

**Atlantic Yards Mixed Use Development
Total Project Cash Flow
October 11, 2006**

Private and Confidential

	1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013	11 2014	12 2015
SF of Office Developed						308,801						
SF of Hotel Developed						164,652						
SF of Retail Developed						14,695	60,688	49,447	20,659	47,959		6,641
SF of Residential Rental Developoc Residential Rental Units Developoc							1,385,599	1,222,736	424,729	733,623		
SF of Residential Condo Developed Residential Condo Units Developoc						710,968	389,590	244,634	506	881		224,910
Total						1,199,116	1,835,877	1,516,817	445,388	1,247,442	-	231,551
Cumulative SF Developoc						1,199,116	3,034,993	4,551,810	4,997,198	6,244,640	6,244,640	6,476,191
Cumulative Rental Units Developoc						-	1,658	3,113	3,619	4,500	4,500	4,500
Cumulative Condo Units Developoc						551	863	1,065	1,065	1,433	1,433	1,608
												Terminal Value
(In \$000's)												
Land, Masterplanning & LIRR / Infrastructur	(33,866,180)	(59,624,023)	(137,864,076)	325,752,763	70,318,250	(154,490,208)	(77,053,963)	12,075,243	19,024,040	35,728,154	-	-
Total AY Office Equity ¹	-	-	-	(27,171,965)	-	-	-	-	-	-	-	-
Total AY Office Cash Flow	-	-	-	-	-	-	2,241,902	2,241,902	2,241,902	2,241,902	3,637,937	-
Total AY Office Net Proceeds from Sale	-	-	-	-	-	-	-	-	-	-	-	72,597,141
Total Net Cash Flow	-	-	-	(27,171,965)	-	-	2,241,902	2,241,902	2,241,902	2,241,902	3,637,937	72,597,141
Total AY Hotel Equity	-	-	-	-	-	-	-	-	-	-	-	-
Total AY Hotel Sales Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Total Net Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-
Total AY Residential Rental Equity ²	-	-	-	(37,211,310)	(74,919,587)	(139,546,597)	(98,418,833)	(41,809,766)	(10,913,176)	6,434,848	6,967,282	-
Total AY Residential Rental Cash Flow	-	-	-	-	-	-	(293,014)	7,308,819	16,698,661	21,378,735	28,843,070	-
Total AY Residential Rental Net Proceeds from Sale	-	-	-	-	-	-	-	-	-	-	-	554,873,707
Total Net Cash Flow	-	-	-	(37,211,310)	(74,919,587)	(139,546,597)	(98,711,847)	(34,500,947)	5,785,485	27,813,583	35,810,352	554,873,707
Total AY Residential Condo Equity ³	-	-	-	(137,682,815)	(99,285,791)	(4,298,427)	(50,705,480)	(51,912,447)	(56,032,775)	(46,383,519)	-	-
Total AY Residential Condo Cash Flow	-	-	-	-	-	158,023,344	117,265,411	60,620,724	16,179,678	98,031,435	48,732,541	76,668,736
Total Net Cash Flow	-	-	-	(137,682,815)	(99,285,791)	153,724,918	66,559,931	8,708,277	(39,853,097)	51,647,916	48,732,541	76,668,736
Total AY Project Equity	(33,866,180)	(59,624,023)	(137,864,076)	123,686,674	(103,887,128)	(298,335,232)	(226,178,276)	(81,646,970)	(47,921,911)	(4,220,517)	6,967,282	-
Total AY Project Cash Flow	-	-	-	-	-	158,023,344	119,214,299	70,171,445	35,120,241	121,652,072	81,213,549	76,668,736
Total AY Project Net Sales Proceeds	-	-	-	-	-	-	-	-	-	-	-	627,470,848
TOTAL AY PROJECT NET CASH FLOW	(33,866,180)	(59,624,023)	(137,864,076)	123,686,674	(103,887,128)	(140,311,888)	(106,963,977)	(11,475,525)	(12,801,670)	117,431,554	88,180,831	704,139,584

ATLANTIC YARDS ANNUAL IRR **9.6%**

1. Reflects equity net of \$109 million of office construction loans, assuming 80% loan-to-cos
2. Reflects equity net of \$1,149 million of bond proceeds, assuming current HDC 50/30/20 financing progra
3. Reflects equity net of \$1,041 million of condominium construction loans, assuming 70% loan-to-co