PROVIDENT RESOURCES GROUP

PROVIDENT GROUP – HARLINGEN PROPERTIES LLC

April 23, 2024

UMB Bank, N.A.
5910 N. Central Expy.,
Suite 1900
Dallas, TX 75206
Attn: Madelyn Wallace

Preston Hollow Capital
1717 Main St., Suite 3900
Dallas, TX 75201
Attn: John Dinan
Attn: Kandice Stephens

BC Lynd Services LLC
420 Baltimore Ave.
San Antonio, TX 78215
Attn: Brandon Raney

Re: Arizona Industrial Development Authority Revenue Bonds (Provident Group – Harlingen Convention Center Hotel Project) Series 2019

To Whom It May Concern:

In accordance with Section 2.1 (a) of the Continuing Disclosure Agreement, Section 7.10 (a) of the Loan Agreement, and Section 3 (vi) (b) of the Management Agreement, for the above referenced bond issue, please find attached the audited financial statements which include the calculation of Revenues for the period ending December 31, 2023.

Please feel free to contact me if you have any questions or require additional information.

Sincerely,

Donovan O. Hicks
Chief Legal Officer of
Provident Resources Group Inc., the Sole Member of
Provident Group – Harlingen Properties LLC

Enclosure

PROVIDENT GROUP - HARLINGEN PROPERTIES LLC

FINANCIAL STATEMENTS
December 31, 2023 and 2022

PROVIDENT GROUP - HARLINGEN PROPERTIES LLC

FINANCIAL STATEMENTS
December 31, 2023 and 2022

CONTENTS

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

The Member
Provident Group - Harlingen Properties LLC
Baton Rouge, Louisiana

Opinion

We have audited the financial statements of Provident Group - Harlingen Properties LLC (Company), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations and changes in member's deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year from the date the financial statements are available to be issued.

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company'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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The total revenues available for debt service for the year ended December 31, 2023 is presented for purposes of additional analysis and is not a required part of the financial statements. The information has not been subjected to the auditing procedures applied in the audits of the financial statements and accordingly, we do not express an opinion or provide any assurance on it.

Crowe LLP

Crowe LLP

Oak Brook, Illinois
March 27, 2024

PROVIDENT GROUP - HARLINGEN PROPERTIES LLC
BALANCE SHEETS
December 31, 2023 and 2022

	2023	2022
ASSETS		
Current assets		
Cash	$ 892,858	$ 407,174
Accounts receivable	14,520	25,961
Prepaid and other assets	234,348	162,862
Assets held by trustee, current portion	1,440,038	1,462,125
Total current assets	2,581,764	2,058,122
Assets held by trustee, net of current portion	2,104,713	2,152,088
Right-of-use asset	42,240	51,291
Property and equipment		
Land	2,327,374	2,327,374
Buildings and building improvements	19,578,061	19,572,501
Furniture, fixtures and equipment	4,251,520	4,251,520
	26,156,955	26,151,395
Less accumulated depreciation	3,654,248	2,441,662
Total property and equipment	22,502,707	23,709,733
Total assets	$ 27,231,424	$ 27,971,234
LIABILITIES AND MEMBER'S DEFICIT		
Current liabilities		
Current portion of revenue bonds payable	$ 20,000	$ 5,000
Accounts payable	341,636	183,777
Accrued interest, current portion	703,625	1,012,209
Accrued expenses and other liabilities	212,372	156,315
Lease liability, current portion	12,672	12,672
Total current liabilities	1,290,305	1,369,973
Long-term liabilities		
Revenue bonds payable, net of current portion, bond issue costs and bond discount	27,803,899	27,747,214
Accrued interest, net of current portion	5,451,977	3,997,735
Lease liability, net of current portion	20,064	32,736
Total long-term liabilities	33,275,940	31,777,685
Total liabilities	34,566,245	33,147,658
Member's deficit	(7,334,821)	(5,176,424)
Total liabilities and member's deficit	$ 27,231,424	$ 27,971,234

See accompanying notes to financial statements.

PROVIDENT GROUP - HARLINGEN PROPERTIES LLC
STATEMENTS OF OPERATIONS AND CHANGES IN MEMBER'S DEFICIT
Years ended December 31, 2023 and 2022

	2023	2022
Revenue		
Rooms	$ 5,721,347	$ 5,256,958
Food and beverage	576,737	488,668
Other	140,400	98,567
Total revenue	6,438,484	5,844,193
Departmental expenses		
Rooms	1,078,993	803,945
Food and beverage	571,211	513,866
Other	83,306	60,701
Total departmental expenses	1,733,510	1,378,512
Gross operating income	4,704,974	4,465,681
Unallocated operating expenses		
General and administrative	479,172	399,322
Sales and marketing	940,364	847,086
Depreciation and amortization	1,212,586	1,137,635
Property operation and maintenance	377,607	400,385
Total unallocated operating expenses	3,009,729	2,784,428
Income before other charges and other expense	1,695,245	1,681,253
Other charges		
Property taxes	283,262	281,601
Management fees	399,327	369,565
Other non-operating expense	306,547	231,505
Owner expense	73,598	57,934
Total other charges	1,062,734	940,605
Income before other income (expense)	632,511	740,648
Other income (expense)		
Interest income	147,270	31,696
Interest expense - senior bonds payable	(1,407,250)	(1,407,600)
Interest expense - subordinate bonds payable	(1,454,243)	(1,347,714)
Interest expense - amortization of debt related items	(76,685)	(73,250)
Total other expense	(2,790,908)	(2,796,868)
Net loss	(2,158,397)	(2,056,220)
Member's deficit at beginning of year	(5,176,424)	(3,120,204)
Member's deficit at end of year	$ (7,334,821)	$ (5,176,424)

See accompanying notes to financial statements.

PROVIDENT GROUP - HARLINGEN PROPERTIES LLC
STATEMENTS OF CASH FLOWS
Years ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Net loss	$ (2,158,397)	$ (2,056,220)
Adjustments to reconcile net loss to net cash from operating activities		
Depreciation	1,212,586	1,137,635
Right-of-use asset amortization	9,051	9,052
Interest expense - amortization of debt related items	76,685	73,250
Changes in assets and liabilities		
Accounts receivable	11,441	64,211
Prepaids and other assets	(71,486)	(35,660)
Accounts payable	157,859	(51,696)
Accrued interest	1,145,658	1,347,714
Accrued expenses and other liabilities	43,385	(4,756)
Net cash from operating activities	426,782	483,530
Cash flows from investing activities		
Acquisition of property and equipment	(5,560)	(35,354)
Net cash from investing activities	(5,560)	(35,354)
Cash flows from financing activities		
Payments on revenue bonds payable	(5,000)	-
Net cash from financing activities	(5,000)	-
Net change in cash and assets held by trustee	416,222	448,176
Cash and assets held by trustee, beginning of year	4,021,387	3,573,211
Cash and assets held by trustee, end of year	$ 4,437,609	$ 4,021,387
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	$ 1,715,835	$ 1,407,600
Cash and assets held by trustee is comprised as follows:		
Cash	$ 892,858	$ 407,174
Assets held by trustee, current portion	1,440,038	1,462,125
Assets held by trustee, net of current portion	2,104,713	2,152,088
	$ 4,437,609	$ 4,021,387

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: Provident Group - Harlingen Properties LLC ("the Company"), an Arizona limited liability company, was created in August 2018, by its sole member, Provident Resources Group Inc. ("Provident"). The Company owns a Hilton Garden Inn hotel (hotel) located in Harlingen, Texas, which opened for operations on November 20, 2020 and is operated by BC Lynd Hospitality L.L.C. ("BC Lynd", Note 3). Adjacent to the hotel is the Convention Center, which is owned and operated by the City of Harlingen, Texas ("City") and was built for the benefit of the City and its residents in order to attract trade shows, conventions, public cultural and entertainment events, create new jobs, and attract new businesses. The City deemed it necessary to develop and operate a hotel and related public infrastructure and facilities that will operate as a convention center hotel facility located adjacent to the Convention Center.

Mission: Provident and the Company serve to lessen the burdens of government through various means, including, without limitation, the development, construction, acquisition, financing, ownership, management, maintenance, operation and disposition of public facilities, public buildings, public works and infrastructure of various types that serve the functions of government, the provision of services and financial assistance and the performance of activities that enable state and local government to proficiently carry out its functions and responsibilities to its citizens.

Basis of Accounting: The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Assets Held by Trustee: In accordance with the loan agreement and Indenture of Trust, the Company is required to fund amounts into reserve accounts for debt service and replacements, which are held by the trustee. As of December 31, 2023 and 2022, such balances consisted of cash. Such funds may be released, as approved by the trustee, as needed, by the Company for construction, major repairs and betterments. Assets required to fund the long-term portion of such payments, such as debt service and replacement reserves, are included in long-term assets.

Concentrations: The Company has cash on deposit with certain financial institutions which, at times, may be in excess of federally insured limits.

Accounts Receivable and Credit Policies: Accounts receivable are uncollateralized customer obligations resulting from the rental of hotel rooms and the sales of food, beverage, and related services due under normal trade terms and require payment upon receipt of the invoice. Accounts receivable are stated at the amount billed to the customer and do not accrue interest. The Company maintains an allowance for potential uncollectible accounts receivable as deemed necessary. The allowance for uncollectible accounts receivable is determined by considering a number of factors, including the length of time the account is past due. The Company believes that credit risk with respect to accounts receivable is limited because the majority of the Company's revenue is related to credit card transactions, which are typically received within 2-3 days. At December 31, 2023 and 2022, no allowance was deemed necessary.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Right-of-Use Asset and Lease Liability: The right of use (“ROU”) asset represents the Company’s right to use the underlying asset for the lease term and lease liability represents the net present value of the Company’s obligation to make payments arising from the lease. The lease liability is based on the present value of fixed lease payments over the lease term using the implicit lease interest rate or, when unknown, the Company's incremental borrowing rate on the lease commencement date. Interest expense on the lease liability is recognized using the effective interest method and is recorded separately from the amortization of the right of use asset.

Property and Equipment: Property and equipment are stated at cost less accumulated depreciation. Additions and improvements are capitalized; expenditures for routine maintenance are charged to operations. Building depreciation is provided over 30 years, pursuant to the terms of the ground lease, on the straight-line method. All other depreciation is provided over the estimated useful lives of the various classes of assets on the straight-line method. The estimated useful lives are as follows:

Buildings and building improvements	30 years
Furniture, fixtures, and equipment	3 - 10 years

Long lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented in the balance sheet and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated. At December 31, 2023 and 2022, management has concluded that they are unaware of any impairments to be recorded.

Bond Issue Costs and Bond Discount: Bond issue costs are amortized using the effective interest method over the life of the bonds. For the years ended December 31, 2023 and 2022, the Company amortized $62,040 and $58,596 to expense, respectively. Accumulated amortization of the bond issue costs was $266,727 and $204,687 at December 31, 2023 and 2022, respectively.

Bond discount is amortized using the effective interest method over the life of the bonds. For the years ended December 31, 2023 and 2022, the Company amortized $14,645 and $14,654 to expense, respectively. Accumulated amortization of the bond discount was $68,985 and $54,340 at December 31, 2023 and 2022, respectively.

Estimated amortization expense for the following five years and thereafter is as follows:

	Bond Issue Costs	Bond Discount
2024	$ 64,844	$ 14,613
2025	52,757	14,565
2026	52,689	14,493
2027	52,589	14,398
2028	52,457	14,276
Thereafter	1,186,350	247,070
Total	$ 1,461,686	$ 319,415

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition: The Company's revenues are derived from room rentals, food and beverage sales, and other ancillary goods or services provided to customers. The Company presents revenue net of taxes collected from customers and remitted to governmental authorities. A room reservation is deemed to be a contract between the Company and the reserving customer when a reservation is made in accordance with customary business practices where each party is committed to perform their respective obligations. At such time, each party's rights regarding the services to be transferred are identified, payment terms are specified, the contract has commercial substance, and in most instances, it is probable the Company will collect all consideration to which it will be entitled in exchange for services.

The Company has determined that its contracts with customers typically give rise to a single performance obligation. For room rentals, the single performance obligation is to provide accommodations and any accommodation-related services (i.e. housekeeping). The performance obligation of providing room accommodations and accommodation-related services is satisfied over time and the Company recognizes revenue on a daily basis as the rooms are occupied and services are rendered. As compensation, the Company is entitled to a fixed nightly rate for an agreed upon period. This compensation is generally payable at the time the customer concludes the reservation stay. The performance obligation of providing food and beverage services is satisfied at the point of sale, which is when revenue is recognized and payment is received. Other revenue related to other ancillary services or goods and is not significant.

Economic factors that could affect the nature, amount, timing and uncertainty of revenue and cash flows include the economic viability of its customers and geographic need for the Company's services in the location it operates.

Sales and Marketing Costs: Sales and marketing costs are expensed as incurred. These costs aggregated to $940,364 and $847,086 for the years ended December 31, 2023 and 2022, respectively.

Income Taxes: The net position of the Company, a disregarded entity for federal income tax purposes, is reported by its sole member, Provident. Accordingly, no provision or benefit for federal income taxes is included in the accompanying financial statements.

U.S. GAAP prescribes recognition thresholds and measurement attributes for the financial statements recognition and measurement of a tax position taken or expected to be taken in a tax return. Tax benefits will be recognized only if the tax position is more-likely-than-not sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded. Management has concluded that they are unaware of any tax benefits or liabilities to be recognized as of and for the years ended December 31, 2023 and 2022.

The Company is not subject to examination by U.S. federal taxing authorities for years before 2020 and for all state income taxes before 2020. The Company does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. The Company would recognize interest and penalties related to unrecognized tax benefits in interest and income tax expense, respectively. The Company has no amounts accrued for interest or penalties as of December 31, 2023 and 2022.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to December 31, 2023, to determine the need for any adjustments to and/or disclosures within the financial statements. Management has performed their analysis of subsequent events through March 27, 2024, the date the financial statements were issued.

(Continued)

NOTE 2 - REVENUE BONDS PAYABLE

The Arizona Industrial Development Authority issued several series of revenue bonds in order to fund the development of the hotel. At December 31, 2023 and 2022, bonds payable consisted of the following:

	Fixed/ Variable Rate	Fiscal Year Maturity	Interest Rate	2023	2022
Series 2019A-1 senior taxable revenue bonds payable to the Arizona Industrial Development Authority	Fixed	January 1, 2036	7.00%	$ 1,320,000	$ 1,325,000
Series 2019A-2 senior tax-exempt revenue bonds payable to the Arizona Industrial Development Authority	Fixed	January 1, 2055	7.00%	13,275,000	13,275,000
Series 2019B subordinate tax-exempt revenue bonds payable to the Arizona Industrial Development Authority	Fixed	January 1, 2055	8.00%	4,820,000	4,820,000
Series 2019C-1 junior tax-exempt revenue bonds payable to the Arizona Industrial Development Authority	Fixed	January 1, 2059	10.25%	7,690,000	7,690,000
Series 2019C-2 junior tax-exempt revenue bonds payable to the Arizona Industrial Development Authority	Fixed	January 1, 2059	10.25%	2,500,000	2,500,000
				29,605,000	29,610,000
Unamortized bond discount				(319,415)	(334,060)
Unamortized bond issue costs				(1,461,686)	(1,523,726)
				27,823,899	27,752,214
Less current maturities				(20,000)	(5,000)
				$ 27,803,899	$ 27,747,214

The bonds are collateralized by substantially all of the Company's property and equipment.

(Continued)

NOTE 2 - REVENUE BONDS PAYABLE (Continued)

In addition to scheduled bond maturities, the Company is required to make payments to a bond sinking fund for the payment of maturing bonds. Aggregate annual maturities of revenue bonds payable and sinking fund requirements at December 31, 2023 are shown below:

2024	$ 20,000
2025	30,000
2026	45,000
2027	65,000
2028	85,000
Thereafter	29,360,000
	$ 29,605,000

The Series 2019 bonds are subject to certain optional and mandatory redemption provisions as stated in the Indenture of Trust at the option of the Company. The Series 2019A-2 and 2019B tax-exempt bonds are subject to optional redemption prior to maturity at the option of the Company in whole or in part on or after January 1, 2034. The Series 2019C-1 and Series 2019C-2 tax-exempt bonds are subject to optional redemption prior to maturity at the option of the Company in whole or in part on any date.

Pursuant to the terms of the Indenture of Trust, principal and interest on the subordinate and junior bonds are payable solely out of surplus cash in accordance with the Indenture of Trust. The subordinate bonds (Series 2019B) are subject to and subordinate to the senior bonds (Series 2019A-1 and Series 2019A-2). The junior bonds (Series 2019C-1 and Series 2019C-2) are subject to and subordinate to the senior bonds and the subordinate bonds.

The Company has accrued interest of $6,155,602 and $5,009,944 related to interest due on the bonds as of December 31, 2023 and 2022, respectively, of which $703,625 and $703,800 is related to the Series 2019A-1, Series 2019-A2, and Series 2019B bonds and is recorded as a current liability as it is due within twelve months of the balance sheet dates. Interest on the Series 2019C-1 and 2019C-2 bonds is subordinate to the other bonds and not considered due or payable unless there is available cash flow per the terms of the Indenture of Trust. As of December 31, 2023 and 2022, $0 and $308,409, respectively, is recorded as a current liability and $5,451,977 and $3,997,735, respectively, is recorded as a long-term liability. In addition, unpaid interest on the Series 2019C bonds is compounded and accrued on the respective interest payment date. The Company recognized interest expense of $2,861,493 and $2,755,314 for the years ended December 31, 2023 and 2022, respectively.

Pursuant to the loan agreement and Indenture of Trust, the Company is subject to certain financial covenants and other requirements. At December 31, 2023, the Company was in compliance with the debt service coverage ratio and the days cash on hand requirement. At December 31, 2022, the Company was in compliance with the required debt service coverage ratio, but not in compliance with the days cash on hand requirement. The noncompliance with the covenant did not constitute an event of default per the terms of the Indenture of Trust and the company received a waiver to hire a management consultant as of December 31, 2022.

NOTE 3 - MANAGEMENT AND FRANCHISE AGREEMENTS

The Company entered into an agreement for the management of the hotel with BC Lynd. This agreement is for a 10-year period commencing in 2020. The agreement requires a management fee, accounting fee, and revenue management service fee. The management fee is equal to 3.5% of revenue. The accounting fee is $1,800 per month, increasing annually to corresponding increases in the Consumer Price Index, not to exceed 2%. The revenue management service fee is $1,200 per month. Hotel management fee expense for the years ended December 31, 2023 and 2022 was $230,501 and $205,656, respectively.

The Company entered into a franchise agreement with Hilton Franchise Holding L.L.C., which expires on July 31, 2040. The agreement requires a marketing fee equal to 4% of gross room revenue and a franchise fee equal to 5.5% of gross room revenue. The marketing fee and franchise fee are payable monthly based on the revenue of the preceding month. Marketing and franchise fee expense for the years ended December 31, 2023 and 2022 was $544,198 and $499,907, respectively, and is included as a component of sales and marketing expense on the statements of operations and changes in member's deficit.

NOTE 4 - RELATED-PARTY TRANSACTIONS

The Company entered into an Asset Management Agreement with Provident Resources Group Inc. The agreement is for a 15-year period commencing April 1, 2019. The agreement will renew automatically for two additional ten-year periods, unless the Company provides written notice of its election to terminate. The agreement may be terminated earlier by mutual agreement of the parties. The agreement requires an asset management fee, consisting of a base fee of $12,500 per month, which increases by 3% annually throughout the term. The base fee is payable in equal installments for each accounting period. Asset management fee expense for the years ended December 31, 2023 and 2022 was $168,826 and $163,909, respectively.

The Company may be charged a fee by Provident to cover corporate administrative overhead costs. For the years ended December 31, 2023 and 2022, no corporate administrative overhead costs were charged.

NOTE 5 - FUND FOR REPAIR AND REPLACEMENT OF FURNISHINGS, FIXTURES, AND EQUIPMENT

The Indenture of Trust requires that a fund for repair and replacement of furnishings, fixtures, and equipment be established. Pursuant to the Bond Indenture, the account is funded upon available cash from the flow of funds. During the years ended December 31, 2023 and 2022, the hotel funded $0 and $192,667, respectively, to the repair and replacement fund, which is recorded as assets held by the trustee, net of current portion, on the balance sheets as of December 31, 2023 and 2022.

SUPPLEMENTARY INFORMATION (UNAUDITED)

Total Revenues Available for Debt Service

Revenues	$	6,438,484
Plus: Trade accounts receivable, beginning of year		25,961
Less: Trade accounts receivable, end of year		(14,520)
Total revenues available for debt service*	$	6,449,925

* Total revenues available for debt service is based on the definition in the Indenture of Trust. This is not a measurement under U.S. GAAP and is not an alternative measurement of revenue under U.S. GAAP.