

HIF Development, LLC Intermodal Facility Project

Pro Forma Financial Presentation Report

Pro Forma Statement of Project Assets, Liabilities & Equities

Houston Intermodal Facility
HIF Development, LLC
Houston, Texas
Worst-Case Scenario - PPM Presentation

	Period Ending:	End Year 1	End Year 2	End Year 3	End Year 4	End Year 5
Assets						
Current Assets						
Cash Operating Account	\$	-	\$ 2,541,913	\$ 16,690,351	\$ 51,170,349	\$ 97,979,457
Accounts Receivable	-	-	-	4,144,387	4,289,441	4,289,441
Inventory	-	1,368,271	1,759,630	1,794,823	1,794,823	1,794,823
Prepaid Operating Expense	-	-	1,894,060	1,929,062	1,929,062	4,101,073
Other Current Assets	-	-	-	-	-	-
Sub-Total Project Current Assets	\$	-	\$ 3,910,184	\$ 24,488,429	\$ 69,183,675	\$ 108,164,794
Assets Limited As To Use						
Marketing Reserve	-	-	981,785	3,010,021	3,735,945	3,735,945
Operating Reserve	-	-	1,963,571	6,020,041	7,471,891	7,471,891
Capital Improvement Maintenance Reserve	-	-	770,124	1,610,290	2,450,396	2,450,396
Debt Service Reserve/Sinking Fund Contributions	-	2,510,438	2,510,438	2,510,438	2,510,438	2,510,438
Unearned Revenue	-	-	693,423	779,983	807,282	807,282
Amortization Account Balance	2,480,536	9,505,239	7,604,191	5,703,143	3,802,096	3,802,096
Sub-Total Project Limited Use Assets	\$	2,480,536	\$ 12,015,677	\$ 14,523,532	\$ 19,633,886	\$ 20,778,047
Other Long-Term Assets						
Plant & Property @ Cost	1,402,311	46,986,476	46,986,476	46,986,476	46,986,476	46,986,476
Cumulative Depreciation	-	-	(3,080,498)	(6,441,041)	(9,801,584)	(9,801,584)
Other Long-Term Assets	-	-	-	-	-	-
Sub-Total Other Long-Term Assets	\$	1,402,311	\$ 46,986,476	\$ 43,905,978	\$ 40,545,435	\$ 37,184,892
Total Project Assets	\$	3,862,846	\$ 62,912,336	\$ 82,917,939	\$ 119,362,996	\$ 166,127,733
Liabilities						
Current Liabilities						
Accounts Payable	-	1,694,609	2,777,498	2,840,635	2,841,722	2,841,722
Accrued Payroll & Benefits	-	-	473,859	483,336	494,303	494,303
Current Maturity, L-T Debt	-	-	98,438	103,474	109,221	109,221
Current Maturity, Mezzanine Sub-Debt	-	-	-	-	-	-
Current Maturity, Gap Funding Sub-Debt	-	-	10,329	-	-	-
Current Interest Due on Notes	-	-	255,117	223,896	-	-
Other Current Liabilities	-	-	280,432	280,432	-	-
Sub-Total Project Current Liabilities	\$	1,694,609	\$ 3,895,673	\$ 3,931,773	\$ 3,445,247	\$ 3,445,247
Other Long-Term Liabilities						
Long-Term Debt (Less Current Portion)	-	56,000,000	54,943,770	53,735,064	52,464,517	52,464,517
Convertible Mezzanine Loan Notes Funds (Less Current Portion)	-	-	-	-	-	-
Conditional Refund Obligations	-	-	693,423	779,983	807,282	807,282
Gap Funding (Less Current Portion)	3,600,000	3,600,000	3,491,336	-	-	-
Sub-Total Project Other Long-Term Liabilities	\$	3,600,000	\$ 59,600,000	\$ 59,128,530	\$ 54,515,047	\$ 53,271,800
Total Project Liabilities	\$	3,600,000	\$ 61,294,609	\$ 63,024,202	\$ 58,445,820	\$ 56,717,047
Equities						
Capital Contributions	262,846	877,727	1,403,437	1,403,437	1,403,437	1,403,437
Infrastructure Grant Funds	-	740,000	4,000,000	-	-	-
Distributions/Dividends	-	-	-	-	-	-
Retained Earnings/Operating Surplus/(Loss)	-	-	14,490,299	59,512,738	108,007,249	108,007,249
Total Project Equities	\$	262,846	\$ 1,617,727	\$ 19,893,736	\$ 60,916,176	\$ 109,410,686
Total Project Liabilities & Equities	\$	3,862,846	\$ 62,912,336	\$ 82,917,939	\$ 119,362,996	\$ 166,127,733

The accompanying notes and assumptions are an integral part of this pro forma financial presentation.

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Pro Forma Statement of Assets, Liabilities & Equities

5-Year Forecast Period

March 2008

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Pro Forma Statement of Assets, Liabilities & Equities Schedules

These schedules include 11 spreadsheet exhibits and are an integral part of the pro forma financial presentation. Accordingly, the notes and assumptions provided for this schedule are dependent upon the corresponding component schedules. The following general assumptions were applied to this schedule:

1. Reporting Period: monthly, with the starting month/year being Apr-08; and
2. Accounting Methodology: cash accounting method used with accrual items being reconciled on this schedule. All expense and revenue events for a given monthly period are assumed to occur on the first day of the month; and
3. Inflation: all revenues are subject to adjustment for inflation at the rate of 103.50%, while all operating expenses are subject to adjustment for inflation at the rate of 102.00% (year-over-year wherein 100% equals no inflation); and
4. Forecast Period: assumed to be five (5) years; and
5. Line Items: these pro forma financial statements are based upon reports provided by the following:
 - 5.1. Current Assets. This section of the pro forma statement provides for an allocation of assets that are, more or less, convertible into cash within 90 days. The following line item notes are provided:
 - 5.1.1. Cash Operating Account – provides asset reporting for all cash items of the proposed Project. The pro forma financial presentation assumes this account to be equal to the total amount of excess cash generated by operating and non-operating events.
 - 5.1.2. Accounts Receivable – provides asset reporting for customer accounts having an outstanding balance pending collection. The pro forma financial presentation assumes this line item to be equal to the next reporting period's total monthly revenue.
 - 5.1.3. Inventory – provides asset reporting for the expenditures held in inventory consisting primarily of fuels and extensive repair parts for machinery and vehicles that is empirically assumed to be equal to one month's expense for these line items on a forward rolling basis.
 - 5.1.4. Prepaid Operating Expense – provides asset reporting for the current balance owed on prepaid operating expenses (assumed to be insurance costs and other certain expenses).
 - 5.1.5. Other Current Assets – provides asset reporting for all other current assets not otherwise reported. The pro forma financial presentation assumes no such additional current assets shall require reporting.
 - 5.2. Assets Limited As To Use. This section of the pro forma statement provides for an allocation of assets that are, more or less, not readily

Pro Forma Statement of Assets, Liabilities & Equities

HIF Development, LLC Pro Forma Financial Presentation Report

converted into cash, are subject to an operating or non-operating priority satisfaction and/or may have dubious value to a third party. The following line item notes are provided:

Exhibit 1: Pro Forma Statement of Assets, Liabilities & Equities (Sheet 1 of 11 Sheets)

Pro Forma Statement of Project Assets, Liabilities & Equities						
Houston Intermodal Facility						
HIF Development, LLC						
Houston, Texas						
Worst-Case Scenario - PPM Presentation						
	Period Ending:	End Year 1	End Year 2	End Year 3	End Year 4	End Year 5
Assets						
<u>Current Assets</u>						
Cash Operating Account	\$	-	\$ 2,541,913	\$ 16,690,351	\$ 51,170,349	\$ 97,979,457
Accounts Receivable	-	-	4,144,387	4,289,441	4,289,441	4,289,441
Inventory	-	1,368,271	1,759,630	1,794,823	1,794,823	1,794,823
Prepaid Operating Expense	-	-	1,894,060	1,929,062	4,101,073	-
Other Current Assets	-	-	-	-	-	-
Sub-Total Project Current Assets	\$	-	\$ 3,910,184	\$ 24,488,429	\$ 59,183,675	\$ 108,164,794
<u>Assets Limited As To Use</u>						
Marketing Reserve	-	-	981,785	3,010,021	3,735,945	-
Operating Reserve	-	-	1,963,571	6,020,041	7,471,891	-
Capital Improvement Maintenance Reserve	-	-	770,124	1,610,260	2,450,396	-
Debt Service Reserve/Sinking Fund Contributions	-	2,510,438	2,510,438	2,510,438	2,510,438	2,510,438
Unearned Revenue	-	-	693,423	779,983	807,282	-
Amortization Account Balance	2,460,536	9,505,239	7,604,191	5,703,143	3,802,096	-
Sub-Total Project Limited Use Assets	\$	2,460,536	\$ 12,015,677	\$ 14,523,532	\$ 19,633,886	\$ 20,778,047
<u>Other/Long-Term Assets</u>						
Plant & Property @ Cost	1,402,311	46,986,476	46,986,476	46,986,476	46,986,476	46,986,476
Cumulative Depreciation	-	-	(3,080,498)	(6,441,041)	(9,801,584)	-
Other Long-Term Assets	-	-	-	-	-	-
Sub-Total Other/Long-Term Assets	\$	1,402,311	\$ 46,986,476	\$ 43,905,978	\$ 40,545,435	\$ 37,184,892
Total Project Assets	\$	3,862,846	\$ 62,912,336	\$ 82,917,939	\$ 119,362,996	\$ 166,127,733
Liabilities						
<u>Current Liabilities</u>						
Accounts Payable	-	1,694,609	2,777,498	2,840,635	2,841,722	-
Accrued Payroll & Benefits	-	-	473,859	483,336	494,303	-
Current Maturity, L-T Debt	-	-	98,438	103,474	109,221	-
Current Maturity, Mezzanine Sub-Debt	-	-	-	-	-	-
Current Maturity, Gap Funding Sub-Debt	-	-	10,329	-	-	-
Current Interest Due on Notes	-	-	255,117	223,896	-	-
Other Current Liabilities	-	-	280,432	280,432	-	-
Sub-Total Project Current Liabilities	\$	-	\$ 1,694,609	\$ 3,895,673	\$ 3,931,773	\$ 3,445,247
<u>Other/Long-Term Liabilities</u>						
Long-Term Debt (Less Current Portion)	-	56,000,000	54,943,770	53,735,064	52,464,517	-
Convertible Mezzanine Loan Notes Funds (Less Current Portion)	-	-	-	-	-	-
Conditional Refund Obligations	-	-	693,423	779,983	807,282	-
Gap Funding (Less Current Portion)	3,600,000	3,600,000	3,491,336	-	-	-
Sub-Total Project Other/Long-Term Liabilities	\$	3,600,000	\$ 59,600,000	\$ 59,128,530	\$ 54,515,047	\$ 53,271,800
Total Project Liabilities	\$	3,600,000	\$ 61,294,609	\$ 63,024,202	\$ 58,446,820	\$ 56,717,047
Equities						
Capital Contributions	262,846	877,727	1,403,437	1,403,437	1,403,437	-
Infrastructure Grant Funds	-	740,000	4,000,000	-	-	-
Distributions/Dividends	-	-	-	-	-	-
Retained Earnings/Operating Surplus/(Loss)	-	-	14,490,299	59,512,738	108,007,249	-
Total Project Equities	\$	262,846	\$ 1,617,727	\$ 19,893,736	\$ 60,916,176	\$ 109,410,686
Total Project Liabilities & Equities	\$	3,862,846	\$ 62,912,336	\$ 82,917,939	\$ 119,362,996	\$ 166,127,733

The accompanying notes and assumptions are an integral part of this pro forma financial presentation.

Pro Forma Statement of Assets, Liabilities & Equities

HIF Development, LLC Pro Forma Financial Presentation Report

5.2.1. Marketing Reserve – provides asset reporting for cash held in a non-interest bearing reserve account that is assumed to be equal to 50% of the Operating Reserve. All funds held in this account will in fact be placed in an interest-bearing account.

Exhibit 2: Pro Forma Statement of Assets, Liabilities & Equities (Sheet 2 of 11 Sheets)

Pro Forma Statement of Project Assets, Liabilities & Equities							
Houston Intermodal Facility							
HIF Development, LLC							
Houston, Texas							
Worst-Case Scenario - PPM Presentation							
Period Ending:	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	
Assets							
<u>Current Assets</u>							
Cash Operating Account	\$ -	\$ -	\$ -	\$ 0	\$ 0	\$ 0	
Accounts Receivable	-	-	-	-	-	-	
Inventory	-	-	-	-	-	-	
Prepaid Operating Expense	-	-	-	-	-	-	
Other Current Assets	-	-	-	-	-	-	
Sub-Total Project Current Assets	\$ -	\$ -	\$ -	\$ 0	\$ 0	\$ 0	
<u>Assets Limited As To Use</u>							
Marketing Reserve	-	-	-	-	-	-	
Operating Reserve	-	-	-	-	-	-	
Capital Improvement Maintenance Reserve	-	-	-	-	-	-	
Debt Service Reserve/Sinking Fund Contributions	-	-	-	-	-	-	
Unearned Revenue	-	-	-	-	-	-	
Amortization Account Balance	179,711	599,423	779,134	958,845	1,138,557	1,318,268	
Sub-Total Project Limited Use Assets	\$ 179,711	\$ 599,423	\$ 779,134	\$ 958,845	\$ 1,138,557	\$ 1,318,268	
<u>Other/Long-Term Assets</u>							
Plant & Property @ Cost	94,359	188,718	283,078	377,437	471,796	566,155	
Cumulative Depreciation	-	-	-	-	-	-	
Other Long-Term Assets	-	-	-	-	-	-	
Sub-Total Other/Long-Term Assets	\$ 94,359	\$ 188,718	\$ 283,078	\$ 377,437	\$ 471,796	\$ 566,155	
Total Project Assets	\$ 274,071	\$ 788,141	\$ 1,062,212	\$ 1,336,282	\$ 1,610,353	\$ 1,884,423	
Liabilities							
<u>Current Liabilities</u>							
Accounts Payable	-	-	-	-	-	-	
Accrued Payroll & Benefits	-	-	-	-	-	-	
Current Maturity, L-T Debt	-	-	-	-	-	-	
Current Maturity, Mezzanine Sub-Debt	-	-	-	-	-	-	
Current Maturity, Gap Funding Sub-Debt	-	-	-	-	-	-	
Current Interest Due on Notes	-	-	-	-	-	-	
Other Current Liabilities	-	-	-	-	-	-	
Sub-Total Project Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<u>Other/Long-Term Liabilities</u>							
Long-Term Debt (Less Current Portion)	-	-	-	-	-	-	
Convertible Mezzanine Loan Notes Funds (Less Current Portion)	-	-	-	-	-	-	
Conditional Refund Obligations	-	-	-	-	-	-	
Gap Funding (Less Current Portion)	250,000	764,071	1,038,141	1,312,212	1,586,282	1,860,353	
Sub-Total Project Other/Long-Term Liabilities	\$ 250,000	\$ 764,071	\$ 1,038,141	\$ 1,312,212	\$ 1,586,282	\$ 1,860,353	
Total Project Liabilities	\$ 250,000	\$ 764,071	\$ 1,038,141	\$ 1,312,212	\$ 1,586,282	\$ 1,860,353	
Equities							
Capital Contributions	24,071	24,071	24,071	24,071	24,071	24,071	
Infrastructure Grant Funds	-	-	-	-	-	-	
Distributions/Dividends	-	-	-	-	-	-	
Retained Earnings/Operating Surplus/(Loss)	-	-	-	-	-	-	
Total Project Equities	\$ 24,071	\$ 24,071	\$ 24,071	\$ 24,071	\$ 24,071	\$ 24,071	
Total Project Liabilities & Equities	\$ 274,071	\$ 788,141	\$ 1,062,212	\$ 1,336,282	\$ 1,610,353	\$ 1,884,423	
The accompanying notes and assumptions are an integral part of this pro forma financial presentation.							

- 5.2.2. Operating Reserve – provides asset reporting for cash held in a non-interest bearing reserve that is assumed to be equal to 10% of the funds reported in the Cash Operating Account and commencing in the 7th month of operations. All funds held in this account will in fact be placed in an interest-bearing account.
- 5.2.3. Capital Improvement Maintenance Reserve – provides asset reporting for cash held in a non-interest bearing reserve that is assumed to be equal to 25% of the straight-line depreciation expense of the proposed Project for the reporting period and allowed to accrue on a cumulative basis and the pro forma financial presentation assumes no calls on this account will be made over the Forecast Period. All funds held in this account will in fact be placed in an interest-bearing account.
- 5.2.4. Debt Service Reserve/Sinking Fund Contributions – reports contributions made to retirement of the Permanent Loan and Mezzanine Loan per their respective terms. All funds held in this account will in fact be placed in an interest-bearing account.
- 5.2.5. Unearned Revenue – reports the funds held in escrow pending completion of Company's obligations to a customer and is empirically assumed to be 25% of the routine revenue line item reported on the Pro Forma Statement of Operating Income & Expense.
- 5.2.6. Amortization Account Balance – reports the balance of the account reporting the financing and carrying costs in advance of the date the proposed Project is placed in service, less items expensed as reserves and credits cash on an assumed 5-year amortization basis for both amortized capital finance expense and capitalized pre-opening operating expense amortization.
- 5.3. Other/Long-Term Assets. This section of the pro forma statement provides for an allocation of assets that are, more or less, convertible into cash within 90 days. The following line item notes are provided:
- 5.3.1. Plant & Property @ Cost – provides reporting of the cumulative assets acquired by the Company pertaining to the physical assets of the proposed Project. The pro forma financial presentation assumes the sum of the Direct Development Expense line items would constitute the total for this line item (see Pro Forma Statement of Project Sources & Uses of Funds).
- 5.3.2. Cumulative Depreciation – provides reporting of the cumulative depreciation expense of the proposed Project once the proposed Project is assumed to be complete. All depreciation expense line items are assumed to be on a straight-line depreciation basis with the following amortization schedules for each class of depreciable assets:

Pro Forma Statement of Assets, Liabilities & Equities

HIF Development, LLC Pro Forma Financial Presentation Report

5.3.2.1. Buildings & Structures – 39 years.

Exhibit 3: Pro Forma Statement of Assets, Liabilities & Equities (Sheet 3 of 11 Sheets)

Pro Forma Statement of Project Assets, Liabilities & Equities								
Houston Intermodal Facility HIF Development, LLC Houston, Texas Worst-Case Scenario - PPM Presentation								
Period Ending:	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	End Year 1	
Assets								
<u>Current Assets</u>								
Cash Operating Account	\$ 0	\$ 0	\$ 0	\$ 0	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Prepaid Operating Expense	-	-	-	-	-	-	-	-
Other Current Assets	-	-	-	-	-	-	-	-
Sub-Total Project Current Assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ -	\$ -	\$ -	\$ -
<u>Assets Limited As To Use</u>								
Marketing Reserve	-	-	-	-	-	-	-	-
Operating Reserve	-	-	-	-	-	-	-	-
Capital Improvement Maintenance Reserve	-	-	-	-	-	-	-	-
Debt Service Reserve/Sinking Fund Contributions	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
Amortization Account Balance	1,497,979	1,677,691	1,857,402	2,037,113	2,248,824	2,460,536	2,460,536	2,460,536
Sub-Total Project Limited Use Assets	\$ 1,497,979	\$ 1,677,691	\$ 1,857,402	\$ 2,037,113	\$ 2,248,824	\$ 2,460,536	\$ 2,460,536	\$ 2,460,536
<u>Other/Long-Term Assets</u>								
Plant & Property @ Cost	660,515	754,874	849,233	1,033,592	1,217,951	1,402,311	1,402,311	1,402,311
Cumulative Depreciation	-	-	-	-	-	-	-	-
Other Long-Term Assets	-	-	-	-	-	-	-	-
Sub-Total Other/Long-Term Assets	\$ 660,515	\$ 754,874	\$ 849,233	\$ 1,033,592	\$ 1,217,951	\$ 1,402,311	\$ 1,402,311	\$ 1,402,311
Total Project Assets	\$ 2,158,494	\$ 2,432,564	\$ 2,706,635	\$ 3,070,705	\$ 3,466,776	\$ 3,862,846	\$ 3,862,846	\$ 3,862,846
Liabilities								
<u>Current Liabilities</u>								
Accounts Payable	-	-	-	-	-	-	-	-
Accrued Payroll & Benefits	-	-	-	-	-	-	-	-
Current Maturity, L-T Debt	-	-	-	-	-	-	-	-
Current Maturity, Mezzanine Sub-Debt	-	-	-	-	-	-	-	-
Current Maturity, Gap Funding Sub-Debt	-	-	-	-	-	-	-	-
Current Interest Due on Notes	-	-	-	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-	-	-	-
Sub-Total Project Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Other/Long-Term Liabilities</u>								
Long-Term Debt (Less Current Portion)	-	-	-	-	-	-	-	-
Convertible Mezzanine Loan Notes Funds (Less Current Portion)	-	-	-	-	-	-	-	-
Conditional Refund Obligations	-	-	-	-	-	-	-	-
Gap Funding (Less Current Portion)	2,134,423	2,408,494	2,682,564	3,046,635	3,442,705	3,600,000	3,600,000	3,600,000
Sub-Total Project Other/Long-Term Liabilities	\$ 2,134,423	\$ 2,408,494	\$ 2,682,564	\$ 3,046,635	\$ 3,442,705	\$ 3,600,000	\$ 3,600,000	\$ 3,600,000
Total Project Liabilities	\$ 2,134,423	\$ 2,408,494	\$ 2,682,564	\$ 3,046,635	\$ 3,442,705	\$ 3,600,000	\$ 3,600,000	\$ 3,600,000
Equities								
Capital Contributions	24,071	24,071	24,071	24,071	24,071	262,846	262,846	262,846
Infrastructure Grant Funds	-	-	-	-	-	-	-	-
Distributions/Dividends	-	-	-	-	-	-	-	-
Retained Earnings/Operating Surplus/(Loss)	-	-	-	-	-	-	-	-
Total Project Equities	\$ 24,071	\$ 24,071	\$ 24,071	\$ 24,071	\$ 24,071	\$ 262,846	\$ 262,846	\$ 262,846
Total Project Liabilities & Equities	\$ 2,158,494	\$ 2,432,564	\$ 2,706,635	\$ 3,070,705	\$ 3,466,776	\$ 3,862,846	\$ 3,862,846	\$ 3,862,846

The accompanying notes and assumptions are an integral part of this pro forma financial presentation.

5.3.2.2. Land Improvements – 15.5 years.

5.3.2.3. Major Equipment – 10 years.

5.3.2.4. Minor Equipment – 5 years.

5.3.3. Other Long-Term Assets – provides reporting for all remaining classes of long-term assets that are not otherwise listed and may be

Pro Forma Statement of Assets, Liabilities & Equities

HIF Development, LLC Pro Forma Financial Presentation Report

of *de minimis* value to the enterprise, and reports on a cumulative basis.

Exhibit 4: Pro Forma Statement of Assets, Liabilities & Equities (Sheet 4 of 11 Sheets)

Pro Forma Statement of Project Assets, Liabilities & Equities							
Houston Intermodal Facility							
HIF Development, LLC							
Houston, Texas							
Worst-Case Scenario - PPM Presentation							
Period Ending:	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	
Assets							
<u>Current Assets</u>							
Cash Operating Account	\$ -	\$ 0	\$ -	\$ (0)	\$ -	\$ -	
Accounts Receivable	-	-	-	-	-	-	
Inventory	-	-	-	-	-	-	
Prepaid Operating Expense	-	-	-	-	-	-	
Other Current Assets	-	-	-	-	-	-	
Sub-Total Project Current Assets	\$ -	\$ 0	\$ -	\$ (0)	\$ -	\$ -	
<u>Assets Limited As To Use</u>							
Marketing Reserve	-	-	-	-	-	-	
Operating Reserve	-	-	-	-	-	-	
Capital Improvement Maintenance Reserve	-	-	-	-	-	-	
Debt Service Reserve/Sinking Fund Contributions	-	-	-	-	-	-	
Unearned Revenue	-	-	-	-	-	-	
Amortization Account Balance	5,055,441	5,292,410	5,498,710	5,715,165	5,950,321	6,210,373	
Sub-Total Project Limited Use Assets	\$ 5,055,441	\$ 5,292,410	\$ 5,498,710	\$ 5,715,165	\$ 5,950,321	\$ 6,210,373	
<u>Other/Long-Term Assets</u>							
Plant & Property @ Cost	8,402,821	9,477,912	11,142,977	14,092,850	18,419,330	24,712,392	
Cumulative Depreciation	-	-	-	-	-	-	
Other Long-Term Assets	-	-	-	-	-	-	
Sub-Total Other/Long-Term Assets	\$ 8,402,821	\$ 9,477,912	\$ 11,142,977	\$ 14,092,850	\$ 18,419,330	\$ 24,712,392	
Total Project Assets	\$ 13,458,262	\$ 14,770,322	\$ 16,641,687	\$ 19,808,015	\$ 24,369,652	\$ 30,922,765	
Liabilities							
<u>Current Liabilities</u>							
Accounts Payable	-	-	-	-	-	-	
Accrued Payroll & Benefits	-	-	-	-	-	-	
Current Maturity, L-T Debt	-	-	-	-	-	-	
Current Maturity, Mezzanine Sub-Debt	-	-	-	-	-	-	
Current Maturity, Gap Funding Sub-Debt	-	-	-	-	-	-	
Current Interest Due on Notes	-	-	-	-	-	-	
Other Current Liabilities	-	-	-	-	-	-	
Sub-Total Project Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<u>Other/Long-Term Liabilities</u>							
Long-Term Debt (Less Current Portion)	9,499,462	10,798,401	12,651,052	15,785,717	20,301,737	26,789,319	
Convertible Mezzanine Loan Notes Funds (Less Current Portion)	-	-	-	-	-	-	
Conditional Refund Obligations	-	-	-	-	-	-	
Gap Funding (Less Current Portion)	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	
Sub-Total Project Other/Long-Term Liabilities	\$ 13,099,462	\$ 14,398,401	\$ 16,251,052	\$ 19,385,717	\$ 23,901,737	\$ 30,389,319	
Total Project Liabilities	\$ 13,099,462	\$ 14,398,401	\$ 16,251,052	\$ 19,385,717	\$ 23,901,737	\$ 30,389,319	
Equities							
Capital Contributions	358,801	371,921	390,635	422,298	467,915	533,446	
Infrastructure Grant Funds	-	-	-	-	-	-	
Distributions/Dividends	-	-	-	-	-	-	
Retained Earnings/Operating Surplus/(Loss)	-	-	-	-	-	-	
Total Project Equities	\$ 358,801	\$ 371,921	\$ 390,635	\$ 422,298	\$ 467,915	\$ 533,446	
Total Project Liabilities & Equities	\$ 13,458,262	\$ 14,770,322	\$ 16,641,687	\$ 19,808,015	\$ 24,369,652	\$ 30,922,765	

The accompanying notes and assumptions are an integral part of this pro forma financial presentation.

5.4. **Current Liabilities.** This section of the pro forma statement provides for an allocation of liabilities that are, more or less, becoming due and payable within 30 days. The following line item notes are provided:

Pro Forma Statement of Assets, Liabilities & Equities

HIF Development, LLC Pro Forma Financial Presentation Report

5.4.1. Accounts Payable – reports the outstanding accounts payable of the proposed Project that is predicated upon the corresponding operating departments “Other Department Operating Expense” divisions being added together. The pro forma financial presentation assumes that accounts payable shall be limited to the current 30 day expense period.

Exhibit 5: Pro Forma Statement of Assets, Liabilities & Equities (Sheet 5 of 11 Sheets)

Pro Forma Statement of Project Assets, Liabilities & Equities								
Houston Intermodal Facility HIF Development, LLC Houston, Texas								
Worst-Case Scenario - PPM Presentation								
Period Ending:	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	End Year 2	
Assets								
<u>Current Assets</u>								
Cash Operating Account	\$ -	\$ (0)	\$ 0	\$ 0	\$ -	\$ 2,541,913	\$ 2,541,913	
Accounts Receivable	-	-	-	-	-	-	-	
Inventory	-	-	-	-	-	1,368,271	1,368,271	
Prepaid Operating Expense	-	-	-	-	-	-	-	
Other Current Assets	-	-	-	-	-	-	-	
Sub-Total Project Current Assets	\$ -	\$ (0)	\$ 0	\$ 0	\$ -	\$ 3,910,184	\$ 3,910,184	
<u>Assets Limited As To Use</u>								
Marketing Reserve	-	-	-	-	-	-	-	
Operating Reserve	-	-	-	-	-	-	-	
Capital Improvement Maintenance Reserve	-	-	-	-	-	-	-	
Debt Service Reserve/Sinking Fund Contributions	-	-	-	-	-	2,510,438	2,510,438	
Unearned Revenue	-	-	-	-	-	-	-	
Amortization Account Balance	6,538,006	6,966,754	7,466,792	7,676,877	8,228,185	9,505,239	9,505,239	
Sub-Total Project Limited Use Assets	\$ 6,538,006	\$ 6,966,754	\$ 7,466,792	\$ 7,676,877	\$ 8,228,185	\$ 12,015,677	\$ 12,015,677	
<u>Other/Long-Term Assets</u>								
Plant & Property @ Cost	31,595,428	36,511,883	38,478,465	41,428,338	43,984,894	46,986,476	46,986,476	
Cumulative Depreciation	-	-	-	-	-	-	-	
Other Long-Term Assets	-	-	-	-	-	-	-	
Sub-Total Other/Long-Term Assets	\$ 31,595,428	\$ 36,511,883	\$ 38,478,465	\$ 41,428,338	\$ 43,984,894	\$ 46,986,476	\$ 46,986,476	
Total Project Assets	\$ 38,133,435	\$ 43,478,637	\$ 45,945,257	\$ 49,105,214	\$ 52,213,078	\$ 62,912,336	\$ 62,912,336	
Liabilities								
<u>Current Liabilities</u>								
Accounts Payable	-	-	-	-	-	1,694,609	1,694,609	
Accrued Payroll & Benefits	-	-	-	-	-	-	-	
Current Maturity, L-T Debt	-	-	-	-	-	-	-	
Current Maturity, Mezzanine Sub-Debt	-	-	-	-	-	-	-	
Current Maturity, Gap Funding Sub-Debt	-	-	-	-	-	-	-	
Current Interest Due on Notes	-	-	-	-	-	-	-	
Other Current Liabilities	-	-	-	-	-	-	-	
Sub-Total Project Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,694,609	\$ 1,694,609	
<u>Other/Long-Term Liabilities</u>								
Long-Term Debt (Less Current Portion)	33,927,882	39,219,632	41,661,586	44,789,944	47,866,730	56,000,000	56,000,000	
Convertible Mezzanine Loan Notes Funds (Less Current Portion)	-	-	-	-	-	-	-	
Conditional Refund Obligations	-	-	-	-	-	-	-	
Gap Funding (Less Current Portion)	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	
Sub-Total Project Other/Long-Term Liabilities	\$ 37,527,882	\$ 42,819,632	\$ 45,261,586	\$ 48,389,944	\$ 51,466,730	\$ 59,600,000	\$ 59,600,000	
Total Project Liabilities	\$ 37,527,882	\$ 42,819,632	\$ 45,261,586	\$ 48,389,944	\$ 51,466,730	\$ 61,294,609	\$ 61,294,609	
Equities								
Capital Contributions	605,552	659,004	683,671	715,270	746,349	877,727	877,727	
Infrastructure Grant Funds	-	-	-	-	-	740,000	740,000	
Distributions/Dividends	-	-	-	-	-	-	-	
Retained Earnings/Operating Surplus/(Loss)	-	-	-	-	-	-	-	
Total Project Equities	\$ 605,552	\$ 659,004	\$ 683,671	\$ 715,270	\$ 746,349	\$ 1,617,727	\$ 1,617,727	
Total Project Liabilities & Equities	\$ 38,133,435	\$ 43,478,637	\$ 45,945,257	\$ 49,105,214	\$ 52,213,078	\$ 62,912,336	\$ 62,912,336	
The accompanying notes and assumptions are an integral part of this pro forma financial presentation.								

5.4.2. Accrued Payroll & Benefits – reports the current payroll and employer benefits and withholdings operating event liability generated

Pro Forma Statement of Assets, Liabilities & Equities

HIF Development, LLC Pro Forma Financial Presentation Report

by all departments of the proposed Project. The pro forma financial presentation assumes payroll being made twice a month.

Exhibit 6: Pro Forma Statement of Assets, Liabilities & Equities (Sheet 6 of 11 Sheets)

Pro Forma Statement of Project Assets, Liabilities & Equities							
Houston Intermodal Facility							
HIF Development, LLC							
Houston, Texas							
Worst-Case Scenario - PPM Presentation							
Period Ending:	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	
Assets							
<u>Current Assets</u>							
Cash Operating Account	\$ 5,069,109	\$ 4,857,070	\$ 5,215,267	\$ 5,981,925	\$ 6,553,271	\$ 7,524,905	
Accounts Receivable	2,085,541	2,245,433	2,405,324	2,565,216	2,725,107	2,884,999	
Inventory	1,554,134	1,568,383	1,582,633	1,596,882	1,611,132	1,625,381	
Prepaid Operating Expense	-	1,130,151	1,196,430	1,262,709	1,328,988	1,395,267	
Other Current Assets	-	-	-	-	-	-	
Sub-Total Project Current Assets	\$ 8,708,784	\$ 9,801,037	\$ 10,399,654	\$ 11,406,732	\$ 12,218,498	\$ 13,430,552	
<u>Assets Limited As To Use</u>							
Marketing Reserve	-	-	-	-	-	-	
Operating Reserve	-	-	-	-	-	-	
Capital Improvement Maintenance Reserve	-	70,011	140,023	210,034	280,045	350,057	
Debt Service Reserve/Sinking Fund Contributions	2,510,438	2,510,438	2,510,438	2,510,438	2,510,438	2,510,438	
Unearned Revenue	-	392,504	422,595	452,687	482,779	512,871	
Amortization Account Balance	9,346,818	9,188,398	9,029,977	8,871,556	8,713,136	8,554,715	
Sub-Total Project Limited Use Assets	\$ 11,857,256	\$ 12,161,350	\$ 12,103,033	\$ 12,044,715	\$ 11,986,398	\$ 11,928,081	
<u>Other/Long-Term Assets</u>							
Plant & Property @ Cost	46,986,476	46,986,476	46,986,476	46,986,476	46,986,476	46,986,476	
Cumulative Depreciation	-	(280,045)	(560,091)	(840,136)	(1,120,181)	(1,400,226)	
Other Long-Term Assets	-	-	-	-	-	-	
Sub-Total Other/Long-Term Assets	\$ 46,986,476	\$ 46,706,430	\$ 46,426,385	\$ 46,146,340	\$ 45,866,295	\$ 45,586,249	
Total Project Assets	\$ 67,552,515	\$ 68,668,818	\$ 68,929,072	\$ 69,597,787	\$ 70,071,191	\$ 70,944,882	
Liabilities							
<u>Current Liabilities</u>							
Accounts Payable	2,311,167	2,294,208	2,332,494	2,370,780	2,409,067	2,447,353	
Accrued Payroll & Benefits	277,725	299,522	305,200	475,109	464,567	475,109	
Current Maturity, L-T Debt	94,037	94,429	94,822	95,217	95,614	96,013	
Current Maturity, Mezzanine Sub-Debt	-	-	-	-	-	-	
Current Maturity, Gap Funding Sub-Debt	9,514	9,585	9,657	9,729	9,802	9,876	
Current Interest Due on Notes	260,333	259,870	259,405	258,937	258,468	257,996	
Other Current Liabilities	280,432	280,432	280,432	280,432	280,432	280,432	
Sub-Total Project Current Liabilities	\$ 3,233,209	\$ 3,238,047	\$ 3,282,011	\$ 3,490,206	\$ 3,517,950	\$ 3,566,778	
<u>Other/Long-Term Liabilities</u>							
Long-Term Debt (Less Current Portion)	56,000,000	55,905,963	55,811,534	55,716,712	55,621,494	55,525,880	
Convertible Mezzanine Loan Notes Funds (Less Current Portion)	-	-	-	-	-	-	
Conditional Refund Obligations	-	392,504	422,595	452,687	482,779	512,871	
Gap Funding (Less Current Portion)	3,600,000	3,590,486	3,580,901	3,571,245	3,561,515	3,551,713	
Sub-Total Project Other/Long-Term Liabilities	\$ 59,600,000	\$ 59,888,953	\$ 59,815,031	\$ 59,740,644	\$ 59,665,789	\$ 59,590,464	
Total Project Liabilities	\$ 62,833,209	\$ 63,126,999	\$ 63,097,042	\$ 63,230,849	\$ 63,183,739	\$ 63,157,242	
Equities							
Capital Contributions	877,727	1,403,437	1,403,437	1,403,437	1,403,437	1,403,437	
Infrastructure Grant Funds	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	
Distributions/Dividends	-	-	-	-	-	-	
Retained Earnings/Operating Surplus/(Loss)	(158,421)	138,381	428,593	963,501	1,484,014	2,384,202	
Total Project Equities	\$ 4,719,307	\$ 5,541,818	\$ 5,832,031	\$ 6,366,938	\$ 6,887,452	\$ 7,787,640	
Total Project Liabilities & Equities	\$ 67,552,515	\$ 68,668,818	\$ 68,929,072	\$ 69,597,787	\$ 70,071,191	\$ 70,944,882	

The accompanying notes and assumptions are an integral part of this pro forma financial presentation.

5.4.3. Current Maturity, L-T Debt – reports the current portion of the mini-perm term portion of the Construction Loan (the “Permanent Loan”) owed.

- 5.4.4. Current Maturity, Mezzanine Sub-Debt –reports the current portion of the amortized Convertible Mezzanine Loan principle obligation owed. The pro forma financial presentation assumes the Convertible Mezzanine Loan will not be utilized.
- 5.4.5. Current Maturity, Gap Funding Sub-Debt– reports the current period interest due on the Gap Loan per the terms and conditions below.
- 5.4.6. Current Interest Due on Notes – provides reporting for all other current liabilities of the Company and proposed Project and the pro forma financial presentation assumes no such liabilities to be so classified herein.
- 5.5. Other/Long-Term Liabilities. This section of the pro forma statement provides for an allocation of liabilities that are, more or less, becoming due at some point after the next 90 days. The following line item notes are provided:
- 5.5.1. Long-Term Debt (Less Current Portion) – provides reporting for the outstanding indebtedness on the prime mortgage assumed to be the Construction Loan having the following terms:
- 5.5.1.1. Origination Amount: \$76,000,000
 - 5.5.1.2. Capitalized Interest Period: Not to Exceed 18 Months
 - 5.5.1.3. Term: 25 Years
 - 5.5.1.4. Amortization: 25 Years
 - 5.5.1.5. Construction Loan Origination Points: 2.50%
 - 5.5.1.6. Permanent Loan Origination Points: 1.00%
 - 5.5.1.7. Interim Interest Rate: 5.00%
 - 5.5.1.8. Permanent Loan Interest Rate: 5.00%
- 5.5.2. Convertible Mezzanine Loan Notes Funds (Less Current Portion) – provides reporting for the outstanding balance of the assumed 4-year Convertible Mezzanine Loan. The pro forma financial presentation assumes no Convertible Mezzanine Loan to be utilized.
- 5.5.3. Conditional Refund Obligations – provides reporting for revenues that have been received but not earned and would therefore be a call on cash in the event of a contract cancellation.
- 5.5.4. Gap Funding (Less Current Portion) –provides reporting for a proposed Equity Gap Funding Loan that is enhanced via: (i) an assignment of the Company’s rights to the \$25/container marketing stipend offered by the federal government to the Company; and (ii) an assignment of the Company’s rights to receive a rebate on real

property taxes that are assumed to be provided by Onondaga County; and (iii) an assignment of the Company's rights to certain other grants and/or incentives that are assumed to be available through State Department of Transportation. The terms and conditions for this proposed capital funding plan element include:

- 5.5.4.1. Origination Amount: \$3,600,000 .
- 5.5.4.2. Funding Order: During Pre-Construction Phase.
- 5.5.4.3. Draws: Per Pro Forma Statement of Project Sources & Uses of Funds.
- 5.5.4.4. Term: 5 Years.
- 5.5.4.5. Points:3.00%.
- 5.5.4.6. Interest Rate:9.00%.
- 5.5.4.7. Amortization: 15.00 Year Schedule.
- 5.5.4.8. Retirement: Month 18.00 of Operations (the pro forma financial presentation assumes the cash flows of operations to be utilized for retirement of this loan).

5.6. Equities. Provides cost allocation for the following items:

- 5.6.1. Capital Contributions – provides reporting for additional capital contribution requirements not otherwise provided for in any other equity line item on a cumulative basis. The result is created as a result of computer software and not a forensic audit of any prospective account; instead, the required capital contributions are predicated upon the maintenance of a Quick Ratio of \$1.50:\$1.00 at all times. If the total of all other equity instruments do not satisfy the quick ratio requirement, this line item then functions to satisfy the assumed balance sheet covenant pertaining to the quick ratio.
- 5.6.2. Infrastructure Grant Funds – provides reporting for contributions of subsidies and grants from local, state and federal sources and reported on a cumulative basis. The pro forma financial presentation assumes these funds are subject to a repayment requirement at the end of the Forecast Period.
- 5.6.3. Distributions/Dividends – provides reporting for anticipated distributions and dividends generated by operating and non-operating events of the proposed Project and reported on a cumulative basis. No distributions or dividends are reported so as to allow the reader to gauge the likelihood of dividends and/or distributions to be made based upon the production of working capital by the proposed Project.

Pro Forma Statement of Assets, Liabilities & Equities

HIF Development, LLC Pro Forma Financial Presentation Report

5.6.4. Retained Earnings/Operating Surplus/(Loss)– provides reporting of the net income generated by the business (on a cash basis) and the proposed Project per the Pro Forma Statement of Operating Income & Expense and reported on a cumulative basis. The pro forma presentation assumes these funds to be available and applied in the last month of the Construction Phase as a reimbursement provided by and through Empire State Development Corporation (State of New York).

Exhibit 7: Pro Forma Statement of Assets, Liabilities & Equities (Sheet 7 of 11 Sheets)

Pro Forma Statement of Project Assets, Liabilities & Equities							
Houston Intermodal Facility HIF Development, LLC Houston, Texas Worst-Case Scenario - PPM Presentation							
Period Ending:	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	End Year 3
Assets							
Current Assets							
Cash Operating Account	\$ 7,439,951	\$ 8,818,398	\$ 10,417,668	\$ 12,280,913	\$ 14,550,383	\$ 16,690,351	\$ 16,690,351
Accounts Receivable	3,044,890	3,204,782	3,364,673	3,524,565	3,684,456	4,144,387	4,144,387
Inventory	1,639,631	1,653,880	1,668,130	1,682,379	1,696,629	1,759,630	1,759,630
Prepaid Operating Expense	1,461,546	1,527,825	1,594,104	1,660,383	1,726,935	1,894,060	1,894,060
Other Current Assets	-	-	-	-	-	-	-
Sub-Total Project Current Assets	\$ 13,586,017	\$ 15,204,884	\$ 17,044,575	\$ 19,148,239	\$ 21,658,403	\$ 24,488,429	\$ 24,488,429
Assets Limited As To Use							
Marketing Reserve	437,644	518,729	612,804	722,407	855,905	981,785	981,785
Operating Reserve	875,288	1,037,459	1,225,608	1,444,813	1,711,810	1,963,571	1,963,571
Capital Improvement Maintenance Reserve	420,068	490,079	560,091	630,102	700,113	770,124	770,124
Debt Service Reserve/Sinking Fund Contributions	2,510,438	2,510,438	2,510,438	2,510,438	2,510,438	2,510,438	2,510,438
Unearned Revenue	542,963	573,055	603,147	633,239	663,331	693,423	693,423
Amortization Account Balance	8,396,295	8,237,874	8,079,453	7,921,033	7,762,612	7,604,191	7,604,191
Sub-Total Project Limited Use Assets	\$ 13,182,696	\$ 13,367,634	\$ 13,591,540	\$ 13,862,031	\$ 14,204,208	\$ 14,523,532	\$ 14,523,532
Other/Long-Term Assets							
Plant & Property @ Cost	46,986,476	46,986,476	46,986,476	46,986,476	46,986,476	46,986,476	46,986,476
Cumulative Depreciation	(1,680,272)	(1,960,317)	(2,240,362)	(2,520,407)	(2,800,453)	(3,080,498)	(3,080,498)
Other Long-Term Assets	-	-	-	-	-	-	-
Sub-Total Other/Long-Term Assets	\$ 45,306,204	\$ 45,026,159	\$ 44,746,114	\$ 44,466,068	\$ 44,186,023	\$ 43,905,978	\$ 43,905,978
Total Project Assets	\$ 72,074,917	\$ 73,598,677	\$ 75,382,229	\$ 77,476,339	\$ 80,048,634	\$ 82,917,939	\$ 82,917,939
Liabilities							
Current Liabilities							
Accounts Payable	2,485,639	2,523,925	2,562,211	2,600,497	2,639,644	2,777,498	2,777,498
Accrued Payroll & Benefits	464,567	475,109	475,109	454,026	475,109	473,859	473,859
Current Maturity, L-T Debt	96,413	96,814	97,218	97,623	98,030	98,438	98,438
Current Maturity, Mezzanine Sub-Debt	-	-	-	-	-	-	-
Current Maturity, Gap Funding Sub-Debt	9,950	10,024	10,100	10,175	10,252	10,329	10,329
Current Interest Due on Notes	257,522	257,045	256,567	256,086	255,603	255,117	255,117
Other Current Liabilities	280,432	280,432	280,432	280,432	280,432	280,432	280,432
Sub-Total Project Current Liabilities	\$ 3,594,523	\$ 3,643,350	\$ 3,681,636	\$ 3,698,840	\$ 3,759,069	\$ 3,895,673	\$ 3,895,673
Other/Long-Term Liabilities							
Long-Term Debt (Less Current Portion)	55,429,867	55,333,455	55,236,640	55,139,423	55,041,800	54,943,770	54,943,770
Convertible Mezzanine Loan Notes Funds (Less Current Portion)	-	-	-	-	-	-	-
Conditional Refund Obligations	542,963	573,055	603,147	633,239	663,331	693,423	693,423
Gap Funding (Less Current Portion)	3,541,837	3,531,888	3,521,863	3,511,763	3,501,588	3,491,336	3,491,336
Sub-Total Project Other/Long-Term Liabilities	\$ 59,514,668	\$ 59,438,397	\$ 59,361,651	\$ 59,284,425	\$ 59,206,719	\$ 59,128,530	\$ 59,128,530
Total Project Liabilities	\$ 63,109,191	\$ 63,081,748	\$ 63,043,287	\$ 62,983,265	\$ 62,965,788	\$ 63,024,202	\$ 63,024,202
Equities							
Capital Contributions	1,403,437	1,403,437	1,403,437	1,403,437	1,403,437	1,403,437	1,403,437
Infrastructure Grant Funds	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Distributions/Dividends	-	-	-	-	-	-	-
Retained Earnings/Operating Surplus/(Loss)	3,562,289	5,113,492	6,935,504	9,089,636	11,679,409	14,490,299	14,490,299
Total Project Equities	\$ 8,965,726	\$ 10,516,929	\$ 12,338,941	\$ 14,493,074	\$ 17,082,846	\$ 19,893,736	\$ 19,893,736
Total Project Liabilities & Equities	\$ 72,074,917	\$ 73,598,677	\$ 75,382,229	\$ 77,476,339	\$ 80,048,634	\$ 82,917,939	\$ 82,917,939

The accompanying notes and assumptions are an integral part of this pro forma financial presentation.

Pro Forma Statement of Assets, Liabilities & Equities

HIF Development, LLC Pro Forma Financial Presentation Report

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Exhibit 8: Pro Forma Statement of Assets, Liabilities & Equities (Sheet 8 of 11 Sheets)

Pro Forma Statement of Project Assets, Liabilities & Equities							
Houston Intermodal Facility HIF Development, LLC Houston, Texas Worst-Case Scenario - PPM Presentation							
	Period Ending:	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11
Assets							
<u>Current Assets</u>							
	Cash Operating Account	\$ 20,122,952	\$ 23,489,145	\$ 26,921,685	\$ 30,296,954	\$ 30,263,053	\$ 33,695,498
	Accounts Receivable	4,144,387	4,144,387	4,144,387	4,144,387	4,144,387	4,144,387
	Inventory	1,759,630	1,759,630	1,759,630	1,759,630	1,759,630	1,759,630
	Prepaid Operating Expense	1,894,060	1,894,060	1,894,060	1,894,060	1,894,060	1,894,060
	Other Current Assets	-	-	-	-	-	-
	Sub-Total Project Current Assets	\$ 27,921,030	\$ 31,287,223	\$ 34,719,763	\$ 38,095,032	\$ 38,061,131	\$ 41,493,576
<u>Assets Limited As To Use</u>							
	Marketing Reserve	1,183,703	1,381,714	1,583,629	1,782,174	1,780,180	1,982,088
	Operating Reserve	2,367,406	2,763,429	3,167,257	3,564,348	3,560,359	3,964,176
	Capital Improvement Maintenance Reserve	840,136	910,147	980,158	1,050,170	1,120,181	1,190,192
	Debt Service Reserve/Sinking Fund Contributions	2,510,438	2,510,438	2,510,438	2,510,438	2,510,438	2,510,438
	Unearned Revenue	779,983	779,983	779,983	779,983	779,983	779,983
	Amortization Account Balance	7,445,771	7,287,350	7,128,929	6,970,509	6,812,088	6,653,667
	Sub-Total Project Limited Use Assets	\$ 15,127,436	\$ 15,633,061	\$ 16,150,394	\$ 16,657,620	\$ 16,563,228	\$ 17,080,545
<u>Other/Long-Term Assets</u>							
	Plant & Property @ Cost	46,986,476	46,986,476	46,986,476	46,986,476	46,986,476	46,986,476
	Cumulative Depreciation	(3,360,543)	(3,640,588)	(3,920,634)	(4,200,679)	(4,480,724)	(4,760,769)
	Other Long-Term Assets	-	-	-	-	-	-
	Sub-Total Other/Long-Term Assets	\$ 43,625,933	\$ 43,345,887	\$ 43,065,842	\$ 42,785,797	\$ 42,505,752	\$ 42,225,706
	Total Project Assets	\$ 86,674,399	\$ 90,266,171	\$ 93,935,999	\$ 97,538,449	\$ 97,130,111	\$ 100,799,827
Liabilities							
<u>Current Liabilities</u>							
	Accounts Payable	2,777,498	2,777,498	2,777,498	2,777,498	2,777,498	2,777,498
	Accrued Payroll & Benefits	484,611	473,859	484,611	484,611	473,859	484,611
	Current Maturity, L-T Debt	98,848	99,260	99,674	100,089	100,506	100,925
	Current Maturity, Mezzanine Sub-Debt	-	-	-	-	-	-
	Current Maturity, Gap Funding Sub-Debt	10,406	10,484	10,563	10,642	10,722	10,802
	Current Interest Due on Notes	254,630	254,140	253,648	253,153	252,656	252,157
	Other Current Liabilities	280,432	280,432	280,432	280,432	280,432	280,432
	Sub-Total Project Current Liabilities	\$ 3,906,425	\$ 3,895,673	\$ 3,906,425	\$ 3,906,425	\$ 3,895,673	\$ 3,906,425
<u>Other/Long-Term Liabilities</u>							
	Long-Term Debt (Less Current Portion)	54,845,332	54,746,484	54,647,224	54,547,550	54,447,461	54,346,955
	Convertible Mezzanine Loan Notes Funds (Less Current Portion)	-	-	-	-	-	-
	Conditional Refund Obligations	779,983	779,983	779,983	779,983	779,983	779,983
	Gap Funding (Less Current Portion)	3,481,008	3,470,602	3,460,118	3,449,555	3,438,913	3,428,191
	Sub-Total Project Other/Long-Term Liabilities	\$ 59,106,323	\$ 58,997,069	\$ 58,887,325	\$ 58,777,088	\$ 58,666,357	\$ 58,555,130
	Total Project Liabilities	\$ 63,012,748	\$ 62,892,742	\$ 62,793,750	\$ 62,683,513	\$ 62,562,030	\$ 62,461,555
Equities							
	Capital Contributions	1,403,437	1,403,437	1,403,437	1,403,437	1,403,437	1,403,437
	Infrastructure Grant Funds	4,000,000	4,000,000	4,000,000	4,000,000	-	-
	Distributions/Dividends	-	-	-	-	-	-
	Retained Earnings/Operating Surplus/(Loss)	18,258,214	21,969,992	25,738,811	29,451,499	33,164,643	36,934,834
	Total Project Equities	\$ 23,661,651	\$ 27,373,430	\$ 31,142,249	\$ 34,854,936	\$ 34,568,080	\$ 38,338,272
	Total Project Liabilities & Equities	\$ 86,674,399	\$ 90,266,171	\$ 93,935,999	\$ 97,538,449	\$ 97,130,111	\$ 100,799,827

The accompanying notes and assumptions are an integral part of this pro forma financial presentation.

Pro Forma Statement of Assets, Liabilities & Equities

HIF Development, LLC Pro Forma Financial Presentation Report

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Exhibit 9: Pro Forma Statement of Assets, Liabilities & Equities (Sheet 9 of 11 Sheets)

Pro Forma Statement of Project Assets, Liabilities & Equities														
Houston Intermodal Facility HIF Development, LLC Houston, Texas Worst-Case Scenario - PPM Presentation														
	Period Ending:	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	End Year 4						
Assets														
<u>Current Assets</u>														
Cash Operating Account	\$	34,125,715	\$	37,587,499	\$	40,992,017	\$	44,378,230	\$	47,897,713	\$	51,170,349	\$	51,170,349
Accounts Receivable		4,144,387		4,144,387		4,144,387		4,144,387		4,144,387		4,289,441		4,289,441
Inventory		1,759,630		1,759,630		1,759,630		1,759,630		1,759,630		1,794,823		1,794,823
Prepaid Operating Expense		1,894,060		1,894,060		1,894,060		1,894,060		1,894,489		1,929,062		1,929,062
Other Current Assets		-		-		-		-		-		-		-
Sub-Total Project Current Assets	\$	41,923,793	\$	45,385,577	\$	48,790,095	\$	52,176,308	\$	55,696,220	\$	59,183,675	\$	59,183,675
<u>Assets Limited As To Use</u>														
Marketing Reserve		2,007,395		2,211,029		2,411,295		2,610,484		2,817,513		3,010,021		3,010,021
Operating Reserve		4,014,790		4,422,059		4,822,590		5,220,968		5,635,025		6,020,041		6,020,041
Capital Improvement Maintenance Reserve		1,260,204		1,330,215		1,400,226		1,470,238		1,540,249		1,610,260		1,610,260
Debt Service Reserve/Sinking Fund Contributions		2,510,438		2,510,438		2,510,438		2,510,438		2,510,438		2,510,438		2,510,438
Unearned Revenue		779,983		779,983		779,983		779,983		779,983		779,983		779,983
Amortization Account Balance		6,495,247		6,336,826		6,178,405		6,019,985		5,861,564		5,703,143		5,703,143
Sub-Total Project Limited Use Assets	\$	17,068,056	\$	17,590,550	\$	18,102,938	\$	18,612,095	\$	19,144,771	\$	19,633,886	\$	19,633,886
<u>Other/Long-Term Assets</u>														
Plant & Property @ Cost		46,986,476		46,986,476		46,986,476		46,986,476		46,986,476		46,986,476		46,986,476
Cumulative Depreciation		(5,040,815)		(5,320,860)		(5,600,905)		(5,880,950)		(6,160,996)		(6,441,041)		(6,441,041)
Other Long-Term Assets		-		-		-		-		-		-		-
Sub-Total Other/Long-Term Assets	\$	41,945,661	\$	41,665,616	\$	41,385,571	\$	41,105,525	\$	40,825,480	\$	40,545,435	\$	40,545,435
Total Project Assets	\$	100,937,510	\$	104,641,743	\$	108,278,604	\$	111,893,928	\$	115,666,471	\$	119,362,996	\$	119,362,996
Liabilities														
<u>Current Liabilities</u>														
Accounts Payable		2,777,498		2,777,498		2,777,498		2,777,498		2,778,564		2,840,635		2,840,635
Accrued Payroll & Benefits		473,859		484,611		484,611		463,106		484,611		483,336		483,336
Current Maturity, L-T Debt		101,345		101,768		102,192		102,617		103,045		103,474		103,474
Current Maturity, Mezzanine Sub-Debt		-		-		-		-		-		-		-
Current Maturity, Gap Funding Sub-Debt		-		-		-		-		-		-		-
Current Interest Due on Notes		226,025		225,603		225,179		224,753		224,325		223,896		223,896
Other Current Liabilities		280,432		280,432		280,432		280,432		280,432		280,432		280,432
Sub-Total Project Current Liabilities	\$	3,859,159	\$	3,869,911	\$	3,869,911	\$	3,848,407	\$	3,870,978	\$	3,931,773	\$	3,931,773
<u>Other/Long-Term Liabilities</u>														
Long-Term Debt (Less Current Portion)		54,246,030		54,144,685		54,042,918		53,940,726		53,838,109		53,735,064		53,735,064
Convertible Mezzanine Loan Notes Funds (Less Current Portion)		-		-		-		-		-		-		-
Conditional Refund Obligations		779,983		779,983		779,983		779,983		779,983		779,983		779,983
Gap Funding (Less Current Portion)		-		-		-		-		-		-		-
Sub-Total Project Other/Long-Term Liabilities	\$	55,026,014	\$	54,924,668	\$	54,822,901	\$	54,720,709	\$	54,618,092	\$	54,515,047	\$	54,515,047
Total Project Liabilities	\$	58,885,173	\$	58,794,580	\$	58,692,812	\$	58,569,116	\$	58,489,070	\$	58,446,820	\$	58,446,820
Equities														
Capital Contributions		1,403,437		1,403,437		1,403,437		1,403,437		1,403,437		1,403,437		1,403,437
Infrastructure Grant Funds		-		-		-		-		-		-		-
Distributions/Dividends		-		-		-		-		-		-		-
Retained Earnings/Operating Surplus/(Loss)		40,648,900		44,443,726		48,182,354		51,921,375		55,773,964		59,512,738		59,512,738
Total Project Equities	\$	42,052,338	\$	45,847,163	\$	49,585,791	\$	53,324,812	\$	57,177,402	\$	60,916,176	\$	60,916,176
Total Project Liabilities & Equities	\$	100,937,510	\$	104,641,743	\$	108,278,604	\$	111,893,928	\$	115,666,471	\$	119,362,996	\$	119,362,996

The accompanying notes and assumptions are an integral part of this pro forma financial presentation.

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Pro Forma Statement of Assets, Liabilities & Equities

HIF Development, LLC Pro Forma Financial Presentation Report

Exhibit 10: Pro Forma Statement of Assets, Liabilities & Equities (Sheet 10 of 11 Sheets)

Pro Forma Statement of Project Assets, Liabilities & Equities							
Houston Intermodal Facility HIF Development, LLC Houston, Texas Worst-Case Scenario - PPM Presentation							
Period Ending:	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	
Assets							
<u>Current Assets</u>							
Cash Operating Account	\$ 54,862,494	\$ 58,487,212	\$ 62,179,302	\$ 66,219,561	\$ 70,483,838	\$ 74,827,374	
Accounts Receivable	4,289,441	4,289,441	4,289,441	4,289,441	4,289,441	4,289,441	
Inventory	1,794,823	1,794,823	1,794,823	1,794,823	1,794,823	1,794,823	
Prepaid Operating Expense	1,929,062	1,929,062	1,929,062	1,929,062	1,929,062	1,929,062	
Other Current Assets	-	-	-	-	-	-	
Sub-Total Project Current Assets	\$ 62,875,820	\$ 66,500,538	\$ 70,192,628	\$ 74,232,887	\$ 78,497,164	\$ 82,840,700	
<u>Assets Limited As To Use</u>							
Marketing Reserve	3,227,206	3,440,424	3,657,606	3,735,945	3,735,945	3,735,945	
Operating Reserve	6,454,411	6,880,849	7,315,212	7,471,891	7,471,891	7,471,891	
Capital Improvement Maintenance Reserve	1,680,272	1,750,283	1,820,294	1,890,305	1,960,317	2,030,328	
Debt Service Reserve/Sinking Fund Contributions	2,510,438	2,510,438	2,510,438	2,510,438	2,510,438	2,510,438	
Unearned Revenue	807,282	807,282	807,282	807,282	807,282	807,282	
Amortization Account Balance	5,544,723	5,386,302	5,227,882	5,069,461	4,911,040	4,752,620	
Sub-Total Project Limited Use Assets	\$ 20,224,331	\$ 20,775,578	\$ 21,338,714	\$ 21,485,322	\$ 21,396,913	\$ 21,308,503	
<u>Other/Long-Term Assets</u>							
Plant & Property @ Cost	46,986,476	46,986,476	46,986,476	46,986,476	46,986,476	46,986,476	
Cumulative Depreciation	(6,721,086)	(7,001,131)	(7,281,177)	(7,561,222)	(7,841,267)	(8,121,312)	
Other Long-Term Assets	-	-	-	-	-	-	
Sub-Total Other/Long-Term Assets	\$ 40,265,390	\$ 39,985,344	\$ 39,705,299	\$ 39,425,254	\$ 39,145,209	\$ 38,865,163	
Total Project Assets	\$ 123,365,540	\$ 127,261,460	\$ 131,236,641	\$ 135,143,463	\$ 139,039,285	\$ 143,014,367	
Liabilities							
<u>Current Liabilities</u>							
Accounts Payable	2,840,635	2,840,635	2,840,635	2,840,635	2,840,635	2,840,635	
Accrued Payroll & Benefits	494,303	483,336	494,303	494,303	483,336	494,303	
Current Maturity, L-T Debt	103,905	104,338	104,773	105,210	105,648	106,088	
Current Maturity, Mezzanine Sub-Debt	-	-	-	-	-	-	
Current Maturity, Gap Funding Sub-Debt	-	-	-	-	-	-	
Current Interest Due on Notes	223,465	223,032	222,597	222,161	221,722	221,282	
Other Current Liabilities	280,432	280,432	280,432	280,432	280,432	280,432	
Sub-Total Project Current Liabilities	\$ 3,942,741	\$ 3,931,773	\$ 3,942,741	\$ 3,942,741	\$ 3,931,773	\$ 3,942,741	
<u>Other/Long-Term Liabilities</u>							
Long-Term Debt (Less Current Portion)	53,631,589	53,527,684	53,423,345	53,318,572	53,213,363	53,107,715	
Convertible Mezzanine Loan Notes Funds (Less Current Portion)	-	-	-	-	-	-	
Conditional Refund Obligations	807,282	807,282	807,282	807,282	807,282	807,282	
Gap Funding (Less Current Portion)	-	-	-	-	-	-	
Sub-Total Project Other/Long-Term Liabilities	\$ 54,438,872	\$ 54,334,966	\$ 54,230,628	\$ 54,125,855	\$ 54,020,645	\$ 53,914,997	
Total Project Liabilities	\$ 58,381,612	\$ 58,266,740	\$ 58,173,368	\$ 58,068,595	\$ 57,952,418	\$ 57,857,738	
Equities							
Capital Contributions	1,403,437	1,403,437	1,403,437	1,403,437	1,403,437	1,403,437	
Infrastructure Grant Funds	-	-	-	-	-	-	
Distributions/Dividends	-	-	-	-	-	-	
Retained Earnings/Operating Surplus/(Loss)	63,580,491	67,591,283	71,659,835	75,671,430	79,683,429	83,753,192	
Total Project Equities	\$ 64,983,928	\$ 68,994,721	\$ 73,063,272	\$ 77,074,867	\$ 81,086,867	\$ 85,156,629	
Total Project Liabilities & Equities	\$ 123,365,540	\$ 127,261,460	\$ 131,236,641	\$ 135,143,463	\$ 139,039,285	\$ 143,014,367	

The accompanying notes and assumptions are an integral part of this pro forma financial presentation.

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Pro Forma Statement of Assets, Liabilities & Equities

HIF Development, LLC Pro Forma Financial Presentation Report

Exhibit 11: Pro Forma Statement of Assets, Liabilities & Equities (Sheet 11 of 11 Sheets)

Pro Forma Statement of Project Assets, Liabilities & Equities							
Houston Intermodal Facility HIF Development, LLC Houston, Texas Worst-Case Scenario - PPM Presentation							
Period Ending:	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	End Year 5
Assets							
<u>Current Assets</u>							
Cash Operating Account	\$ 79,091,585	\$ 83,435,056	\$ 87,710,167	\$ 91,963,311	\$ 96,375,657	\$ 97,979,457	\$ 97,979,457
Accounts Receivable	4,289,441	4,289,441	4,289,441	4,289,441	4,289,441	4,289,441	4,289,441
Inventory	1,794,823	1,794,823	1,794,823	1,794,823	1,794,823	1,794,823	1,794,823
Prepaid Operating Expense	1,929,062	1,929,062	1,929,062	1,929,062	1,929,499	4,101,073	4,101,073
Other Current Assets	-	-	-	-	-	-	-
Sub-Total Project Current Assets	\$ 87,104,911	\$ 91,448,382	\$ 95,723,493	\$ 99,976,637	\$ 104,389,421	\$ 108,164,794	\$ 108,164,794
<u>Assets Limited As To Use</u>							
Marketing Reserve	3,735,945	3,735,945	3,735,945	3,735,945	3,735,945	3,735,945	3,735,945
Operating Reserve	7,471,891	7,471,891	7,471,891	7,471,891	7,471,891	7,471,891	7,471,891
Capital Improvement Maintenance Reserve	2,100,339	2,170,351	2,240,362	2,310,373	2,380,385	2,450,396	2,450,396
Debt Service Reserve/Sinking Fund Contributions	2,510,438	2,510,438	2,510,438	2,510,438	2,510,438	2,510,438	2,510,438
Unearned Revenue	807,282	807,282	807,282	807,282	807,282	807,282	807,282
Amortization Account Balance	4,594,199	4,435,778	4,277,358	4,118,937	3,960,516	3,802,096	3,802,096
Sub-Total Project Limited Use Assets	\$ 21,220,094	\$ 21,131,685	\$ 21,043,275	\$ 20,954,866	\$ 20,866,457	\$ 20,778,047	\$ 20,778,047
<u>Other/Long-Term Assets</u>							
Plant & Property @ Cost	46,986,476	46,986,476	46,986,476	46,986,476	46,986,476	46,986,476	46,986,476
Cumulative Depreciation	(8,401,358)	(8,681,403)	(8,961,448)	(9,241,494)	(9,521,539)	(9,801,584)	(9,801,584)
Other Long-Term Assets	-	-	-	-	-	-	-
Sub-Total Other/Long-Term Assets	\$ 38,585,118	\$ 38,305,073	\$ 38,025,027	\$ 37,744,982	\$ 37,464,937	\$ 37,184,892	\$ 37,184,892
Total Project Assets	\$ 146,910,123	\$ 160,885,139	\$ 164,791,796	\$ 168,676,485	\$ 162,720,814	\$ 166,127,733	\$ 166,127,733
Liabilities							
<u>Current Liabilities</u>							
Accounts Payable	2,840,635	2,840,635	2,840,635	2,840,635	2,841,722	2,841,722	2,841,722
Accrued Payroll & Benefits	483,336	494,303	494,303	472,368	494,303	494,303	494,303
Current Maturity, L-T Debt	106,530	106,974	107,420	107,867	108,317	109,221	109,221
Current Maturity, Mezzanine Sub-Debt	-	-	-	-	-	-	-
Current Maturity, Gap Funding Sub-Debt	-	-	-	-	-	-	-
Current Interest Due on Notes	220,840	220,396	219,951	219,503	219,053	-	-
Other Current Liabilities	280,432	280,432	280,432	280,432	280,432	-	-
Sub-Total Project Current Liabilities	\$ 3,931,773	\$ 3,942,741	\$ 3,942,741	\$ 3,920,806	\$ 3,943,828	\$ 3,445,247	\$ 3,445,247
<u>Other/Long-Term Liabilities</u>							
Long-Term Debt (Less Current Portion)	53,001,626	52,895,096	52,788,122	52,680,702	52,572,834	52,464,517	52,464,517
Convertible Mezzanine Loan Notes Funds (Less Current Portion)	-	-	-	-	-	-	-
Conditional Refund Obligations	807,282	807,282	807,282	807,282	807,282	807,282	807,282
Gap Funding (Less Current Portion)	-	-	-	-	-	-	-
Sub-Total Project Other/Long-Term Liabilities	\$ 53,808,909	\$ 53,702,378	\$ 53,595,404	\$ 53,487,984	\$ 53,380,117	\$ 53,271,800	\$ 53,271,800
Total Project Liabilities	\$ 57,740,682	\$ 57,645,119	\$ 57,538,145	\$ 57,408,790	\$ 57,323,945	\$ 56,717,047	\$ 56,717,047
Equities							
Capital Contributions	1,403,437	1,403,437	1,403,437	1,403,437	1,403,437	1,403,437	1,403,437
Infrastructure Grant Funds	-	-	-	-	-	-	-
Distributions/Dividends	-	-	-	-	-	-	-
Retained Earnings/Operating Surplus/(Loss)	87,766,004	91,836,583	95,850,214	99,864,268	103,993,432	108,007,249	108,007,249
Total Project Equities	\$ 89,169,441	\$ 93,240,020	\$ 97,253,652	\$ 101,267,695	\$ 105,396,869	\$ 109,410,686	\$ 109,410,686
Total Project Liabilities & Equities	\$ 146,910,123	\$ 160,885,139	\$ 164,791,796	\$ 168,676,485	\$ 162,720,814	\$ 166,127,733	\$ 166,127,733

The accompanying notes and assumptions are an integral part of this pro forma financial presentation.

END OF REPORT