



Addendum to Underwriting Report

TDHCA Application #: **24511_23007** Program(s): **MDL/9% HTC**

305 E Round Grove Living

Address/Location: 305 E Round Grove Rd

City: Lewisville County: Denton Zip: 75067

| APPLICATION HISTORY | |
|---------------------|---|
| Report Date | PURPOSE |
| 09/24/24 | MDL Award Memo / Amendment to Set-Aside |
| 06/22/23 | Original Underwriting Report |

ALLOCATION

| TDHCA Program | Previous Allocation | | | | RECOMMENDATION | | | | | | | |
|-------------------|---------------------|-----------|-------|------|----------------|-----------|-------|------------|------------|-------------|-------------|--|
| | Amount | Int. Rate | Amort | Term | Amount | Int. Rate | Amort | Perm. Term | Perm. Lien | Const. Term | Const. Lien | |
| MFDL FHA | | | | | \$4,438,911 | 2.00% | 40 | 40 yrs | 2 | 36 mos | 3 | |
| LIHTC (9% Credit) | \$1,500,000 | | | | \$1,500,000 | | | | | | | |

* Multifamily Direct Loan and HOME ARP Terms:

* The term of a Multifamily Direct Loan or HOME ARP loan should match the term of any superior loan (within 6 months).

** Construction loan term cannot exceed the recommendation above, but may be less depending on actual closing date. Final construction term will be noted in the loan documents

CONDITIONS STATUS

1 Receipt and acceptance before Direct Loan Contract:

- Documentation that a noise study has been completed, and certification from the Architect that all recommendations from the noise study are incorporated into the development plans.

2 Receipt and acceptance before Direct Loan Closing:

- a: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.
- b: Substantially final construction contract with Schedule of Values.
- c: Updated term sheets with substantially final terms from all lenders.
- d: Substantially final draft of limited partnership agreement.
- e: Senior loan documents and/or partnership documents must contain a provision that any stabilization resizing on the senior debt includes the debt service on the TDHCA MDL at a minimum 1.0 DCR if subordinate to FHA financing.

3 Receipt and acceptance by Cost Certification:

- Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.

SET-ASIDES

| TDHCA SET-ASIDES for HTC LURA | | |
|-------------------------------|------------|-----------------|
| Income Limit | Rent Limit | Number of Units |
| 30% of AMI | 30% of AMI | 6 |
| 50% of AMI | 50% of AMI | 23 |
| 60% of AMI | 60% of AMI | 28 |

| TDHCA SET-ASIDES for DIRECT LOAN LURA | | |
|---------------------------------------|------------|-----------------|
| Income Limit | Rent Limit | Number of Units |
| 50% of AMFI | Low HOME | 5 |
| 60% of AMFI | High HOME | 17 |

ANALYSIS

The Development was awarded \$1,500,000 in 9% Housing Tax Credits in 2023. Applicant has now applied for \$4,438,911 in MDL funding from available HOME funds to primarily cover increased development costs. In conjunction with the MDL request, there is an Amendment to go from Income Averaging to the 40/60 Set-Aside.

Operating Pro Forma

Applicant is no longer utilizing income averaging.

The Unit Mix and operating Pro Forma have been updated with current 2024 Program Rents.

Underwriter revised Applicant's market unit rents to equal the Market Analyst's lower concluded rents.

Applicant's Management Fee was reduced from 5.00% to 4.00%.

With the updated and revised rents, projected Net Operating Income has increased by \$156K since original underwriting (from \$785K to \$941K).

Financing on this deal includes a TDHCA MFDL that is subordinate to an FHA insured loan. Therefore, the combined DCR is calculated using 75% of the Surplus Cash after the senior debt service is deducted from Net Operating Income. Pursuant to the 2024 QAP, the combined DCR must meet a minimum 1.0 DCR to demonstrate financial feasibility. In this case, the combined DCR was calculated at 1.00.

As underwritten, the long-term Pro Forma exhibits a 15 year residual cash flow of \$1.4M after repayment of deferred developer fee in year 9.

Development Cost

\$180K in off-site costs were added for City required street improvements. A CPA letter was provided stating that the \$180K is likely includable in eligible basis.

Site Work increased by \$2.1M (from \$1M to \$3.1M).

Building Cost increased by \$270K (from \$11.3M to \$11.6M).

Total Housing Development Cost increased by \$3.5M (\$26.6M to \$30.1M).

Sources of Funds

The underwriting analysis assumes a \$390,000 Adjustment to the Senior Debt Per §11.302(c)(2) in order to achieve the minimum 1.00x debt coverage ratio.

The \$4.4M of MDL funds at 2% interest are primarily facilitating an increase in development costs since original underwriting.

Applicant changed equity providers from Regions Bank to PNC. The total equity contribution decreased by \$600K (from \$13.9M to \$13.3M), while the equity price decreased from \$0.93 to \$0.89.

Recommendation

Underwriter recommends a second lien Multifamily Direct Loan in the amount of \$4,438,911 at a 2.00% interest rate for a 40 year term with payments based on a 40 year amortization. Under these terms, the annualized monthly debt service payment is \$161,306. The construction term is assumed at 36 months.

Furthermore, an annual 9% tax credit allocation of \$1,500,000 is still being recommended.

| | |
|-----------------------------------|------------------------|
| Underwriter: | <u>Deborah Willson</u> |
| Manager of Real Estate Analysis: | <u>Gregg Kazak</u> |
| Director of Real Estate Analysis: | <u>Jeanna Adams</u> |

UNIT MIX/RENT SCHEDULE
305 E Round Grove Living, Lewisville, 9% HTC #23007

| LOCATION DATA | |
|--------------------|------------|
| CITY: | Lewisville |
| COUNTY: | Denton |
| Area Median Income | \$110,300 |
| PROGRAM REGION: | 3 |
| PROGRAM RENT YEAR: | 2024 |

| UNIT DISTRIBUTION | | | | | |
|-------------------|-----------|---------------|----------|-----------|----------|
| # Beds | # Units | % Total | Assisted | MDL | ARP |
| Eff | - | 0.0% | 0 | 0 | 0 |
| 1 | 24 | 26.7% | 0 | 19 | 0 |
| 2 | 51 | 56.7% | 0 | 22 | 0 |
| 3 | 15 | 16.7% | 0 | 5 | 0 |
| 4 | - | 0.0% | 0 | 0 | 0 |
| 5 | - | 0.0% | 0 | 0 | 0 |
| TOTAL | | | | | |
| | 90 | 100.0% | - | 46 | - |

| Pro Forma ASSUMPTIONS | |
|-----------------------|--------|
| Revenue Growth | 2.00% |
| Expense Growth | 3.00% |
| Basis Adjust | 130% |
| Applicable Fraction | 59.99% |
| APP % Acquisition | 4.00% |
| APP % Construction | 9.00% |
| Average Unit Size | 950 sf |

| 53% | Income | 20% | 30% | 40% | 50% | 60% | 70% | 80% | EO / MR | TOTAL |
|---------|---------|------|------|------|-------|-------|------|------|---------|--------|
| Average | # Units | - | 6 | - | 23 | 28 | - | - | 33 | 90 |
| Income | % Total | 0.0% | 6.7% | 0.0% | 25.6% | 31.1% | 0.0% | 0.0% | 36.7% | 100.0% |

| UNIT MIX / MONTHLY RENT SCHEDULE | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------|------------|--------------------------------------|------------|-----------|--------|---------|---------------|-------------------------|---------------|----------------------|-----------------------------|---------------|-------------------|--------------------|-----------------------|----------------|---------------|--------------|----------------|---------------|----------------|
| HTC | | MF Direct Loan Units (HOME Rent/Inc) | | UNIT MIX | | | | APPLICABLE PROGRAM RENT | | | APPLICANT'S PRO FORMA RENTS | | | | TDHCA PRO FORMA RENTS | | | | MARKET RENTS | | |
| Type | Gross Rent | Type | Gross Rent | # Units | # Beds | # Baths | NRA | Gross Rent | Utility Allow | Max Net Program Rent | Delta to Max | Rent psf | Net Rent per Unit | Total Monthly Rent | Total Monthly Rent | Rent per Unit | Rent psf | Delta to Max | Underwritten | Mrkt Analyst | |
| TC 30% | \$621 | | | 5 | 1 | 1 | 750 | \$621 | \$54 | \$567 | \$0 | \$0.76 | \$567 | \$2,835 | \$2,835 | \$567 | \$1 | \$0 | \$1,497 | \$2.00 | \$1,497 |
| TC 50% | \$1,035 | Match | | 13 | 1 | 1 | 750 | \$1,035 | \$54 | \$981 | \$0 | \$1.31 | \$981 | \$12,753 | \$12,753 | \$981 | \$1 | \$0 | \$1,497 | \$2.00 | \$1,497 |
| TC 50% | \$1,035 | LH/50% | \$1,035 | 2 | 1 | 1 | 750 | \$1,035 | \$54 | \$981 | \$0 | \$1.31 | \$981 | \$1,962 | \$1,962 | \$981 | \$1 | \$0 | \$1,497 | \$2.00 | \$1,497 |
| TC 60% | \$1,242 | HH/60% | \$1,325 | 4 | 1 | 1 | 750 | \$1,242 | \$54 | \$1,188 | \$0 | \$1.58 | \$1,188 | \$4,752 | \$4,752 | \$1,188 | \$2 | \$0 | \$1,497 | \$2.00 | \$1,497 |
| TC 30% | \$744 | | | 1 | 2 | 2 | 981 | \$744 | \$72 | \$672 | \$0 | \$0.69 | \$672 | \$672 | \$672 | \$672 | \$1 | \$0 | \$1,828 | \$1.86 | \$1,828 |
| TC 50% | \$1,241 | | | 5 | 2 | 2 | 981 | \$1,241 | \$72 | \$1,169 | \$0 | \$1.19 | \$1,169 | \$5,845 | \$5,845 | \$1,169 | \$1 | \$0 | \$1,828 | \$1.86 | \$1,828 |
| TC 50% | \$1,241 | LH/50% | \$1,241 | 2 | 2 | 2 | 981 | \$1,241 | \$72 | \$1,169 | \$0 | \$1.19 | \$1,169 | \$2,338 | \$2,338 | \$1,169 | \$1 | \$0 | \$1,828 | \$1.86 | \$1,828 |
| TC 60% | \$1,489 | Match | | 10 | 2 | 2 | 981 | \$1,489 | \$72 | \$1,417 | \$0 | \$1.44 | \$1,417 | \$14,170 | \$14,170 | \$1,417 | \$1 | \$0 | \$1,828 | \$1.86 | \$1,828 |
| TC 60% | \$1,489 | HH/60% | \$1,592 | 10 | 2 | 2 | 981 | \$1,489 | \$72 | \$1,417 | \$0 | \$1.44 | \$1,417 | \$14,170 | \$14,170 | \$1,417 | \$1 | \$0 | \$1,828 | \$1.86 | \$1,828 |
| MR | | | | 23 | 2 | 2 | 981 | \$0 | \$72 | | NA | \$1.86 | \$1,828 | \$42,044 | \$42,044 | \$1,828 | \$2 | NA | \$1,828 | \$1.86 | \$1,828 |
| TC 50% | \$1,434 | LH/50% | \$1,434 | 1 | 3 | 2 | 1,164 | \$1,434 | \$89 | \$1,345 | \$0 | \$1.16 | \$1,345 | \$1,345 | \$1,345 | \$1,345 | \$1 | \$0 | \$1,828 | \$1.57 | \$1,828 |
| TC 60% | \$1,721 | HH/60% | \$1,830 | 3 | 3 | 2 | 1,164 | \$1,721 | \$89 | \$1,632 | \$0 | \$1.40 | \$1,632 | \$4,896 | \$4,896 | \$1,632 | \$1 | \$0 | \$2,282 | \$1.96 | \$2,282 |
| TC 60% | \$1,721 | Match | | 1 | 3 | 2 | 1,164 | \$1,721 | \$89 | \$1,632 | \$0 | \$1.40 | \$1,632 | \$1,632 | \$1,632 | \$1,632 | \$1 | \$0 | \$2,282 | \$1.96 | \$2,282 |
| MR | | | | 10 | 3 | 2 | 1,164 | \$0 | \$89 | | NA | \$1.96 | \$2,282 | \$22,820 | \$22,820 | \$2,282 | \$2 | NA | \$2,282 | \$1.96 | \$2,282 |
| TOTALS/AVERAGES: | | | | 90 | | | 85,491 | | | | \$0 | \$1.55 | \$1,469 | \$132,234 | \$132,234 | \$1,469 | \$1.55 | \$0 | \$1,810 | \$1.91 | \$1,810 |

| | | | |
|-------------------------------------|--|--------------------|--------------------|
| ANNUAL POTENTIAL GROSS RENT: | | \$1,586,808 | \$1,586,808 |
|-------------------------------------|--|--------------------|--------------------|

STABILIZED PRO FORMA

305 E Round Grove Living, Lewisville, 9% HTC #23007

STABILIZED FIRST YEAR PRO FORMA

| | COMPARABLES | | APPLICANT | | | | PRIOR REPORT | | TDHCA | | | VARIANCE | | |
|-------------------------------------|-------------|-----------------------|-----------|--------|----------|-------------|--------------|-------------|-------------|----------|--------|----------|------|-----|
| | Database | Denton / Tarant Comps | % EGI | Per SF | Per Unit | Amount | Applicant | TDHCA | Amount | Per Unit | Per SF | % EGI | % | \$ |
| POTENTIAL GROSS RENT | | | | \$1.55 | \$1,469 | \$1,586,808 | \$1,448,112 | \$1,448,112 | \$1,586,808 | \$1,469 | \$1.55 | | 0.0% | \$0 |
| Application, Pet, Late and NSF Fees | | | | | \$15.97 | \$17,244 | 17,244 | | | | | | | |
| Laundry, Vending, Cable | | | | | \$14.03 | \$15,156 | 9,828 | | | | | | | |
| Total Secondary Income | | | | | \$30.00 | | | 27,072 | \$32,400 | \$30.00 | | | 0.0% | \$0 |
| POTENTIAL GROSS INCOME | | | | | | \$1,619,208 | \$1,475,184 | \$1,475,184 | \$1,619,208 | | | | 0.0% | \$0 |
| Vacancy & Collection Loss | | | | | 7.5% PGI | (121,441) | (110,639) | (110,639) | (121,441) | 7.5% PGI | | | 0.0% | - |
| EFFECTIVE GROSS INCOME | | | | | | \$1,497,767 | \$1,364,545 | \$1,364,545 | \$1,497,767 | | | | 0.0% | \$0 |

| | | | | | | | | | | | | | | | | |
|---------------------------------------|-----------|--------------|-----------|---------|---------------|----------------|-----------------|------------------|------------------|------------------|------------------|-----------------|----------------|---------------|--------------|--------------------|
| General & Administrative | \$45,039 | \$500/Unit | \$46,114 | \$512 | 2.76% | \$0.48 | \$458 | \$41,264 | \$43,764 | \$43,764 | \$45,039 | \$500 | \$0.53 | 3.01% | -8.4% | (3,775) |
| Management | \$44,376 | 3.5% EGI | \$45,382 | \$504 | 4.11% | \$0.72 | \$684 | \$61,540 | \$68,227 | \$68,227 | \$59,911 | \$666 | \$0.70 | 4.00% | 2.7% | 1,629 |
| Payroll & Payroll Tax | \$123,707 | \$1,375/Unit | \$129,808 | \$1,442 | 10.04% | \$1.76 | \$1,670 | \$150,339 | \$156,121 | \$156,121 | \$150,339 | \$1,670 | \$1.76 | 10.04% | 0.0% | - |
| Repairs & Maintenance | \$70,416 | \$782/Unit | \$72,216 | \$802 | 3.58% | \$0.63 | \$596 | \$53,663 | \$61,663 | \$58,500 | \$58,500 | \$650 | \$0.68 | 3.91% | -8.3% | (4,837) |
| Electric/Gas | \$23,090 | \$257/Unit | \$11,631 | \$129 | 1.15% | \$0.20 | \$191 | \$17,222 | \$17,222 | \$11,631 | \$11,631 | \$129 | \$0.14 | 0.78% | 48.1% | 5,591 |
| Water, Sewer, & Trash | \$72,356 | \$804/Unit | \$71,687 | \$797 | 3.37% | \$0.59 | \$561 | \$50,524 | \$50,524 | \$71,687 | \$71,687 | \$797 | \$0.84 | 4.79% | -29.5% | (21,163) |
| Property Insurance | \$51,581 | \$0.60 /sf | \$61,798 | \$687 | 3.00% | \$0.53 | \$500 | \$45,000 | \$45,000 | \$61,798 | \$45,000 | \$500 | \$0.53 | 3.00% | 0.0% | - |
| Property Tax (@ 100%) 1.8976 | \$103,538 | \$1,150/Unit | \$113,253 | \$1,258 | 7.51% | \$1.32 | \$1,250 | \$112,500 | \$112,500 | \$113,253 | \$113,253 | \$1,258 | \$1.32 | 7.56% | -0.7% | (753) |
| Reserve for Replacements | | | | | 1.50% | \$0.26 | \$250 | \$22,500 | \$22,500 | \$22,500 | \$22,500 | \$250 | \$0.26 | 1.50% | 0.0% | - |
| TDHCA Compliance fees (\$40/HTC unit) | | | | | 0.15% | \$0.03 | \$25 | \$2,280 | \$2,280 | \$2,280 | \$2,280 | \$25 | \$0.03 | 0.15% | 0.0% | - |
| TOTAL EXPENSES | | | | | 37.18% | \$6.51 | \$6,187 | \$556,832 | \$579,801 | \$609,761 | \$580,140 | \$6,446 | \$6.79 | 38.73% | -4.0% | \$ (23,308) |
| NET OPERATING INCOME ("NOI") | | | | | 62.82% | \$11.01 | \$10,455 | \$940,935 | \$784,744 | \$754,784 | \$917,628 | \$10,196 | \$10.73 | 61.27% | 2.5% | \$ 23,308 |

| | | | | | | | | | | | | | | | | |
|------------------------------|--|--|--|--|--|--|--------------|--|--|--|--|--------------|--|--|--|--|
| CONTROLLABLE EXPENSES | | | | | | | \$3,478/Unit | | | | | \$3,747/Unit | | | | |
|------------------------------|--|--|--|--|--|--|--------------|--|--|--|--|--------------|--|--|--|--|

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

305 E Round Grove Living, Lewisville, 9% HTC #23007

| CREDIT CALCULATION ON QUALIFIED BASIS | | | | |
|---------------------------------------|-----------------------|-----------------------------|--------------|--------------|
| | Applicant | | TDHCA | |
| | Acquisition | Construction Rehabilitation | Acquisition | Construction |
| | ADJUSTED BASIS | \$0 | \$24,331,019 | \$0 |
| Deduction of Federal Grants | \$0 | \$0 | \$0 | \$0 |
| TOTAL ELIGIBLE BASIS | \$0 | \$24,331,019 | \$0 | \$24,304,020 |
| High Cost Area Adjustment | | 130% | | 130% |
| TOTAL ADJUSTED BASIS | \$0 | \$31,630,325 | \$0 | \$31,595,226 |
| Applicable Fraction | 59.99% | 59.99% | 60% | 60% |
| TOTAL QUALIFIED BASIS | \$0 | \$18,975,753 | \$0 | \$18,954,697 |
| Applicable Percentage | 4.00% | 9.00% | 4.00% | 9.00% |
| ANNUAL CREDIT ON BASIS | \$0 | \$1,707,818 | \$0 | \$1,705,923 |
| CREDITS ON QUALIFIED BASIS | \$1,707,818 | | \$1,705,923 | |

| Method | ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS | | FINAL ANNUAL LIHTC ALLOCATION | | |
|---------------------------|--|--------------|-------------------------------|---------------------|------------|
| | Annual Credits | Proceeds | Credit Price \$0.8899 | Variance to Request | |
| | | | Credit Allocation | Credits | Proceeds |
| Eligible Basis | \$1,707,818 | \$15,198,058 | ---- | ---- | ---- |
| Needed to Fill Gap | \$1,590,608 | \$14,154,998 | ---- | ---- | ---- |
| Applicant Request | \$1,500,000 | \$13,348,665 | \$1,500,000 | \$0 | \$0 |

| BUILDING COST ESTIMATE | | | | |
|------------------------------------|-----------------|----------------|---------------|---------------------|
| CATEGORY | FACTOR | UNITS/SF | PER SF | |
| Base Cost: | Elevator Served | 85,491 SF | \$109.14 | 9,330,066 |
| Adjustments | | | | |
| Exterior Wall Finish | 2.80% | | 3.06 | \$261,242 |
| Elderly | 0.00% | | 0.00 | 0 |
| 9-Ft. Ceilings | 3.35% | | 3.66 | 312,557 |
| Roof Adjustment(s) | | | (0.25) | (21,373) |
| Subfloor | | | 0.23 | 19,877 |
| Floor Cover | | | 2.82 | 241,085 |
| Enclosed Corridors | \$100.69 | 19,771 | 23.28 | 1,990,644 |
| Balconies | \$31.05 | 6,963 | 2.53 | 216,189 |
| Plumbing Fixtures | \$1,090 | 198 | 2.52 | 215,820 |
| Rough-ins | \$535 | 180 | 1.13 | 96,300 |
| Built-In Appliances | \$1,880 | 90 | 1.98 | 169,200 |
| Exterior Stairs | \$3,275 | 9 | 0.34 | 29,475 |
| Heating/Cooling | | | 2.37 | 202,614 |
| Storage Space | \$100.69 | 0 | 0.00 | 0 |
| Carports | \$16.05 | 0 | 0.00 | 0 |
| Garages | | 0 | 0.00 | 0 |
| Common/Support Area | \$119.60 | 6,168 | 8.63 | 737,673 |
| Elevators | \$366,765 | 1 | 4.29 | 366,765 |
| Other: | | | 0.00 | 0 |
| Fire Sprinklers | \$3.65 | 111,430 | 4.76 | 406,720 |
| SUBTOTAL | | | 170.48 | \$14,574,853 |
| Current Cost Multiplier | 1.00 | | 0.00 | 0 |
| Local Multiplier | 1.00 | | 0.00 | 0 |
| Reserved | | | | 0 |
| TOTAL BUILDING COSTS | | | 170.48 | \$14,574,853 |
| Plans, specs, survey, bldg permits | 3.30% | | (5.63) | (\$480,970) |
| Contractor's OH & Profit | 11.50% | | (19.61) | (1,676,108) |
| NET BUILDING COSTS | | \$137,975/unit | \$145.25/sf | \$12,417,775 |

Long-Term Pro Forma

305 E Round Grove Living, Lewisville, 9% HTC #23007

| | Growth Rate | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 10 | Year 15 | Year 20 | Year 25 | Year 30 | Year 35 | Year 40 |
|--------------------------------------|-------------|------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| EFFECTIVE GROSS INCOME | 2.00% | \$1,497,767 | \$1,527,723 | \$1,558,277 | \$1,589,443 | \$1,621,232 | \$1,789,971 | \$1,976,272 | \$2,181,964 | \$2,409,065 | \$2,659,802 | \$2,936,637 | \$3,242,284 |
| TOTAL EXPENSES | 3.00% | \$556,832 | \$572,922 | \$589,481 | \$606,526 | \$624,068 | \$719,790 | \$830,374 | \$958,150 | \$1,105,810 | \$1,276,474 | \$1,473,751 | \$1,701,822 |
| NET OPERATING INCOME ("NOI") | | \$940,935 | \$954,801 | \$968,796 | \$982,917 | \$997,163 | \$1,070,181 | \$1,145,898 | \$1,223,815 | \$1,303,255 | \$1,383,329 | \$1,462,886 | \$1,540,463 |
| EXPENSE/INCOME RATIO | | 37.2% | 37.5% | 37.8% | 38.2% | 38.5% | 40.2% | 42.0% | 43.9% | 45.9% | 48.0% | 50.2% | 52.5% |
| MUST -PAY DEBT SERVICE | | | | | | | | | | | | | |
| PNC FHA 221(d)4 Loan | | \$760,800 | \$760,621 | \$760,432 | \$760,231 | \$760,017 | \$758,741 | \$757,027 | \$754,728 | \$751,641 | \$747,499 | \$741,939 | \$734,476 |
| Adjustment to Debt Per §11.302(c)(2) | | (\$26,400) | (\$26,400) | (\$26,400) | (\$26,400) | (\$26,400) | (\$26,400) | (\$26,400) | (\$26,400) | (\$26,400) | (\$26,400) | (\$26,400) | (\$26,400) |
| TDHCA MFDL 2024-2 | | \$161,306 | \$161,306 | \$161,306 | \$161,306 | \$161,306 | \$161,306 | \$161,306 | \$161,306 | \$161,306 | \$161,306 | \$161,306 | \$161,306 |
| TOTAL DEBT SERVICE | | \$895,706 | \$895,528 | \$895,338 | \$895,137 | \$894,924 | \$893,647 | \$891,934 | \$889,634 | \$886,548 | \$882,405 | \$876,845 | \$869,383 |
| DEBT COVERAGE RATIO | | 1.00 | 1.01 | 1.02 | 1.04 | 1.05 | 1.11 | 1.18 | 1.24 | 1.31 | 1.39 | 1.46 | 1.54 |
| ANNUAL CASH FLOW | | \$45,229 | \$59,273 | \$73,458 | \$87,780 | \$102,239 | \$176,534 | \$253,964 | \$334,180 | \$416,707 | \$500,924 | \$586,041 | \$671,080 |
| Deferred Developer Fee Balance | | \$761,104 | \$701,831 | \$628,373 | \$540,593 | \$438,354 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CUMULATIVE NET CASH FLOW | | \$0 | \$0 | \$0 | \$0 | \$0 | \$294,416 | \$1,408,183 | \$2,917,624 | \$4,835,295 | \$7,170,950 | \$9,930,740 | \$13,116,314 |