and Identity of Person Preparing Application

Sansom Bluffs, LP/Sansom Bluffs GP, LLC/Development Corporation of Tarrant County
Name of Property Owner

817-870-9008
Phone *(area code and number)*

1509 S. University Dr., Suite 208	Fort Worth	TX	76107
Mailing Address	City	State	Zip Code

Property Owner is a *(check one)*:

☑ Partnership ☐ Corporation ☐ Other *(specify)*: ____________

Charles Price	President	
Name of Person Preparing this Application	Title	Driver's License, Personal I.D. Certificate or Social Security Number*

STEP 3: Provide Name and Mailing Address of Property Owner and Identity of Person Preparing Application (continued)

If this application is for an exemption from ad valorem taxation of property owned by a charitable organization with a federal tax identification number, that number may be provided here in lieu of a driver's license number, personal identification certificate number or social security number: 75-2791607

* Unless the applicant is a charitable organization with a federal tax identification number, the applicant's driver's license number, personal identification certificate number or social security account number is required. Pursuant to Tax Code Section 11.48(a), a driver's license number, personal identification certificate number or social security account number provided in an application for an exemption filed with a chief appraiser is confidential and not open to public inspection. The information may not be disclosed to anyone other than an employee of the appraisal office who appraises property, except as authorized by Tax Code Section 11.48(b). If the applicant is a charitable organization with a federal tax identification number, the applicant may provide the organization's federal tax identification number in lieu of a driver's license number, personal identification certificate number or social security account number.

STEP 4: Identify the Property

1. Provide the property's legal description.

Lot 3, Block 1, School and Water Boundry Split, Sansom Heights Addition; and
Lot 3, Block 1, Water District Boundry Split; and
Lot 3, Block 1, Water District Boundry Split

2. What is the appraisal district account number *(if known)*? 42450461, 42450479, 42450487
3. What is the property address?

Address	City	State	Zip Code
2900 La Junta Street	Sansom Park	TX	76114

STEP 5: Identify Qualifying Organization

To receive an exemption under Tax Code Section 11.1825, either the property owner or one of two other entities must meet the requirements set forth in Tax Code Section 11.1825(b).

Pursuant to Tax Code Section 11.1825(c), property may qualify for an exemption under Tax Code Section 11.1825 if the property owner does not meet the requirements of Tax Code Section 11.1825(b) if the property otherwise qualifies for the exemption and the owner is:

(1) a limited partnership of which an organization that meets the requirements of Tax Code Section 11.1825(b) controls 100 percent of the general partner interest, is organized under the laws of Texas and has its principal place of business in Texas; or

(2) an entity the parent of which is an organization that meets the requirements of Tax Code Section 11.1825(b), is organized under the laws of Texas and has its principal place of business in Texas.

For purposes of this application, the term qualifying organization refers to the organization (property owner or other entity described by Tax Code Section 11.1825(c) that meets the Tax Code Section 11.1825(b) requirements:

(1) for at least the preceding three years, the organization:

(A) has been exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as amended, by being listed as an exempt entity under Section 501(c)(3) of that code;

(B) has met the requirements of a charitable organization provided by Tax Code Section 11.18(e) and (f); and

(C) has had as one of its purposes providing low-income housing;

(2) a majority of the members of the board of directors of the organization have their principal place of residence in this state;

(3) at least two of the positions on the board of directors of the organization must be reserved for and held by:

(A) an individual of low income as defined by Government Code Section 2306.004, whose principal place of residence is located in this state;

(B) an individual whose residence is located in an economically disadvantaged census tract as defined by Government Code Section 783.009(b) in this state; or

(C) a representative appointed by a neighborhood organization in this state that represents low-income households; and

(4) the organization must have a formal policy containing procedures for giving notice to and receiving advice from low-income households residing in the county in which a housing project is located regarding the design, siting, development and management of affordable housing projects.

Does the property owner identified in Step 3, above, meet the requirements of Tax Code Section 11.1825(b)? .... ☑ Yes ☐ No

Note: If you answered yes, the property owner is the qualifying organization for purposes of the remainder of this application and you may skip to Step 6. If you answered no, the property owner is not the qualifying organization for purposes of the remainder of this application and you must provide the following information before proceeding to step 6.

STEP 5: Identify Qualifying Organization (continued)

If the property owner identified in step 3, above, does not meet the requirements of Tax Code Section 11.1825(b), please identify the qualifying organization pursuant to Tax Code Section 11.1825(c):

Name of Qualifying Organization ______ Phone *(area code and number)* ______

Mailing Address ______ City ______ State ______ Zip Code ______

Is the qualifying organization identified above organized under the laws of Texas? ☐ Yes ☐ No

Does the qualifying organization identified above have its principal place of business in Texas? ☐ Yes ☐ No

Pursuant to Tax Code Section 11.1825(c)(1), is the property owner a limited partnership of which the qualifying organization identified above controls 100 percent of the general partner interest? ☐ Yes ☐ No

If yes, please attach organizational documents supporting your answer.

Pursuant to Tax Code Section 11.1825(c)(2), is the qualifying organization the parent of the property owner? ☐ Yes ☐ No

If yes, please attach organizational documents supporting your answer.

STEP 6: Provide Information Regarding Qualifying Organization (Identified in Step 5)

1. Is the organization engaged primarily in public charitable functions? ☐ Yes ☑ No

   If yes, using an attachment, describe the organization's activities in a narrative. The narrative description of activities should be thorough, accurate and include date-specific references to the tax year for which the exemption is sought. You may also attach representative copies of newsletters, brochures or similar documents for supporting details to this narrative.

2. Is the organization organized exclusively to perform religious, charitable, scientific, literary or educational purposes? ☑ Yes ☐ No

   If yes, attach copies of organizational documents supporting your answer.

STEP 7: Answer the Following Questions About the Organization

For the preceding three years (note years) 2020-2022**, answer these questions:**

1. Has the organization been exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as amended, as an exempt entity under Section 501(c)(3) of that Code? ☑ Yes ☐ No
2. Has the organization operated, or does its charter permit it to operate, in a manner that permits the accrual of profits or distribution of any form of private gain? If yes, explain on a separate attached page. ☐ Yes ☑ No
3. Has the organization used its assets in providing low-income housing? ☑ Yes ☐ No
4. In the past year has the organization loaned funds to, borrowed funds from, sold property to or bought property from a shareholder, director or member of the organization or has a shareholder or member sold his interest in the organization for a profit? ☐ Yes ☑ No

   If yes, attach a description of each transaction. For sales, give buyer, seller, price paid, value of the property sold and date of sale. For loans, give lender, borrower, amount borrowed, interest rate and term of loan. Attach a copy of note, if any.

5. Attach a list of salaries and other compensation for services paid in the last year. List any funds distributed to members, shareholders or directors in the last year. In each case, give recipient's name, type of service rendered or reason for payment and amounts paid.

Answer these questions about the board of directors:

1. Does a majority of the members of the organization's board of directors of the organization have their principal place of residence in Texas? ☑ Yes ☐ No

   Attach a list of the board members and their principal places of residence.

2. Do two or more directors on the board whose principal place of residence is located in Texas meet one of the following requirements: an individual of low income as defined by Government Code Section 2306.004; an individual whose residence is located in an economically disadvantaged census tract in Texas, as defined by Government Code Section 783.009(b); or an individual who is a representative appointed by a neighborhood organization in Texas that represents low-income households? ☑ Yes ☐ No

Note on attached list of board members those directors that meet one of these provisions and indicate which provisions.

STEP 7: Answer the Following Questions About the Organization (continued)

Answer these questions about policies, bylaws or charter:

1. Does the organization have a formal policy containing procedures for giving notice to and receiving advice from low-income households residing in the county in which a housing project is located regarding the design, siting, development and management of affordable housing projects? ☑ Yes ☐ No

   If yes, attach a copy of the formal policy.

2. Does the organization perform, or does its charter permit it to perform, any functions other than those of providing low-income housing? ☐ Yes ☑ No

   If yes, attach a statement describing the other functions in detail.

3. Do the bylaws or charter direct that on the discontinuance of the organization the organization's assets are to be transferred to the State of Texas, the United States or an educational, religious, charitable or other similar organization that is qualified for exemption under Section 501(c)(3), Internal Revenue Code, as amended? ☑ Yes ☐ No

   If yes, give the page and paragraph numbers. Page 3&4 Paragraph 9

   If no, do these documents direct that on discontinuance of the organization the organization's assets are to be transferred to members who have promised in their membership applications to immediately transfer them to the State of Texas, the United States or an educational, religious, charitable or other similar organization that is qualified for exemption under Section 501(c)(3), Internal Revenue Code, as amended? ☐ Yes ☐ No

   If yes, give the page and paragraph numbers. Page ______ Paragraph ______

   If yes, was the two-step transfer required for the organization to qualify for exemption under Section 501(c)(12), Internal Revenue Code, as amended? ☐ Yes ☐ No

STEP 8: Provide Information About the Use of the Property

1. Does the organization currently rent or sell or plan to rent or sell dwelling units in this building to individuals or families? If so, attach rent schedule. ☑ Yes ☐ No

2. Questions regarding renting dwelling units:

   Do/will the individuals and families have a median income that is not more than 60 percent of either the area or statewide median family income? (Complete A or B): ☑ Yes ☐ No

   ☐ A. Area median family income for the household's place of residence, as adjusted for family size and as established by the U.S. Department of Housing and Urban Development (HUD), which is $ ______.

   OR

   ☑ B. Statewide area median family income, as adjusted for family size and as established by HUD, which is $ 37,980.00.

   What is the annual total of the monthly rent charged or to be charged for each dwelling unit in this building that is reserved for an individual or family? $ 10,692.00 /year

   Will the organization be renting or offering to rent the applicable square footage of dwelling units in this building to qualified individuals and families by the third anniversary of the date the organization acquired this property? ☑ Yes ☐ No

3. Questions regarding selling dwelling units:

   Do/will the individuals and families have a median income that is below either the area or statewide median family income? (Complete A or B): ☐ Yes ☐ No

   ☐ A. Area median family income for the household's place of residence, as adjusted for family size and as established by HUD, which is $ ______.

   OR

   ☐ B. Statewide area median family income, as adjusted for family size and as established by HUD, which is $ ______.

4. How many dwelling units does/will the above described property have? 296 units

5. What percentage of the total square footage of the dwelling units in this building described above are/will be reserved for individuals or families noted in question 1 above? 95 %

STEP 9: Provide Information Regarding Audit

Pursuant to Tax Code Section 11.1826, property may not be exempted under Tax Code Section 11.1825 for a tax year unless the organization owning or controlling the property owner has an audit prepared by an independent auditor covering the organization's most recent fiscal year.

The audit must include an opinion on whether:

(1) the financial statements of the organization present fairly, in all material respects and in conformity with generally accepted accounting principles, the financial position, changes in net assets and cash flows of the organization; and

(2) the organization has complied with all of the terms and conditions of the exemption under Tax Code Section 11.1825.

Not later than the 180th day after the last day of the organization's most recent fiscal year, the organization must deliver a copy of the audit to the Texas Department of Housing and Community Affairs and the chief appraiser of the appraisal district in which the property is located.

If the property contains not more than 36 dwelling units, the organization may deliver to the Texas Department of Housing and Community Affairs and the chief appraiser a detailed report and certification as an alternative to an audit.

1. Did the organization timely deliver the required audit or report and certification, as applicable, to the Texas Department of Housing and Community Affairs? . . . . ☑ Yes ☐ No

   If no, attach a statement explaining your answer.

2. Did the organization timely deliver the required audit or report and certification, as applicable, to the appraisal district? . . . . ☑ Yes ☐ No

   If no, attach a statement explaining your answer.

STEP 10: Provide Property Specific Information

If the property is under construction or rehabilitation:

- Attach a Schedule A (CONSTRUCTING) form for each parcel of land and each building of real property to be exempt for constructing low-income housing.
- Attach a Schedule B (REHABILITATING) form for each parcel of land and building to be exempt for rehabilitating low-income housing.

If the property's construction or rehabilitation is complete and this application is filed annually as required by Tax Code Section 11.43(b) to maintain a previously granted exemption, skip to step 11.

STEP 11: Read, Sign and Date

By signing this application, you certify that the information provided is true and correct.

Sansom Bluffs, LP/Sansom Bluffs GP, LLC/Development Corporation of Tarrant County

On Behalf of *(name of property owner)*

print here Charles Price
Printed Name of Person Authorized to File Application

President
Title

sign here [signature]
Authorized Signature

2-15-2023
Date

If you make a false statement on this form, you could be found guilty of a Class A misdemeanor or a state jail felony under Penal Code Section 37.10.

Schedule A: Constructing Low-Income Housing

Complete one Schedule A form for EACH land parcel of improved (with building) and unimproved real property qualified for exemption. Attach all completed schedules to your application for exemption.

Sansom Bluffs, LP/Sansom Bluffs GP, LLC/Development Corporation of Tarrant County

Name of Property Owner

2900 La Junta Acct#42450487	Sansom Park	TX	76114
Property Address	City	State	Zip Code

Low-Income Multifamily Housing

Describe the Primary Use of the Property

Date of acquisition of property: 11/27/2018

Is this property reasonably necessary for operation of the organization? ☐ Yes ☑ No

Answer These Questions About the Property Listed Above

If this is a preliminary determination of exemption, when the final application is filed is this property expected to be under active construction or physical preparation? ☐ Active Construction ☐ Physical Preparation

If this is a final determination of exemption, is this property under active construction or physical preparation? ☑ Active Construction ☐ Physical Preparation

If active construction, when will construction be completed? 10/31/2021

If physical preparation, what has been done?

Physical preparation is when the organization has engaged in architectural or engineering work, soil testing, land clearing activities or site improvement work necessary for constructing the project or has conducted an environmental or land use study for construction of the project.

Schedule B: Rehabilitating Buildings for Low-Income Housing

Complete one Schedule B form for EACH building and land qualified for exemption. Attach all completed schedules to your application for exemption.

____
Name of Property Owner

______________ ______________ ______________ ______________ ______________
Address | Building | City | State | Zip Code

____
Describe the Primary Use of the Property

Date of acquisition of property: ______________ Is this property reasonably necessary for operation of the organization? ☐ Yes ☐ No

Answer These Questions About the Property Listed Above

1. When did actual rehabilitation of this property begin or when is it expected to begin? . . . . ______________
2. When will rehabilitation of this property be completed? . . . . ______________
3. When was the original construction of this housing project completed? . . . . ______________
4. If the organization acquired this property from another person/organization, how long did the person/organization own the property? . . . . ______________ years
5. Has the organization spent or does it intend to spend the greater of: *(check one)*

   ☐ $5,000 or ☐ amount required by the financial lender for each dwelling unit in the project for the rehabilitation of this property? . . . . ☐ Yes ☐ No

   Attach a written statement prepared by a certified public account stating what the organization has spent or a copy of the development budget to verify the intent to spend the requisite amount.
6. Does the organization maintain a reserve fund for replacements? . . . . ☐ Yes ☐ No

   In what amount:

   ☐ amount required by the financial lender for each dwelling unit in the project;

   ☐ $300 for each dwelling unit in the project; or

   ☐ $ ______________ amount for each dwelling unit in the project adjusted for cost-of-living *(for tax years 2005 or later)*

   Has the organization made withdrawals from the reserve? . . . . ☐ Yes ☐ No

   If yes, was it: *(check one)*

   ☐ authorized by the financial lender; or

   ☐ to pay the cost of capital improvements needed to maintain habitability under the Minimum Property Standards of the U.S. Department of Housing and Urban Development. Capital improvement is a property improvement that has a depreciable life of at least five years, excluding typical make ready expenses such as plaster repair, interior paint or floor coverings.

Property # J3473(TX)
Property Name: Sansom Bluff
Revised: 10/26/2022 due to TDHCA approval of ECM- TL

CAPSTONE
REAL ESTATE SERVICES, INC.

2900 La Junta
Sansom Park TX 76114

UNIT MIX AND RENTAL INFORMATION SCHEDULE

Tarrant County MTSP Maximum Income & Rent Limits Effective Date: 4/18/2022 Implementation Deadline: 6/02/2022
Fort Worth-Arlington HOME Income and Rent Limits Effective Date: 06/15/2022

Income limits

Number of Tenants	1	2	3	4	5	6	7	8
Initial 50% HOME	$31,650	$36,200	$40,700	$45,200	$48,850	$52,450	$56,050	$59,700
Initial 60% HOME	$37,980	$43,440	$48,840	$54,240	$58,620	$62,940	$67,260	$71,640
Initial 60% HTC/BOND	$37,980	$43,440	$48,840	$54,240	$58,620	$62,940	$67,260	$71,640
Recertification Limit 80% HOME	$50,650	$57,850	$65,100	$72,300	$78,100	$83,900	$89,700	$95,450
Recertification Limit HTC (140% of 60%)	$53,172	$60,816	$68,376	$75,936	$82,068	$88,116	$94,164	$100,296

Utility Allowance for General Public- Energy Consumption Model Effective : 11/20/2022 For BINS 40801-40803, 40805, 40807-40810, 40812, 40813 Only (Not for use in BINS 40804, 40806, 40811)

Rent Limit	60% HTC/BOND			
# of Bedrooms	1	2	3	4
HUD Max Rent	$1,017	$1,221	$1,410	$1,573
Less: Utility Allowance	$126	$138	$150	$166
Allowable Tenant Rent	$891	$1,083	$1,260	$1,407

Energy Consumption Model: For HOME Units in BINS 40804, 40806, 40811
Effective Date: 07/01/2022 (Tarrant County approved use of ECM through affordability period 7/21/22)

Rent Limit	60% HTC/BOND			
# of Bedrooms	1	2	3	4
HUD Max Rent	$1,017	$1,221	$1,410	$1,573
Less: Utility Allowance	$122	$133	$144	$160
Allowable Tenant Rent	$895	$1,088	$1,266	$1,413

Rent Limit	Low HOME				High HOME			
# of Bedrooms	1	2	3	4	1	2	3	4
HUD Max Rent	$848	$1,017	$1,175	$1,311	$1,064	$1,269	$1,492	$1,645
Less: Utility Allowance	$122	$133	$144	$160	$122	$133	$144	$160
Allowable Tenant Rent	$726	$884	$1,031	$1,151	$942	$1,136	$1,348	$1,485

Gmail

Shelli Branson <shelli@dctc.cc>

Approval Email Required for Sansom Bluffs and Sansom Ridge Property Exemption Application

Shelli Branson <shelli@dctc.cc> Thu, Feb 9, 2023 at 1:20 PM
To: Angie Winkle <awinkle@sansompark.org>, Jim Barnett Jr <jbarnettjr@sansompark.org>
Cc: charlie price <charlieprice@sbcglobal.net>, Melissa Perkins <mperkins@dctc.cc>

Mayor Barnett or Ms. Winkle-

As required by our Agreement with Tarrant County Community Development and LDG, the Development Corporation of Tarrant County is tasked each year with submitting a Property Tax Exemption Application to the Tarrant County Appraisal District for a **50% Tax Exemption of the Tarrant County taxes only** for the Sansom Ridge and Sansom Bluffs properties. This exemption does not affect the City of Sansom Parks property tax base nor any other tax base other than Tarrant County.

Please submit an approval email allowing DCTCto move forward with the application process. We are required to send the application to Tarrant County Community Development for Commissioners Approval before we can send it to the Tarrant Appraisal District. The Appraisal Districts submission date is no later than April 30th. It does take time for it to move through the Commissioners Court at the County so please submit your approval email as soon as possible so that we can meet the deadline submission date.

We appreciate your assistance in this matter annually. If you have any questions, please feel free to contact me.

Thank You,

Shelli Branson
Executive Associate
Development Corporation of Tarrant County
1509-B S. University Dr., Suite 208
Fort Worth, TX 76107
(817)870-9008 Office
(817)870-1023 Fax
shelli@dctc.cc NEW EMAIL

Gmail

Shelli Branson <shelli@dctc.cc>

Fw: Tax Incentive

charlie price <charlieprice@sbcglobal.net> Thu, Mar 23, 2023 at 1:33 PM
To: Shelli Branson <shelli@dctc.cc>

Charlie Price
President
Development Corporation of Tarrant County
1509B South University Drive
Suite 208
Fort Worth Texas 76107
8178709008 Office
8178701023 Fax
8173230681 Cell
charlieprice@sbcglobal.net

----- Forwarded Message -----
From: Jim Barnett Jr <jbarnettjr@sansompark.org>
To: charlie price <charlieprice@sbcglobal.net>
Sent: Thursday, March 23, 2023 at 01:07:56 PM CDT
Subject: Tax Incentive

Charlie,
I apologize about the delay. I thought I had already sent an email about the property tax reduction, the 50% incentive.

Regards, Jim Barnett Jr.

IRS Department of the Treasury
Internal Revenue Service

OGDEN UT 84201-0029

In reply refer to: 4077591934
Mar. 04, 2015 LTR 4168C 0
75-2791607 000000 00
00045958
BODC: TE

THE DEVELOPMENT CORPORATION OF
TARRANT COUNTY
% KENNETH DEVERO
1509-B S UNIVERSITY DR STE 208
FT WORTH TX 76107

179635

Employer Identification Number: 75-2791607
Person to Contact: Ms. Wiles
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Feb. 02, 2015, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in April 2000.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

4077591934
Mar. 04, 2015 LTR 4168C 0
75-2791607 000000 00
00045959

THE DEVELOPMENT CORPORATION OF
TARRANT COUNTY
% KENNETH DEVERO
1509-B S UNIVERSITY DR STE 208
FT WORTH TX 76107

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

Tamera Ripperda

Tamera Ripperda
Director, Exempt Organizations

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Ruth R. Hughs
Secretary of State

Office of the Secretary of State

CERTIFICATE OF FILING
OF

The Development Corporation of Tarrant County
150114201

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Amendment for the above named entity has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

Dated: 11/18/2019

Effective: 11/18/2019

Ruth R. Hughs
Secretary of State

ARTICLES OF AMENDMENT
OF
THE DEVELOPMENT CORPORATION OF TARRANT COUNTY

Pursuant to the provision of Article 1396-4.03 of the Texas Non-Profit Corporation Act, the undersigned corporation submits the following Articles of Amendment:

1. The charter number of the corporation is 1501142-0.

2. The following amendments to the articles of incorporation were adopted on the 18th day of September, 2019.

The text of Article Four, Section (1) is hereby deleted and replaced with the following new text:

(1) The corporation is organized and is to be operated exclusively for charitable and educational purposes, which purposes shall be met by the corporation by (a) engaging directly in the support of such purposes and/or (b) making distributions to other organizations for use by such organizations in the support of such purposes. Within the scope of the foregoing purposes, the corporation is organized and operated to lessen the burdens of government, to combat community deterioration, and to relieve the poor and distressed in Texas by:

(a) Developing decent housing and community-based facilities that are affordable for low to moderate income persons within Texas, and thereby creating strong, viable neighborhoods;

(b) Funding activities that support and utilize education and job training programs for persons of low to moderate income within Texas;

(c) Serving as an information clearinghouse and technical assistance resource to other non-profit organizations in order to help design and implement successful community development, economic development, and housing strategies for low to moderate income persons within Texas;

(d) Being a technical resource for community development, economic development, and housing policy support within Texas;

(e) Serving as a private non-profit partner with county and city government for the development of quality affordable housing activities within Texas;

(f) Assisting municipalities, through technical assistance and educational conferences, seminars and workshops, to undertake essential community development, economic development and housing activities within Texas; and

(g) Acquiring, owning, constructing, operating and disposing of low to moderate income housing facilities within Texas.

Notwithstanding any other provisions of these Articles to the contrary, the corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization which is exempt from tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding section of any future federal tax code (the "Code"), or its Regulations, as they now exist or may hereafter be amended (the "Regulations"), or by an organization, donations to which are deductible from taxable income under Section 170(c)(2) of the Code or its Regulations.

3. The amendment was adopted in the following manner:

The amendment was adopted at a meeting of the Board of Directors held on September 18, 2019 and received the vote of a majority of the directors in office, there being no members.

Signed this 18th day of September, 2019.

DEVELOPMENT CORPORATION
OF TARRANT COUNTY, a Texas
non-profit corporation

By: Judith O. Smith
Name: Judith O Smith
Title: Board Secretary

FILED
In the Office of the
Secretary of State of Texas

AUG 12 1998

Corporations Section

ARTICLES OF INCORPORATION
OF
TARRANT COUNTY COMMUNITY DEVELOPMENT CORPORATION

I, the undersigned natural person, being at least eighteen (18) years of age and acting as an incorporator of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE ONE

NAME

The name of the corporation is: Tarrant County Community Development Corporation.

ARTICLE TWO

NON-PROFIT CORPORATION

The corporation is a non-profit corporation.

ARTICLE THREE

DURATION

The period of duration is perpetual.

ARTICLE FOUR

PURPOSES

(1) The corporation is organized and is to be operated exclusively for charitable and educational purposes, which purposes shall be met by the corporation by (a) engaging directly in the support of such purposes and/or (b) making distributions to other organizations for use by such organizations in the support of such purposes. Within the scope of the foregoing purposes, the corporation is organized and operated to lessen the burdens of government, to combat community deterioration and to relieve the poor and distressed in Tarrant County, Texas by:

(a) developing decent housing and community-based facilities that are affordable for low to moderate income persons within Tarrant County, Texas and thereby creating strong, viable neighborhoods;

(b) funding activities that support and utilize education and job-training programs for persons of low to moderate income within Tarrant County, Texas;

(c) serving as an information clearinghouse and technical assistance resource to other non-profit organizations in order to help design and implement successful community development, economic development, and housing strategies for low to moderate income persons within Tarrant County, Texas;

(d) being a technical resource for community development, economic development, and housing policy support within Tarrant County, Texas;

(e) serving as a private non-profit partner with Tarrant County for the development of affordable housing activities within urban Tarrant County, Texas;

(f) assisting municipalities, through technical assistance and educational conferences, seminars and workshops, to undertake essential community development, economic development and housing activities within Tarrant County, Texas; and

(g) acquiring, owning, constructing, operating and disposing of low to moderate income housing facilities within Tarrant County, Texas.

Notwithstanding any other provisions of these Articles to the contrary, the corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization which is exempt from tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding section of any future federal tax code (the "Code"), or its Regulations, as they now exist or may hereafter be amended (the "Regulations"), or by an organization, donations to which are deductible from taxable income under Section 170(c)(2) of the Code, or its Regulations.

(2) No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its directors, officers, contributors, founders or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in this Article Four. No substantial part of the activities of the corporation shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office.

(3) The corporation shall exercise all the rights and powers conferred on non-profit corporations under the Texas Non-Profit Corporation Act, as that law is now in effect or may at any time be amended (the "Act"). The corporation specifically is empowered to solicit and receive donations of cash, assets, securities or other property, whether real or personal, tangible or intangible (the "Corpus"), to collect the income earned therefrom, and to use and apply the whole or any part of the Corpus and income for the purposes, and subject to the restrictions and limitations, set forth in this Article Four.

(4) The corporation shall be empowered to do all other acts necessary or expedient for the administration of the affairs and attainment of the purposes of this corporation.

(5) Notwithstanding the powers granted to the corporation, it is expressly provided that the grant of the rights, powers, privileges and authority by any provision of these Articles of Incorporation or by any statute relating thereto will not be effective if and to the extent that the grant of such rights, powers, privileges and authority, if effective, would cause the corporation to fail to qualify as an organization described in Section 501(c)(3) of the Code, or its Regulations.

ARTICLE FIVE

PRIVATE FOUNDATION RESTRICTIONS

If the corporation ever is determined to be a private foundation for federal income tax purposes, then:

(1) The corporation will distribute its income for each tax year at such time and in such manner so as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code.

(2) The corporation will not engage in any act of self-dealing as defined in Section 4941(d) of the Code.

(3) The corporation will not retain any excess business holdings as defined in Section 4943(c) of the Code.

(4) The corporation will not make any investments in such a manner so as to subject it to tax under Section 4944 of the Code.

(5) The corporation will not make any taxable expenditures as defined in Section 4945(d) of the Code.

ARTICLE SIX

MEMBERSHIP

The corporation shall not have any members.

ARTICLE SEVEN

DISSOLUTION

The corporation hereby pledges all of its assets for use solely in performing the corporation's charitable and educational purposes. Upon dissolution of the corporation, (1) all liabilities and obligations of the corporation shall be paid, satisfied and discharged, (2) all assets held by the corporation upon a condition requiring return, transfer or conveyance, which condition occurs because of the corporation's dissolution, shall be returned, transferred or conveyed in accordance with such requirements and (3) all remaining assets of the corporation shall be distributed only for tax exempt purposes to one or more organizations which are exempt from tax under Section 501(c)(3) of the Code or its Regulations or to Tarrant County, Texas, for a public purpose, pursuant to a plan of distribution adopted as provided in the Act.

ARTICLE EIGHT

INITIAL REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the corporation is 100 E. Weatherford, Fort Worth, Texas 76102, and the name of the initial registered agent at that address is Patricia Ward.

ARTICLE NINE

BOARD OF DIRECTORS

The affairs of the corporation shall be under the direction of a Board of Directors. The number, terms of office, manner of election or appointment and qualifications of the Directors shall be as set forth in the bylaws of the corporation, subject, however, to the following requirements and limitations:

(1) The number of directors constituting the initial Board of Directors is five (5).

(2) Thereafter, the number of directors shall be as specified in the bylaws, and such number may from time to time be increased or decreased under the bylaws, or any amendment or change to the bylaws, except that the number of directors shall not be less than the minimum number of directors required by the Act.

The names and addresses of the persons who are to serve as the initial directors are:

Names	Addresses
Joan Kline	1305 W. Magnolia Fort Worth, Texas 76104
JoHelen Rosacker	309 Main Street Fort Worth, Texas 76102
Donald Walker	CESWF-I-C, Room 3B10 P.O. Box 17300 Fort Worth, Texas 76102

Monte Nichols

333 W. Leroy Blvd.
P.O. Drawer 79070
Saginaw, Texas 76179

Bob Peterson

First Southwest
1700 Pacific, Suite 500
Dallas, Texas 75201

ARTICLE TEN

LIMITATION OF LIABILITY

A director of the corporation shall not be liable to the corporation for monetary damages for an act or omission in the director's capacity as a director, except with respect to liability for:

(1) A breach of the director's duty of loyalty to the corporation;

(2) An act or omission not in good faith that constitutes a breach of duty of the director to the corporation or an act or omission that involves intentional misconduct or a knowing violation of the law;

(3) A transaction from which the director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office;

(4) An act or omission for which the liability of the director is expressly provided for by an applicable statute.

If the Texas Miscellaneous Corporation Laws Act, or any other similar statute, is amended, further eliminating or limiting the personal liability of directors, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by such statutes, as so amended. Any repeal or amendment of this Article shall be prospective only and may not adversely affect any limitation on the personal liability or alleged liability of a director arising from an act or omission or such director occurring prior to the time of such repeal or amendment.

ARTICLE ELEVEN

ACTION WITHOUT A MEETING BY DIRECTORS OR COMMITTEE MEMBERS

Any action required by the Act to be taken at a meeting of the directors of the corporation or any action that may be taken at a meeting of the directors or of any committee may be taken without a meeting if (1) a consent in writing, setting forth the action to be taken, is signed by a sufficient number of directors or committee members as would be necessary to take that action at a meeting at which all of the directors or members of the committee were present and voted and (2) the procedures set forth in the Act are followed.

ARTICLE TWELVE

INCORPORATOR

The name and the street address of the incorporator are Dan Settle, Jr., 201 Main Street, Suite 2500, Fort Worth, Texas 76102.

SIGNED this 12th day of August, 1998.

Dan Settle Jr

Dan Settle, Jr., Incorporator

AMENDED AND RESTATED BYLAWS

OF

THE DEVELOPMENT CORPORATION OF TARRANT COUNTY
(Formerly Tarrant County Community Development Corporation)

A Non-Profit Corporation

PREAMBLE

These bylaws are subject to, and governed by, the Texas Non-Profit Corporation Act (the "Act") and the articles of incorporation of the corporation. In the event of a direct conflict between the provisions of these bylaws and the mandatory provisions of the Act or the provisions of the articles of incorporation of the corporation, such provisions of the Act or the articles of incorporation of the corporation, as the case may be, will be controlling.

ARTICLE I
BOARD OF DIRECTORS

<u>Section 1</u>. <u>General Powers</u>. The direction and management of the affairs of the corporation and the control and disposition of its assets shall be vested in a board of directors (the "Board of Directors"), and, subject to the restrictions imposed by law, by the articles of incorporation of the corporation or by these bylaws, the Board of Directors may exercise all the powers of the corporation. The Board of Directors shall adopt such rules and regulations as may be necessary to implement these bylaws.

<u>Section 2</u>. <u>Number, Board Composition and Vacancies</u>.

(a) <u>Number</u>. The number of directors shall be determined from time to time by the Board of Directors, but shall not be less than five (5) nor more than twenty-one (21).

(b) <u>Community Housing Development Corporation</u>. The Board of Directors intends to operate the corporation as a community housing development corporation (a "CHDO"). Accordingly, the composition of the Board of Directors must meet the following requirements for a CHDO: no more than one-third (1/3) of the Board of Directors may be appointed by a state or local government nor may more than one-third (1/3) of the Board of Directors be public officials; additionally, at least one-third (1/3) of the Board of Directors must be residents representing low-income neighborhoods, other low-income community residents and/or elected representatives of low-income neighborhood organizations.

(c) <u>Appointed Directors</u>. No more than one-third (1/3) of the places on the Board of Directors shall be reserved for directors appointed by a state or local government (individually, an "Appointed Director," and collectively, the "Appointed

Directors"). The Appointed Directors shall be appointed by (i) the Mayors Council of Tarrant County two seats (2), , and (iii) the Tarrant County Housing Financing Corporation (individually, an "Appointing Organization") one seat (1). Each Appointing Organization shall appoint such number of directors as authorized from time to time by the Board of Directors. Each Appointed Director shall serve a term of two (2) year (and until his successor shall have been duly appointed and qualified) unless sooner removed by his Appointing Organization or he dies, resigns or becomes disabled. The Board of Directors, in its sole discretion and without the requirement to state a reason therefor, may request an organization to reconsider its appointment of an Appointed Director and to appoint a replacement for its Appointed Director. An Appointed Director may serve as many consecutive two-year terms as the organization so appointing the Appointed Director may desire. The Appointed Directors shall be entitled to receive notice of, and to attend and participate in, all meetings and deliberations of the Board of Directors and shall be entitled to full voting privileges.

(d) At-Large Directors. The remaining members of the Board of Directors who are not Appointed Directors shall be elected by the Board of Directors (individually, an "At-Large Director," and collectively, the "At-Large Directors"). At least one-third (1/3) of the Board of Directors must be (i) At-Large Directors and (ii) residents representing low-income neighborhoods, other low-income community residents and/or elected representatives of community-based organizations. Unless an At-Large Director resigns, dies, becomes disabled or is removed in accordance with the provisions of these bylaws or the articles of incorporation of the corporation and except for the designation of the initial terms of the At-Large Directors because of the requirement in the immediately following sentence to have staggered terms, each At-Large Director shall hold office for a term of three (3) years and until such time as the At-Large Director's successor shall have been duly elected and qualified as provided in these bylaws. The terms of office of the At-Large Directors shall be staggered so that the terms of office of approximately one-third (1/3) of the At-Large Directors will expire each year. Any At-Large Director whose term is expiring shall be eligible for re-election for a total of three consecutive three-year terms. Following service for three consecutive three-year terms, an individual shall not be eligible for re-election as an At-Large Director until one year has passed. The At-Large Directors shall be entitled to receive notice of, and to attend and participate in, all meetings and deliberations of the Board of Directors and shall be entitled to full voting privileges. At-large Directors are not subject to term limitations who are considered residents representing low-income neighborhoods, other low-income community residents and/or elected representatives of low-income neighborhood organizations.

(e) Vacancies. Any vacancy resulting from the expiration of an Appointed Director's term or any vacancy occurring in an Appointed Director's position prior to the expiration of such director's term shall be filled by the organization that appointed such director. Any vacancy resulting from the expiration of an At-Large Director's term or any vacancy occurring in an At-Large Director's position prior to the expiration of such director's term shall be filled by a majority vote of the remaining directors though less than a quorum of the Board of Directors.

Section 3. Removal. At any meeting of the Board of Directors called expressly for that purpose, any At-Large Director or advisory director may be removed, with or without cause, by a majority vote of the directors then in office. An Appointed Director may be removed, with or without cause, by the organization that appointed such director to the Board of Directors.

Section 4. Advisory Directors. The Board of Directors may from time to time appoint individuals to serve on the Board of Directors in advisory capacities. Such advisory directors shall be entitled to attend and participate in all meetings and deliberations of the Board of Directors, but they shall not be entitled to any vote.

Section 5. Annual Meeting. An annual meeting of the Board of Directors shall be held each year at a time, place and date designated by the Board of Directors. At each annual meeting at which a quorum is present, the Board of Directors shall fill any At-Large Director vacancy on the Board of Directors by a majority vote of the remaining directors, appoint the officers of the corporation and transact such other business as may lawfully come before the meeting. Notice of such meeting shall be given in writing to all members of the Board of Directors at least ten (10) days prior to the meeting.

Section 6. Regular Meetings. The directors may hold regular meetings in such place or places as designated from time to time by resolution of the Board of Directors and communicated to all directors. Notice of such meetings shall be given in writing to all members of the Board of Directors at least ten (10) days prior to the meeting.

Section 7. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the Chairman of the Board, by the Vice Chairman of the Board or by a majority of the directors at that time in office. Each such special meeting shall be held at such time, place and date as shall be designated by the officer or directors calling such meeting. Notice of such meeting shall be given in writing to all members of the Board of Directors at least three (3) days prior to the meeting.

Section 8. Notice. The Secretary shall give notice of any annual or regular meeting to each director, including therein the time, place and date of such meeting. The Secretary shall give notice or the person or persons calling any special meeting of the Board of Directors must cause notice to be given to each director of such special meeting, including therein the time, place and date of such meeting. Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the Board of Directors need be specified in the notice or written waiver of notice of such meeting unless otherwise required by these bylaws. Unless limited by law, the articles of incorporation of the corporation or these bylaws, any and all business may be transacted at any such meeting of the Board of Directors. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting.

Section 9. Quorum. A number of directors equal to a majority of the duly elected and qualified directors, rounded to the next highest number if such number results in a fraction, but in no event less than five (5) individual directors, shall constitute a quorum for the transaction of business, unless a greater number is required by law, the articles of incorporation of the corporation or by these bylaws, but if at any meeting of the Board of Directors there be less than a quorum present, a majority of those present or any director solely present may adjourn the meeting from time to time, without further notice other than an announcement at that meeting, until a quorum is present.

Section 10. Manner of Acting. The act of a majority of the directors present in person or by proxy at a meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by law, the articles of incorporation of the corporation or these bylaws.

Section 11. Order of Business. At meetings of the Board of Directors, business shall be transacted in such order as the Chairman of the Board may determine from time to time unless the Board of Directors determines otherwise. The Secretary of the corporation shall prepare minutes of such meetings unless the Chairman of the Board or the Board of Directors appoints another person to act as secretary of the meeting. The regular minutes of the proceedings must be placed in the minute book of the corporation. If both the Chairman of the Board and the Vice Chairman of the Board are absent from a meeting of the Board of Directors or if both are unable to act at a meeting of the Board of Directors, a chairman for that meeting shall be chosen by the Board of Directors from among the directors present.

Section 12. Presumption of Assent. A director who is present at any meeting of the Board of Directors at which action on any corporation matter is taken will be presumed to have assented to the action unless his dissent is entered in the minutes of the meeting or unless he files his written dissent to such action with the person acting as secretary of the meeting before the adjournment thereof or forwards any dissent by certified or registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent does not apply to a director who voted in favor of such action.

Section 13. Compensation. Directors as such shall not receive any salary or compensation for their service as directors

Section 14. Action Without Meeting. Unless otherwise restricted by the articles of incorporation of the corporation or these bylaws, any action required or permitted to be taken at a meeting of the Board of Directors or any committee may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by a sufficient number of the directors or committee members, via email or fax as the case may be, as would be necessary to take that action at a meeting at which all of the directors or committee members, as the case may be, were present and if the procedures set forth in the Act are followed.

Section 15. Beneficiary Advice. Because the Board of Directors intend for the corporation to be a CHDO, the Board of Directors must provide a formal process for low-income, program beneficiaries to advise the Board of Directors in its decisions regarding the design, siting, development and management of affordable housing.

ARTICLE II
OFFICERS OF THE CORPORATION

Section 1. Number and Titles. The officers of the corporation shall be (a) a Chairman of the Board, (b) a Vice Chairman of the Board, (c) a President, (d) one or more Vice

Presidents, as may be determined from time to time by the Board of Directors (and in the case of each such Vice President, with such descriptive title, if any, as the Board of Directors shall deem appropriate), (e) a Secretary and (f) a Treasurer. Each officer shall hold office for the term for which he is elected and until his successor shall have been duly elected and qualified unless such officer is removed, resigns or is unable to serve. One person may hold more than one office except that the President shall not serve as Secretary. The Board of Directors also may appoint one or more Assistant Secretaries and Assistant Treasurers and such other officers, assistant officers and agents as the Board of Directors shall from time to time deem necessary, who shall exercise such powers and perform such activities as shall be set forth in these bylaws or as determined from time to time by the Board of Directors.

Section 2. Election and Term of Office. The officers of the corporation shall be elected by the Board of Directors at each annual meeting of the Board of Directors at which a quorum is present. New offices may be created and filled at any meeting of the Board of Directors.

Section 3. Removal. Any officer elected or appointed by the Board of Directors may be removed with or without cause by the Board of Directors at any time whenever in its sole and exclusive judgment the best interests of the corporation will be served thereby. The election of an officer shall not of itself create contract rights. The removal of an officer who is also employed by the corporation shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Vacancies. A vacancy in the office of any officer may be filled by the Board of Directors.

Section 5. Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board of Directors, shall be the principal officer of the Board of Directors and shall perform such other duties as may be assigned to him by the Board of Directors.

Section 6. Vice Chairman of the Board. In the absence of the Chairman of the Board or in the event of his inability or refusal to act, the Vice Chairman of the Board shall perform the duties of the Chairman of the Board. The Vice Chairman of the Board shall perform such other duties as may be assigned to him by the Board of Directors.

Section 7. President. The President shall be the chief executive officer of the corporation. Subject to the control of the Board of Directors and subject to the provisions of applicable law restricting the powers of a chief executive officer, the President shall have general executive charge and supervision of the administration and activities of the corporation and shall have the management and control of the properties, business and operations of the corporation with all such powers as may be reasonably incident to such responsibilities. The President shall attend all meetings of the Board of Directors and shall see that all orders and resolutions of the Board of Directors are carried out. The President shall have the general authority to sign and execute all legal documents and instruments approved by the Board of Directors in the name of the corporation, may agree upon and execute all leases, contracts, evidences of indebtedness and other obligations approved by the Board of Directors in the name of the corporation and shall have such other powers and duties as designated in accordance with these bylaws and as from time to time may be assigned to him by the Board of Directors. The President shall submit to the Board of Directors plans and suggestions for the activities of the corporation, shall direct its general correspondence and shall present recommendations to the Board of Directors for consideration. The President shall have the power to cause the employment or appointment of, fix the compensation and remove, suspend or discharge subordinate employees and agents of the corporation as the proper conduct of corporate operations may require. The President shall submit a report of the activities and affairs of the corporation at each annual meeting of the Board of Directors and at such other times when so requested by the Board of Directors and shall prepare an annual budget showing expected receipts and expenditures for consideration by the Board of Directors when so requested by the Board of Directors.

Section 8. Vice Presidents. In the absence of the President, or in the event of his inability or refusal to act, the Vice President (or, in the event there is more than one Vice President, the Vice President designated by the Board of Directors) shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Each Vice President shall generally assist the President. The Vice Presidents shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Section 9. Treasurer. The Treasurer of the corporation shall have custody of all the funds and securities of the corporation. When necessary or proper, he may endorse, on behalf of the corporation, for collection, checks, notes and other obligations and shall deposit the same to the credit of the corporation in such bank or banks or depositories as shall be designated in the manner prescribed by the Board of Directors, and he may sign all receipts and vouchers for payments made to the corporation, either alone or jointly with such other officer as is designated by the Board of Directors. The Treasurer shall make such transfers and alterations in the securities of the corporation as may be ordered by the Board of Directors. The Treasurer shall keep proper books of account and other books showing at all times the amount of the funds and other property belonging to the corporation, all of which books shall be open at all times to the inspection of the Board of Directors. The Treasurer shall, under the direction of the Board of Directors, disburse all moneys. The Treasurer shall also submit a report of the accounts and financial condition of the corporation at each annual meeting of the Board of Directors if so requested by the Board of Directors. In general, the Treasurer shall perform all acts incident to the position of Treasurer, subject to the control of the Board of Directors, and shall perform such other duties as may be prescribed from time to time by the Board of Directors or the President. The Treasurer shall, if required by the Board of Directors, give such bond for the faithful discharge of his duties in such form as the Board of Directors may require. In the case of the absence or disability of the Treasurer, the Board of Directors may appoint one or more Assistant Treasurers to perform the duties of the Treasurer during such absence or disability.

Section 10. Secretary. The Secretary of the corporation (a) shall keep the minutes of all meetings of the Board of Directors in books provided for that purpose, (b) shall attend to the giving and serving of all notices, (c) may in the name of the corporation attest to all contracts of the corporation and affix the seal of the corporation thereto, (d) shall in general perform all duties incident to the office of Secretary, subject to the control of the Board of Directors, and (e) shall discharge such other duties as shall be prescribed from time to time by the Board of Directors or the President. In the case of the absence or disability of the Secretary, the Board of

Directors may appoint one or more Assistant Secretaries to perform the duties of the Secretary during such absence or disability.

ARTICLE III
COMMITTEES

Section 1. Committees Having Board Authority. The Board of Directors by resolution may designate one or more committees, which, to the extent provided in such resolution or in these bylaws, shall have and may exercise the authority of the Board of Directors, except that no such committee shall have the authority of the Board of Directors in reference to filling vacancies in the Board of Directors or any such committee, electing or removing officers or members of any such committee, amending the articles of incorporation of the corporation or these bylaws, approving any dissolution or merger of the corporation, disposing or selling all or substantially all of the corporation's assets, or altering or repealing any resolution of the Board of Directors. The designation of such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed by law. Each such committee shall consist of two or more persons, a majority of whom are directors and the remainder of whom need not be directors.

Section 2. Committees Not Having Board Authority. Other committees not having and exercising the authority of the Board of Directors in the management of the corporation may be designated and appointed by a resolution adopted by a majority of the directors at a meeting at which a quorum is present. Such committees shall have only the powers specifically delegated to them by the Board of Directors. Membership on such committees may, but need not be, limited to directors.

Section 3. Standing Committees. The Board of Directors may designate one or more standing committees as are necessary, and the duties of any such standing committees shall be prescribed by the Board of Directors upon their designation. A standing committee may be given the authority of the Board of Directors if the provisions of Section 1 of this Article are followed; otherwise, the provisions of Section 2 of this Article must be followed.

Section 4. Special Committees. Subject to the provisions of Section 2 of this Article, the Board of Directors may designate one or more special committees as are necessary, and the duties of any such special committee shall be prescribed by the Board of Directors upon their designation. A special committee shall not have the authority of the Board of Directors, shall limit its activities to the accomplishment of the tasks for which it is designated and shall have no power to act except as specifically conferred by the action of the Board of Directors. Upon the completion of the task for which it was designated, such special committee shall stand dissolved.

Section 5. Quorum and Voting. A majority of the members of a committee shall constitute a quorum for the transaction of business at any meeting of such committee, and the act of a majority of the committee members present at a meeting at which a quorum is present shall be the act of the committee.

Section 6. Meetings and Notices. Meetings of a committee may be called by the President, the chairman of the committee or a majority of the members of the committee. Each committee shall meet as often as is necessary to perform its duties. The person or persons calling such meeting shall cause notice to be given at any time and in any manner reasonably designed to inform the members of the time, date and place of the meetings. Each committee shall keep minutes of its proceedings.

Section 7. Resignations and Removals. Any member of a committee may resign at any time by giving notice to the chairman of the committee or the Secretary of the corporation. Unless otherwise specified in the notice, such resignation shall take effect upon receipt thereof, and the acceptance of such resignation shall not be necessary to make it effective. The Board of Directors may remove at any time with or without cause any member of any committee whenever in the sole and exclusive judgment of the Board of Directors the best interests of the corporation will be served thereby. The appointment of a person to a committee shall not of itself create contract rights.

Section 8. Vacancies. A vacancy on a committee shall be filled for the unexpired term of the former occupant in the same manner in which an original appointment to such committee is made.

ARTICLE IV
INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. Mandatory Indemnification: Directors or Officers Successful in Defense. The corporation must indemnify any person or the estate of any deceased person (such person or estate of any deceased person being hereafter throughout this Article referred to as "Person") who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative, or investigative (hereafter throughout this Article collectively referred to as "Proceeding"), by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, trust, sole proprietorship, employee benefit plan or other enterprise (hereafter throughout this Article collectively referred to as "Director") against expenses (including reasonable attorneys' fees) actually and reasonably incurred by him in connection therewith to the extent that he has been wholly successful on the merits or otherwise in defense of such Proceeding.

Section 2. Indemnification: Whether Successful or Not in Defense.

(a) The corporation must indemnify any present or former director or officer of the corporation (or the estate of such a person) who was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that he is or was a Director, and the corporation may indemnify any Person (other than a present or former director or officer of the corporation (or the estate of such a person)) who was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that he is or was a Director or employee or agent of the corporation, against expenses (including reasonable attorneys' fees) actually and reasonably incurred by him, and against judgments, penalties (including excise and similar taxes), fines, and amounts paid in settlement by him in connection therewith if he acted in good faith and in a manner he reasonably believed, in the case of conduct in his official capacity, as defined in Article 1396-2.22A.A.(4) of the Act ("Official Capacity"), to be in the best interests of the corporation; or, in all other cases, to be not opposed to the best interests of the corporation; and, with respect to any criminal Proceeding, if he had no reasonable cause to believe his conduct was unlawful; provided, however, that if he is found liable to the corporation or is found liable on the basis that personal benefit was improperly received by him, the indemnification provided pursuant to this Section 2 (1) is limited to expenses actually and reasonably incurred by him in connection with the Proceeding and (2) may not be made in respect of any Proceeding in which he has been found liable for willful or intentional misconduct in the performance of his duties to the corporation.

The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, will not, of itself, create a presumption that the Person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation or, with respect to any criminal Proceeding, that he had reasonable cause to believe that his conduct was unlawful. A Person will be deemed to have been found liable in respect to any claim, issue or matter only after the Person has been so adjudged by a court of competent jurisdiction after exhaustion of all appeals.

(b) Notwithstanding any other provisions of this Article, the corporation must indemnify any Person as to whom indemnification is mandatory under Sections 1 or 2(a) of this Article to the fullest extent then permitted by law.

Section 3. Indemnification Procedure. Any indemnification under Section 2 of this Article (unless ordered by a court or made pursuant to a determination by a court) may be made by the corporation only as authorized in the specific case upon a determination that indemnification of the Person is proper under the circumstances because the Person has met the applicable standard of conduct set forth in Section 2 of this Article. Such determination will be made:

(a) by a majority vote of a quorum consisting of directors who at the time of the vote are not named defendants or respondents in the Proceeding;

(b) if such quorum cannot be obtained, by a majority vote of a committee of the Board of Directors, designated to act in the matter by a majority vote of all directors, consisting solely of two or more directors who at the time of the vote are not named defendants or respondents in the Proceeding; or

(c) by special legal counsel selected by the Board of Directors or a committee of the Board by vote as set forth in (a) or (b) immediately foregoing, or, if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors.

Section 4. Authorization of Payment.

(a) Authorization of indemnification and determination as to reasonableness of expenses will be made in the same manner as the determination that indemnification is permissible, except that if special legal counsel makes the latter determination, authorization of indemnification and determination as to reasonableness of expenses must be made:

(1) by a majority vote of a quorum consisting of directors who at the time of the vote are not named defendants or respondents in the Proceeding; or

(2) if such a quorum cannot be obtained, by a majority vote of a committee of the Board of Directors, designated to act in the matter by a majority vote of all directors, consisting solely of two or more directors who at the time of the vote are not named defendants or respondents in the Proceeding; or,

(3) if such a committee cannot be established, by a majority vote of all directors.

(b) Notwithstanding subsection (a) of this Section 4, payment of expenses actually and reasonably incurred by any Person as to whom indemnification is mandatory under Sections 1 or 2(a) of this Article will be deemed to be authorized provided that the standard of conduct necessary for indemnification under Section 2(a) of this Article is met.

Section 5. Advancement of Expenses.

(a) Expenses incurred in defending such Proceeding may be paid by the corporation in advance of the final disposition of the Proceeding, without any of the authorizations or determinations specified in Sections 3 and 4 of this Article, upon receipt of a written affirmation by the Person of his good faith belief that he has met the standard of conduct necessary for indemnification under applicable law and a written undertaking by or on behalf of the Person to repay such amount unless it ultimately is determined that he is entitled to be indemnified by the corporation as authorized in this section. The written undertaking must be an unlimited general obligation of the Person but need not be secured. It may be accepted without reference to financial ability to make repayment.

(b) Provided that the written affirmation and undertaking described in Section 5(a) are received by the corporation from a Person to be paid or reimbursed for expenses incurred and as to whom indemnification is mandatory under Sections 1 or 2(a) of this Article, such payment or reimbursement will be deemed to be authorized.

Section 6. Other Rights. The indemnification provided by these bylaws may not be deemed exclusive of any other rights to which a Person seeking indemnification may be entitled under the articles of incorporation of the corporation, these bylaws, a resolution of directors, an agreement or otherwise both as to action in his Official Capacity and as to action in any other capacity, and will continue as to such Person after the termination of such capacity and will inure to the benefit of his heirs, executors and administrators; provided, however, that any provision for the corporation to indemnify or to advance expenses to a director, whether contained in the articles of incorporation of the corporation, these bylaws, a resolution of members (if the corporation has members) or directors, an agreement or otherwise, except in accordance with Section 7 of this Article, is valid only to the extent it is consistent with Article 1396-2.22A of the Act, as limited by the articles of incorporation of the corporation, if such a limitation exists.

Section 7. Insurance. The corporation may purchase and maintain insurance on behalf of any Person by reason of the fact that he is or was serving at the request of the corporation as a Director or employee or agent of the corporation against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as a Person, whether or not the corporation would have the power to indemnify him against such liability under Article 1396-2.22A of the Act.

Section 8. Other Arrangements. In addition to the powers described in Section 7 of this Article, the corporation may purchase, maintain or enter into other arrangements on behalf of any Person who is or was a director, officer or trustee of the corporation against any liability asserted against him and incurred by him in such capacity or arising out of his status as such a Person, whether or not the corporation would have the power to indemnify him against such liability under Article 1396-2.22A of the Act. If the other arrangement is with a person or entity that is not regularly engaged in the business of providing insurance coverage, the arrangement may provide for payment of a liability (with respect to which the corporation would not have the power to indemnify the Person). Without limiting the power of the corporation to procure or maintain any kind of arrangement, the corporation may, for the benefit of Persons described in this Section 8, (1) create a trust fund; (2) establish any form of self-insurance; (3) secure its indemnity obligation by grant of a security interest or other lien on the assets of the corporation; or (4) establish a letter of credit, guarantee, or surety arrangement.

Section 9. Other Provisions Applicable to Insurance and Other Arrangements. The insurance may be procured, maintained, or established with an insurer, or the other arrangement may be procured, maintained or established within the corporation or with any insurer or other person considered appropriate by the Board of Directors, regardless of whether all or part of the stock or other securities of the insurer or other persons are owned in whole or part by the corporation. In the absence of fraud, the judgment of the Board of Directors as to the terms and conditions of the insurance or other arrangement and the identity of the insurer or other person participating in an arrangement will be conclusive and the insurance or other arrangement will not be voidable and will not subject the directors approving the insurance or other arrangement to liability, on any grounds, regardless of whether directors participating in the approval are beneficiaries of the insurance or other arrangement.

Section 10. Severability. In the event that any part or portion of this Article is judicially determined to be invalid or unenforceable, such determination will not in any way affect the remaining portions of this Article, but the same will be divisible and the remainder will continue in full force and effect. Notwithstanding any provision of this Article to the contrary, the corporation shall not indemnify any person described in this Article if such indemnification (1) would jeopardize the corporation's tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any successor statute (the "Code"), or (2) if the corporation is determined to be a private foundation for federal income tax purposes, would cause the imposition of the federal excise tax for self-dealing under Section 4941 of the Code or for making a taxable expenditure under Section 4945 of the Code.

Section 11. Appearance as a Witness or Otherwise. Notwithstanding any other provision of this Article, the corporation may pay or reimburse expenses incurred by a director, officer, or other person in connection with his appearance as a witness or other participation in a Proceeding at a time when he is not a named defendant or respondent in the Proceeding.

ARTICLE V
CONTRACTS AND CHECKS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, Etc. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer.

ARTICLE VI
BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors. All books and records of the corporation may be inspected by any director, or his agent or attorney for any proper purpose at any reasonable time. Because the Board of Directors intend to operate the corporation as a CHDO, the Board of Directors must adopt standards of accountability that conform to the federal rules and regulations applicable to a CHDO.

ARTICLE VII
NOTICES

Section 1. Form of Notice. Whenever any notice whatsoever is required to be given under the provisions of these bylaws to any director, officer or committee member and no provision is made as to how such notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given in writing by mail (unless the address of the person entitled to such notice is located outside the United States of America), facsimile transmission, email or overnight delivery. Any notice required or permitted to be given by mail shall be deemed to have been given at the time notice is deposited, postage prepaid, in the United States mail, addressed to the person entitled thereto at his post office address, as it appears on the books of the corporation. Any notice required or permitted to be given by facsimile transmission or email shall be deemed to have been given at the time the notice is successfully transmitted to the person entitled thereto. Any notice required or permitted to be given by overnight delivery shall be deemed to have been given at the time notice is delivered to the overnight delivery courier service, fees prepaid, addressed to the person entitled thereto at his address, as it appears on the books of the corporation.

Section 2. Waiver. Any waiver of notice, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

ARTICLE VIII
MISCELLANEOUS PROVISIONS

Section 1. Fiscal Year. The fiscal year of the corporation shall be such as the Board of Directors shall by resolution establish.

Section 2. Seal. The Board of Directors may in its discretion elect to have a corporate seal. If such an election is made, the seal of the corporation shall be such as from time to time may be approved by the Board of Directors.

Section 3. Resignations. Any director or officer may resign at any time. Such resignations shall be made in writing and shall take effect at the time specified therein, or if no time is specified at the time of its receipt by the Chairman of the Board or the Vice Chairman. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 4. Use of Conference Telephone. Subject to the requirement for notice of meetings, members of the Board of Directors, or members of any committee designated by the Board of Directors, may participate in and hold a meeting of such Board of Directors or committee, as the case may be, by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence for quorum purposes and presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 5. Discontinuance of Corporation. Upon the discontinuance of the corporation by dissolution or otherwise, the assets are to be transferred by the Board of Directors in accordance with the provisions of the articles of incorporation of the corporation.

Section 6. Principal Office. The principal office of the corporation in the State of Texas shall be located in Tarrant County, Texas. The corporation may have such other offices as the Board of Directors may determine.

Section 7. Registered Office. The corporation shall have and continuously maintain in the State of Texas a registered office and a registered agent whose office is identical with such registered office, as required by the Act.

Section 8. Gender and Number Agreement. Whenever the masculine, feminine or neuter gender is used inappropriately in these bylaws, these bylaws shall be read as if the appropriate gender was used, and, unless the context otherwise requires, the singular shall include the plural, and vice versa.

Section 9. Amendments.

(a) These bylaws may be altered, amended, or repealed by the affirmative vote of a majority of the full Board of Directors at any regular or special meeting, so long as notice of said proposed amendment is contained in the notice of the meeting and such alteration, amendment or repeal does not cause the corporation to cease to be exclusively organized and operated as an entity described in Section 501(c)(3) of the Code.

(b) Notwithstanding any provision of subsection (a) of this Section 9 to the contrary, (i) any amendment to Section 2(c) of Article I of these Bylaws also shall require the approval of each Appointing Organization and (ii) any amendment to this Section 9(c) also shall require the approval of each Appointing Organization.

SECRETARY'S CERTIFICATE

This is to certify that the foregoing Amended and Restated Bylaws of The Development Corporation of Tarrant County (formerly Tarrant County Community Development Corporation) were duly adopted by resolution of the Board of Directors at a meeting of the Board of Directors effective as of the 19th day of May, 2011.

In witness whereof, the undersigned, the duly elected and acting Secretary of the corporation, has signed this Secretary's Certificate.

Frederic S White, Secretary

Date: 4/17/2011

DCTC

CHDO Nonprofit

Mission Statement

Our mission is to utilize partnerships to provide quality affordable workforce housing.

Board of Directors
2023

Officers:

David Medanich, Chairman
Mike Sandlin, Vice Chair
Kelly Curnutt, Treasurer
Glenda Drexel, Secretary

Roster:

Frederick G. Slabach
President
Texas Wesleyan University
1201 Wesleyan Street
Fort Worth, TX 76105
817-531-4401
fslabach@txwes.edu

Home Address
CHDO-LM Org
1221 Elizabeth Blvd.
Fort Worth, TX 76110

David Medanich
Vice Chairman
First Southwest, A Division of Hilltop Securities
777 Main Street
Suite 1200
Fort Worth, TX 76102
Bus: 817-332-9710
Email: david.medanich@hilltopsecurities.com

Home Address
620 Melrose Ct
Southlake, TX 76092
*Appointed by TCHFC

Donald R. Walker
IT Chief-Fort Worth District
U.S. Army Corps of Engineers
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Fort Worth, TX 76102
Bus: 817-886-1332
Cell: 817-371-4713
Email: donald.r.walker@usace.army.mil

Home Address
3317 Oak Timber Dr.
Forest Hill, TX 76119
*Appointed by Mayor Council
**Government Employee

Kelly Curnutt, Partner
Curnutt & Hafer, L.L.P.
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Arlington, TX 76010
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Cell: 817-271-2146
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505 S. Fielder Rd.
Arlington, TX 76013

Mike Sandlin
Sandlin Homes
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North Richland Hills, TX 76180
Bus: 817-281-3509
Bus Fax: 817-656-0719
Email: mike@sandlin.com

Home Address
2103 Falcon Pass
Westlake, TX 76262
*Appointed by Mayor Council

Lorraine Miller-8/15/2018
Realtor
Lorrainemiller66@comcast.net

Home Address
CHDO-LM Census Tract
1220 E. Terrell Ave
Fort Worth, TX 76104

Glenda Drexel-2/20/2019
Owner-Lakeside Storage
Home: 817-626-1277
Office: 817-238-7575
Cell: 817-313-2921
Email: ggconner@sbcglobal.net

Home Address

5409 Jacksboro Highway
Fort Worth, TX 76114

Estrus Tucker-9/15/2021
Retired
Cell: 817-291-3683
Estrust1@icloud.com

Home Address
CHDO-LM Census Trct
3304 Lake Como Drive
Fort Worth, TX 76107

Ex-Officio Member:

Judith O. Smith – 12/31/2022
Regional Sales Manager-Builder Group
Service First Mortgage
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Cell: 817-832-1859
jsmith@servicefirstmtg.com

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Benbrook, TX 76132

Staff:

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Procedures to Obtain Low-Income Citizen Input on Neighborhood Development

Development Corporation of Tarrant County
Procedures to Obtain Low-Income Citizen Input on Neighborhood Development

It is the intent of Development Corporation of Tarrant County (DCTC) to maintain a working relationship with citizens of the local community and representatives of low-income communities or potential low-income beneficiaries.

Public Notices of DCTC Sponsored Events

The Development Corporation of Tarrant County will place an advertisement in local city newspapers and or general circulation newspapers, announcing an DCTC Sponsored Event and stating that public attendance is welcomed and encouraged.

Board

In keeping with HOME regulations and 24 CFR 92.2(8) at least 1/3 of Development Corporation of Tarrant County's Board of Directors is comprised of residents of the low-income community or a representative of low-income residents of Tarrant County Texas. The Development Corporation of Tarrant County Board of Directors meets on a monthly basis and has meeting minutes recorded that can be read by the public. The DCTC Board approves each new project that will be undertaken, and approves by Board resolution. The DCTC Board carefully considers the project's impact to the community such as proximity to schools, public transportation, the existing housing stock and quality of life issues such as crime and access to public venues (supermarkets, libraries, health facilities).

Neighborhood Residents

Once approval from the DCTC Board of Directors is received neighborhood residents are contacted and given an opportunity to make suggestions or comments. A list of Neighborhood Associations is utilized to contact the local association leadership. Councilpersons from the community are contacted and regularly invited to events that DCTC sponsors to keep them abreast of upcoming development plans.

Comments offered from the community are asked to be in writing. If it is further determined based on feedback from these comments that a community meeting is needed, a flyer is sent to local residents asking their participation in a community forum. These community forums are held on an as needed basis in a local area with access to public transportation. The Councilperson from the neighborhood is asked to participate in this forum and all areas of concern will be addressed at that time. DCTC will consider foregoing any new development that does not meet public approval or adjusting the project per the neighborhood's suggestions.

Development Corporation of Tarrant County
Procedures to Obtain Low-Income Citizen Input on Neighborhood Development (Cont'd)

Potential Beneficiaries to DCTC Service

Development Corporation of Tarrant County or its Development Contractor regularly recruits potential homebuyers, credit/education clients, down payment closing cost assistance clients, or special needs clients of Tarrant County through Orientation sessions or such means as proper. DCTC staff or Contractors distribute information regarding new projects and developments within the community. These promotional brochures will list the new project or development with program guidelines and information regarding the process in obtaining service. Media opportunities are also utilized so that all potential beneficiaries have various streams of information to learn about Development Corporation of Tarrant County's service and product.

DCTC KEY MANAGEMENT AND TITLES

Charles Price, President
Shelli Branson, Executive Associate
Melissa Perkins, Asset Manager

Development Corporation of Tarrant County

Independent Auditor's Reports and Consolidated Financial Statements

December 31, 2021

Development Corporation of Tarrant County
December 31, 2021

Contents

FORV/S

14241 Dallas Parkway, Suite 1100 / Dallas, TX 75254
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Independent Auditor's Report

Board of Directors
Development Corporation of Tarrant County
Fort Worth, Texas

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Development Corporation of Tarrant County (DCTC) and its subsidiaries, DCTC Cornerstone, LP, MAEDC Gainesville Seniors, LP, Sansom Ridge, LP, Sansom Bluff, LP and San Germaine, LP (collectively, the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, based on our audit and the report of the other auditors, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2021, and the changes in its net assets and its cash flows 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 Sansom Ridge, LP, Sansom Bluff, LP and MAEDC Gainesville Seniors, LP, which statements reflect assets constituting 82% of consolidated total assets and net assets constituting 63% of consolidated total net assets at December 31, 2021, and revenues, gains and other support constituting 68% of consolidated total revenues, gains, and other support for the year then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Sansom Ridge, LP, Sansom Bluff, LP and MAEDC Gainesville Seniors, LP is based solely on the reports of the other auditors.

Basis for Opinion

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 "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are required to be independent of the Organization 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 opinion. The financial statements of Sansom Ridge, LP, Sansom Bluff, LP, and MAEDC Gainesville Seniors, LP were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that these consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 consolidated 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 consolidated 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 consolidated 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 the Organization'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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal 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*, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated 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 22, 2022, our consideration of the Organization'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 the Organization'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 the Organization's internal control over financial reporting and compliance.

FORVIS, LLP

Dallas, Texas
September 22, 2022

Development Corporation of Tarrant County
Consolidated Statement of Financial Position
December 31, 2021

Assets

Cash and cash equivalents	$ 1,239,063
Restricted cash	919,802
Investments	219,684
Accounts receivable	825,393
Notes receivable	951,029
Accrued interest	575,370
Prepaid expenses and other	240,603
Due from Sansom Pointe Senior, LP	16,772
House inventory	2,271,749
Property and equipment, net	71,705,031
Total assets	$ 78,964,496

Liabilities and Net Assets

Liabilities	
Accounts payable and accrued expenses	$ 834,596
Line of credit	1,309,427
Contractor and retainage payable	292,612
Security deposits	142,623
Due to related parties	2,629,634
Development fee payable	7,999,307
Notes payable	3,448,365
Construction loan payable	2,906,884
Bonds payable	35,096,552
Total liabilities	54,660,000
Net Assets	
Without donor restrictions	
Undesignated	6,187,646
Noncontrolling interest	18,116,850
Total net assets	24,304,496
Total liabilities and net assets	$ 78,964,496

Development Corporation of Tarrant County
Consolidated Statement of Activities
Year Ended December 31, 2021

Revenues, Gains and Other Support	
Federal grants	$ 750,808
Contributions	106,277
Developer fees	174,966
Sale of property	771,050
Rental income	4,707,009
Investment return, net	66,699
Casualty gain	859,984
Other income	709,605
Total revenues, gains and other support	8,146,398
Expenses	
Program expenses	
Housing	9,188,225
Supporting service expenses	
Management and general	1,115,247
Total expenses	10,303,472
Change in Net Assets Before Capital Contributions and Distributions	(2,157,074)
Capital contributions	6,756,648
Capital distributions	(43,750)
Change in Net Assets	4,555,824
Net Assets, Beginning of Year	19,748,672
Net Assets, End of Year	$ 24,304,496

Development Corporation of Tarrant County
Consolidated Statement of Cash Flows
Year Ended December 31, 2021

Operating Activities	
Change in net assets	$ 4,512,074
Items not requiring (providing) operating cash flows	
Depreciation	3,125,221
Interest reinvested	(1,024)
Gain from casualty event	(859,984)
Amortization of debt issuance costs	67,054
Capital contributions	(6,756,648)
Capital distribution	43,750
Changes in	
Accounts receivable	(585,323)
Prepaid expenses and other	(31,180)
Accrued interest	(47,872)
House inventory	(677,413)
Accounts payable and accrued expenses	413,926
Ground lease payable	15,000
Security deposits	56,893
Net cash used in operating activities	(725,526)
Investing Activities	
Purchase of property and equipment	(12,445,547)
Increase in contractor payable	256,612
Repayment of contractor payable	(949,054)
Repayment of development fee payable	(125,000)
Proceeds from insurance	906,804
Purchase of investments	27,660
Net cash used in investing activities	(12,328,525)
Financing Activities	
Repayment of bonds payable	(75,000)
Repayment of loan payable	(194,098)
Net short-term borrowings	1,009,712
Proceeds from issuance of long-term debt and notes payable	3,914,869
Advance from related parties, net	3,714
Repayment of related party loans	(90,000)
Capital distributions	(43,750)
Capital contributions	6,756,648
Net cash provided by financing activities	11,282,095
Decrease in Cash, Cash Equivalents and Restricted Cash	(1,771,956)
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	3,930,821
Cash, Cash Equivalents and Restricted Cash, End of Year	$ 2,158,865
Reconciliation to Consolidated Statement of Financial Position	
Cash and cash equivalents	$ 1,239,063
Restricted cash	919,802
Total Cash, Cash Equivalents, and Restricted Cash, End of Year	$ 2,158,865
Supplemental Cash Flows Information	
Interest paid - expensed	$ 2,122,082
Interest paid - capitalized	128,683
Increase in fixed assets due to insurance proceeds receivable	73,528
Decrease in fixed assets related to casualty event	308,133
Accounts payable - construction	4
Capitalized amortization of debt issuance costs	223,909
Development fee payable	3,604,347

Development Corporation of Tarrant County
Notes to Consolidated Financial Statements
December 31, 2021

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Development Corporation of Tarrant County (DCTC), DCTC Cornerstone, LP, MAEDC Gainesville Seniors, LP, Sansom Ridge, LP, Sansom Bluff, LP, and San Germaine, LP (collectively the "Organization"). All significant interorganizational balances and transactions have been eliminated in consolidation.

Nature of Operations

DCTC was incorporated in 1998 and is a not-for-profit organization whose mission is to lessen the burden of government, combat community deterioration, and relieve the poor and distressed by performing activities to ensure that low- and moderate-income residents of Tarrant County, Texas have access to decent, affordable housing and community-based facilities in all areas of the county. DCTC is primarily supported by grant funds which are passed through Tarrant County from the U.S. Department of Housing and Urban Development and the proceeds from the sale of those grant-funded houses.

DCTC Cornerstone is a multi-family housing complex serving low-to-moderate income residents in Haltom City, Texas, in which DCTC is the sole owner.

MAEDC Gainesville Seniors, LP (the "Partnership"), a Texas limited partnership, was formed on October 28, 2003, to construct, develop and operate a 76-unit apartment project, known as Summit Senior Village (the "Project"), in Gainesville, Texas. The Project is expected to be rented to low-income tenants and is operated in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code.

The general partner is Gainesville DCTC, LLC (the "General Partner"). The limited partner is Gainesville Senior Living, LLC (the "Limited Partner"). The General Partner and the Limited Partner are wholly owned by DCTC. DCTC is a community housing development organization ("CHDO"), as designated by the Texas Tax Code. As such, the Partnership is eligible for and receives ad valorem tax exemptions on its rental property.

Profits, losses, and tax credits are allocated in accordance with the Amended and Restated Limited Partnership Agreement, dated July 28, 2020, and amendments thereon (the "Partnership Agreement"). Profits and losses from operations and low-income housing tax credits are allocated 0.01 % to the General Partner and 99.99% to the Limited Partner.

Sansom Ridge, LP was formed on January 26, 2016 to construct, develop and operate a 100-unit apartment project, known as Sansom Ridge Apartments (Project), in Sansom Park, Texas. The Project is to be rented to low-income tenants and is operated in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code (IRC). The general partner is Sansom Ridge GP, LLC (General Partner) and is solely owned by DCTC. The initial investor limited partner was Sansom Ridge SLP, LLC; however, on August 1, 2016, Sansom Ridge SLP, LLC transferred 99.98% of its interest in the Partnership to Garnet LIHTC Fund XLVIII, LLC (Investor Limited Partner). After the transfer on August 1, 2016, Sansom Ridge SLP, LLC became the Class B limited partner (Class B Limited Partner).

The special limited partner is Transamerica Affordable Housing, Inc. (Special Limited Partner). Sansom Ridge, LP will operate until December 31, 2070, or until its earlier dissolution or termination.

Profits, losses and tax credits are allocated in accordance with the Amended and Restated Limited Partnership Agreement, dated August 1, 2016, and amendments thereon. Profits and losses from operations and low-income housing tax credits are allocated 0.01% to the General Partner, 99.98% to the Investor Limited Partner, 0.00% to the Special Limited Partner and 0.01% to the Class B Limited Partner.

Pursuant to the Partnership Agreement, the Investor Limited Partner is required to provide capital contributions to the Partnership totaling $7,735,538, subject to adjustments based on the amount and timing of low-income housing tax credits allocated to the Project in addition to other occurrences which are fully explained in the Partnership Agreement. As of December 31, 2021, the required capital contributions were reduced to $7,374,130 for downward adjustments based on the amount and timing of low-income housing tax credits. As of December 31, 2021, the Limited Partner had provided cumulative capital contributions in the amount of $7,374,130.

Sansom Bluff, LP was formed on October 19, 2017, to construct, develop and operate a 256-unit apartment project, known as Sansom Bluff Apartments in Sansom Park, Texas. The apartments are to be rented to low-income tenants and is operated in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code. The general partner is Sansom Bluff GP, LLC (General Partner) and is solely owned by DCTC. The Investor Limited Partner is BF Sansom Bluff, LLC (Investor Limited Partner). Sansom Bluff LDG SLP, LLC is the Class B limited partner (Class B Limited Partner). The special limited partner is BFIM Special Limited Partner, Inc. (Special Limited Partner). Sansom Bluff, LP will operate until December 31, 2070, or until its earlier dissolution or termination.

Profits, losses and tax credits are allocated in accordance with the Amended and Restated Limited Partnership Agreement, dated November 1, 2018, and amendments thereon. Profits and losses from operations and low-income housing tax credits are allocated 0.01% to the General Partner, 99.98% to the Investor Limited Partner and 0.01% to the Class B Limited Partner.

Pursuant to the Sansom Bluff, LP Partnership Agreement, the Investor Limited Partner is required to provide capital contributions to the Partnership totaling $17,203,000, subject to adjustments based on the amount and timing of low-income housing tax credits allocated to the Project in addition to other occurrences which are fully explained in the Partnership Agreement. As of December 31, 2021, the Limited Partner had provided cumulative capital contributions in the amount of $13,332,325.

San Germaine, LP was formed on July 26, 2021, to acquire, develop, construct, own and operate an affordable housing apartment complex to be known as Villas Del San Xavier consisting of 156 total units in 27 residential buildings (and 1 nonresidential clubhouse building) located in San Marcos, Hays County, Texas (the "Project" or "Apartment Complex"). The Partnership expects that the Project will qualify for federal low-income housing tax credits ("Housing Tax Credits") under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). The general partner is The Villas Del San Xavier GP, LLC (General Partner) and is solely owned by DCTC. The Investor Limited Partner is AHP Housing Fund 227, LLC (Investor Limited Partner). The special limited partner is SGTX Development, LLC (Special Limited Partner).

Profits, losses and tax credits are allocated in accordance with the Amended and Restated Limited Partnership Agreement, dated July 26, 2021, and amendments thereon. Profits and losses from operations and low-income housing tax credits are allocated 0.005% to the General Partner, 99.99% to the Investor Limited Partner and 0.005% to the Special Limited Partner.

Pursuant to the San Germaine, LP Partnership Agreement, the Investor Limited Partner is required to provide capital contributions to the Partnership totaling $14,429,865, subject to adjustments based on the amount and timing of low-income housing tax credits allocated to the Project in addition to other occurrences which are fully explained in the Partnership Agreement. As of December 31, 2021, the Limited Partner had provided capital contributions in the amount of $2,885,973.

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, expenses gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents.

At December 31, 2021, the Organization's cash accounts exceeded federally insured limits by approximately $92,000.

Restricted Cash

Restricted cash includes cash held with financial institutions for refunds of tenant security deposits, operating deficits, project construction, interest reserves, debt repayment, and for funding of repairs or improvements to the buildings which extend their useful lives.

Investments and Net Investment Return

Investments consist of certificates of deposits with original maturities of six months. The certificates of deposit are valued at cost which approximates fair value. Investment return includes interest earned on cash and cash equivalents and certificates of deposits.

Accounts Receivable

Accounts receivable consist primarily of amounts due from government agencies in accordance with cost-reimbursement contracts. These receivables are considered fully collectible and therefore, the Organization does not consider an allowance necessary at December 31, 2021.

Notes Receivable

Notes receivable is reported at the outstanding principal balance. Notes receivable represents a loan made to a partnership to provide financing to construct two apartment complexes for low-to-moderate income family households. Interest income on the notes receivable is recognized when earned.

House Inventory

Houses that are purchased or constructed with the intent to resell to low-income families are recorded at cost including any needed repairs.

Property and Equipment

Property and equipment with a cost greater than $1,000 and a useful life greater than one year are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Building and improvements	3 - 40 years
Furniture and equipment	3 - 10 years

Long-lived Asset Impairment

Management evaluates its long-lived assets for financial impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. An impairment loss is recognized when the estimated undiscounted future cash flows from the assets are less than the carrying value of the assets. Assets to be disposed of are reported at the lower of their carrying amount or fair value, less cost to sell. Management is of the opinion that the carrying amount of its long-lived assets does not exceed their estimated recoverable amount. No asset impairment was recognized during the year ended December 31, 2021.

Government Grants

Support funded by grants is recognized as the Organization meets the conditions prescribed by the grant agreement, performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required. No adjustments have been required during 2021.

Rental Income

Rental income is recognized as rent becomes due. All leases between the Organization and the tenants of the property are operating leases. Rental payments received in advance are deferred until earned, if applicable. Other income resulting from fees earned for late payments, cleaning, damages, and laundry facilities are recognized when earned.

Developer Fees

Developer fees are generally earned by DCTC at a rate of either 15% of the sales price on all projects funded by Tarrant County or 15% and 10% of the development cost on all City of Arlington and City of Fort Worth projects, respectively.

Income Taxes

DCTC is exempt from income taxes under Section 501 of the IRC and a similar provision of state law. However, DCTC is subject to federal income tax on any unrelated business taxable income. DCTC files tax returns in the U.S. federal jurisdiction.

With a few exceptions, DCTC is no longer subject to U.S. federal examinations by tax authorities for years before 2018.

Income taxes on partnership income for DCTC Cornerstone, LP, MAEDC Gainesville Seniors, LP, Sansom Ridge, LP, Sansom Bluff, LP and San Germaine, LP are levied on the partners at the partner level. Accordingly, all profits and losses of the Partnership are recognized by each partner on its respective tax return. The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Partnership to report information regarding its exposure to various tax positions taken by the Partnership. Management has determined whether any tax positions have met the recognition threshold and has measured the Partnership's exposure to those tax positions. Management believes that the Partnership has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Partnership are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying consolidated financial statements.

Contributions

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
Conditional gifts, with or without restriction	
Gifts that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, *i.e.* the donor-imposed barrier is met

Nature of the Gift	Value Recognized
Unconditional gifts, with or without restriction	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique.

Conditional contributions which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Note 2: Grant Commitments

DCTC receives its government grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. Since the financial statements of DCTC are prepared on the accrual basis, all unconditional portions of the grants not yet received as of December 31, 2021, have been recorded as grants receivable. Following are the grant commitments that extend beyond December 31, 2021:

Grant	Term	Grant Amount	Earned Through 2021	Funding Available at December 31, 2021
U.S. Department of Housing & Urban Development				
HOME Investment Partnerships Program - City of Fort Worth (CHDO)	April 22, 2021 - December 30, 2022	$ 479,328	$ 447,851	$ 31,477
Home Investment Partnerships Program (Operating) - Tarrant County CHDO	May 26, 2020 - June 30, 2021	50,000	50,000	-
Home Investment Partnerships Program (Operating) - Tarrant County CHDO	October 6, 2020 - June 30, 2021	50,000	48,660	1,340
Home Investment Partnerships Program (Operating) - Tarrant County CHDO	March 24, 2020 - June 30, 2024	350,000	227,347	122,653
HOME Investment Partnerships Program (Operating) - City of Fort Worth (CHDO)	May 11, 2021 - January 30, 2022	45,000	13,550	31,450
		$ 974,328	$ 787,408	$ 186,920

Note 3: Restricted Cash

Cash Held in Separate Account

DCTC receives grant funds to acquire and rehabilitate housing units for resale to eligible homebuyers. The grant agreement requires that the unspent grant proceeds and proceeds from the sale of houses be placed in a separate bank account. At December 31, 2021, the balance in this account totaled $193,202.

Bond Funds

Sansom Ridge, LP and Sansom Bluff, LP established various funds and accounts held with the Bank of Texas, N.A. and BOKF, NA (Trustees), respectively.

The bond funds are used for payments including, but not limited to, construction of the Projects, interest, fees and repayment of the bonds. As of December 31, 2021, the balances of the bond funds of Sansom Ridge, LP and Sansom Bluff, LP were $100,780 and $228,059, respectively, and are recorded in restricted cash in the accompanying consolidated statement of financial position.

Insurance Escrow

Sansom Bluff, LP has monthly deposits that are made to the Trustee for the payment of property insurance. As of December 31, 2021, the insurance escrow balance was $279,753.

Tax Escrow

Sansom Ridge, LP has monthly deposits that are made to the Trustee for the payment of property taxes. All deposits are pledged as additional security for the Project's mortgage. As of December 31, 2021, the balance of the property tax escrow was $11,250.

Replacement Reserve

Pursuant to the Sansom Ridge, LP Partnership Agreement, beginning in the month in which the last unit is leased to a tenant, the Partnership is required to make annual deposits equal to $250 per unit, increasing annually by 3% beginning on January 1 of the first fiscal year following the initial funding of the replacement reserve. Withdrawals from the replacement reserve greater than $10,000 require the approval of the Investor Limited Partner, Special Limited Partner and Class B Limited Partner. As of December 31, 2021, the balance of the replacement reserve was $56,406, and is recorded in the accompanying consolidated statement of financial position.

Pursuant to the Sansom Bluff, LP Partnership Agreement, beginning in the month in which the last unit is leased to a tenant, the Partnership is required to make annual deposits equal to $250 per unit, increasing annually by 3% beginning on January 1 of the first fiscal year following the initial funding of the replacement reserve. Withdrawals from the replacement reserve are required to be used for capital improvements and repairs to the Project, and require the approval of the Special Limited Partner. As of December 31, 2021, the replacement reserve was $7,402, and is recorded in the accompanying consolidated statement of financial position.

Operating Reserve

Pursuant to the Sansom Ridge, LP Partnership Agreement, upon the receipt of the Investor Limited Partner's Fourth Federal Payment contribution, the Partnership is required to deposit $485,494 into an operating reserve account in order to fund operating deficits through the compliance period of the Partnership. Disbursements from the operating reserve require the approval of the Investor Limited Partner and Class B Limited Partner. During 2019, the LDG Development, LLC ("LDG Development"), a related party of the Class B Limited Partner, obtained an irrevocable letter of credit from Republic Bank & Trust Company in the amount of $485,494, to the benefit of the Trustee, to be used to fund operating deficits of the Partnership, in lieu of funding the operating reserve account. The irrevocable letter of credit renews annually in successive one-year periods unless otherwise cancelled, until the final expiry date of June 28, 2034. During 2021, the irrevocable letter of credit was renewed through June 24, 2022. As of December 31, 2021, the balance of the operating reserve was $20.

Pursuant to the Sansom Bluff, LP Partnership Agreement, upon the receipt of the Investor Limited Partner's Fourth Federal Payment contribution, the Partnership is required to deposit $1,031,000 into an operating reserve account in order to fund operating deficits through the compliance period of the Partnership. Disbursements from the operating reserve require the approval of the Special Limited Partner. As of December 31, 2021, the Investor Limited Partner's Fourth Installment contribution had not been provided and the operating reserve had not been funded.

Note 4: Notes Receivable

DCTC made a loan to a partnership to provide financing to construct two apartment complexes for low-to-moderate income family households. This action furthers its mission to supply affordable housing. This loan is detailed below as of December 31, 2021:

Annual payments of $61,404, including interest of 5.02%, to begin after the borrower's 2009 fiscal year-end, subject to available net cash flow, maturing October 27, 2036, secured by the complex, subordinated to a first lien holder.	$	951,029

Interest is recognized when earned. Accrued interest on this note receivable was $575,370 as of December 31, 2021. Based upon evaluation of the property's operations, management considers the note and accrued interest fully collectable, and no allowance is necessary. Since the loan is fully collateralized by the properties, management considers the credit risk to be minimal.

Development Corporation of Tarrant County
Notes to Consolidated Financial Statements
December 31, 2021

Note 5: House Inventory

DCTC constructs and rehabilitates housing units with the intent of reselling them to low-income families. As of December 31, 2021, DCTC has completed and sold homes with costs as detailed below:

Inventory, at beginning of year	$	1,594,336
Property purchased and constructed		635,365
Rehabilitation expenses		941,930
Sale of homes		(899,882)
Balance, at end of year	$	2,271,749

Note 6: Property and Equipment

Property and equipment as of December 31, 2021, consists of:

Land	$	3,555,000
Building and building improvements		69,765,183
Furniture, equipment, and software		3,781,572
Construction in progress		5,225,436
		82,327,191
Less accumulated depreciation		(9,168,218)
	$	73,158,973

Note 7: Lines of Credit

DCTC has a line of credit of $150,000 to accommodate cash flow needs expiring on March 16, 2023. At December 31, 2021, there was $0 borrowed against the line of credit. The line of credit is collateralized by a certificate of deposit. Interest on this line is 3.25% and is payable monthly.

Cornerstone Apartments has a line of credit that was increased effective October 7, 2020 to $1,990,000 and expires on May 14, 2023. At December 31, 2021 there was $1,309,427, borrowed against this line. The line is collateralized by the Cornerstone Apartments. Interest varies based on the Wall Street Journal prime rate, which was 3.25% on December 31, 2021, and is payable monthly.

Note 8: Construction Loans Payable

San Germaine, LP entered into a mortgage note dated July 1, 2021, for the construction of the project with a maximum amount of $25,550,000. The mortgage note bears interest at the rate of 4.32% per annum. Principal and interest will be payable by San Germaine, LP in monthly installments starting August 1, 2021. As of December 31, 2021, the principal balance was $2,806,884, net of debt issuance costs of $1,453,942, and is included in construction loan payable on the accompanying consolidated statement of financial position.

San Germaine, LP entered into a mortgage note dated July 26, 2021, for the construction of the project in the amount of $2,100,000. The mortgage note bears an adjustable interest rate per annum that shall not be less than 5.75% or greater than 12%. Principal and interest will be payable by San Germaine, LP in monthly installments starting August 1, 2021. As of December 31, 2021, the principal balance was $100,000 and is included in construction loan payable on the accompanying consolidated statement of financial position.

Note 9: Notes Payable

Note Payable – Second Lien Note

On July 26, 2021, San Germaine, LP executed a $974,881 note ("Second Lien Note") payable to Senior Living San Marcos, LLC. The note bears interest at a rate of 4% per annum and is secured by a second lien. All outstanding principal and accrued interest is payable on August 26, 2051. $974,881 of principal is outstanding on December 31, 2021 and is included in notes payable on the accompanying consolidated statement of financial position.

Land Note Payable

During the year ended December 31, 2020, DCTC purchased a tract of land by issuing a note payable in the amount of $488,000. The note bears interest at 3.25% and all outstanding principal and interest is due on October 7, 2022. The note payable is secured by a Deed of Trust. Interest only payments are due until maturity. As of December 31, 2021, the balance on this note was $313,000.

Mortgage Note Payable

On July 30, 2020, DCTC acquired the permanent loan with respect to MAEDC Gainesville Seniors, LP, with a bank payable in the amount of $2,175,000. The note bears interest at a floating rate of 1.5% plus prime and all outstanding principal and interest is due on July 30, 2021. The note payable is secured by a First Deed of Trust, Security Agreement Statement, an Assignment of Rents and Leases and is guaranteed by Richard Shaw (the "Guarantor"), owner of the property management company. Interest only payments are due until maturity. Effective July 30, 2021, the mortgage note was modified and extended. The maturity date was extended to July 30, 2022, and interest was changed to a fixed rate of 4.75%. Commencing August 30, 2021, monthly principal and interest payments of $12,400 commence until maturity. Interest only payments are due until maturity. During 2021, interest expense was $103,167. As of December 31, 2021, the outstanding principal balance was $2,155,902 and accrued interest was $8,609.

As of December 31, 2021, mortgage payable consisted of:

Principal balance	$	2,155,902
Less: unamortized debt issuance costs		(32,662)
	$	2,123,240

Future minimum principal payment due for the year ending December 31, 2022, is $2,155,902.

Unsecured Note Payable-AHP

On March 31, 2006, MAEDC Gainesville Seniors, LP executed a $152,000 note ("AHP Loan") payable to the previous general partner of the Partnership to provide funds used for the construction of the Project in accordance with the Federal Home Loan Bank of Dallas Affordable Housing Program. The note is non-interest bearing and was secured by the Partnership's real property. The lien was released upon the transfer of Partnership interest on July 31, 2020. All principal is due March 31, 2046. The note is subordinate to the first mortgage and payable from cash flow of the Project. As of December 31, 2021, the outstanding balance was $152,000, and is included in due to related parties on accompanying consolidated statement of financial position.

Unsecured Note Payable-SS/LSD

To provide funds to take out the Withdrawing Limited Partners, on July 30, 2020, MAEDC Gainesville Seniors, LP executed a $300,000 note ("SS/LSD Note") payable to SS/LSD Investments LLC, an affiliate of the Guarantor. The note bears interest at a rate of 6% per annum and is subordinate to the Partnership's senior debt. All outstanding principal and accrued interest is payable on the earlier of July 28, 2025, the pay-off of the senior debt, or the transfer of the property. Interest only payments commenced in August 2020. Interest expense equaled $18,000 during 2021 and accrued interest was $1,500 on December 31, 2021. As of December 31, 2021, the balance was $300,000, and is included in due to related parties on the accompanying consolidated statement of financial position.

Unsecured Note Payable-WEJ

To provide funds to take out the Withdrawing Limited Partners, on July 30, 2020, MAEDC Gainesville Seniors, LP executed a $300,000 note ("WEJ Note") payable to WEJ Investments, GP, an affiliate of the Guarantor. The note bears interest at a rate of 6% per annum and is subordinate to the Partnership's senior debt. All outstanding principal and accrued interest is payable on the earlier of July 28, 2025, the pay-off of the senior debt, or the transfer of the property. Interest only payments commenced August 2020. Interest expense equaled $18,000 during 2021 and accrued interest was $1,500 on December 31, 2021. As of December 31, 2021, the balance was $300,000, and is included in due to related parties on the accompanying consolidated statement of financial position.

Note Payable – Second Lien Note

As payment for the assignment of its Limited Partner interests, on July 30, 2020, MAEDC Gainesville Seniors, LP executed a $200,000 note ("Second Lien Note") payable to the owner of the Original General Partner. The note bears interest at a rate of 2% per annum and is secured by a second lien. All outstanding principal and accrued interest is payable on the earlier of January 30, 2022, the transfer of the property, or the pay-off of the senior note payable. $200,000 of principal is outstanding on December 31, 2021 and is included in due to related parties on the accompanying consolidated statement of financial position. Interest expense equaled $4,000 and accrued interest equaled $5,667 as of December 31, 2021.

Note 10: Bonds Payable

Series 2016A

In order to provide funds for Sansom Ridge, LP to finance the construction of the Project, Tarrant County Housing Finance Corporation (TCHFC) issued Multi-Family Housing Revenue Bonds (Sansom Ridge Apartments) Series 2016A (Series A Bonds) in the principal amount of $9,500,000, which are secured by the Project. On August 1, 2016, FMSbonds, Inc. entered into a purchase agreement with TCHFC whereby it agreed to purchase the bonds and lend the proceeds to the Partnership.

The Partnership executed a note with TCHFC which set forth the Partnership's obligation to pay to the Trustee sufficient funds to enable the Trustee to pay any principal, premiums and interest due on the Bonds. TCHFC assigned its rights, title and interest, subject to certain contingency claims, in the notes to the Trustee.

The Series A Bonds mature on July 1, 2056. The Series A Bonds bear interest at the rate of 4.50% per annum. The Series A Bonds are subject to optional redemption in whole or in part on or after January 1, 2033.

During 2021, interest of $346,954 was incurred. As of December 31, 2021, outstanding principal and accrued interest were $7,750,000 and $29,570, respectively.

As of December 31, 2021, bonds payable – Series A consisted of:

Principal balance	$ 7,750,000
Less: unamortized debt issuance costs	(272,651)
	$ 7,477,349

Debt issuance costs associated with the Series A Bonds are being amortized to interest expense over the term of the bonds. During 2021, the average effective interest rate was 4.83% and amortization of the debt issuance costs was $25,864.

For each of the next five years and thereafter, future minimum principal payments are due as follows:

2022	$ 95,000
2023	100,000
2024	100,000
2025	110,000
2026	115,000
Thereafter	7,230,000
	$ 7,750,000

Series 2018

In order to provide funds for Sansom Bluff, LP to finance the construction of the Project, Tarrant County Housing Finance Corporation (TCHFC) issued Multi-Family Housing Revenue Bonds (Sansom Bluff Apartments) Series 2018 (Bonds) in the principal amount of $28,865,000, which are secured by the Project. On November 1, 2018, FMSbonds, Inc. (the "Purchaser") entered into a purchase agreement with the Issuer whereby it agreed to purchase the bonds and lend proceed to the Partnership.

The Bonds were issued on November 1, 2018 and bear interest at 5.225% annum. Interest payments are due monthly, commencing January 1, 2019. Principal and interest payments are due quarterly, commencing January 1, 2022. The maturity date of the Bonds is December 1, 2058.

During 2021, interest costs of $125,683 were capitalized to property and equipment and $1,588,856 were expensed. As of December 31, 2021, the outstanding principal balance and accrued interest were $28,865,000 and $125,683, respectively.

As of December 31, 2021, Series 2018 bonds consisted of:

Principal balance	$ 28,865,000
Less: unamortized debt issuance costs	(1,245,797)
	$ 27,619,203

For each of the next five years and thereafter, future minimum principal payments are due as follows:

2022	$	165,000
2023		215,000
2024		225,000
2025		235,000
2026		250,000
Thereafter		27,775,000
	$	28,865,000

Note 11: Application and Distribution of Operating Cash Flow

Pursuant to the Sansom Ridge, LP Partnership Agreement, operating cash flow is distributable as follows:

1. To the Investor Limited Partner to pay any unpaid Excess Federal Adjuster and/or any Capital Adjuster Distribution;
2. To AEGON USA Realty Advisors, LLC (AEGON) to pay any unpaid asset management fees;
3. $250 per unit into the replacement reserve, increased annually by 3%;
4. To the payment of the Development Fee Note until it is paid in full;
5. $15,000 to LDG Development, LLC (LDG), to pay the annual rent pursuant to the ground lease agreement;
6. To the repayment of any Operating Deficit Loans;
7. 90% of the remaining balance to pay the Incentive Management Fee, and thereafter as a distribution; and
8. The remaining balance to the partners in accordance with their respective partnership interests.

Pursuant to the Sansom Bluff, LP Partnership Agreement, operating cash flow is distributable as follows:

1. To the Investor Limited Partner in an amount equal to the Asset Management Fee (including any accrued but unpaid Asset Management Fee from prior fiscal years);
2. To the payment of all amounts due and owing to the Investor Limited Partner, including without limitation, any theretofore unpaid Tax Credit Shortfall Payments;
3. Prior to the end of the Operating Obligation Period, to replenish the Operating Reserve up to its initial balance;
4. To the payment of the Deferred Development Fee Note;
5. To pay principal and interest on the HOME Loan up to an amount of $54,635;
6. To the repayment of any Voluntary Loans then outstanding which the General Partner is entitled to receive;
7. To payment of the Deferred Property Management Fee (if any) and any outstanding Operating Expense Loans (pro rata); and
8. 9% to the General Partner and 81% to the Class B Limited Partner (first, as payment of the Supervisory Management Fee and, thereafter, as a distribution), and 10% to the Investor Limited Partner.

Pursuant to the San Germaine, LP Partnership Agreement, operating cash flow is distributable as follows:

1. To the payment of any outstanding Asset Management Fee, then to the payment of any outstanding Excess Investor LP Loan Amount, then to the payment of Partnership Agreement San Germaine, LP any outstanding Excess Special LP Loan Amount and then to the payment of any remaining Investor LP Loans and Special LP Loans pro rata based on their respective outstanding balances;
2. To the payment of the Deferred Development note in full, in the following percentages: (A) the DDF Percentage to the payment of the Deferred Development Fee; and (B) 100% minus the DDF Percentage to be distributed to the Partners, pro rata, in accordance with their Percentage Interests;
3. To the repayment of any Operating Deficit Loans;
4. To the payment of the Seller Loan;
5. The remaining balance to the partners in accordance with their respective partnership interests.

Note 12: Related Party Transactions

Development Fee Payable

Pursuant to the Development Services Agreement between LDG Multifamily, LLC (Developer), a related party of the Class B Limited Partner and Sansom Ridge, LP, the Developer is entitled to earn a development fee in the amount of $2,351,540 for services rendered to the Partnership for overseeing the construction of the Project, payable from capital contributions and operating cash flow. The development fee payable does not bear interest. The development fee payable is required to be paid in full by December 31 of the 15th year following the year in which Substantial Completion occurs. As of December 31, 2021, the development fee payable was $2,149,803.

Pursuant to the Development Services Agreement between LDG Multifamily, LLC (Developer), a related party of the Class B Limited Partner and Sansom Bluff, LP, the Developer is entitled to earn a development fee in the amount of $5,974,504 for services rendered to the Partnership for overseeing the construction of the Project, payable from capital contributions and operating cash flow. The development fee payable does not bear interest. The development fee payable is required to be paid in full by the 13th anniversary of the Completion Date. As of December 31, 2021, the development fee payable was $5,849,504.

Pursuant to the Development Services Agreement between San Germaine, LLC (Developer), a related party of the Class B Limited Partner and San Germaine, LP, the Developer is entitled to earn a development fee in the amount of $4,244,000 for services rendered to the Partnership for overseeing the construction of the Project, payable from capital contributions and operating cash flow. The development fee payable was $0 as of December 31, 2021, due to the project being in the preliminary stages of construction.

Contractor and Retainage Payable

Sansom Bluff, LP entered into a construction agreement with a general contractor for the original contract sum of $33,521,307, plus change orders of $399,197. As of December 31, 2021, the outstanding contractor and retainage payable was $36,000.

MAEDC Gainesville Seniors, LP entered into a construction agreement with a general contractor to repair the damage done due to the 2021 winter storm. As of December 31, 2021, the outstanding contractor and retainage payable was $256,612.

Operating Deficit Loans

Pursuant to the Sansom Ridge, LP Partnership Agreement, if the Partnership requires any funds to cover operating deficits during the Operating Deficit Guaranty Period, the General Partner is required to provide operating deficit loans up to $1,900,000. The Operating Deficit Guaranty Period begins on the Rent-Up Date and ends on fifth anniversary of the Investor Limited Partner's Fourth Federal Payment contribution. As of December 31, 2021, no operating deficit loans were provided.

Pursuant to the Sansom Bluff, LP the Partnership Agreement, the Class B Limited Partner is required to furnish amounts required by the Partnership to fund operating deficits, beginning on the Admission Date and ending on fifth anniversary of the Development Obligation Date. As of December 31, 2021, the Development Obligation Date had not yet occurred. Operating deficits funded by the Class B limited Partner prior to the Development Obligation Date are deemed special capital contributions, and are not repayable. After the Development Obligation Date, amounts provided by the Class B Limited Partner to fund operating deficits are considered operating expense loans, and are limited to $2,062,000. The operating expense loans are unsecured, non-interest bearing, and repayable from surplus cash. As of December 31, 2021, no operating deficits had occurred or were required to be funded.

Due to LDG Development, LLC

Sansom Ridge, LP received advances from LDG Development for various working capital needs. The advances are non-interest bearing, unsecured, and repayable from available cash flow. As of December 31, 2021, advances due to LDG Development were $86,228, which are included in due to related parties in the accompanying consolidated statement of financial position.

Due to Xpert Design and Construction, LLC

Sansom Ridge, LP received advances from Xpert Design and Construction, LLC (Xpert), a related party of the Class B Limited Partner, for various working capital needs. The advances are non-interest bearing, unsecured, and repayable from available cash flow. As of December 31, 2021, advances due to Xpert were $156,367, which are included in due to related parties in the accompanying consolidated statement of financial position.

Due to Developer

Sansom Ridge, LP received advances from the Developer for various working capital needs. The advances are non-interest bearing, unsecured, and repayable from available cash flow. As of December 31, 2021, advances due to the Developer were $1,214,905, which are included in due to related parties in the accompanying consolidated statement of financial position.

Sansom Bluff, LP received advances from the Developer for various working capital needs. The advances are non-interest bearing, unsecured, and repayable from available cash flow. As of December 31, 2021, advances due to the Developer were $220,134, which are included in due to related parties in the accompanying consolidated statement of financial position.

Note 13: Defined Contribution Plan

The Organization has a defined contribution plan, which allows its employees to elect to have a portion of their salary deposited directly into a 401(k) account on their behalf. In addition to their own salary deferrals, they may be eligible to receive an additional employer contribution under the Plan. The Organization contributed $24,849, as employer contributions for the year ended December 31, 2021.

Note 14: Functional Allocation of Expenses

Certain costs attributable to more than one function have been allocated amount the program and supporting services based on the direct identification, square footage and other methods. The following schedule presents the natural classification of expenses by function as follows:

	Housing	Management and General	Total Expenses
Salaries and benefits	$ 558,151	$ 586,209	$ 1,144,360
Rent and utilities	520,444	26,602	547,046
Property taxes and fees	240,829	144,926	385,755
Insurance	117,331	6,175	123,506
Dues and subscriptions	4,075	214	4,289
Office supplies and equipment	27,850	1,466	29,316
Marketing and advertising	2,188	80,080	82,268
Legal and other professional fees	47,389	223,420	270,809
Bank charges and service fees	34,235	1,802	36,037
Cost of property sold	899,882	-	899,882
Other program expenses	699,487	6,563	706,050
Repairs and maintenance	718,006	37,790	755,796
Depreciation	3,125,221	-	3,125,221
Interest expense	2,193,137	-	2,193,137
	$ 9,188,225	$ 1,115,247	$ 10,303,472

Note 15: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2021, is $2,284,140. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

Note 16: Low-Income Housing Tax Credits

Sansom Ridge, LP expects to generate an aggregate of $7,382,660 of Tax Credits. Generally, such Tax Credits are expected to become available for use by its partners' pro-rata over a ten-year period that began in 2017. The year in which the credit period begins is determined on a building-by-building basis within the Partnership. In order to qualify for these credits, the Project must comply with various federal and state requirements. These requirements include, but are not limited to, renting to low-income tenants at rental rates which do not exceed specified percentages of area median gross income for the first 15 years of operation. The Partnership has also agreed to maintain and operate the Project as low-income housing for an additional 15 years beyond the initial 15-year compliance period. Because the Tax Credits are subject to compliance with certain requirements, there can be no assurance that the aggregate amount of Tax Credits will be realized, and failure to meet all such requirements or to correct noncompliance within a specified time period may result in generating a lesser amount of Tax Credits than expected in future years, and/or recapture of Tax Credits previously allocated. A reduction of future credits or recapture would require credit deficit payments to the Investor Limited Partner under the terms of the Partnership Agreement.

Sansom Bluff, LP expects to generate an aggregate of $18,304,250 of Tax Credits. Generally, such Tax Credits are expected to become available for use by its partners' pro-rata over a ten-year period that began in 2020. In order to qualify for these credits, the Project must comply with various federal and state requirements. These requirements include, but are not limited to, renting to low-income tenants at rental rates which do not exceed specified percentages of area median gross income for the first 15 years of operation. The Partnership has also agreed to maintain and operate the Project as low-income housing for an additional 15 years beyond the initial 15-year compliance period. Because the Tax Credits are subject to compliance with certain requirements, there can be no assurance that the aggregate amount of Tax Credits will be realized, and failure to meet all such requirements or to correct noncompliance within a specified time period may result in generating a lesser amount of Tax Credits than expected in future years, and/or recapture of Tax Credits previously allocated. A reduction of future credits or recapture would require credit deficit payments to the Investor Limited Partner under the terms of the Partnership Agreement.

San Germaine, LP expects to generate an aggregate of $5,002,537 of Tax Credits. Generally, such Tax Credits are expected to become available for use by its partners' pro-rata over a ten-year period that began in 2021. In order to qualify for these credits, the Project must comply with various federal and state requirements. These requirements include, but are not limited to, renting to low-income tenants at rental rates which do not exceed specified percentages of area median gross income for the first 15 years of operation. The Partnership has also agreed to maintain and operate the Project as low-income housing for an additional 15 years beyond the initial 15-year compliance period. Because the Tax Credits are subject to compliance with certain requirements, there can be no assurance that the aggregate amount of Tax Credits will be realized, and failure to meet all such requirements or to correct noncompliance within a specified time period may result in generating a lesser amount of Tax Credits than expected in future years, and/or recapture of Tax Credits previously allocated. A reduction of future credits or recapture would require credit deficit payments to the Investor Limited Partner under the terms of the Partnership Agreement.

Note 17: Casualty Event

On February 19, 2021, a property under the MAEDC Gainesville Seniors, LP suffered extensive freeze damage from the winter storm. Insurance proceeds of $833,276 were received during the year ended December 31, 2021. The proceeds were used to offset damage to the rental property with a net book value of $308,133. The total amount of the insurance claim was $916,804 with a deductible of $10,000. As a result of the damages, the Partnership recognized a gain of $859,984. As of December 31, 2021, insurance proceeds receivable of $73,528 remained outstanding.

Note 18: Revenue from Contracts with Customers

Sale of Property

Performance obligations related to the sale of property are determined based on the date of closing in accordance with the contract. Revenue for performance obligations satisfied at a point in time is generally recognized on the date of closing at a single point in time, and the Organization does not believe it is required to provide any additional obligations related to that sale.

Transaction Price and Recognition

The Organization determines the transaction price based on each property for sale. There are no explicit or implicit price concessions and the contracts do not contain a significant financing component or variable consideration.

The Organization has not incurred material refunds in the past, and accordingly, has not provided for a refund liability at December 31, 2021.

For the year ended December 31, 2021, the Organization recognized no revenue from goods or services that transfer to the customer over time.

Note 19: Subsequent Events

Subsequent events have been evaluated through September 22, 2022, which is the date the consolidated financial statements were available to be issued.

On June 21, 2022, MAEDC Gainesville Seniors, LP refinanced its mortgage with a note payable from Veritex Community Bank in the amount of $4,500,000. The note payable bears interest at a rate of 4.75% per annum and is payable in monthly installments of principal and interest of $23,665. The note is secured by the property and matures on June 21, 2025. Proceeds from the refinanced note payable were used to pay off the existing mortgage payable.

Note 20: Future Change in Accounting Principle

Accounting for Leases

The FASB amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the balance sheet as both a right-of-use asset and a liability. The standard has two types of leases for income statement recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement.

On June 3, 2020, the FASB issued an ASU that granted a delay in the effective date. As a result, the new lease standard is effective for the Organization for fiscal year 2022.

The Organization is evaluating the impact the standard will have on the consolidated financial statements.

Supplementary Information

Development Corporation of Tarrant County
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Department of Housing & Urban Development				
Passed through Tarrant County				
HOME Investment Partnerships Program	14.239	PY2017	$ -	$ 48,660
		PY2019	-	13,400
		M19-DC-48-0200	-	227,346
Passed through City of Fort Worth				
HOME Investment Partnerships Program	14.239	CSC#5559	-	13,550
		CSC#5558	-	110,040
		CSC#5557	-	113,618
		CSC#5556	-	114,154
		CSC#5555	-	110,040
Total HOME Investment Partnerships Program			-	750,808
Total Federal Awards Expended			$ -	$ 750,808

Development Corporation of Tarrant County
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the Development Corporation of Tarrant County (DCTC) under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of DCTC, it is not intended to and does not present the financial position, changes in net assets or cash flows of DCTC.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

DCTC has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: Federal Loan Programs

DCTC did not have any federal loan programs during the year ended December 31, 2021.

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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*

Independent Auditor's Report

Board of Directors
Development Corporation of Tarrant County
Fort Worth, Texas

We have audited, in accordance with 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 consolidated financial statements of Development Corporation of Tarrant County (the "Organization") and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 22, 2022, which included a reference to other auditors who audited the financial statements of Sansom Ridge, LP, Sansom Bluff, LP and MAEDC Gainesville Seniors, LP. The financial statements of Sansom Ridge, LP, Sansom Bluff, LP and MAEDC Gainesville Seniors, LP 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 Sansom Ridge, LP, Sansom Bluff, LP and MAEDC Gainesville Seniors, LP.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's 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 opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's 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 Organization's consolidated 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 the Organization's consolidated 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 consolidated 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.

FORVIS, LLP

Dallas, Texas
September 22, 2022

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Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance

Independent Auditor's Report

Board of Directors
Development Corporation of Tarrant County
Fort Worth, Texas

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Development Corporation of Tarrant County's (the "Organization") 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 the Organization's major federal program for the year ended December 31, 2021. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on the 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 (*Government Auditing Standards*); 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 "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the Organization 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 the major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

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 the Organization's federal programs.

Auditor's 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 the Organization'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 the Organization's compliance with the requirements of the 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 the Organization'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 the Organization'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 the Organization'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.

Report on Internal Control Over Compliance

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.

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

FORVIS, LLP

Dallas, Texas
September 22, 2022

Development Corporation of Tarrant County
Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

Section I – Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the consolidated financial statements audited were prepared in accordance with GAAP:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

Significant deficiency(ies) identified?	☐ Yes	☒ None reported
Material weakness(es) identified?	☐ Yes	☒ No

3. Noncompliance material to the consolidated financial statements noted? ☐ Yes ☒ No

Federal Awards

4. Internal control over the major federal awards program:

Significant deficiency(ies) identified?	☐ Yes	☒ None reported
Material weakness(es) identified?	☐ Yes	☒ No

5. Type of auditor's report issued on compliance for the major federal program:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)? ☐ Yes ☒ No

Development Corporation of Tarrant County
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2021

7. Identification of the major federal program:

Assistance Listing Number	Name of Federal Program or Cluster
14.239	HOME Investment Partnerships Program

8. Dollar threshold used to distinguish between Type A and Type B programs: $750,000.

9. Auditee qualified as a low-risk auditee? ☐ Yes ☒ No

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

Development Corporation of Tarrant County
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2021

Reference Number	Summary of Finding	Status
	No matters are reportable.	