

REVISED PRO FORMA



**HUNTERS POINT SHIPYARD
DISPOSITION & DEVELOPMENT AGREEMENT PHASE 1
PRO FORMA SUMMARY AND
COMPARISON WITH 12/02/03 DDA PRO FORMA**

- **Revenues.** Net land sales revenues have increased about \$15.5 million to \$115.8 million. This 15 percent increase is due to refined assumptions about the type of residential development in Phase 1, as well as improved residential market conditions.
- **Development Costs.** Development costs (excluding predevelopment costs) have increased approximately \$15 million, from \$64.5 million to \$80.2 million. The updated cost estimates reflect more refined construction drawings (we have gone from 10% drawings to more than 90% drawings). Most of the increase is due to a more robust Open Space Master Plan than was envisioned a year ago. The cost to implement the refined Open Space Master Plan is now more properly reflected in the pro forma.
- **Financing.** Because of higher projected land values, Lennar has agreed to increase the amount of its letter of credit, thereby increasing the amount of the bond issuance. This results in a net positive to the pro forma because Mello-Roos financing offers more favorable terms compared to conventional debt.
- **Agency/Community Participation.** Net land sales proceeds to the Agency (for community benefits) are now estimated at \$37.2 million, about \$1.0 million more than was projected in 2003.

Exhibit A
Monthly Cashflow and Revenue Participation
Phase 1 Development of the Hunters Point Shipyard

	Dec-03 Month 3	Jan-04 Month 4	Feb-04 Month 5	Mar-04 Month 6	Apr-04 Month 7	May-04 Month 8	Jun-04 Month 9	Jul-04 Month 10	Aug-04 Month 11	Sep-04 Month 12	Oct-04 Month 13	Nov-04 Month 14	Dec-04 Month 15	Jan-05 Month 16	Feb-05 Month 17
INCOME															
Land Sales															
Residential Land Sales															
A'	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B'	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Land Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Land Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Closing Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Land Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	87,624,267														
	18,881,778														
	10,500,000														
	116,986,045														
	-1,169,560														
	115,786,485														
COSTS															
Qualifying Project Costs	25,000,000														
Qualified Pre Development Costs	0														
Qualified Pre Dev Costs In Excess of \$25M	0														
Infrastructure Construction Costs	2,078,859	147,466	67,876	574,818	350,671	173,374	358,544	391,489	958,449	0	0	207,403	136,598	85,684	43,822
Indirect Costs	232,440	72,217	69,785	17,211	0	0	124,901	43,637	0	345,643	380,943	388,938	422,448	628,506	157,922
Total Costs	27,310,819	219,683	137,661	592,029	350,671	173,374	483,445	435,126	958,449	345,643	380,943	596,341	559,045	714,189	201,744
	21,015,546	-219,683	-137,661	-592,029	-350,671	-173,374	-483,445	-435,126	-958,449	-345,643	-380,943	-596,341	-559,045	-714,189	-201,744
NET CASHFLOW BEFORE FINANCING															
Net Cashflow	41,700,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mello Roos Financing (Net)	-7,114,745	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Assessments and LOC Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	55,600,801	-27,310,819	-137,661	-592,029	-350,671	-173,374	-483,445	-435,126	-958,449	-345,643	-380,943	-596,341	-559,045	-714,189	-463,767
CASHFLOW PRIOR TO DEVELOPER SHORTFALL F															
Developer Shortfall Financing															
Beginning Balance	25,252,172	151,857	536,561	642,998	943,066	1,119,462	1,211,220	1,518,137	1,761,855	2,270,616	2,631,947	3,400,708	3,913,526	4,429,034	5,506,271
New Advance	39,932,963	0	382,553	295,545	169,799	83,950	298,513	233,201	496,591	345,643	750,625	489,366	488,590	1,046,857	441,164
New Balance	151,857	535,486	639,213	938,544	1,112,856	1,203,412	1,509,733	1,751,337	2,258,446	2,616,260	3,382,572	3,890,073	4,402,116	5,475,891	5,947,434
Interest on Debt	1,972,987	1,076	3,785	4,513	6,606	7,809	8,403	10,518	12,170	15,687	18,135	23,452	26,919	30,380	37,795
Payback from Cashflow	(41,270,413)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	1,262,292	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Voluntary Agency Advances	1,200,000	0	0	0	0	0	0	0	0	0	0	0	0	100,000	366,667
Beginning Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	100,000	466,667
New Advance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Debt	161,792	0	0	0	0	0	0	0	0	0	0	0	0	0	708
Payback from Cashflow	(1,361,792)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	1,128,207	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursement of Pre-DDA Infra & Proj. Costs	53,466,022														
Total Proceeds Available for Distribution															
PARTNERSHIP PARTICIPATION															
Lennar/BVHP Share of Available Funds	40%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
City Share of Available Funds	60%	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Exhibit A
Monthly Cashflow and Revenue Participation
Phase 1 Development of the Hunters Point Shipyard

	Mar-05 Month 18	Apr-05 Month 19	May-05 Month 20	Jun-05 Month 21	Jul-05 Month 22	Aug-05 Month 23	Sep-05 Month 24	Oct-05 Month 25	Nov-05 Month 26	Dec-05 Month 27	Jan-06 Month 28	Feb-06 Month 29	Mar-06 Month 30	Apr-06 Month 31	May-06 Month 32
INCOME															
Land Sales															
Residential Land Sales															
A'	87,624,267	0	0	0	0	0	0	0	6,083,003	0	0	0	0	0	0
B'	18,831,778	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Land Sales	10,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Land Sales	116,956,045	0	0	0	0	0	0	0	6,083,003	0	0	0	0	0	0
Less Closing Costs	-1,169,560	0	0	0	0	0	0	0	-60,830	0	0	0	0	0	0
Net Land Sales	115,786,485	0	0	0	0	0	0	0	6,022,173	0	0	0	0	0	0
COSTS															
Qualifying Project Costs	25,000,000														
Qualified Pre Development Costs															
Qualified Pre Dev Costs In Excess of \$25M	0														
Infrastructure Construction Costs	59,928,859	863,344	1,840,405	3,932,886	3,932,886	3,380,986	2,844,072	5,500,125	1,218,353	103,673	103,673	68,418	339,722	735,084	1,609,278
Indirect Costs	9,842,080	176,008	206,320	320,195	315,094	365,037	338,930	384,611	214,362	104,560	102,060	101,002	109,141	121,002	147,228
Total Costs	84,770,938	1,039,352	2,046,725	4,148,949	4,539,789	4,247,980	3,183,001	5,884,736	1,432,715	208,233	205,733	169,420	448,863	856,086	1,756,506
NET CASHFLOW BEFORE FINANCING	21,015,546	-1,039,352	-2,046,725	-4,148,949	-4,539,789	-4,247,980	-3,183,001	-5,884,736	4,589,458	-208,233	-205,733	-169,420	-448,863	-856,086	-1,756,506
Net Cashflow															
FINANCING															
Mello Roos Financing (Net)	41,700,000	13,000,000	785,684	43,822	863,344	3,878,487	4,219,594	3,932,886	3,380,986	13,812	-631,411	1,172,391	0	0	0
Assessments and LOC Costs	-7,114,745	-262,023	-262,023	-262,023	-262,023	-262,023	-262,023	-262,023	-229,428	-229,428	-229,428	-229,428	-229,428	-229,428	-229,428
CASHFLOW PRIOR TO DEVELOPER SHORTFALL F	55,600,801	11,698,626	-1,523,064	-4,367,150	-3,938,467	-2,669,597	-2,129,559	-2,213,873	7,741,016	-423,850	-1,066,572	773,542	-678,292	-1,085,515	-1,985,934
Developer Shortfall Financing															
Beginning Balance	25,252,172	5,985,229	6,882,221	8,288,895	10,755,806	13,454,892	16,028,646	18,402,683	20,506,670	23,956,445	19,760,063	20,245,844	20,731,846	21,202,423	21,815,083
New Shortfall Advance	39,932,983	856,072	1,359,490	2,410,487	2,625,399	2,481,470	2,284,176	1,978,088	3,309,864	0	384,188	363,560	503,068	705,368	1,155,889
New Balance	6,841,302	8,241,711	10,699,192	13,381,204	15,936,362	18,292,822	20,380,771	23,816,535	23,956,445	20,144,251	20,627,532	21,095,405	21,705,491	22,521,451	23,790,495
Interest on Debt	1,972,987	40,920	46,984	56,613	73,688	92,284	109,861	125,899	139,911	163,356	101,593	104,314	107,018	109,593	113,156
Payback from Cashflow	(41,270,413)	0	0	0	0	0	0	0	-4,389,738	0	0	0	0	0	0
Voluntary Agency Advances															
Beginning Balance	1,262,292	467,375	837,352	1,209,950	1,218,521	1,227,152	1,235,844	1,244,598	1,253,414	1,262,292	1,041,514	1,048,891	1,063,803	1,071,339	1,078,927
New Advance	1,200,000	366,657	366,657	0	0	0	0	0	0	0	0	0	0	0	0
New Balance	834,042	1,204,019	1,209,950	1,218,521	1,227,152	1,235,844	1,244,598	1,253,414	1,262,292	1,041,514	1,048,891	1,056,321	1,063,803	1,071,339	1,078,927
Interest on Debt	161,792	3,311	5,931	8,570	8,631	8,692	8,754	8,816	8,878	8,941	7,377	7,430	7,482	7,535	7,589
Payback from Cashflow	(1,361,792)	0	0	0	0	0	0	0	-229,720	0	0	0	0	0	0
Reimbursement of Pre-DDA Intra & Proj. Costs	1,128,207	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Proceeds Available for Distribution	53,466,022														
PARTNERSHIP PARTICIPATION															
Lennox/BVHP Share of Available Funds	34,825,636	0	0	0	0	0	0	0	0	0	0	0	0	0	0
City Share of Available Funds	37,238,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Exhibit A
Monthly Cashflow and Revenue Participation
Phase 1 Development of the Hunters Point Shipyard

	Jun-06 Month 33	Jul-06 Month 34	Aug-06 Month 35	Sep-06 Month 36	Oct-06 Month 37	Nov-06 Month 38	Dec-06 Month 39	Jan-07 Month 40	Feb-07 Month 41	Mar-07 Month 42	Apr-07 Month 43	May-07 Month 44	Jun-07 Month 45	Jul-07 Month 46	Aug-07 Month 47	
INCOME																
Land Sales																
Residential Land Sales																
A'	0	17,145,448	0	0	0	8,910,616	0	0	0	0	0	0	0	0	55,485,201	0
B'	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Land Sales	0	0	0	700,000	0	0	0	0	0	0	0	0	0	0	0	0
Gross Land Sales	0	17,145,448	0	700,000	0	8,910,616	0	0	0	0	0	0	0	0	55,485,201	0
Less Closing Costs	-1,169,560	-171,454	0	-7,000	0	-89,106	0	0	0	0	0	0	0	0	-554,852	0
Net Land Sales	115,766,485	16,973,993	0	693,000	0	8,821,510	0	0	0	0	0	0	0	0	54,930,349	0
COSTS																
Qualifying Project Costs	25,000,000															
Qualified Pre Development Costs																
Qualified Pre Dev Costs In Excess of \$25M	0															
Infrastructure Construction Costs	59,928,859	1,728,449	2,753,736	1,451,104	1,625,160	1,720,255	761,476	90,078	348,029	336,161	344,740	871,691	1,514,401	1,436,066	1,218,679	819,818
Indirect Costs	9,842,080	150,803	232,871	142,483	149,799	150,557	148,460	101,652	109,421	109,035	109,292	125,100	144,382	142,031	301,554	123,544
Total Costs	94,770,938	1,879,252	2,986,607	1,593,587	1,774,959	1,870,813	909,935	191,730	458,450	445,195	454,032	996,791	1,658,782	1,578,087	1,520,233	943,362
NET CASHFLOW BEFORE FINANCING																
Net Cashflow	21,015,546	-1,879,252	13,987,386	-1,593,587	-1,081,959	-1,870,813	7,911,574	-191,730	-458,450	-445,195	-454,032	-996,791	-1,658,782	-1,578,087	53,410,116	-943,362
FINANCING																
Mello Roos Financing (Net)	41,700,000	0	0	0	0	0	0	0	0	0	5,369,596	349,029	336,161	344,740	871,691	1,514,401
Assessments and LOC Costs	-7,114,745	-229,428	-175,458	-175,458	-175,458	-119,794	-119,794	-119,794	-119,794	-119,794	-193,966	-193,966	-193,966	-193,966	-74,173	-74,173
CASHFLOW PRIOR TO DEVELOPER SHORTFALL F	55,600,801	-2,108,681	13,811,929	-1,769,045	-1,257,417	-2,046,271	7,791,780	-311,524	-578,243	-564,989	4,721,598	-841,729	-1,516,588	-1,427,314	54,207,635	496,866
Developer Shortfall Financing																
Beginning Balance	25,252,172	23,908,656	25,252,172	11,980,703	13,001,287	13,420,467	14,579,451	6,946,516	7,211,579	7,609,798	8,001,399	8,471,585	9,212,735	10,284,376	11,315,730	0
New Shortfall Advance	39,932,983	1,217,169	0	1,020,584	419,180	1,158,985	0	265,063	398,219	391,602	470,186	741,151	1,071,640	1,031,354	0	594,683
New Balance	25,125,825	25,252,172	13,001,287	13,420,467	14,579,451	14,579,451	7,211,579	7,609,798	8,001,399	8,471,585	9,212,735	10,284,376	11,315,730	11,315,730	594,683	0
Interest on Debt	1,972,987	126,347	134,969	0	0	0	0	0	0	0	0	0	0	0	0	0
Payback from Cashflow	(41,270,413)	0	-13,406,438	0	0	-7,632,935	0	0	0	0	0	0	0	0	-11,315,730	0
Voluntary Agency Advances																
Beginning Balance	1,262,292	1,086,570	1,094,266	521,069	524,760	528,477	532,220	257,351	259,174	261,010	262,859	264,721	266,596	268,484	270,386	1,915
New Advance	1,200,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Balance	161,792	7,687	7,751	3,691	3,717	3,743	3,770	1,823	1,836	1,849	1,862	1,875	1,888	1,902	1,915	14
Interest on Debt	(1,361,792)	0	-580,948	0	0	0	-278,639	0	0	0	0	0	0	0	-270,386	0
Payback from Cashflow																
Reimbursement of Pre-DDA Infra & Proj. Costs	1,128,207	0	0	0	0	0	0	0	0	0	0	0	0	0	1,128,207	0
Total Proceeds Available for Distribution	53,466,022															
PARTNERSHIP PARTICIPATION																
Lenarr/BVHP Share of Available Funds	40%	34,825,636	0	0	0	0	0	0	0	0	0	0	0	0	16,165,036	0
City Share of Available Funds	60%	37,238,454	0	0	0	0	0	0	0	0	0	0	0	0	24,247,554	0

Exhibit A
Monthly Cashflow and Revenue Participation
Phase 1 Development of the Hunters Point Shipyard

	Sep-07 Month 48	Oct-07 Month 49	Nov-07 Month 50	Dec-07 Month 51	Jan-08 Month 52	Feb-08 Month 53	Mar-08 Month 54	Apr-08 Month 55	May-08 Month 56	Jun-08 Month 57	Jul-08 Month 58	Aug-08 Month 59	Sep-08 Month 60	Oct-08 Month 61	Nov-08 Month 62
INCOME															
Land Sales															
Residential Land Sales															
A	87,624,267	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B	18,831,778	0	0	0	0	0	0	0	0	0	0	18,831,778	0	0	0
Commercial Land Sales	10,500,000	0	0	0	0	0	0	0	0	0	0	9,800,000	0	0	0
Gross Land Sales	116,956,045	0	0	0	0	0	0	0	0	0	0	28,631,778	0	0	0
Less Closing Costs	-1,169,560	0	0	0	0	0	0	0	0	0	0	-286,318	0	0	0
Net Land Sales	115,786,485	0	0	0	0	0	0	0	0	0	0	28,345,460	0	0	0
COSTS															
Qualifying Project Costs	25,000,000														
Qualified Pre Development Costs	0														
Qualified Pre Dev Costs In Excess of \$25M															
Infrastructure Construction Costs	59,928,859	500,975	399,071	291,318	277,388	304,034	304,034	456,076	600,046	668,043	619,618	587,509	570,808	551,129	26,739
Indirect Costs	9,842,080	113,979	115,107	97,689	97,271	98,071	74,704	79,266	83,585	85,625	84,172	168,891	82,708	82,117	66,386
Total Costs	94,770,938	614,953	509,993	389,007	374,659	402,104	378,738	535,342	683,630	753,668	703,790	756,401	663,516	633,246	93,125
NET CASHFLOW BEFORE FINANCING	21,015,546	-614,953	-509,993	-389,007	-374,659	-402,104	-378,738	-535,342	-683,630	-753,668	-703,790	27,589,059	-663,516	-633,246	-93,125
Net Cashflow															
FINANCING															
Mello Roos Financing (Net)	41,700,000	414,393	0	0	0	0	0	-74,173	-74,173	-74,173	-74,173	-74,173	0	0	0
Assessments and LOC Costs	-7,114,745	-74,173	-74,173	-74,173	-74,173	-74,173	-74,173	-74,173	-74,173	-74,173	-74,173	-74,173	0	0	0
CASHFLOW PRIOR TO DEVELOPER SHORTFALL F	55,600,801	-274,743	-584,165	-463,180	-448,831	-476,277	-452,911	-609,514	-757,803	-827,840	-777,962	27,589,059	-663,516	-633,246	-93,125
Developer Shortfall Financing															
Max	25,252,172	594,683	1,475,472	1,853,802	2,166,723	2,472,482	2,791,942	3,088,036	3,388,139	3,762,274	4,171,373	4,555,572	0	359,100	708,081
Beginning Balance	39,932,983	430,730	450,059	376,330	312,922	305,758	296,094	300,103	374,135	409,100	384,199	0	359,100	348,981	79,353
New Shortfall Advance	1,025,413	1,475,472	1,853,802	2,166,723	2,472,482	2,791,942	3,088,036	3,388,139	3,762,274	4,171,373	4,555,572	4,555,572	359,100	708,081	787,414
New Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Debt	1,972,987	0	0	0	0	0	0	0	0	0	0	-4,555,572	0	0	0
Payback from Cashflow	(41,270,413)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Voluntary Agency Advances															
Max	1,262,292	1,929	1,942	1,970	1,984	1,984	1,984	2,026	2,041	2,055	2,070	2,085	0	0	0
Beginning Balance	1,200,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Advance	1,929	1,942	1,956	1,970	1,984	1,984	1,984	2,026	2,041	2,055	2,070	2,085	0	0	0
New Balance	161,792	14	14	14	14	14	14	14	14	14	15	15	0	0	0
Interest on Debt	(1,361,792)	0	0	0	0	0	0	0	0	0	0	-2,100	0	0	0
Payback from Cashflow															
Reimbursement of Pre-DDA Infra & Proj. Costs	1,128,207	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Proceeds Available for Distribution	53,466,022														
PARTNERSHIP PARTICIPATION															
Lenmar/BVHP Share of Available Funds	34,825,636	0	0	0	0	0	0	0	0	0	0	8,660,600	0	0	0
City Share of Available Funds	37,238,454	0	0	0	0	0	0	0	0	0	0	12,990,901	0	0	0