

Section II Production

Appendix 11.1

Windfall Calculation Example

Windfall Calculation Example	
Number of Days in Construction Period	252
Trailing Twelve Months Net Operating Income (TTM NOI)	\$856,000
Annual Debt Service (Principal and Interest)	\$450,000
Annual Mortgage Insurance Premium	+ \$35,000
Total Underwritten Debt Service (Principal + Interest + MIP)	\$485,000
Construction Period Net Operating Income	\$683,000
Annual Historic Profit (TTM NOI – Total UW Debt Service)	\$371,000
Equivalent Period Underwritten Debt Service ((Number of Days in Construction Period /365 days)*Total UW Debt Service)	\$334,849
Construction Period Profit (Construction Period NOI – Equivalent Period UW Debt Service)	\$348,151
Equivalent Period Historic Profit ((Number of Days in Construction Period /365 days)*Annual Historic Profit)	\$256,142
Windfall (If Construction Period Profit is greater than the Equivalent Period Historic Profit, then the difference equals the Windfall)	\$92,009