RESOLUTION NO. 93-2008

Adopted September 2, 2008

DECLARING COMPLETION OF CHANGE PROCEEDINGS FOR REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 7 (HUNTERS POINT SHIPYARD PHASE ONE IMPROVEMENTS) AND APPROVING CERTAIN RELATED DOCUMENTS; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. The Commission of the Redevelopment Agency of the City and County of San Francisco (the "Agency") has conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code (the "Act"), to form Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) (the "CFD"), to authorize the levy of a special tax (the "Special Tax") upon the land within the CFD, and to issue bonds secured by the Special Tax, the proceeds of which are to be used to finance certain public improvements, all as described in those proceedings.

2. The Rate and Method of Apportionment of Special Tax for the CFD (the "Rate and Method") was approved by the Commission pursuant to Resolution No. 36-2005, adopted by the Commission on April 5, 2005 (the "Resolution of Formation"), and is attached as Exhibit B to the Amended and Restated Notice of Special Tax Lien recorded in the Office of the Recorder of the City and County of San Francisco on May 26, 2005 as Document No. 2005H961494.

3. Pursuant to Resolution No. 37-2005, adopted by the Commission on April 5, 2005, entitled "Determining Necessity to Incur Bonded Indebtedness of Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) - Hunters Point Shipyard Redevelopment Project Area," the Commission declared the necessity to incur bonded indebtedness in the maximum principal amount of $40,000,000 within the boundaries of the CFD for the purpose of financing the costs of all or a portion of the authorized facilities ("Facilities").

4. At an election of the qualified electors in the CFD held on April 5, 2005, the qualified electors approved the incurring of bonded indebtedness in the maximum principal amount of $40,000,000 and an annual appropriations limit of $40,000,000.

5. On April 20, 2005, pursuant to an Indenture of Trust dated as of April 5, 2005 (the "Indenture"), the Agency issued its $34,500,000 initial principal amount Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) Variable Rate Demand Special Tax Bonds, 2005 Series A (the "2005 Bonds").

6. The Agency has been asked by owners of property in the CFD to (i) amend and restate the Rate and Method in order to increase the Maximum Special Tax, (ii) amend the list of authorized Facilities, (iii) increase the maximum principal amount of authorized bonded indebtedness for the CFD to $65,000,000, and (iv) increase the annual appropriations limit to $65,000,000.

7. On July 15, 2008, the Commission adopted a resolution entitled "Considering Amendment and Restatement of the Rate and Method of Apportionment of Special Tax and Increases in the Authorized Principal Amount of Bonded Indebtedness and the Annual Appropriations Limit for Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements)" (the "Resolution of Consideration"), pursuant to which the Commission (i) approved the proposed amended and restated Rate and Method (the "Amended and Restated Rate and Method") in the form attached as Exhibit A to the Resolution of Consideration, (ii) declared the intention of the Commission, acting as the legislative body for the CFD, to cause bonds of the City to be issued for the CFD pursuant to the Act to finance in whole or in part the construction and/or acquisition of the Facilities in the aggregate principal amount of not to exceed $65,000,000 (which amount shall include the initial principal amount of the 2005 Bonds but shall not include the principal amount of fixed interest rate bonds issued for the purpose of refunding the variable rate 2005 Bonds), an increase from the existing maximum bonded indebtedness limit of $40,000,000, (iii) approved an increased annual appropriations limit of $65,000,000, and (iv) set a public hearing for September 2, 2008.

8. Pursuant to the Indenture, the proposed increase in the maximum principal amount of authorized bonded indebtedness will be effective on the date that is 30 days after the Agency has given written notice to owners of the 2005 Bonds of the proposed increase in the amount of authorized bonded indebtedness and notifying them that they have the right to demand purchase of their 2005 Bonds.

9. The public hearing was held on this date, and the proposed amendment and restatement of the Rate and Method, the proposed annual appropriations limit and the proposed increase in the maximum principal amount of bonded indebtedness were not opposed by more than 50% of the owners of land within the CFD.

10. Government Code Section 53338 authorizes the holding of a special election of the qualified electors in the CFD on the issue of (i) amending and restating the Rate and Method, (ii) increasing the maximum principal amount of authorized bonded indebtedness for the CFD to $65,000,000 (which amount shall include the initial principal amount of the 2005 Bonds but shall not include the principal amount of fixed interest rate bonds issued for the purpose of refunding the variable rate 2005 Bonds), and (iii) increasing the annual appropriations limit to $65,000,000.

11. Following the public hearing, the Commission, acting as the legislative body of the CFD, adopted a resolution entitled "Calling Special Election To Amend and Restate the Rate and Method of Apportionment of Special Tax, Increase the Authorized Principal Amount of Bonded Indebtedness and Increase the Annual Appropriations Limit for Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements)" calling for a special landowner election of the qualified electors within the CFD to be held on September 2, 2008.

12. The special election was held on September 2, 2008, and the ballots were submitted to the Secretary of the Agency as the official conducting the election.

13. The Commission subsequently adopted a resolution entitled "Declaring Results of Special Election to Amend and Restate the Rate and Method of Apportionment of Special Tax, Increase the Authorized Principal Amount of Bonded Indebtedness and Increase the Annual Appropriations Limit for Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements)" on September 2, 2008, in which it found that two-thirds of the votes cast at the election were in favor of the ballot measure.

14. Agency staff and consultants have prepared a First Supplement to Indenture of Trust (the "First Supplement to Indenture") to reflect the changes to the CFD set forth in this Resolution and a Remarketing Statement describing the changes to the CFD set forth in this Resolution (the "Remarketing Statement") to be used in connection with the notice to owners of the 2005 Bonds described above and, thereafter, in connection with remarketing of the 2005 Bonds during the time they bear interest at a variable rate of interest.

15. The proposed actions are not Projects as defined by the California Environmental Quality Act Guidelines Section 15378, and would not independently result in a significant physical effect on the environment.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco as follows:

Section 1. The Commission hereby approves (i) the Amended and Restated Rate and Method of Apportionment of Special Tax, attached hereto as Exhibit "A", (ii) the annual appropriations limit of $65,000,000, and (iii) the maximum principal amount of bonded indebtedness to be incurred by the Agency on behalf of the CFD for the purpose of acquiring and/or constructing the Facilities of $65,000,000 (which amount shall include the $34,500,000 initial principal amount of the 2005 Bonds but shall not include the principal amount of fixed interest rate bonds issued to refund such 2005 Bonds).

Section 2. From the effective date of this Resolution, the special taxes levied in the CFD to satisfy the Special Tax Requirement shall be levied in accordance with the Amended and Restated Rate and Method of Apportionment of Special Tax.

Section 3. The Secretary of the Agency is hereby directed to complete, execute and cause to be recorded in the Office of the Recorder of the City and County of San Francisco an Amended and Restated Notice of Special Tax Lien in the form required by the Act, such recording to occur no later than fifteen (15) days following adoption of this Resolution.

Section 4. The Executive Director, the Deputy Executive Director, Finance and Administration and a written designee of the Executive Director are each authorized to execute, and the Secretary is authorized to attest, the First Supplement to Indenture, substantially in the form lodged with the Agency General Counsel, together with such additions or changes as are approved by the Executive Director, the Deputy Executive Director, Finance and Administration or a written designee of the Executive Director upon consultation with the Agency General Counsel and the Agency's co-bond counsel. The approval of such additions or changes shall be conclusively evidenced by the execution and delivery of the First Supplement to Indenture by the Executive Director, the Deputy Executive Director, Finance and Administration or a written designee of the Executive Director.

Section 5. The Commission approves the Remarketing Statement prepared in connection with the changes to the CFD described in this Resolution in substantially the form lodged with the Agency General Counsel. The Executive Director, the Deputy Executive Director, Finance and Administration and a written designee of the Executive Director are each authorized to execute the Remarketing Statement, substantially in the form

of the Remarketing Statement lodged with the Agency General Counsel, making such additions or changes as necessary in consultation with the Agency General Counsel and the Agency's co-bond counsel. Execution of the final Remarketing Statement shall be conclusive evidence of the approval of the Remarketing Statement by the Commission.

Section 6. The firm of Jones Hall, A Professional Law Corporation, is hereby designated as Co-Bond Counsel to the Agency in connection with the proceedings described in this Resolution. The Executive Director, the Deputy Executive Director, Finance and Administration and a written designee of the Executive Director are each authorized and directed to execute an agreement with said firm for its services in connection with these proceedings, in the form on file with the Agency General Counsel.

Section 7. The firm of Lofton & Jennings is hereby designated as Co-Bond Counsel to the Agency in connection with the proceedings described in this Resolution. The Executive Director, the Deputy Executive Director, Finance and Administration and a written designee of the Executive Director are each authorized and directed to execute an agreement with said firm for its services in connection with these proceedings, in the form on file with the Agency General Counsel.

Section 8. The Executive Director, the Deputy Executive Director, Finance and Administration and a written designee of the Executive Director are each authorized and directed to execute an agreement with the firm of Stone & Youngberg LLC, the underwriter and remarketing agent of the 2005 Bonds, for its services in connection with these proceedings, in the form on file with the Agency General Counsel.

Section 9. This Resolution is effective upon its adoption; provided, however, pursuant to the Indenture, the proposed increase in the maximum principal amount of authorized bonded indebtedness shall be effective on the date that is 30 days after the Agency has given written notice to owners of the 2005 Bonds of the proposed increase in the amount of authorized bonded indebtedness, which notice shall be accompanied by the Remarketing Statement, and notifying them that they have the right to demand purchase of their 2005 Bonds.

Section 10. All actions taken by the officers and agents of the Agency with respect to the proceedings described in this Resolution, including but not limited to execution and delivery of the First Supplement to Indenture and distribution of the Remarketing Statement, are approved, confirmed and ratified, and the Executive Director, the Deputy Executive Director, Finance and Administration and a written designee of the Executive Director are each authorized to do any and all things and take any and all actions and execute any and all certificates, agreements and other

documents, which they, or any of them, may deem necessary or advisable in order to consummate the various proceedings in accordance with this Resolution, and any certificate, agreement, and other document described in the documents herein approved.

APPROVED AS TO FORM:

for James B. Morales
Agency General Counsel

EXHIBIT A

AMENDED AND RESTATED
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 7
(Hunters Point Shipyard Phase One Improvements)

EXHIBIT A

REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 7
(HUNTERS POINT SHIPYARD PHASE ONE IMPROVEMENTS)

AMENDED AND RESTATED
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) [herein "CFD No. 7"] shall be levied and collected according to the tax liability determined by the Administrator through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 7, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the Agency carrying out its duties with respect to CFD No. 7 and the Bonds, including, but not limited to, levying and collecting the Special Tax, the fees and expenses of legal counsel, charges levied by the County Auditor's Office, Tax Collector's Office, and/or Treasurer's Office, costs related to property owner inquiries regarding the Special Tax, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Tax, and all other costs and expenses of the Agency in any way related to the establishment or administration of CFD No. 7.

"Administrator" means the Deputy Executive Director, Finance and Administration, of the Agency or such other person or entity designated by the Executive Director of the Agency to administer the Special Tax according to this RMA.

"Affordable Housing Program" means the Affordable Housing Program which is attached to and made a part of the Disposition and Development Agreement.

"Agency" means the Redevelopment Agency of the City and County of San Francisco.

"Agency Affordable Housing Unit" means a Residential Unit constructed on an Agency Housing Parcel. If the Agency acquires a Parcel within CFD No. 7 that is not designated as an Agency Housing Parcel in Attachment 3, the Residential Units constructed on such Parcel shall not be categorized as Agency Affordable Housing Units and shall be taxed as Market Rate Units pursuant to Section C below, unless a prepayment is made to release the Parcel from all or a portion of the Special Tax lien.

"Agency Housing Parcel" means a Parcel owned by the Agency and designated as an "Agency Housing Parcel" in Attachment 3 of this RMA.

"Airspace Parcel" means a parcel with an assigned Assessor's parcel number that constitutes vertical space of an underlying land parcel.

"Approved Development Plan" means the most current Final Map, condominium plan, or other such approved or recorded map or plan provided by Lennar or a Subsequent Owner that identifies the type of structure, acreage, square footage, number of Bedrooms, and/or the number of Residential Units that are approved to be developed on Parcels of Taxable Property.

"Assessor's Parcel" or **"Parcel"** means a lot or parcel, including an Airspace Parcel, shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor designating Parcels by Assessor's Parcel number.

"Authorized Facilities" means those public facilities authorized to be funded by CFD No. 7 as set forth in the formation documents of CFD No.7.

"Base Special Tax" means the Special Tax that is levied on property on a per-Residential Unit basis and, when combined with the Incremental Special Tax, makes up the Designated Special Tax for a Residential Unit, as identified in Section C.2.a below.

"Bedrooms" means the number of bedrooms within a Required BMR Unit as shown on an Approved Development Plan or building permit issued for new construction.

"Bonds" means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 7 related to the Authorized Facilities.

"Capitalized Interest" means funds in any capitalized interest account available to pay debt service on Bonds.

"CFD Update" means the date on which the Resolution of Change relating to CFD No. 7 was adopted by the Commission.

"City" means the City and County of San Francisco.

"Commission" means the Commission of the Agency, acting as the legislative body of CFD No. 7.

"County" means the City and County of San Francisco.

"Designated Special Tax" means the sum of the Base Special Tax and the Incremental Special Tax for a Parcel of Taxable Property, as determined pursuant to Section C.2.a below.

"Developed Property" means, in any Fiscal Year, all Assessor's Parcels of Taxable Property in CFD No. 7 for which a building permit for new construction of a residential or non-residential structure was issued prior to June 1 of the proceeding Fiscal Year.

"Disposition and Development Agreement" means the Disposition and Development Agreement for the Hunters Point Shipyard, Phase 1 by and between the Agency and Lennar, as approved by the Commission on December 2, 2003, and as amended from time to time.

"Expected Maximum Special Tax" means the aggregate Special Tax for each Sub-Block based on the Expected Land Uses at the time of the CFD Update. The Expected Maximum Special Tax for each Sub-Block is shown in Attachment 2 of this RMA and may be revised pursuant to Sections C and D below. The Expected Maximum Special Tax may also be adjusted if a property owner prepays all or a portion of the Maximum Special Tax assigned to a Parcel.

"Expected Land Uses" means the total number of Residential Units, amount of Square Footage, and number of Bedrooms expected within each Sub-Block. The Expected Land Uses at the time of the CFD Update are identified in Attachment 2 of this RMA and may be revised pursuant to Sections C and D below.

"Final Map" means a final map, or portion thereof, recorded by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates individual lots on which building permits for new construction may be issued without further subdivision.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Fixed Rate Bonds" means Bonds that pay a fixed rate of interest until the principal of such Bonds has been fully repaid.

"Incremental Special Tax" means the Special Tax levied on property on a Square Footage or per-Bedroom basis as identified in Section C.2.a below.

"Indenture" means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which CFD No. 7 Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Lennar" means the Lennar BVHP, LLC and its successors and assigns.

"Market Rate Unit" means a Residential Unit that is not an Agency Affordable Housing Unit or a Required BMR Unit.

"Maximum CFD Revenues" means the aggregate Maximum Special Tax that can be levied on all Parcels of Taxable Property within CFD No. 7 in any given Fiscal Year.

"Maximum Special Tax" means the greatest amount of Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Section C below.

"Non-Residential Property" means, in any Fiscal Year, all Parcels of Taxable Property for which building permits were issued, or based on an Approved Development Plan, are expected to be issued for construction of a structure that includes Square Footage designated for non-residential land uses.

"Proportionately" means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor's Parcels of Developed Property, and for Undeveloped Property that the ratio of the actual Special Tax to the Maximum Special Tax is equal for all Assessor's Parcels of Undeveloped Property.

"Public Property" means any property within the boundaries of CFD No. 7 that is owned by the federal government, the Agency, the State of California, the County, or other public agency, including Agency Affordable Housing Units.

"Required BMR Units" means all Required BMR 80% Units and Required BMR 50% Units within CFD No. 7. Any units within CFD No. 7 that are not Required BMR Units or Agency Affordable Housing Units, as defined herein, shall be taxed as Market Rate Units pursuant to Section C below.

"Required BMR 80% Unit" means a Residential Unit within CFD No. 7 that is required pursuant to the Disposition and Development Agreement and is approved by the Agency as an affordable housing unit priced for sale or lease to households earning no more than 80% of the area median income (as defined in the Affordable Housing Program). Required BMR 80% Units shall be taxed at the Maximum Special Tax rates identified in Section C below.

"Required BMR 50% Unit" means a Residential Unit within CFD No. 7 that is required pursuant to the Disposition and Development Agreement and is approved by the Agency as an affordable housing unit priced for sale or lease to households earning no more than 50% of the area median income (as defined in the Affordable Housing Program). Required BMR 50% Units shall be taxed at the Maximum Special Tax rates identified in Section C below.

"Required Coverage" means the amount by which the Maximum CFD Revenues must exceed the Bond debt service and required Administrative Expenses, as set forth in the Indenture.

"Residential Property" means, in any Fiscal Year, all Parcels of Taxable Property for which building permits were issued, or based on an Approved Development Plan, are expected to be issued for construction of a structure that includes one or more Residential Units.

"Residential Unit" means an individual residential dwelling unit within CFD No. 7.

"RMA" means this Amended and Restated Rate and Method of Apportionment of Special Tax.

"Special Tax" means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

"Special Tax Requirement" means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Fixed-Rate Bonds which is due in the calendar year that begins in such Fiscal Year; (ii) pay debt service on all Variable Rate Bonds estimated for the calendar year that begins in such Fiscal Year, assuming a seven and one-half percent (7 ½ %) interest rate for all Variable Rate Bonds, (iii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on the Bonds, (iv) create and/or replenish reserve funds for the Bonds; (v) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year or, based on existing delinquencies in the payment of Special Taxes, are expected to occur in the Fiscal Year in which the tax will be collected; (vi) pay Administrative Expenses; and (vii) pay directly for Authorized Facilities. The amounts referred to in clauses (i), (ii) and (iii) of the preceding sentence may be reduced in any Fiscal Year by: (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the Indenture; (ii) proceeds received by CFD No. 7 from the collection of penalties associated with delinquent Special Taxes; and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

"Square Foot" or **"Square Footage"** means the square footage of a Residential Unit or non-residential structure reflected on a condominium plan, site plan, building permit for new construction, or other such document. If the Square Footage shown on a site plan or condominium plan is inconsistent with the Square Footage reflected on the building permit issued for construction of the Residential Unit or non-residential building, the greater of the two numbers shall be used to calculate the Maximum Special Tax pursuant to Section C below.

"Sub-Block" means a specific geographic area within CFD No. 7 for which an Expected Maximum Special Tax has been identified. Sub-Blocks expected within CFD No. 7 at the time of the CFD Update are identified in Attachment 1 of this RMA.

"Subsequent Owner" means any owner of Undeveloped Property within CFD No. 7 that is not Lennar.

"Subsequent Owner Property" means, in any Fiscal Year, all Parcels of Undeveloped Property within CFD No. 7 that are owned by a Subsequent Owner.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 7 which are not exempt from the Special Tax pursuant to law or Section G below.

"Taxable Public Property" means, in any Fiscal Year, all Parcels of Public Property within CFD No. 7 that, based on an Approved Development Plan, were expected to be Taxable Property and, based on this expectation, had Maximum Special Taxes assigned to them in prior Fiscal Years.

"Undeveloped Property" means, in any Fiscal Year, all Parcels of Taxable Property within CFD No. 7 that are not Developed Property or Taxable Public Property.

"Variable Rate Bonds" means any Bonds issued for CFD No. 7 that are not Fixed Rate Bonds.

B. DATA FOR CFD ADMINISTRATION

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Parcels of Taxable Property. The Administrator shall also determine: (i) whether each Parcel of Taxable Property is Developed Property or Undeveloped Property, (ii) within which Sub-Block each Assessor's Parcel is located, (iii) for Developed Property, which Parcels are Residential Property and Non-Residential Property, (iv) for Residential Property, which units are Market Rate Units, Required BMR 80% Units, and Required BMR 50% Units, (v) for Market Rate Units, the Square Footage of each unit, (vi) for Required BMR Units, the number of Bedrooms within each unit, (vii) the Square Footage within each building of Non-Residential Property, and (viii) the Special Tax Requirement for the Fiscal Year.

The Administrator shall coordinate with the Agency, Lennar, and/or Subsequent Owners to identify the Required BMR 80% Units and Required BMR 50% Units within each Approved Development Plan. If there are transfers between Required BMR Units and Market Rate Units, the Administrator shall refer to Section D.2 to determine the Maximum Special Tax for each Parcel after such transfer.

If a building permit for new construction has been issued for development of a structure on an Assessor's Parcel, and additional structures are anticipated to be built on the Parcel as shown on the Approved Development Plan, a portion of the acreage of the Assessor's Parcel shall be taxed as Undeveloped Property if building permits for all of the structures in the Approved Development Plan were **not** issued as of June 1 of the Fiscal Year prior to the Fiscal Year in which the Special Taxes are being levied. If the acreage assigned to each building anticipated on the Assessor's Parcel is not clearly delineated on the Approved Development Plan, the acreage of the portion of the Assessor's Parcel to be taxed as Developed Property shall be estimated by the Administrator. The remaining acreage within the Assessor's Parcel shall be taxed as Undeveloped Property. Determination of the amount of Developed Property and Undeveloped Property on an Assessor's Parcel shall be at the discretion of the Agency.

In any Fiscal Year, if it is determined that (i) a parcel map or condominium plan for a portion of property in CFD No. 7 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the map or plan was recorded, the Assessor does not yet recognize the newly-created parcels, and (iii) one or more of the newly-created parcels meets the definition of Developed Property, the Administrator shall calculate the Special Tax for the property affected by recordation of the map or plan by determining the Special Tax that applies separately to each newly-created

parcel, then applying the sum of the individual Special Taxes to the Assessor's Parcel that was subdivided by recordation of the parcel map or condominium plan.

In addition to the tasks set forth above, the Administrator shall, upon the sale of a Parcel(s) to any Subsequent Owner, update Attachment 2 to reflect the then-current Expected Land Uses on, and Expected Maximum Special Tax for, the Parcel(s) being sold. Prior to or concurrent with the sale of the Parcel(s), Lennar shall provide written confirmation to the Administrator as to the Expected Land Uses and Expected Maximum Special Tax that should apply to the Parcel(s). If a sale occurs and no such confirmation has been provided to the Administrator, the Expected Maximum Special Tax that had applied to the Parcel(s) prior to the sale shall continue to apply to the Parcel(s). To the extent the Expected Maximum Special Tax reflected in a written confirmation from Lennar is less than the Expected Maximum Special Tax that had previously applied to the Parcel(s) and this results in insufficient Maximum CFD Revenues to meet the Required Coverage, such confirmation shall also identify to which Assessor's Parcel in CFD No. 7 the difference in the Expected Maximum Special Tax has been transferred unless a prepayment is made by Lennar or the Subsequent Owner in an amount that ensures that the Required Coverage is maintained. The Parcel(s) to which the difference in Expected Maximum Special Tax has been shifted must be owned by Lennar.

C. MAXIMUM SPECIAL TAX

1. Property Without an Approved Development Plan

The Maximum Special Tax for property in CFD No. 7 without an Approved Development Plan shall be the Expected Maximum Special Tax shown in Attachment 2 of this RMA. If, in any Fiscal Year, separate Assessor's Parcels have not yet been created for property within each Sub-Block, the Administrator shall sum the Expected Maximum Special Tax for all Sub-Blocks within an Assessor's Parcel to determine the Maximum Special Tax that shall apply to the Parcel in such Fiscal Year.

If an Assessor's Parcel contains a portion of one or more Sub-Blocks, the Maximum Special Tax shall be determined by allocating the Expected Maximum Special Tax for each Sub-Block proportionately among such Assessor's Parcels based on the estimated acreage of the portion of the Sub-Block that falls within each Parcel, as determined by the Administrator. The Maximum CFD Revenue after such allocation shall not be less than the Maximum CFD Revenue prior to this allocation.

2. Property Within an Approved Development Plan

The Maximum Special Tax for a Parcel within an Approved Development Plan shall be the greater of the Designated Special Tax or the Back-Up Special Tax determined pursuant to this Section C.2. When a development plan is approved, the Administrator shall calculate the Designated Special Tax pursuant to Section C.2.a below for each Parcel of Taxable Property based on the land uses reflected in the Approved Development Plan. If it is determined that only a portion of a Sub-Block is included within an Approved Development Plan, the Administrator shall refer to Attachments 1 and 2 to estimate the Expected Land Uses and Expected Maximum Special Taxes that should be

assigned to the portion of the Sub-Block that does not yet have an Approved Development Plan. The Administrator shall confirm this determination with the Agency, Lennar, and/or a Subsequent Owner of the property.

The Administrator shall then calculate the amount that could be levied if the Designated Special Tax was applied to the land uses proposed on Taxable Property within the Approved Development Plan. This "Total Designated Special Tax" shall be compared to the Expected Maximum Special Tax for that Sub-Block or portion of Sub-Block included within the Approved Development Plan, and the Administrator shall apply one of the following:

- *If the Total Designated Special Tax is equal to the Expected Maximum Special Tax*, then the Maximum Special Tax for each Residential Unit or Non-Residential Property within the Approved Development Plan shall be the amount determined by applying the Designated Special Tax.

- *If the Total Designated Special Tax is greater than the Expected Maximum Special Tax*, then the Maximum Special Tax for each Residential Unit or Non-Residential Property within the Approved Development Plan shall be the amount determined by applying the Designated Special Tax. The Administrator shall revise Attachment 2 to reflect the increased Expected Maximum Special Tax for the Sub-Block and the increased Maximum CFD Revenues.

- *If the Total Designated Special Tax is less than the Expected Maximum Special Tax but the Maximum CFD Revenues are still sufficient to provide the Required Coverage*, then the Maximum Special Tax for each Residential Unit or Non-Residential Property within the Approved Development Plan shall be the Designated Special Tax. The Administrator shall revise Attachment 2 to reflect the decreased Expected Maximum Special Tax for the Sub-Block and the decreased Maximum CFD Revenues.

- *If the Total Designated Special Tax is less than the Expected Maximum Special Tax and such reduction causes the Maximum CFD Revenues to be insufficient to provide the Required Coverage,* then the Maximum Special Tax for each Residential Unit or Non-Residential Property within the Approved Development Plan shall be the Back-Up Special Tax determined pursuant to Section C.2.b below. If applicable, the Administrator shall revise Attachment 2 to reflect the decreased Expected Maximum Special Tax for the Sub-Block and the decreased Maximum CFD Revenues after the Back-Up Special Tax has been determined.

Until individual Assessor's Parcels are created for each Residential Unit and Non-Residential Property within an Approved Development Plan, the Administrator shall sum the Maximum Special Tax for all land uses on a Parcel and levy the aggregate Maximum Special Tax on the Parcel.

a. Designated Special Tax

The Designated Special Tax for each Residential Unit built or expected to be built on Taxable Property shall be the sum of the Base Special Tax and the Incremental Special Tax as identified in Table 1 below. The Designated Special Tax for each Parcel of Non-Residential Property built or expected to be built on Taxable Property shall be determined by multiplying the Square Footage of the non-residential structure(s) by the Incremental Special Tax shown for Non-Residential Property in Table 1 below.

Table 1
Base Special Tax and Incremental Special Tax

Land Use	Base Special Tax Fiscal Year 2008-09*	Incremental Special Tax Fiscal Year 2008-09*
Market Rate Units	$1,570 per unit	$2.51 per Square Foot
Required BMR 80% Units	$669 per unit	$202 per Bedroom
Required BMR 50% Units	$375 per unit	$96 per Bedroom
Non-Residential Property	N/A	$1.50 per Square Foot

**** Beginning July 1, 2009 and each July 1 thereafter, the amounts shown in Table 1 above shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.***

b. Back-Up Special Tax

As set forth above, if the Administrator determines that the Total Designated Special Tax calculated for an Approved Development Plan is less than the Expected Maximum Special Tax and such reduction causes the Maximum CFD Revenues to be insufficient to provide the Required Coverage, then the Administrator shall apply one of the following:

(i) The landowner of the property within the Approved Development Plan may make a prepayment to the Agency in an amount sufficient to reduce the annual debt service on the Bonds so that the Required Coverage can be maintained with the reduced Maximum CFD Revenues that will result from the Approved Development Plan. If such prepayment occurs, the Maximum Special Tax for land uses in the Approved Development Plan shall be the Designated Special Tax determined pursuant to Section C.2.a above.

(ii) If the owner of property within the Approved Development Plan does not make a prepayment to offset the reduction in Maximum CFD Revenues, the Maximum Special Tax for land uses in the Approved Development Plan shall be determined as follows:

Step 1. Calculate the total Maximum Special Tax revenues that must be generated from property within the Approved Development Plan in order to maintain the Required Coverage.

Step 2. Confirm the Designated Special Tax for each Residential Unit and Non-Residential Property and the Total Designated Special Tax that could be collected within the Approved Development Plan.

Step 3. Divide the Maximum Special Tax revenues from Step 1 by the Total Designated Special Tax from Step 2.

Step 4. Multiply the quotient determined in Step 3 by the Designated Special Tax for each Residential Unit and Non-Residential Property from Step 2, and the amount determined shall be the Maximum Special Tax for each Residential Unit and Non-Residential Property within the Approved Development Plan. Until individual Assessor's Parcels are created for each Residential Unit and Non-Residential Property, the Administrator shall sum the Maximum Special Tax for all land uses on a Parcel and levy the aggregate Maximum Special Tax on the Parcel.

D. CHANGES TO THE MAXIMUM SPECIAL TAX

1. Annual Escalation of Special Tax

Beginning July 1, 2009 and each July 1 thereafter, the Expected Maximum Special Tax for each Sub-Block and the Maximum Special Tax assigned to each Parcel of Taxable Property within CFD No. 7 shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

2. Required BMR Unit and Market Rate Unit Transfers

If, in any Fiscal Year, the Administrator determines that a Residential Unit that had previously been designated as a Required BMR Unit no longer qualifies as such, the Maximum Special Tax on the Residential Unit shall be increased to the Maximum Special Tax that would be levied on a Market Rate Unit of the same Square Footage. If a Market Rate Unit becomes a Required BMR Unit after it has been taxed in prior Fiscal Years as a Market Rate Unit, the Maximum Special Tax on such Residential Unit shall not be decreased unless a Required BMR Unit is simultaneously redesignated as a Market Rate Unit.

E. METHOD OF LEVY OF THE SPECIAL TAX

Each Fiscal Year, the Special Tax shall be levied according to the steps outlined below:

Step 1: The Special Tax shall be levied Proportionately on each Parcel of Developed Property within CFD No. 7 up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year until the amount levied on Developed Property is equal to the Special Tax Requirement prior to applying Capitalized Interest that is available under the applicable Indenture;

Step 2: If additional revenue is needed after Step 1 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Subsequent Owner Property within CFD No. 7, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;

Step 3: If additional revenue is needed after Step 2 in order to meet the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property that is not Subsequent Owner Property, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;

Step 4: If additional revenue is needed after Step 3 in order to meet the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Special Tax assigned to each Parcel.

F. COLLECTION OF SPECIAL TAX

The Special Taxes for CFD No. 7 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the Agency may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid, the Agency's costs of constructing or acquiring Authorized Facilities from Special Tax proceeds have been paid, and all Administrative Expenses have been reimbursed. However, in no event shall a Special Tax be levied after Fiscal Year 2045-46. Pursuant to Section 53321 (d) of the Act, the Special Tax levied against a Parcel used for private residential purposes shall under no circumstances increase more than ten percent (10%) as a consequence of delinquency or default by the owner of any other Parcel or Parcels and shall, in no event, exceed the Maximum Special Tax in effect for the Fiscal Year in which the Special Tax is being levied.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on: (i) Public Property, except Taxable Public Property, (ii) Parcels that have prepaid the Special Tax obligation and had a Release of Special Tax Lien recorded against the property, and (iii) Agency Affordable Housing Units.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

"Construction Fund" means the account (regardless of its name) identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct public facilities eligible under the Act.

"Outstanding Bonds" means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor's Parcel making a prepayment, and a portion of such Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

"Previously Issued Bonds" means all Bonds that have been issued on behalf of CFD No.7 prior to the date of prepayment.

"Public Facilities Requirements" means either $32,000,000 in 2008 dollars, which shall increase on January 1, 2009, and on each January 1 thereafter by the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or such other number as shall be determined by the Agency to be an appropriate estimate of the net construction proceeds that will be generated from all Bonds that have been and are expected to be issued on behalf of CFD No. 7. The Public Facilities Requirements shown above may be increased if there is a substantial increase in the Maximum CFD Revenues due to a change in density on property within CFD No. 7. The adjusted Public Facilities Requirement shall be calculated by (i) dividing the increased Maximum CFD Revenues that can be collected after the change in density is approved by the Maximum CFD Revenues that were in place prior to the density change, and (ii) multiplying the quotient by the Public Facilities Requirement that was in place prior to approval of the change in density.

"Remaining Facilities Costs" means the Public Facilities Requirements (as defined above), minus public facility costs funded by Outstanding Bonds (as defined above), developer equity, and/or any other source of funding.

1. Full Prepayment

The Special Tax obligation applicable to an Assessor's Parcel in CFD No. 7 may be prepaid and the obligation of the Assessor's Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the Agency with written notice of intent to prepay. Within 30 days of receipt of such written notice, the Agency or its designee shall notify such owner of the prepayment amount for such Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes. Attachment 4 herein provides a sample prepayment calculation for a Parcel. The Prepayment Amount shall be calculated as follows: (capitalized terms as defined below):

Bond Redemption Amount	
plus	Remaining Facilities Amount
plus	Redemption Premium
plus	Defeasance Requirement
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

Step 1. Compute the total Maximum Special Tax that could be collected from the Assessor's Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the Agency. If this Section H is being applied to calculate a prepayment pursuant to Section C.2.b above, use, for purposes of this Step 1, the amount by which the Maximum CFD Revenues have been reduced below the amount needed to maintain the Required Coverage due to the change in land use that necessitated the prepayment.

Step 2. Divide the amount from Step 1 by the Maximum CFD Revenues for that same Fiscal Year.

Step 3. Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the "**Bond Redemption Amount**"*).

Step 4. Compute the current Remaining Facilities Costs (if any).

Step 5. Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the "**Remaining Facilities Amount**"*).

Step 6. Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the "**Redemption Premium**"*).

Step 7. Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds.

Step 8. Compute the amount of interest the Agency reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.

Step 9. Take the amount computed pursuant to Step 7 and subtract the amount computed pursuant to Step 8 (the ***"Defeasance Requirement"***).

Step 10. Determine the costs of computing the prepayment amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the *"**Administrative Fees and Expenses**"*).

Step 11. If and to the extent so provided in the Indenture pursuant to which the Outstanding Bonds to be redeemed were issued, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the ***"Reserve Fund Credit"***).

Step 12. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the *"**Prepayment Amount**"*).

Step 13. From the Prepayment Amount, the amounts computed pursuant to Steps 3, 6, and 9 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to Step 5 shall be deposited into the Construction Fund. The amount computed pursuant to Step 10 shall be retained in the account or fund that is established to pay administrative expenses of CFD No. 7.

2. *Partial Prepayment*

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of administrative fees and

expenses determined in Step 10 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made shall be determined as follows:

Step 1. Calculate the full prepayment (not including the amount collected for administrative fees and expenses) that would be due from the Parcel if the entire Special Tax obligation were being prepaid pursuant to Section H.1 above.

Step 2. Divide the partial prepayment amount for the Parcel (not including the amount collected for administrative fees and expenses) by the amount computed in Step 1 to determine a percentage.

Step 3. Subtract the percentage computed in Step 2 from 100% to determine the "Remaining Percentage."

Step 4. Multiply the Remaining Percentage from Step 3 by the Maximum Special Tax for the Parcel to determine the new Maximum Special Tax that will be in effect for the Parcel after the partial prepayment is applied.

I. INTERPRETATION OF SPECIAL TAX FORMULA

Any taxpayer who feels that the amount or formula of the Special Tax is in error may file an application with the Administrator contesting the levy of the Special Tax. The Agency shall promptly review the application. If the findings of the Agency verify that the Special Tax should be modified or changed, a recommendation to that effect shall be made to the Commission, and as appropriate, the Special Tax levy shall be corrected and, if applicable in any case, a refund shall be granted. If the Agency denies the application, the taxpayer may appeal that determination within 14 days of the mailing of notification of denial, to the Commission under such procedures as the Commission shall establish. The determination of the Commission on the appeal shall be final for all purposes. The filing of an application or an appeal shall not relieve the taxpayer of the obligation to pay the Special Tax when due.

ATTACHMENT 1

REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 7
(HUNTERS POINT SHIPYARD PHASE ONE IMPROVEMENTS)

IDENTIFICATION OF SUB-BLOCKS

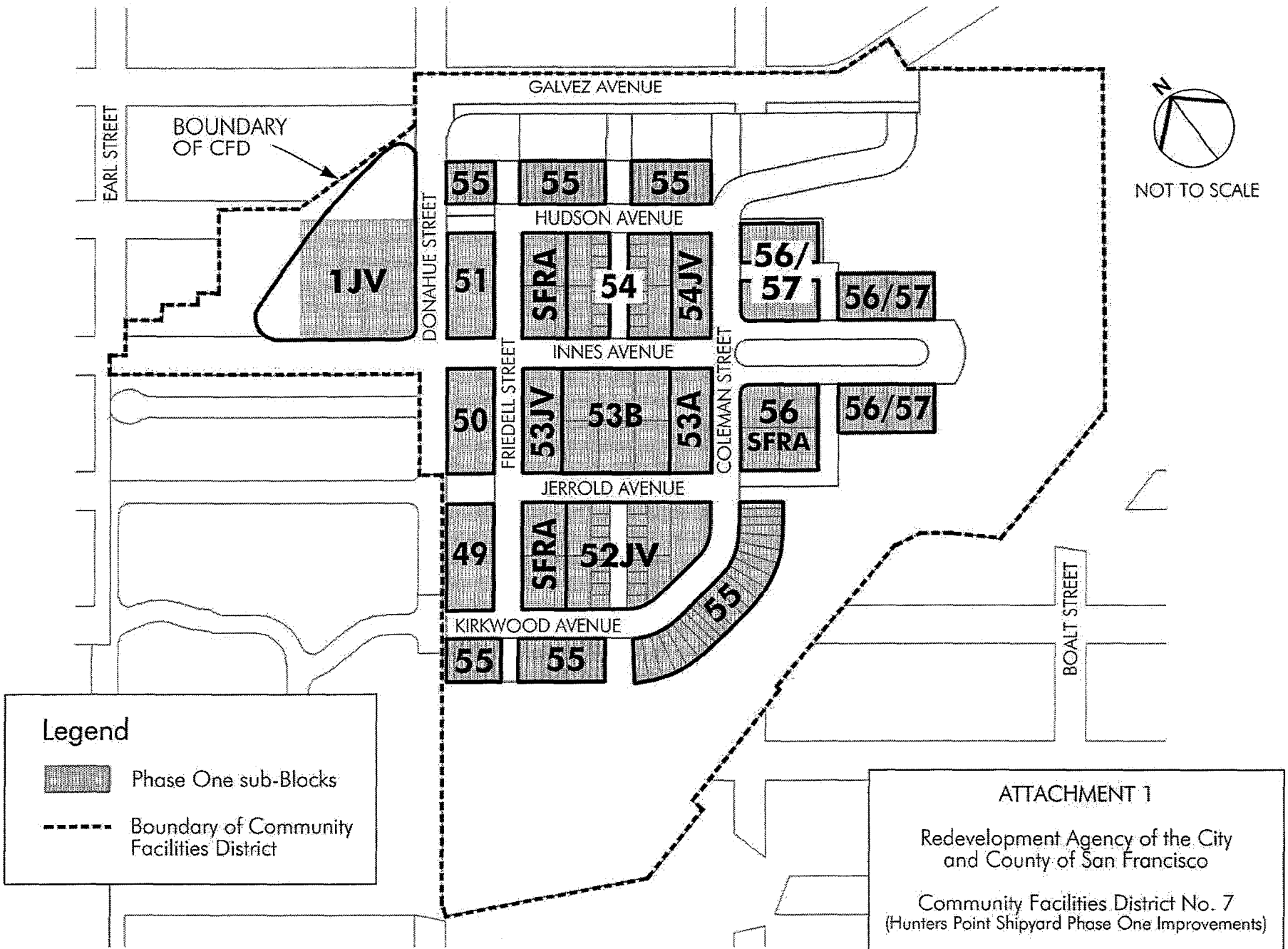
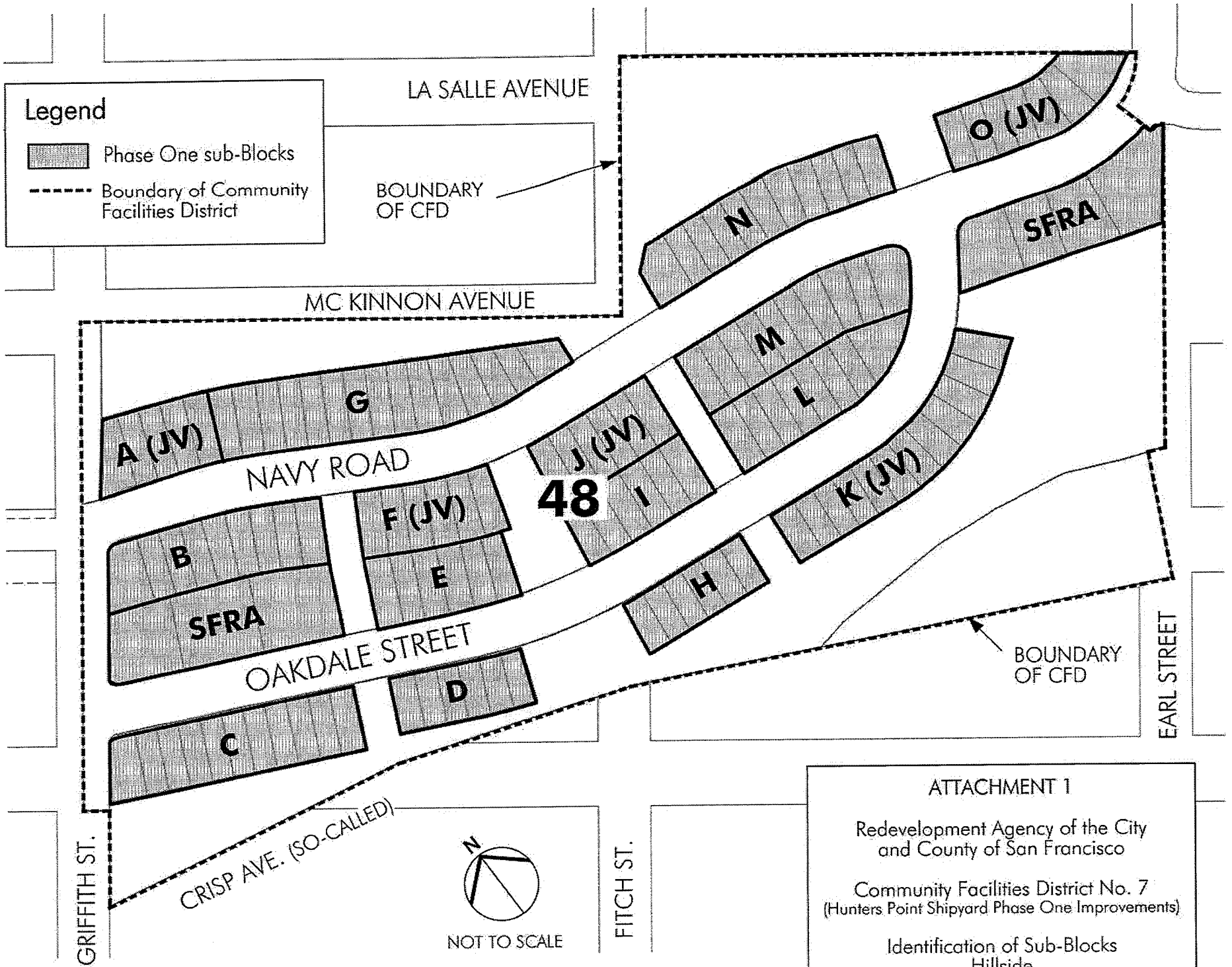


EXHIBIT PREPARED BY KCA ENGINEERS
5009 5/3/05 Rev 5/9/05, 5/27/08, 6/26/08, 6/30/08, 7/1/08
Y:\...\Attachment 1 Hilltop (A-1) (7).vsd



ATTACHMENT 1

Redevelopment Agency of the City and County of San Francisco

Community Facilities District No. 7
(Hunters Point Shipyard Phase One Improvements)

Identification of Sub-Blocks
Hillside

EXHIBIT PREPARED BY KCA ENGINEERS
Y:\...\Attachment 1 Hillside (A-2) (7).vsd 5009 5/3/05 Rev 5/9/05, 5/27/08, 6/26/08, 6/30/08

ATTACHMENT 2

REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 7
(HUNTERS POINT SHIPYARD PHASE ONE IMPROVEMENTS)

EXPECTED LAND USES AND EXPECTED MAXIMUM SPECIAL TAX BY SUB-BLOCK

ATTACHMENT 2

Redevelopment Agency of the City and County of San Francisco
Community Facilities District No. 7
(Hunters Point Shipyard Phase One Improvements)

Expected Land Uses and Expected Maximum Special Tax by Sub-Block

Sub-Block /1	Expected Land Use	Expected Number of Residential Units	Expected Sq. Ft. or Bedrooms per Unit	Total Base Special Tax (FY 2008-09)	Total Incremental Special Tax (FY 2008-09)	Expected Maximum Special Tax (FY 2008-09) /2
1JV	Market Rate Unit	14	625	$21,980	$21,963	$43,943
	Market Rate Unit	16	700	$25,120	$28,112	$53,232
	Market Rate Unit	27	750	$42,390	$50,828	$93,218
	Market Rate Unit	26	825	$40,820	$53,840	$94,660
	Market Rate Unit	20	875	$31,400	$43,925	$75,325
	Market Rate Unit	21	1,000	$32,970	$52,710	$85,680
	Market Rate Unit	15	1,025	$23,550	$38,591	$62,141
	Market Rate Unit	15	1,150	$23,550	$43,298	$66,848
	Required BMR 80% Unit	10	1	$6,690	$2,020	$8,710
	Required BMR 80% Unit	5	1.5	$3,345	$1,515	$4,860
	Required BMR 80% Unit	3	2	$2,007	$1,212	$3,219
	Required BMR 80% Unit	1	2.5	$669	$505	$1,174
	Required BMR 50% Unit	8	1	$3,000	$768	$3,768
	Required BMR 50% Unit	2	1.5	$750	$288	$1,038
	Required BMR 50% Unit	3	2	$1,125	$576	$1,701
	Required BMR 50% Unit	1	2.5	$375	$240	$615
	Non-Residential Property	N/A	9,000	N/A	$13,500	$13,500
	Total					$613,630
48A JV	Market Rate Unit	9	1,183	$14,130	$26,724	$40,854
	Market Rate Unit	4	1,400	$6,280	$14,056	$20,336
	Required BMR 80% Unit	1	3	$669	$606	$1,275
	Required BMR 50% Unit	1	2	$375	$192	$567
	Total					$63,032
48B	Market Rate Unit	5	908	$7,850	$11,395	$19,245
	Market Rate Unit	5	968	$7,850	$12,148	$19,998
	Market Rate Unit	15	1,050	$23,550	$39,533	$63,083
	Market Rate Unit	3	1,280	$4,710	$9,638	$14,348
	Market Rate Unit	3	1,500	$4,710	$11,295	$16,005
	Required BMR 80% Unit	1	1	$669	$202	$871
	Required BMR 80% Unit	3	2	$2,007	$1,212	$3,219
	Required BMR 50% Unit	1	2	$375	$192	$567
	Total					$137,337
48C	Market Rate Unit	9	1,000	$14,130	$22,590	$36,720
	Market Rate Unit	10	1,290	$15,700	$32,379	$48,079
	Required BMR 80% Unit	1	2	$669	$404	$1,073
	Required BMR 80% Unit	1	3	$669	$606	$1,275
	Required BMR 50% Unit	1	2	$375	$192	$567
	Total					$87,714
48D	Market Rate Unit	2	828	$3,140	$4,157	$7,297
	Market Rate Unit	6	1,000	$9,420	$15,060	$24,480
	Market Rate Unit	4	1,290	$6,280	$12,952	$19,232
	Required BMR 80% Unit	2	2	$1,338	$808	$2,146
	Total					$53,154

Sub-Block /1	Expected Land Use	Expected Number of Residential Units	Expected Sq. Ft. or Bedrooms per Unit	Total Base Special Tax (FY 2008-09)	Total Incremental Special Tax (FY 2008-09)	Expected Maximum Special Tax (FY 2008-09) /2
48E	Market Rate Unit	10	1,183	$15,700	$29,693	$45,393
	Market Rate Unit	5	1,400	$7,850	$17,570	$25,420
	Required BMR 80% Unit	1	2	$669	$404	$1,073
	Required BMR 80% Unit	1	3	$669	$606	$1,275
	Required BMR 50% Unit	1	2	$375	$192	$567
	Total					$73,728
48F JV	Market Rate Unit	3	908	$4,710	$6,837	$11,547
	Market Rate Unit	3	968	$4,710	$7,289	$11,999
	Market Rate Unit	10	1,050	$15,700	$26,355	$42,055
	Market Rate Unit	2	1,280	$3,140	$6,426	$9,566
	Market Rate Unit	2	1,500	$3,140	$7,530	$10,670
	Required BMR 80% Unit	1	1	$669	$202	$871
	Required BMR 80% Unit	2	2	$1,338	$808	$2,146
	Required BMR 50% Unit	1	2	$375	$192	$567
	Total					$89,421
48G	Market Rate Unit	1	828	$1,570	$2,078	$3,648
	Market Rate Unit	2	1,000	$3,140	$5,020	$8,160
	Market Rate Unit	24	1,183	$37,680	$71,264	$108,944
	Market Rate Unit	12	1,400	$18,840	$42,168	$61,008
	Required BMR 80% Unit	3	2	$2,007	$1,212	$3,219
	Required BMR 80% Unit	1	3	$669	$606	$1,275
	Required BMR 50% Unit	1	2	$375	$192	$567
	Required BMR 50% Unit	1	3	$375	$288	$663
	Total					$187,484
48H	Market Rate Unit	2	828	$3,140	$4,157	$7,297
	Market Rate Unit	6	1,000	$9,420	$15,060	$24,480
	Market Rate Unit	4	1,290	$6,280	$12,952	$19,232
	Required BMR 80% Unit	2	2	$1,338	$808	$2,146
	Total					$53,154
48I	Market Rate Unit	10	1,183	$15,700	$29,693	$45,393
	Market Rate Unit	5	1,400	$7,850	$17,570	$25,420
	Required BMR 80% Unit	1	2	$669	$404	$1,073
	Required BMR 80% Unit	1	3	$669	$606	$1,275
	Required BMR 50% Unit	1	2	$375	$192	$567
	Total					$73,728
48J JV	Market Rate Unit	3	908	$4,710	$6,837	$11,547
	Market Rate Unit	3	968	$4,710	$7,289	$11,999
	Market Rate Unit	10	1,050	$15,700	$26,355	$42,055
	Market Rate Unit	2	1,280	$3,140	$6,426	$9,566
	Market Rate Unit	2	1,500	$3,140	$7,530	$10,670
	Required BMR 80% Unit	1	1	$669	$202	$871
	Required BMR 80% Unit	2	2	$1,338	$808	$2,146
	Required BMR 50% Unit	1	2	$375	$192	$567
	Total					$89,421
48K JV	Market Rate Unit	10	828	$15,700	$20,783	$36,483
	Market Rate Unit	21	1,000	$32,970	$52,710	$85,680
	Required BMR 80% Unit	1	1.5	$669	$303	$972
	Required BMR 80% Unit	3	2	$2,007	$1,212	$3,219
	Required BMR 50% Unit	1	1.5	$375	$144	$519
	Total					$126,873

Sub-Block /1	Expected Land Use	Expected Number of Residential Units	Expected Sq. Ft. or Bedrooms per Unit	Total Base Special Tax (FY 2008-09)	Total Incremental Special Tax (FY 2008-09)	Expected Maximum Special Tax (FY 2008-09) /2
48L	Market Rate Unit	13	1,183	$20,410	$38,601	$59,011
	Market Rate Unit	7	1,400	$10,990	$24,598	$35,588
	Required BMR 80% Unit	2	2	$1,338	$808	$2,146
	Required BMR 80% Unit	1	3	$669	$606	$1,275
	Required BMR 50% Unit	1	2	$375	$192	$567
	Total					$98,587
48M	Market Rate Unit	17	1,183	$26,690	$50,479	$77,169
	Market Rate Unit	8	1,400	$12,560	$28,112	$40,672
	Required BMR 80% Unit	3	2	$2,007	$1,212	$3,219
	Required BMR 80% Unit	1	3	$669	$606	$1,275
	Required BMR 50% Unit	1	3	$375	$288	$663
	Total					$122,998
48N	Market Rate Unit	19	1,183	$29,830	$56,417	$86,247
	Market Rate Unit	9	1,400	$14,130	$31,626	$45,756
	Required BMR 80% Unit	2	2	$1,338	$808	$2,146
	Required BMR 80% Unit	1	3	$669	$606	$1,275
	Required BMR 50% Unit	1	2	$375	$192	$567
	Required BMR 50% Unit	1	3	$375	$288	$663
	Total					$136,654
48O JV	Market Rate Unit	12	1,183	$18,840	$35,632	$54,472
	Market Rate Unit	6	1,400	$9,420	$21,084	$30,504
	Required BMR 80% Unit	1	2	$669	$404	$1,073
	Required BMR 80% Unit	1	3	$669	$606	$1,275
	Required BMR 50% Unit	1	2	$375	$192	$567
	Total					$87,891
49	Market Rate Unit	3	540	$4,710	$4,066	$8,776
	Market Rate Unit	7	685	$10,990	$12,035	$23,025
	Market Rate Unit	14	840	$21,980	$29,518	$51,498
	Market Rate Unit	10	950	$15,700	$23,845	$39,545
	Market Rate Unit	20	1,000	$31,400	$50,200	$81,600
	Required BMR 80% Unit	1	0	$669	$0	$669
	Required BMR 80% Unit	1	1	$669	$202	$871
	Required BMR 80% Unit	1	1.5	$669	$303	$972
	Required BMR 80% Unit	3	2	$2,007	$1,212	$3,219
	Required BMR 50% Unit	1	1.5	$375	$144	$519
	Required BMR 50% Unit	2	2	$750	$384	$1,134
	Total					$211,828
50	Market Rate Unit	4	900	$6,280	$9,036	$15,316
	Market Rate Unit	14	1,063	$21,980	$37,354	$59,334
	Market Rate Unit	3	1,699	$4,710	$12,793	$17,503
	Required BMR 80% Unit	2	2	$1,338	$808	$2,146
	Required BMR 80% Unit	1	3	$669	$606	$1,275
	Required BMR 50% Unit	1	2	$375	$192	$567
	Total					$96,141

Sub-Block /1	Expected Land Use	Expected Number of Residential Units	Expected Sq. Ft. or Bedrooms per Unit	Total Base Special Tax (FY 2008-09)	Total Incremental Special Tax (FY 2008-09)	Expected Maximum Special Tax (FY 2008-09) /2
51	Market Rate Unit	16	660	$25,120	$26,506	$51,626
	Market Rate Unit	15	808	$23,550	$30,421	$53,971
	Market Rate Unit	7	873	$10,990	$15,339	$26,329
	Market Rate Unit	10	1,153	$15,700	$28,940	$44,640
	Market Rate Unit	2	1,240	$3,140	$6,225	$9,365
	Market Rate Unit	2	1,579	$3,140	$7,927	$11,067
	Required BMR 80% Unit	2	1	$1,338	$404	$1,742
	Required BMR 80% Unit	2	1.5	$1,338	$606	$1,944
	Required BMR 80% Unit	1	2	$669	$404	$1,073
	Required BMR 80% Unit	1	2.5	$669	$505	$1,174
	Required BMR 50% Unit	1	1	$375	$96	$471
	Required BMR 50% Unit	1	1.5	$375	$144	$519
	Required BMR 50% Unit	1	2.5	$375	$240	$615
	Total					$204,535
52JV	Market Rate Unit	6	757	$9,420	$11,400	$20,820
	Market Rate Unit	18	829	$28,260	$37,454	$65,714
	Market Rate Unit	20	867	$31,400	$43,523	$74,923
	Market Rate Unit	8	1,172	$12,560	$23,534	$36,094
	Market Rate Unit	7	1,359	$10,990	$23,878	$34,868
	Required BMR 80% Unit	3	1	$2,007	$606	$2,613
	Required BMR 80% Unit	3	2	$2,007	$1,212	$3,219
	Required BMR 80% Unit	1	3	$669	$606	$1,275
	Required BMR 50% Unit	2	1	$750	$192	$942
	Required BMR 50% Unit	2	2	$750	$384	$1,134
	Total					$241,602
53A	Market Rate Unit	3	1,156	$4,710	$8,705	$13,415
	Market Rate Unit	7	1,290	$10,990	$22,665	$33,655
	Required BMR 80% Unit	1	3	$669	$606	$1,275
	Required BMR 50% Unit	1	2	$375	$192	$567
	Total					$48,912
53B	Market Rate Unit	5	687	$7,850	$8,622	$16,472
	Market Rate Unit	10	692	$15,700	$17,369	$33,069
	Market Rate Unit	10	925	$15,700	$23,218	$38,918
	Market Rate Unit	21	1,126	$32,970	$59,351	$92,321
	Market Rate Unit	5	1,262	$7,850	$15,838	$23,688
	Required BMR 80% Unit	2	1	$1,338	$404	$1,742
	Required BMR 80% Unit	3	2	$2,007	$1,212	$3,219
	Required BMR 80% Unit	1	3	$669	$606	$1,275
	Required BMR 50% Unit	1	1	$375	$96	$471
	Required BMR 50% Unit	2	2	$750	$384	$1,134
	Total					$212,309
53JV	Market Rate Unit	3	1,156	$4,710	$8,705	$13,415
	Market Rate Unit	7	1,290	$10,990	$22,665	$33,655
	Required BMR 80% Unit	1	3	$669	$606	$1,275
	Required BMR 50% Unit	1	2	$375	$192	$567
	Total					$48,912

Sub-Block /1	Expected Land Use	Expected Number of Residential Units	Expected Sq. Ft. or Bedrooms per Unit	Total Base Special Tax (FY 2008-09)	Total Incremental Special Tax (FY 2008-09)	Expected Maximum Special Tax (FY 2008-09) /2
54	Market Rate Unit	3	757	$4,710	$5,700	$10,410
	Market Rate Unit	13	829	$20,410	$27,050	$47,460
	Market Rate Unit	14	867	$21,980	$30,466	$52,446
	Market Rate Unit	8	1,172	$12,560	$23,534	$36,094
	Market Rate Unit	8	1,359	$12,560	$27,289	$39,849
	Required BMR 80% Unit	1	1	$669	$202	$871
	Required BMR 80% Unit	2	2	$1,338	$808	$2,146
	Required BMR 50% Unit	3	1	$1,125	$288	$1,413
	Required BMR 50% Unit	2	2	$750	$384	$1,134
	Total					$191,823
54JV	Market Rate Unit	3	1,156	$4,710	$8,705	$13,415
	Market Rate Unit	7	1,290	$10,990	$22,665	$33,655
	Required BMR 80% Unit	1	3	$669	$606	$1,275
	Required BMR 50% Unit	1	2	$375	$192	$567
	Total					$48,912
55	Market Rate Unit	45	1,686	$70,650	$190,434	$261,084
	Market Rate Unit	11	1,829	$17,270	$50,499	$67,769
	Required BMR 80% Unit	7	3	$4,683	$4,242	$8,925
	Required BMR 50% Unit	3	3	$1,125	$864	$1,989
	Total					$339,766
56 & 57	Market Rate Unit	7	625	$10,990	$10,981	$21,971
	Market Rate Unit	7	680	$10,990	$11,948	$22,938
	Market Rate Unit	2	740	$3,140	$3,715	$6,855
	Market Rate Unit	3	745	$4,710	$5,610	$10,320
	Market Rate Unit	5	915	$7,850	$11,483	$19,333
	Market Rate Unit	10	1,081	$15,700	$27,133	$42,833
	Market Rate Unit	20	1,100	$31,400	$55,220	$86,620
	Market Rate Unit	13	1,250	$20,410	$40,788	$61,198
	Market Rate Unit	12	1,350	$18,840	$40,662	$59,502
	Market Rate Unit	4	1,500	$6,280	$15,060	$21,340
	Required BMR 80% Unit	2	1	$1,338	$404	$1,742
	Required BMR 80% Unit	1	1.5	$669	$303	$972
	Required BMR 80% Unit	7	2	$4,683	$2,828	$7,511
	Required BMR 80% Unit	1	3	$669	$606	$1,275
	Required BMR 50% Unit	3	2	$1,125	$576	$1,701
	Required BMR 50% Unit	1	3	$375	$288	$663
	Total					$366,773

Total Maximum CFD Revenue, Fiscal Year 2008-09	**$4,106,322**

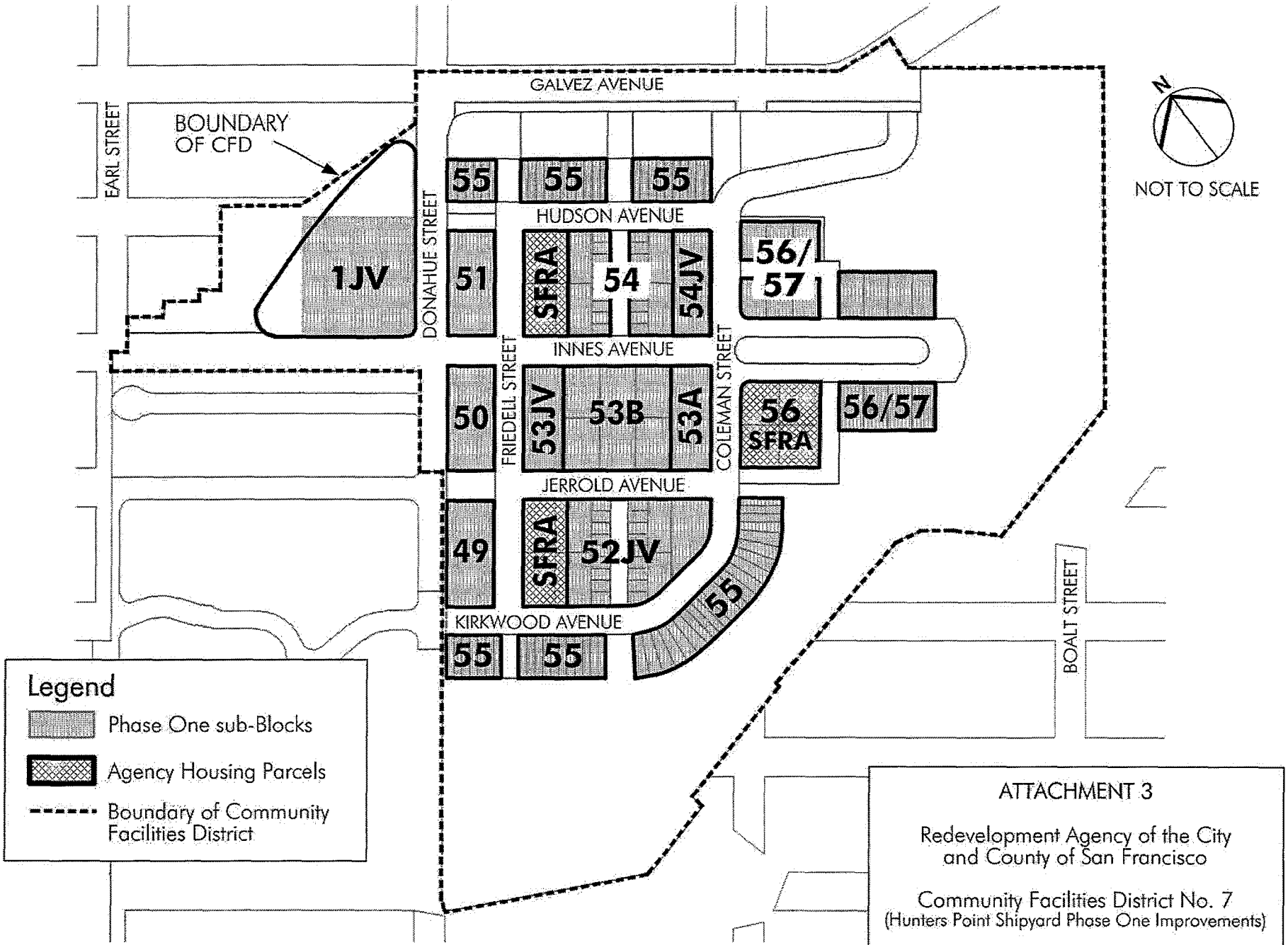
/1 See Attachment 1 for the geographic area associated with each Sub-Block.

/2 Beginning July 1, 2009 and each July 1 thereafter, the Expected Maximum Special Taxes shown above shall be increased by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year.

ATTACHMENT 3

REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 7
(HUNTERS POINT SHIPYARD PHASE ONE IMPROVEMENTS)

IDENTIFICATION OF AGENCY HOUSING PARCELS



ATTACHMENT 3

Redevelopment Agency of the City and County of San Francisco

Community Facilities District No. 7
(Hunters Point Shipyard Phase One Improvements)

Identification of Sub-Blocks
Hilltop

EXHIBIT PREPARED BY KCA ENGINEERS
5009 5/3/05 Rev 5/9/05, 5/27/08, 6/27/08, 6/30/08, 7/1/08
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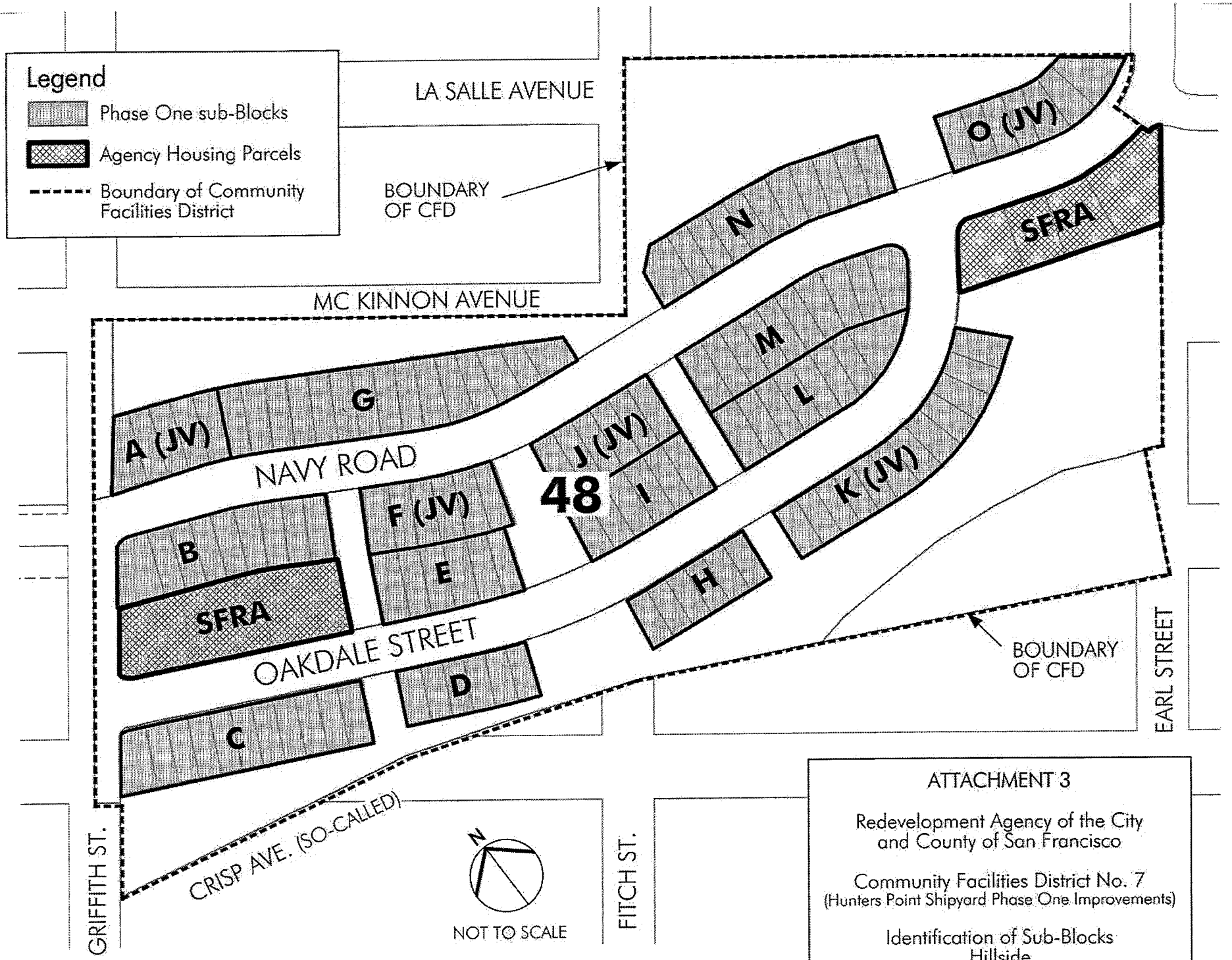

ATTACHMENT 3

Redevelopment Agency of the City and County of San Francisco

Community Facilities District No. 7
(Hunters Point Shipyard Phase One Improvements)

Identification of Sub-Blocks
Hillside

EXHIBIT PREPARED BY KCA ENGINEERS
Y:\...\Attachment 1 Hillside (A-2) (7).vsd 5009 5/3/05 Rev 5/9/05, 5/27/08, 6/27/08, 6/30/08

ATTACHMENT 4

REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 7
(HUNTERS POINT SHIPYARD PHASE ONE IMPROVEMENTS)

SAMPLE FULL PREPAYMENT CALCULATION

ATTACHMENT 4

Redevelopment Agency of the City and County of San Francisco
Community Facilities District No. 7
(Hunters Point Shipyard Phase One Improvements)
Sample Full Prepayment Calculation

Assumptions *(2008 $)*	
Maximum Special Tax on a 1,000 Sq. Ft. Market Rate Unit in Sub-Block 1JV	$4,080
Maximum CFD Revenues in FY 2008-09	$4,106,322
Public Facilities Requirement	$31,600,000
Construction Proceeds from First Bond Issue	$31,600,000
Remaining Facilities Costs	$0
Redemption Premium %	3.00% /1
Reserve Fund Requirement %	10.00% /1
Outstanding Bonds	$34,500,000

Sample Prepayment Calculation

Steps from Section H of the RMA	*Source or Calculation Method*		
Step 1: Maximum Special Tax	[From above]	$4,080	
Step 2: Maximum Special Tax as a % of Maximum CFD Revenues	[Step 1 divided by Maximum CFD Revenues]	0.10%	
Step 3: ***"Bond Redemption Amount"***	[Quotient from Step 2 multiplied by Outstanding Bonds]		$34,279
Step 4: Remaining Facilities Costs	[From above]	$0	
Step 5: ***"Remaining Facilities Amount"***	[Quotient from Step 2 multiplied by Step 4]		$0
Step 6: ***"Redemption Premium"***	[Step 3 multiplied by Redemption Premium %]		$1,028
Step 7: Interest Accrued on Bond Redemption Amount	[Covered by special tax levied in the year of prepayment]	$0 /2	
Step 8: Interest Earned on Bond Redemption Amount and Redemption Premium	[None due to bonds being retired at next interest payment date]	$0	
Step 9: ***"Defeasance Requirement"***	[Step 7 minus Step 8]		$0
Step 10 ***"Administrative Fees and Expenses"***	[Assumes $1,500 per Prepayment]		$1,500
Step 11 ***"Reserve Fund Credit"***	[Step 3 multiplied by Reserve Fund Requirement %]		($3,428)
Step 12 ***"Prepayment Amount"***	[Sum of Steps 3, 5, 6, 9, and 10 minus Step 11]		$33,379
Estimated Prepayment for a 1,000 Sq. Ft. Market Rate Unit in Sub-Block 1JV			**$33,379**

/1 Typically not applicable to variable rate bonds.

/2 Assumes bonds can be redeemed at the first interest payment date after the prepayment has been received.