

**Empire State** Development

**FORESTCITYRATNER**  
**COMPANIES**



**June 17, 2003**

# Mission Statement

To relocate, in Downtown Brooklyn, two first class sports franchises to New York State, thereby stimulating economic growth through the sports teams, other entertainment, and the construction of a new arena and 6.5 million square feet of mixed use development

# Project Goals

- Take advantage of singular moment in time for this type of transaction
- Acquire the Nets & the Devils
- Relocate the teams to Brooklyn
- Construct the arena primarily with new tax revenues generated by the arena and sports franchises
- Develop 7.5 million square feet of mixed-use projects (including arena). This is necessary for project feasibility, and also stimulates economic growth.

# The Current State of Sports Franchises

- Economics of Sports Teams Must Make Financial Sense
  - IRR driven (few vanity purchases)
  - New attractive arena with improved revenue opportunities (e.g. suites, advertising, etc).
  - Cost effective financing for arena and arena revenue goes to the teams
- Major Economic Obstacles in Moving to a New State
  - Loss of existing fan base and building a new fan base
  - Loss of attendance during arena development
  - Development risk and economic consequences

# Project Summary

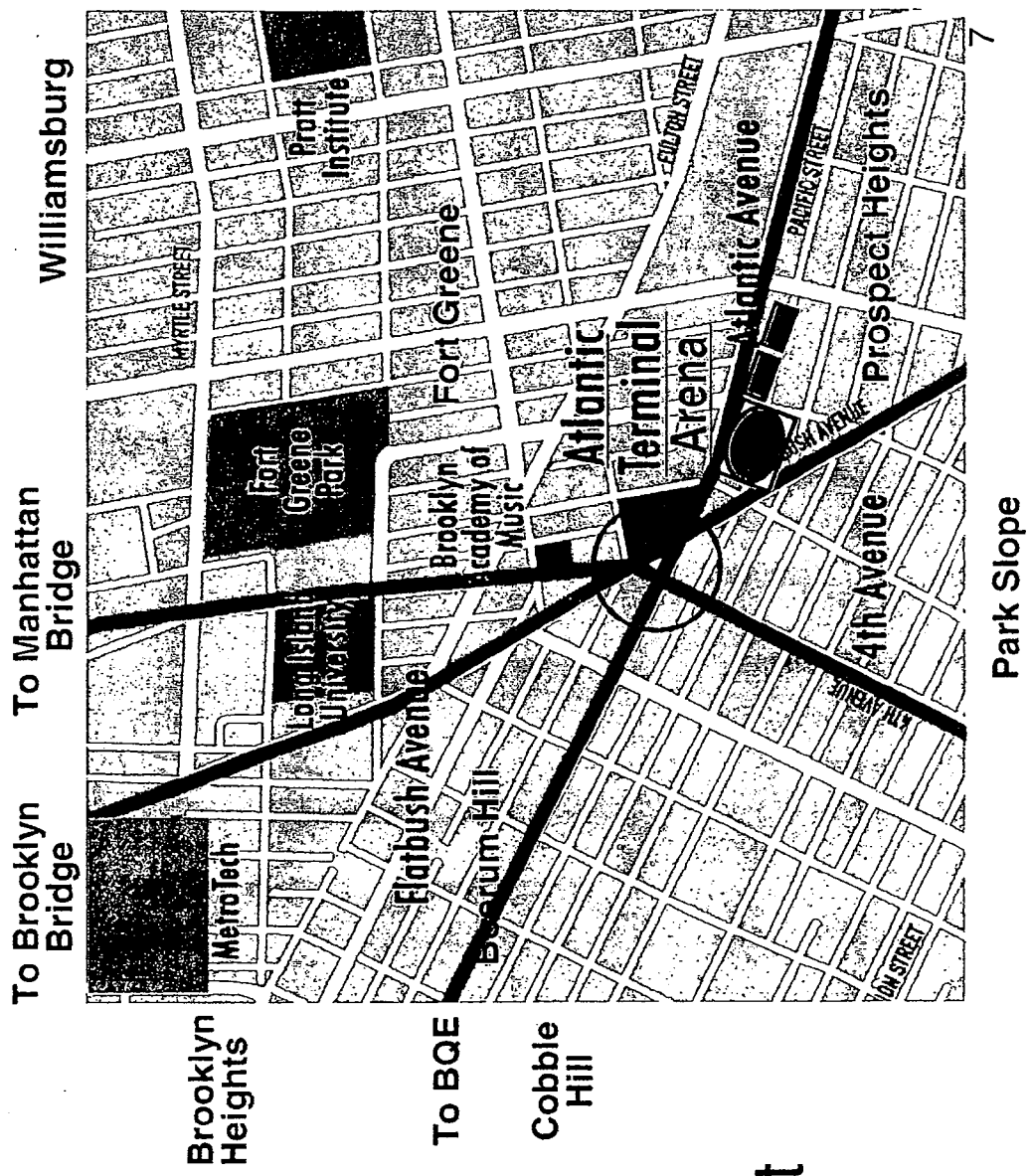
1. Site area (Arena and Other Development):
  - 1.18 million SF, including streets
  - Blocks 1118, 1119, 1120, 1121, 1127, 1128, 1129
2. Arena:
  - 18,000 to 20,000 seats
  - 750,000 SF
  - Will provide much needed second venue in down state region for entertainment events
3. Requires State Action/ESDC as lead agency
4. Condemnation:
  - 1+ blocks containing approximately 91 housing units
  - Estimated cost = \$50 million
5. Timing
  - MOU with State and City in 60 days
  - Approvals completed by August 2004
  - Two year construction period
  - New season in Brooklyn starts in October 2006

# Project Summary

- 6. **Economics**
  - Acquisition costs of Devils = \$140 million + \$40 million in operating losses
  - Acquisition costs of Nets = \$275 million + \$50 million in operating losses
  - Development costs of arena and parking (excluding costs for condemnation) = \$500 - \$600 million
  - Tax increment financing, minimal outlay of government funds
  - Possible government backing of a portion of bonds
  - Total annual revenue from new taxes and ground rent/Pilot = \$47.6 million
    - Sales tax from tickets = \$18.6 million
    - Income taxes on player and executives = \$10.0 million
    - Arena ground rent/Pilot = \$10.0 million
    - Mixed use ground rent/ Pilot = \$9.0 million
- 7. **Transportation**
  - 65% of visitors to the arena will arrive by mass transit or walking
  - 1,500 to 1,800 cars will arrive off peak
- 8. **Backup Plan**

# Site – Located at the Crossroad of Brooklyn

- Office
- Residential
- Retail
- Cultural
- Academic
- Entertainment

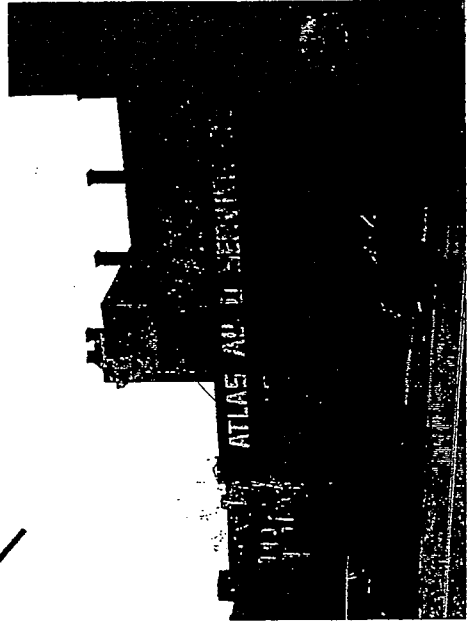
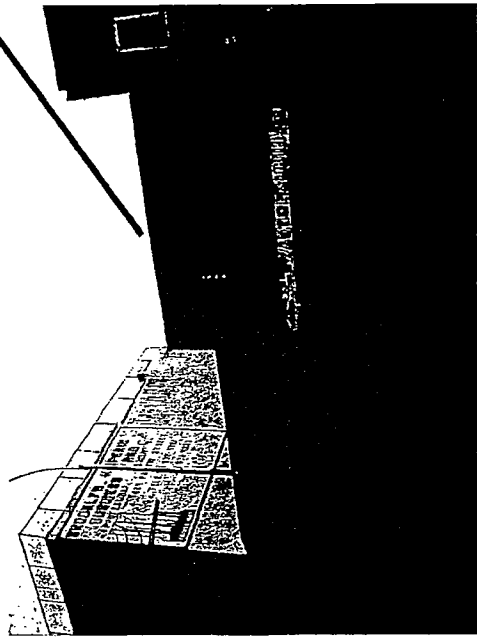
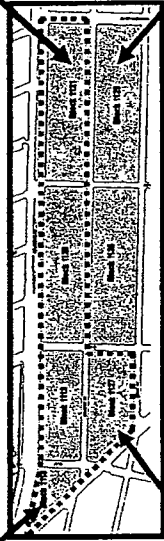
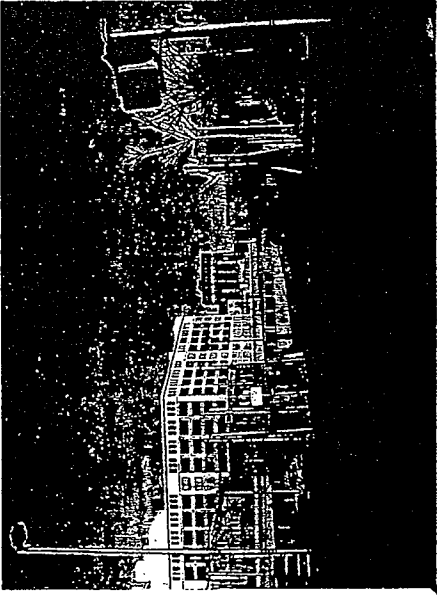
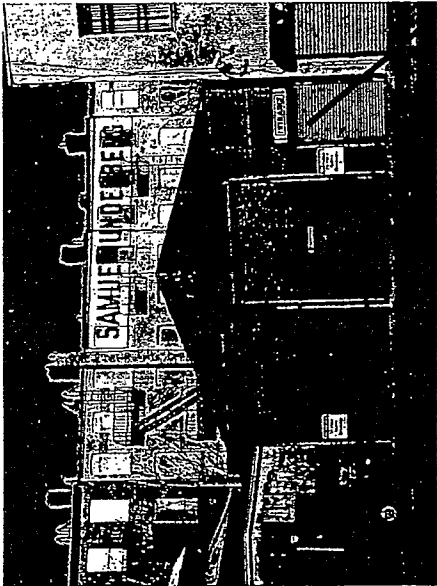




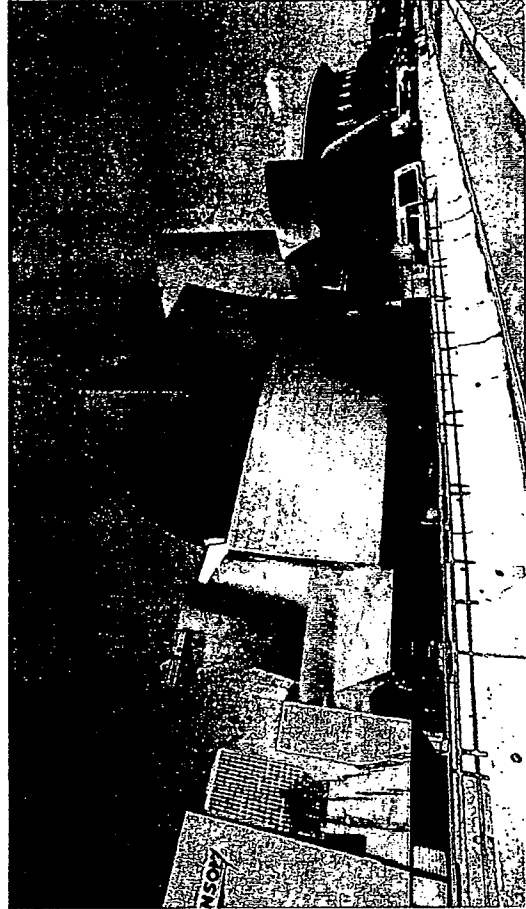
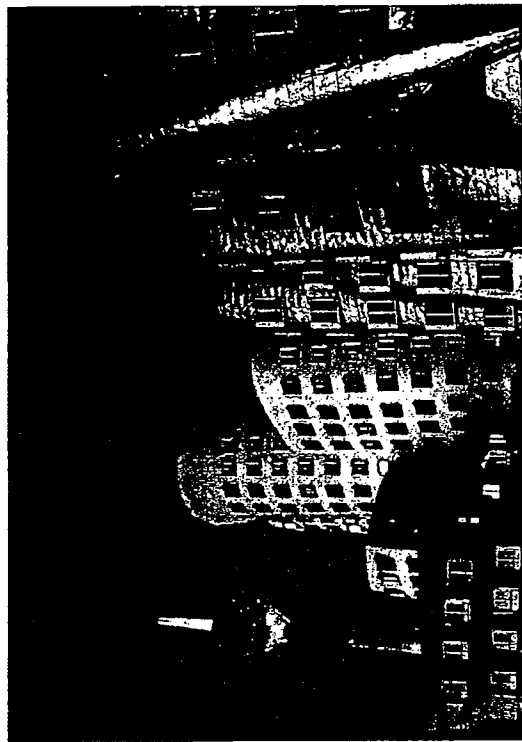
# The Site



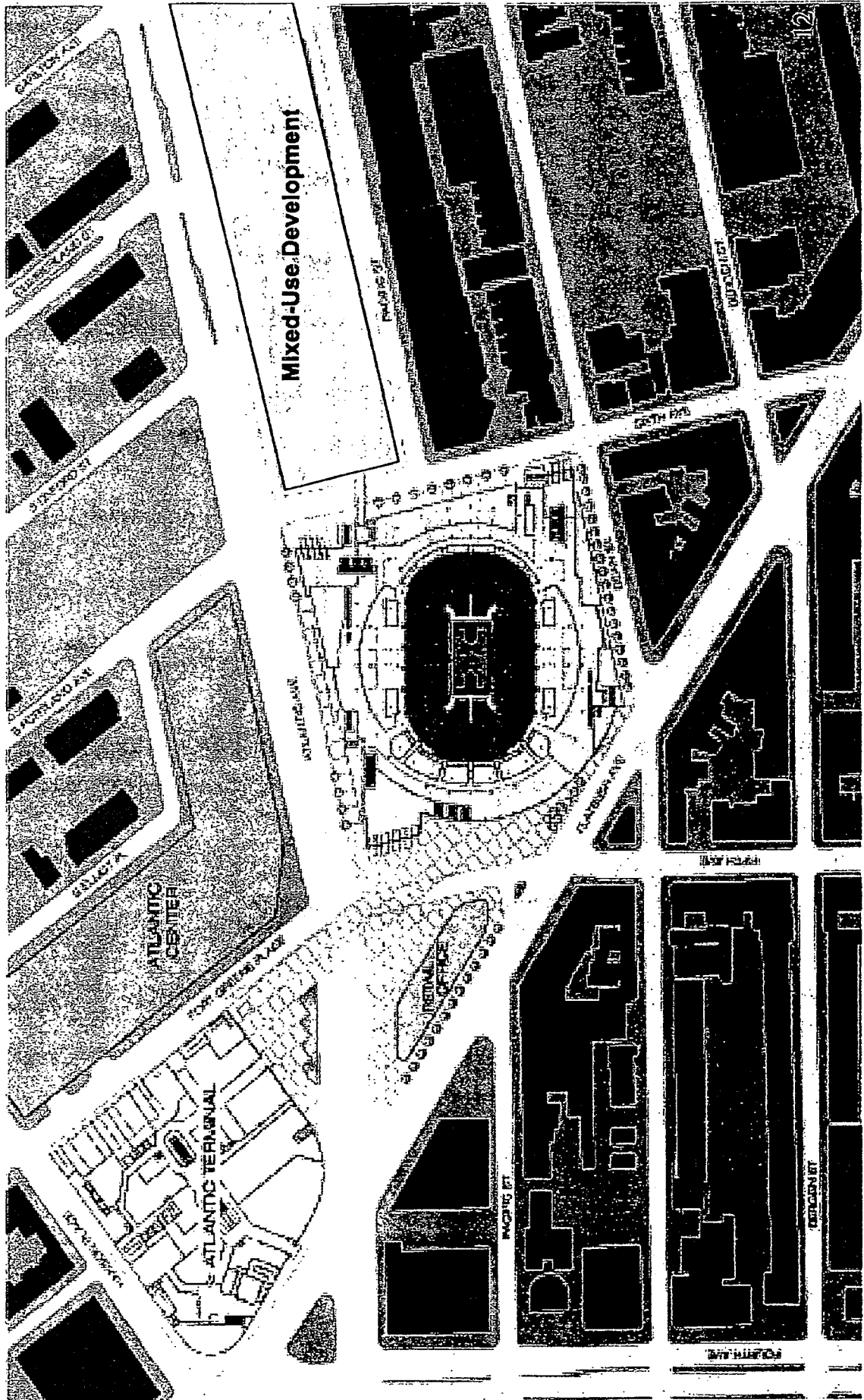
# Existing Conditions



# Iconic Architecture by Frank Gehry



# Arena Site Plan



# Economic Impact

Construction		(Dollars in Millions)	
Total Effect on the Local Economy	Total Direct	Total Direct/ Indirect	
Arena	\$450.0	\$863.0	
Mixed-Use Development	\$1,136.2	\$2,104.6	
Infrastructure	\$100.0	\$188.7	
<b>TOTAL</b>	<b>\$1,686.2</b>	<b>\$3,156.3</b>	
<b>Operations</b>			
Annual Effect on the Local Economy			
Arena	\$231.9	\$533.2	
Mixed-Use Development	\$2.3	\$3.5	
<b>TOTAL</b>	<b>\$234.2</b>	<b>\$536.7</b>	

# Tentative Schedule

Item	2003												2004	2005	2006	
	May	June	July	August	Sept	Oct	Nov	Dec								
1. Complete Devil/Nets Termsheet		█														
2. Complete Contract Documents		█														
3. Negotiate MOU with Public Sector		█														
4. Complete All Public Approvals Including EIS, Emin. Domain and Zoning Override																
5. Complete Arena Design																
6. Construct Arena																
7. Construct First Residential Building																

# **Government Actions**

- **Dispose of Land and Air Rights**
- **Negotiate Payments in lieu of Taxes**
- **Override and Create Zoning**
- **Use of Eminent Domain**
- **Act as Lead Environmental Agency**
- **Act as Lead Agency for Arena/Housing Tax Exempt Bond Financing**
- **Lead Government Agency for Infrastructure Coordination**

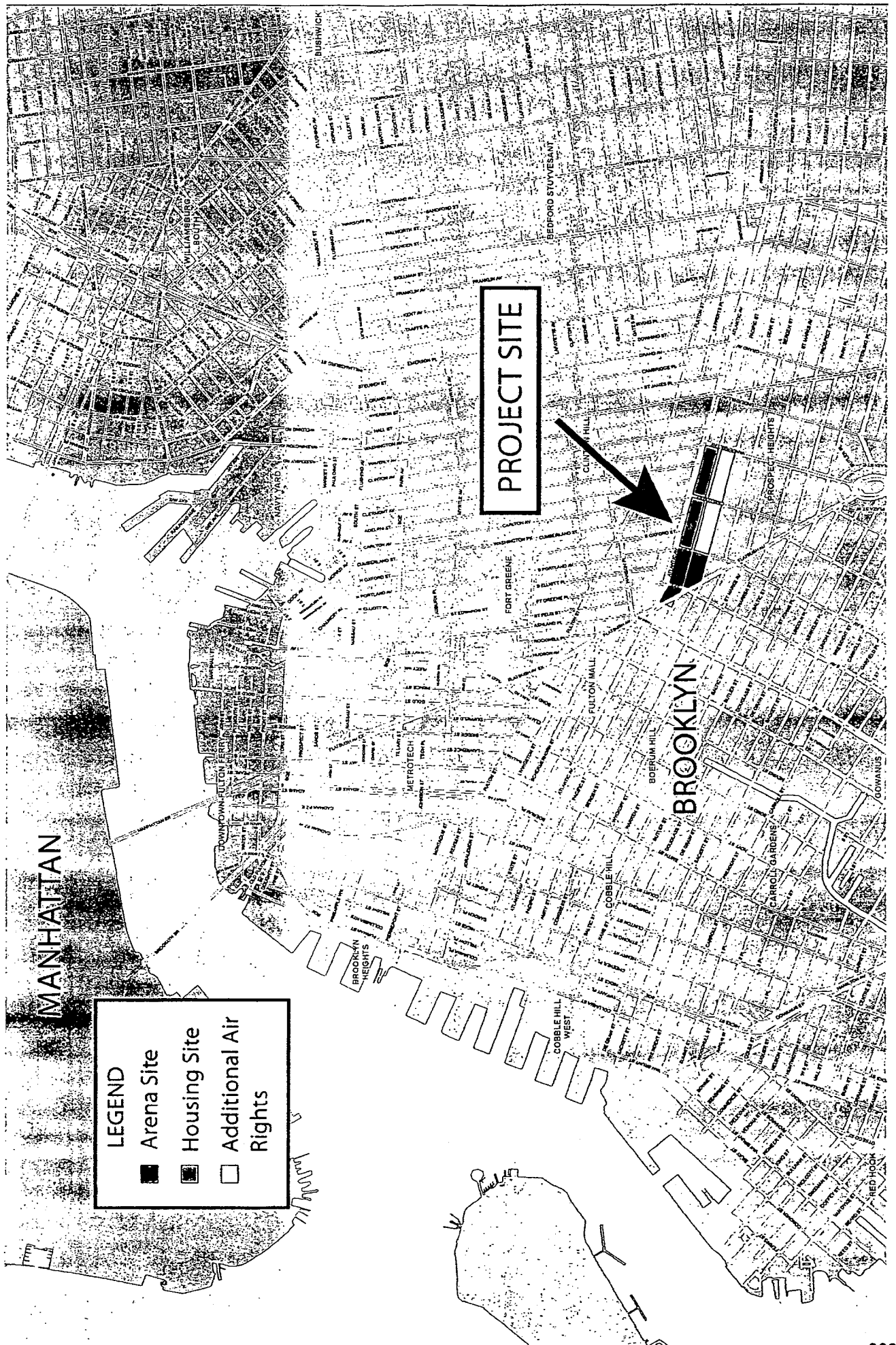
# Next Steps

1. Assign team to negotiate & complete MOU with ESDC, MTA, NYC, and FCRC
2. Begin immediately on EIS & other approvals
  - Zoning
  - Design Issues
  - EDPL
  - Infrastructure Analysis
3. Begin working on legislation and other processes related to tax increment financing

# Detail of Government Actions

- ESDC to enter into agreements to dispose of the land and air rights owned by the MTA, City and Others.
- Negotiate payment in lieu of taxes (PILOT), PILOST and Mortgage Recording Tax waiver on the Arena and the Mixed Use Development.
- Override the existing zoning resolution and create a single large scale zoning plan with necessary FAR, including waiver of height and setback requirements, and parking requirements related to the Housing and Mixed Use Development.
- Use eminent domain, if necessary, to acquire parcels which might not otherwise be obtainable on a market basis. Such condemnation powers may also be used to condemn and de-map and close certain city streets and utilities therein needed to accommodate the project's design.
- ESDC to act as lead agency for the development's environmental review process.
- ESDC to act as the lead government agency responsible for tax exempt bond issuance for the Arena and housing, including possible backing of some portion of bonds, (including any required legislation).
- ESDC to lead the coordination and implementation of required infrastructure and/or open space improvements.

# PROJECT SITE - LOCATION MAP

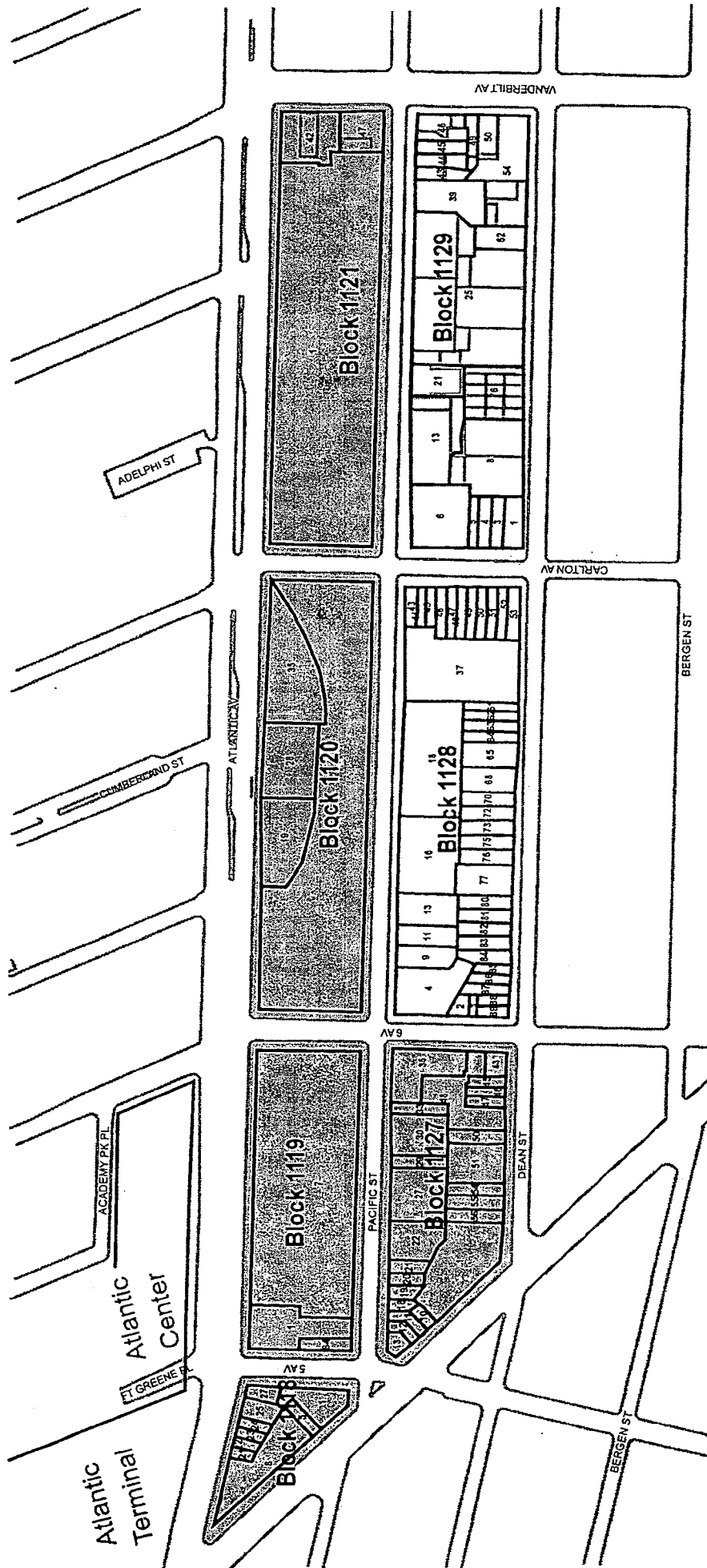


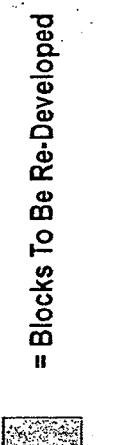
**ATLANTIC YARDS ARENA AND MIXED USE DEVELOPMENT  
ZONING ANALYSIS BASED ON 10 FAR\***

<b>BLOCK</b>	<b>LOT AREA</b>	<b>ZONING SQUARE FOOTAGE</b>
MTA Block 1119: Atlantic, 5 <sup>th</sup> -6 <sup>th</sup> Avenues	115,000	1,150,000
MTA Block 1120: 6 <sup>th</sup> Avenue, Atlantic, Carlton, Pacific	165,000	1,650,000
MTA Block 1121: Carlton, Atlantic, Vanderbilt, Pacific	165,000	1,650,000
<b>TOTAL MTA</b>		<b>4,450,000</b>
Non-MTA Block 1127: Flatbush, Pacific, 6 <sup>th</sup> Avenue, Dean	108,706	1,087,060
Non-MTA Block 1118: Flatbush, Atlantic, 5 <sup>th</sup> Avenue	30,516	305,160
Non-MTA Block 1128: 6 <sup>th</sup> Avenue, Pacific, Carlton, Dean	181,500	1,815,000
-Deduct for existing buildings	-	(544,500)
Non-MTA Block 1129: Carlton, Pacific, Vanderbilt, Dean	181,500	1,815,000
-Deduct for R8X @ 6.02 FAR	-	(1,092,630)
-Deduct for Shaya Boymelgreen	-	(250,000)
<b>TOTAL NON-MTA</b>		<b>3,135,090</b>
Pacific: 5 <sup>th</sup> Ave to 6 <sup>th</sup> Ave	40,250	402,500
Pacific: 6 <sup>th</sup> Ave to Carlton	57,750	577,500
Pacific: Carlton to Vanderbilt	57,750	577,500
Carlton: Atlantic to Pacific	15,400	154,000
Carlton: Pacific to Dean	15,400	154,000
6 <sup>th</sup> Avenue: Atlantic to Pacific	15,400	154,000
6 <sup>th</sup> Avenue: Pacific to Dean	15,400	154,000
5 <sup>th</sup> Avenue: Atlantic to Pacific	14,000	140,000
<b>TOTAL STREETS</b>		<b>2,313,500</b>
<b>GRAND TOTAL*</b>		<b>9,898,590</b>

\* While this analysis demonstrates a total available FAR equal to 9,898,590, we are conservatively basing our calculation on 7 million ZFA.

# POTENTIAL CONDEMNATION SURVEY THE PROJECT SITE





= Blocks To Be Re-Developed

**FORESTCITYRATNER**  
**C O M P A N I E S**

**Brooklyn Arena**

**June 19, 2003**

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2. Arena Proforma
3. Nets and Devils  
Income Statements

**Brooklyn Arena**

**Potential Bond Financing for Brooklyn Arena from Sales and Income Taxes  
State and City Taxes Generated from Arena Activities**

State and City Sales Tax Rate <sup>(1)</sup>	8.25%
Effective NY State Personal Income Tax Rate	6.85%
Effective NY City Personal Income Tax Rate	3.59%
Parking Tax Rate	18.25%

(in 000's)

<b>Admissions Sales Tax</b>		<b>2007</b>
Non-Premium Ticket Sales Tax	\$	6,527
Premium Ticket Sales Tax	\$	4,931
Suite Sales Tax	\$	3,084
<i>Sub-Total</i>	\$	<u>14,541</u>
<b>Concessions Sales Tax</b>		
Non-Premium Concessions Sales Tax	\$	1,338
Premium Concessions Sales Tax	\$	343
<i>Sub-Total</i>	\$	<u>1,681</u>
<b>Novelty Sales Tax</b>		
Non-Premium Novelty Sales Tax	\$	1,098
Premium Novelty Sales Tax	\$	134
<i>Sub-Total</i>	\$	<u>1,232</u>
<b>Parking Tax</b>		
Event Parking	\$	481
<i>Sub-Total</i>	\$	<u>481</u>
<b>Sports Team Wage Tax <sup>(2)</sup></b>		
Player Salaries (NBA, NHL)	\$	8,166
Executive Salaries	\$	548
Team Staff Salaries	\$	822
Arena Wages <sup>(3)</sup>	\$	1,357
<i>Sub-Total</i>	\$	<u>10,893</u>
<b>Total Annual Tax Revenue</b>	\$	<b>28,829</b>
<b>Arena Pilot to NYS and NYC</b>	\$	<b>10,000</b>
<b>Total Annual Tax Revenue + Arena Payment</b>	\$	<b>38,829</b>
<b>Total Real Estate PILOT</b>	\$	<b>9,000</b>
<b>Total Annual Tax Revenue + Arena PILOT + RE PILOT</b>	\$	<b>47,829</b>

**Notes**

- (1) Assumes 4% State and 4.25% City
- (2) Assumes 6.85% State tax only on players, executives & team staff, all assumed to be non NY residents.
- (3) Arena employees are assumed to be NYC residents and therefore pay a 10.44% effective NY City and State income tax rate.

6 mill soft  
of Development  
over tracks  
1.50

**Brooklyn Arena**  
State and City Tax Revenue

	2007	2008	2009	2010	2011	2012	2013	2014
<i>\$ in thousands</i>								
<b>SUMMARY OF CITY AND STATE TAXES GENERATED</b>								
<b>ADMISSIONS SALES TAX</b>								
Non-Premium Ticket Sales Tax	\$6,527	\$6,875	\$7,240	\$7,624	\$8,026	\$8,449	\$8,790	\$9,144
Premium Ticket Sales Tax	4,931	5,079	5,231	5,388	5,549	5,716	5,887	6,064
Suite Sales Tax	3,084	3,281	3,491	3,715	3,952	4,205	4,396	4,528
<b>Total Admissions Sales Tax</b>	<b>\$14,541</b>	<b>\$15,235</b>	<b>\$15,962</b>	<b>\$16,726</b>	<b>\$17,528</b>	<b>\$18,371</b>	<b>\$19,073</b>	<b>\$19,736</b>
<b>CONCESSIONS SALES TAX</b>								
Non-Premium Concessions Sales Tax	\$1,338	\$1,393	\$1,449	\$1,508	\$1,569	\$1,632	\$1,685	\$1,740
Premium Concessions Sales Tax	343	366	390	417	444	474	496	510
<b>Total Concessions Sales Tax</b>	<b>\$1,681</b>	<b>\$1,759</b>	<b>\$1,840</b>	<b>\$1,924</b>	<b>\$2,013</b>	<b>\$2,106</b>	<b>\$2,181</b>	<b>\$2,250</b>
<b>NOVELTY SALES TAX</b>								
Non-Premium Novelty Sales Tax	\$1,098	\$1,169	\$1,240	\$1,314	\$1,393	\$1,476	\$1,528	\$1,583
Premium Novelty Sales Tax	134	145	157	169	183	198	207	213
<b>Total Novelty Sales Tax</b>	<b>\$1,232</b>	<b>\$1,314</b>	<b>\$1,396</b>	<b>\$1,484</b>	<b>\$1,576</b>	<b>\$1,674</b>	<b>\$1,736</b>	<b>\$1,797</b>
<b>NETS / DEVILS WAGE TAXES</b>								
Player Salaries	\$8,166	\$8,493	\$8,833	\$9,186	\$9,553	\$9,935	\$10,333	\$10,746
Executive Salaries	548	575	604	634	666	699	734	771
Team Staff Salaries (Including Coaches)	822	863	906	952	999	1,049	1,102	1,157
<b>Total Nets / Devils Wage Taxes</b>	<b>\$9,536</b>	<b>\$9,931</b>	<b>\$10,343</b>	<b>\$10,772</b>	<b>\$11,219</b>	<b>\$11,684</b>	<b>\$12,169</b>	<b>\$12,674</b>
<b>ARENA WAGE TAXES</b>	<b>\$1,357</b>	<b>\$1,398</b>	<b>\$1,440</b>	<b>\$1,483</b>	<b>\$1,528</b>	<b>\$1,573</b>	<b>\$1,621</b>	<b>\$1,669</b>
<b>EVENT PARKING TAXES</b>	<b>\$481</b>	<b>\$481</b>	<b>\$481</b>	<b>\$481</b>	<b>\$482</b>	<b>\$482</b>	<b>\$482</b>	<b>\$482</b>
<b>TOTAL CITY AND STATE TAXES GENERATED</b>	<b>\$28,829</b>	<b>\$30,118</b>	<b>\$31,462</b>	<b>\$32,870</b>	<b>\$34,345</b>	<b>\$35,890</b>	<b>\$37,261</b>	<b>\$38,608</b>

**Brooklyn Arena**  
State and City Tax Revenue

\$ in thousands

**SUMMARY OF CITY AND STATE TAXES GENERATED**

**ADMISSION SALES TAX (1)**

2007 2008 2009 2010 2011 2012 2013 2014

*Taxes Generated From Non-Premium Ticket Sales:*

	2007	2008	2009	2010	2011	2012	2013	2014
<b>ADMISSION SALES TAX (1)</b>								
<i>Taxes Generated From Non-Premium Ticket Sales:</i>								
Nets	\$2,111	\$2,196	\$2,284	\$2,377	\$2,472	\$2,572	\$2,676	\$2,783
Devils	2,390	2,486	2,586	2,691	2,799	2,912	3,029	3,151
Other Sporting Events	594	618	643	669	696	724	753	783
Family Shows	412	429	446	464	483	502	523	544
Concerts	1,020	1,146	1,280	1,423	1,576	1,739	1,809	1,882
Fixed Fee Rentals(2)	0	0	0	0	0	0	0	0
<b>Total Non-Premium Ticket Sales Tax</b>	<b>\$6,527</b>	<b>\$6,875</b>	<b>\$7,240</b>	<b>\$7,624</b>	<b>\$8,026</b>	<b>\$8,449</b>	<b>\$8,790</b>	<b>\$9,144</b>

*Taxes Generated From Club/Floor Seat Sales:*

Nets	\$3,321	\$3,421	\$3,523	\$3,629	\$3,738	\$3,850	\$3,965	\$4,084
Devils	1,610	1,658	1,708	1,759	1,812	1,866	1,922	1,980
Other Sporting Events	0	0	0	0	0	0	0	0
Family Shows	0	0	0	0	0	0	0	0
Concerts	0	0	0	0	0	0	0	0
Fixed Fee Rentals(2)	0	0	0	0	0	0	0	0
<b>Total Club Seat Sales Tax</b>	<b>\$4,931</b>	<b>\$5,078</b>	<b>\$5,231</b>	<b>\$5,388</b>	<b>\$5,549</b>	<b>\$5,716</b>	<b>\$5,887</b>	<b>\$6,064</b>

*Taxes Generated From Suite Sales*

Nets/Devils	\$2,777	\$2,946	\$3,125	\$3,316	\$3,518	\$3,732	\$3,901	\$4,018
Other Sporting Events (Suite Tickets)	105	112	119	126	133	142	148	152
Family Shows (Suite Tickets)	88	94	99	105	112	119	124	128
Concerts (Suite Tickets)	113	130	148	168	189	213	223	229
Fixed Fee Rentals(2)	0	0	0	0	0	0	0	0
<b>Total Suite Sales Tax</b>	<b>\$3,084</b>	<b>\$3,281</b>	<b>\$3,491</b>	<b>\$3,715</b>	<b>\$3,952</b>	<b>\$4,205</b>	<b>\$4,396</b>	<b>\$4,528</b>

**TOTAL ADMISSIONS SALES TAX**

	\$14,541	\$15,235	\$15,962	\$16,726	\$17,528	\$18,371	\$19,073	\$19,736
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(1) Concessions and novelty taxes are calculated directly from the Brooklyn model (assumes 8.25% tax rate).  
 (2) Assumes that taxes are not collected from fixed fee rentals due to the fact that these events are likely not-for-profit events.

**Brooklyn Arena**  
State and City Tax Revenue

\$ in thousands

**SUMMARY OF CITY AND STATE TAXES GENERATED**

**CONCESSIONS SALES TAX(1)**

Taxes Generated From Non-Premium Concessions Sales:

	2007	2008	2009	2010	2011	2012	2013	2014
Nets	\$518	\$534	\$550	\$566	\$583	\$601	\$619	\$637
Devils	493	508	523	539	555	572	589	606
Other Sporting Events	77	80	83	85	88	91	93	96
Family Shows	116	121	126	131	136	142	147	153
Concerts	133	150	167	186	206	228	237	246
Fixed Fee Rentals	0	0	0	0	0	0	0	0
<b>Total Non-Premium Concessions Tax</b>	<b>\$1,338</b>	<b>\$1,393</b>	<b>\$1,449</b>	<b>\$1,508</b>	<b>\$1,569</b>	<b>\$1,632</b>	<b>\$1,685</b>	<b>\$1,740</b>

Taxes Generated From Premium Concessions Sales:

Nets	\$104	\$110	\$117	\$124	\$132	\$140	\$146	\$150
Devils	106	113	120	127	135	143	149	154
Other Sporting Events	66	70*	75	79	84	89	93	96
Family Shows	42	44	47	50	53	56	58	60
Concerts	25	28	32	37	41	47	49	50
Fixed Fee Rentals								
<b>Total Premium Concessions Tax</b>	<b>\$343</b>	<b>\$366</b>	<b>\$390</b>	<b>\$417</b>	<b>\$444</b>	<b>\$474</b>	<b>\$496</b>	<b>\$510</b>

**TOTAL CONCESSIONS SALES TAX**

	\$1,681	\$1,759	\$1,840	\$1,924	\$2,013	\$2,106	\$2,181	\$2,250
Growth Rate	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	3.5%	3.2%

**Brooklyn Arena**  
State and City Tax Revenue

\$ in thousands

**SUMMARY OF CITY AND STATE TAXES GENERATED**

**NOVELTY SALES TAX(1)**

*Taxes Generated From Non-Premium Novelty Sales:*

	2007	2008	2009	2010	2011	2012	2013	2014
Nets	\$72	\$74	\$76	\$78	\$81	\$83	\$86	\$88
Devils	68	70	72	75	77	79	81	84
Other Sporting Events	407	423	436	449	463	477	491	506
Family Shows	211	220	229	238	248	258	268	279
Concerts	340	382	426	474	525	579	603	627
Fixed Fee Rentals								
<b>Total Non-Premium Novelty Tax</b>	<b>\$1,098</b>	<b>\$1,169</b>	<b>\$1,240</b>	<b>\$1,314</b>	<b>\$1,393</b>	<b>\$1,476</b>	<b>\$1,528</b>	<b>\$1,583</b>

*Taxes Generated From Premium Novelty Sales:*

Nets	\$7	\$7	\$8	\$8	\$9	\$9	\$10	\$10
Devils	7	7	8	8	9	9	10	10
Other Sporting Events	66	70	75	79	84	89	93	96
Family Shows	19	20	21	22	24	25	26	27
Concerts	35	40	45	51	58	65	68	70
Fixed Fee Rentals								
<b>Total Premium Novelty Tax</b>	<b>\$134</b>	<b>\$145</b>	<b>\$157</b>	<b>\$169</b>	<b>\$183</b>	<b>\$198</b>	<b>\$207</b>	<b>\$213</b>

**TOTAL NOVELTY SALES TAX**

	\$1,232	\$1,314	\$1,396	\$1,484	\$1,576	\$1,674	\$1,736	\$1,797
Growth Rate	6.7%	6.7%	6.3%	6.3%	6.2%	6.2%	3.7%	3.5%

(1) Concessions and novelty taxes are calculated directly from the Brooklyn model (assumes 8.25% tax rate).

**Brooklyn Arena**  
State and City Tax Revenue

\$ in thousands

**SUMMARY OF CITY AND STATE TAXES GENERATED  
NETS / DEVILS WAGE TAXES**

	2007	2008	2009	2010	2011	2012	2013	2014
Player Salaries(1)	\$119,214	\$123,983	\$128,942	\$134,100	\$139,464	\$145,043	\$150,844	\$156,878
State Tax Rate	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%
<b>Total Player Salary Wage Taxes</b>	<b>\$8,166</b>	<b>\$8,493</b>	<b>\$8,833</b>	<b>\$9,186</b>	<b>\$9,553</b>	<b>\$9,935</b>	<b>\$10,333</b>	<b>\$10,746</b>
Executive Salaries(2)	\$8,000	\$8,400	\$8,820	\$9,261	\$9,724	\$10,210	\$10,721	\$11,257
State Tax Rate	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%
<b>Total Executive Salary Wage Taxes</b>	<b>\$548.00</b>	<b>\$575.40</b>	<b>\$604.17</b>	<b>\$634.38</b>	<b>\$666.10</b>	<b>\$699.40</b>	<b>\$734.37</b>	<b>\$771.09</b>
Team Staff Salaries Including Coaches(3)	\$12,000	\$12,600	\$13,230	\$13,892	\$14,586	\$15,315	\$16,081	\$16,885
State Tax Rate	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%
<b>Total Team Staff Salary Wage Taxes</b>	<b>\$822</b>	<b>\$863</b>	<b>\$906</b>	<b>\$952</b>	<b>\$999</b>	<b>\$1,049</b>	<b>\$1,102</b>	<b>\$1,157</b>
<b>TOTAL NETS / DEVILS WAGE TAXES</b>	<b>\$9,536</b>	<b>\$9,931</b>	<b>\$10,343</b>	<b>\$10,772</b>	<b>\$11,219</b>	<b>\$11,584</b>	<b>\$12,169</b>	<b>\$12,674</b>
Growth Rate	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.2%

**ARENA WAGE TAXES**

Arena Payroll(4)	\$13,000	\$13,390	\$13,792	\$14,205	\$14,632	\$15,071	\$15,523	\$15,988
City and State Combined Tax Rate	10.44%	10.44%	10.44%	10.44%	10.44%	10.44%	10.44%	10.44%
<b>TOTAL ARENA WAGE TAXES</b>	<b>\$1,357</b>	<b>\$1,398</b>	<b>\$1,440</b>	<b>\$1,483</b>	<b>\$1,528</b>	<b>\$1,573</b>	<b>\$1,621</b>	<b>\$1,669</b>
Growth Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

- (1) Assumes all non-NYC residents paying State Income Tax only
- (2) Assumes all non-NYC residents paying State Income Tax only
- (3) Assumes all non-NYC residents paying State Income Tax only
- (4) Does not include taxes for visiting acts and concerts. Assumes employees are NYC residents and pay NYC and NYS Income Tax

**EVENT PARKING TAXES(1)**

Net Parking Revenue	\$2,635	\$2,636	\$2,637	\$2,638	\$2,639	\$2,640	\$2,641	\$2,642
Net Parking Revenue Tax Rate	18.3%	18.3%	18.3%	18.3%	18.3%	18.3%	18.3%	18.3%
<b>Taxes Paid on Parking</b>	<b>\$481</b>	<b>\$481</b>	<b>\$481</b>	<b>\$481</b>	<b>\$482</b>	<b>\$482</b>	<b>\$482</b>	<b>\$482</b>

(1) Event parking taxes are calculated based on all parking revenues that are generated including lots that the arena will not own (assumes 15% tax rate).



**Brooklyn Arena**  
*Arena - Income Statement*

\$ in thousands

	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenue</b>								
Rent from Ticket Sales (Non-premium)	\$10,982	\$11,463	\$11,965	\$12,489	\$13,036	\$13,607	\$14,145	\$14,705
Suite Revenues	34,296	36,492	38,827	41,312	43,956	46,768	48,886	50,352
Club/Floor Seat Revenues	35,386	36,448	37,541	38,667	39,827	41,022	42,253	43,620
Concessions Revenues	8,949	9,334	9,732	10,148	10,583	11,039	11,409	11,776
Novelties Revenues	2,054	2,168	2,283	2,404	2,532	2,666	2,761	2,853
Other Revenue	23,791	23,948	24,110	24,276	24,447	24,623	24,804	24,991
<b>Total Revenue</b>	<b>\$115,458</b>	<b>\$119,852</b>	<b>\$124,456</b>	<b>\$128,287</b>	<b>\$134,382</b>	<b>\$139,725</b>	<b>\$144,256</b>	<b>\$148,197</b>
Operating Expenses	\$39,823	\$40,937	\$42,084	\$43,265	\$44,482	\$45,736	\$47,027	\$48,357
Pilot to NYS and NYC	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>Total Expense</b>	<b>\$49,823</b>	<b>\$50,937</b>	<b>\$52,084</b>	<b>\$53,265</b>	<b>\$54,482</b>	<b>\$55,736</b>	<b>\$57,027</b>	<b>\$58,357</b>
<b>Arena EBITDA</b>	<b>\$65,635</b>	<b>\$68,916</b>	<b>\$72,375</b>	<b>\$76,032</b>	<b>\$79,899</b>	<b>\$83,990</b>	<b>\$87,231</b>	<b>\$89,841</b>

**Brooklyn Arena**

Arena - Detail

\$ in thousands

	2007	2008	2009	2010	2011	2012	2013	2014
<b>Rent from Ticket Sales (Non-premium)</b>								
Devils Rent	\$1,329	\$1,382	\$1,438	\$1,496	\$1,556	\$1,619	\$1,684	\$1,752
Nets Rent	1,174	1,221	1,270	1,322	1,375	1,430	1,488	1,548
Other Sporting Events	2,489	2,589	2,693	2,802	2,915	3,032	3,154	3,281
Family Shows	4,586	4,771	4,964	5,164	5,372	5,588	5,813	6,048
Concerts	567	637	712	791	878	967	1,066	1,167
Fixed-fee Rentals	837	862	888	915	942	970	999	1,029
<b>Total Rent from Ticket Sales (Non-premium)</b>	<b>\$10,982</b>	<b>\$11,463</b>	<b>\$11,965</b>	<b>\$12,489</b>	<b>\$13,036</b>	<b>\$13,607</b>	<b>\$14,145</b>	<b>\$14,705</b>
<b>Suite Revenues</b>								
Suite Leases - Nets/Devils	\$30,883	\$32,764	\$34,759	\$36,876	\$39,122	\$41,504	\$43,394	\$44,695
Suite Seats - Other Sporting Events	1,172	1,243	1,319	1,399	1,485	1,575	1,666	1,696
Suite Seats - Family Shows	982	1,042	1,105	1,172	1,244	1,319	1,379	1,421
Suite Seats - Concerts	1,259	1,443	1,644	1,865	2,106	2,369	2,677	2,551
Suite Seats - Fixed Fee Rentals	0	0	0	0	0	0	0	0
<b>Total Suite Revenue</b>	<b>\$34,296</b>	<b>\$36,492</b>	<b>\$38,827</b>	<b>\$41,312</b>	<b>\$43,958</b>	<b>\$46,768</b>	<b>\$48,088</b>	<b>\$50,352</b>
<b>Club / Floor Seat Revenues</b>								
Club/Floor Seats - Nets	\$17,485	\$18,009	\$18,550	\$19,106	\$19,679	\$20,270	\$20,878	\$21,504
Club Seats - Devils	17,901	18,438	18,991	19,561	20,148	20,752	21,375	22,016
Club Seats - Other Sporting Events	0	0	0	0	0	0	0	0
Club Seats - Family Shows	0	0	0	0	0	0	0	0
Club Seats - Concerts	0	0	0	0	0	0	0	0
Club Seats - Fixed Fee Rentals	0	0	0	0	0	0	0	0
<b>Total Club / Seat Revenue</b>	<b>\$35,386</b>	<b>\$36,448</b>	<b>\$37,541</b>	<b>\$38,667</b>	<b>\$39,827</b>	<b>\$41,022</b>	<b>\$42,253</b>	<b>\$43,520</b>
<b>Concessions Revenues</b>								
Concessions - Non Premium	\$8,187	\$8,521	\$8,864	\$9,222	\$9,595	\$9,984	\$10,307	\$10,640
Concessions - Premium	763	814	868	926	988	1,055	1,102	1,135
<b>Total Concessions Revenues</b>	<b>\$8,949</b>	<b>\$9,334</b>	<b>\$9,732</b>	<b>\$10,148</b>	<b>\$10,583</b>	<b>\$11,039</b>	<b>\$11,409</b>	<b>\$11,776</b>
<b>Novelties Revenues</b>								
Novelties - Non Premium	\$1,843	\$1,941	\$2,039	\$2,142	\$2,249	\$2,363	\$2,443	\$2,526
Novelties - Premium	211	227	244	263	283	304	318	327
<b>Total Novelties Revenues</b>	<b>\$2,054</b>	<b>\$2,168</b>	<b>\$2,283</b>	<b>\$2,404</b>	<b>\$2,532</b>	<b>\$2,666</b>	<b>\$2,761</b>	<b>\$2,853</b>
<b>Other Revenues</b>								
General Advertising	\$14,329	\$14,330	\$14,331	\$14,332	\$14,333	\$14,334	\$14,335	\$14,336
Pouring Rights	0	0	0	0	0	0	0	0
Naming Rights Payment	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149
Corporate Sponsorship	0	0	0	0	0	0	0	0
Net Parking Revenue (Event Parking)	2,635	2,636	2,637	2,638	2,639	2,640	2,641	2,642
Net Parking Revenue (Non-Event Parking)	0	0	0	0	0	0	0	0
Dining Area	191	192	193	194	195	196	197	198
Bar Area Net Revenue	143	144	145	146	147	148	149	150
Banquet Area Net Revenue	60	61	62	63	64	65	66	67
Restaurant License Fee	0	0	0	0	0	0	0	0
Arena District Dev/Licensing Fees	1,194	1,195	1,196	1,197	1,198	1,199	1,200	1,201
Tickmaster License Fee	239	240	241	242	243	244	245	246
Telephone Billing System	0	0	0	0	0	0	0	0
<b>Total Other Revenues</b>	<b>\$23,791</b>	<b>\$23,948</b>	<b>\$24,110</b>	<b>\$24,276</b>	<b>\$24,447</b>	<b>\$24,623</b>	<b>\$24,804</b>	<b>\$24,991</b>
<b>Total Revenues</b>	<b>\$115,458</b>	<b>\$118,852</b>	<b>\$124,458</b>	<b>\$129,297</b>	<b>\$134,382</b>	<b>\$139,725</b>	<b>\$144,258</b>	<b>\$148,197</b>
<b>Operating Expenses</b>								
Event Expenses	\$16,311	\$16,800	\$17,304	\$17,823	\$18,358	\$18,909	\$19,476	\$20,060
Non-Event Expenses	16,633	17,132	17,640	18,175	18,721	19,282	19,861	20,457
Direct Expense Reimbursement	0	0	0	0	0	0	0	0
Maintenance Capital Expenditures	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Ground Lease	0	0	0	0	0	0	0	0
NBA Surcharge for Luxury Suites	200	200	200	200	200	200	200	200
Other	4,179	4,305	4,434	4,567	4,704	4,845	4,990	5,140
<b>Total Operating Expenses</b>	<b>\$39,823</b>	<b>\$40,937</b>	<b>\$42,084</b>	<b>\$43,265</b>	<b>\$44,482</b>	<b>\$45,738</b>	<b>\$47,027</b>	<b>\$48,357</b>
<b>Pilot to NYS and NYC</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>
<b>Equalizing Payment to Teams</b>								
Payout to Nets	0	0	0	0	0	0	0	0
Payout to Devils	0	0	0	0	0	0	0	0
Payroll Taxes	0	0	0	0	0	0	0	0
<b>Total Payment to Teams</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>BTDA</b>	<b>\$45,635</b>	<b>\$68,916</b>	<b>\$72,375</b>	<b>\$76,032</b>	<b>\$79,899</b>	<b>\$83,990</b>	<b>\$87,231</b>	<b>\$89,841</b>

# Brooklyn Arena

Arena - Detail

\$ in thousands

	2007	2008	2009	2010	2011	2012	2013	2014
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## Rentals from Ticketed Events (non-premium)

Nets		2007	2008	2009	2010	2011	2012	2013	2014
Number of Games		42	42	42	42	42	42	42	42
Average Ticket Price		\$55.19	\$56.85	\$58.55	\$60.31	\$62.12	\$63.98	\$65.90	\$67.86
Avg. Paid Attendance (non-premium)		11,038	11,148	11,260	11,372	11,486	11,601	11,717	11,834
Total Revenues		\$25,587	\$26,618	\$27,691	\$28,807	\$29,967	\$31,175	\$32,432	\$33,739
Less: Sales Taxes on Paid Tickets		(2,111)	(2,196)	(2,284)	(2,377)	(2,472)	(2,572)	(2,676)	(2,783)
Net Total Revenues		\$23,476	\$24,422	\$25,406	\$26,430	\$27,495	\$28,603	\$29,756	\$30,956
Rent Percentage		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Net Rental Payment		\$1,174	\$1,221	\$1,270	\$1,322	\$1,375	\$1,430	\$1,488	\$1,548
Distribution to Nets Franchise		\$22,302	\$23,201	\$24,136	\$25,109	\$26,120	\$27,173	\$28,268	\$29,407

Devis		2007	2008	2009	2010	2011	2012	2013	2014
Number of Games		43	43	43	43	43	43	43	43
Average Ticket Price		\$60.92	\$62.75	\$64.63	\$66.57	\$68.57	\$70.63	\$72.74	\$74.93
Avg. Paid Attendance (non-premium)		11,058	11,169	11,280	11,393	11,507	11,622	11,738	11,856
Total Revenues		\$28,988	\$30,135	\$31,350	\$32,612	\$33,928	\$35,295	\$36,717	\$38,197
Less: Sales Taxes on Paid Tickets		(2,390)	(2,486)	(2,588)	(2,691)	(2,799)	(2,912)	(3,029)	(3,151)
Net Total Revenues		\$26,598	\$27,649	\$28,764	\$29,923	\$31,129	\$32,383	\$33,688	\$35,046
Rent Percentage		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Net Rental Payment		\$1,329	\$1,382	\$1,438	\$1,496	\$1,556	\$1,618	\$1,684	\$1,752
Distribution to Nets Franchise		\$25,269	\$26,267	\$27,325	\$28,427	\$29,572	\$30,764	\$32,004	\$33,293

Concerts		2007	2008	2009	2010	2011	2012	2013	2014
Number of Shows		25	27	29	31	33	35	35	35
Average Ticket Price		\$41.20	\$42.43	\$43.70	\$45.01	\$46.37	\$47.76	\$49.19	\$50.66
Avg. Attendance (non-premium)		12,000	12,120	12,241	12,364	12,487	12,612	12,738	12,866
Less: Comp. Contingency		0	0	0	0	0	0	0	0
Avg. Paid Attendance (non-premium)		12,000	12,120	12,241	12,364	12,487	12,612	12,738	12,866
Total Revenues		\$12,350	\$13,885	\$15,515	\$17,253	\$19,106	\$21,081	\$23,130	\$25,314
Less: Sales Taxes on Paid Tickets		(1,020)	(1,146)	(1,280)	(1,423)	(1,576)	(1,739)	(1,899)	(2,062)
Net Total Revenues		\$11,330	\$12,740	\$14,235	\$15,830	\$17,530	\$19,342	\$21,231	\$23,252
Rent Percentage		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Net Rental Payment		\$566.65	\$636.98	\$711.73	\$791.48	\$876.50	\$967.09	\$1,064.05	\$1,168.60

Other Sporting Events		2007	2008	2009	2010	2011	2012	2013	2014
Number of Events		67	67	67	67	67	67	67	67
Average Ticket Price		\$14.30	\$14.73	\$15.17	\$15.63	\$16.10	\$16.58	\$17.08	\$17.59
Avg. Attendance (non-premium)		7,514	7,589	7,665	7,742	7,819	7,897	7,976	8,056
Less: Comp. Contingency		0	0	0	0	0	0	0	0
Avg. Paid Attendance (non-premium)		7,514	7,589	7,665	7,742	7,819	7,897	7,976	8,056
Total Revenues		\$7,201	\$7,492	\$7,793	\$8,107	\$8,434	\$8,774	\$9,128	\$9,496
Less: Sales Taxes on Paid Tickets		(594)	(618)	(643)	(669)	(695)	(724)	(753)	(783)
Net Total Revenues		\$6,607	\$6,873	\$7,150	\$7,438	\$7,739	\$8,050	\$8,375	\$8,712
Rent Percentage		37.67%	37.67%	37.67%	37.67%	37.67%	37.67%	37.67%	37.67%
Net Rental Payment		\$2,468.8	\$2,588.9	\$2,693.3	\$2,801.8	\$2,914.7	\$3,032.2	\$3,154.4	\$3,281.5

Family Shows		2007	2008	2009	2010	2011	2012	2013	2014
Number of Events		42	42	42	42	42	42	42	42
Average Ticket Price		\$19.12	\$19.69	\$20.28	\$20.89	\$21.52	\$22.16	\$22.83	\$23.51
Avg. Attendance (non-premium)		6,228	6,288	6,351	6,415	6,479	6,544	6,609	6,675
Less: Comp. Contingency		0	0	0	0	0	0	0	0
Avg. Paid Attendance (non-premium)		6,228	6,288	6,351	6,415	6,479	6,544	6,609	6,675
Total Revenues		\$4,999	\$5,200	\$5,410	\$5,628	\$5,855	\$6,091	\$6,336	\$6,592
Less: Sales Taxes on Paid Tickets		(412)	(429)	(446)	(464)	(483)	(502)	(523)	(544)
Net Total Revenues		\$4,587	\$4,771	\$4,964	\$5,164	\$5,372	\$5,589	\$5,813	\$6,048
Rent Percentage		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Net Rental Payment		\$4,588.49	\$4,771.32	\$4,963.61	\$5,163.64	\$5,371.74	\$5,588.22	\$5,813.42	\$6,047.70

Fixed Fee Rentals		2007	2008	2009	2010	2011	2012	2013	2014
Number of Events		16	16	16	16	16	16	16	16
Average Ticket Price		\$57,016.0	\$58,726.5	\$60,488.3	\$62,302.9	\$64,172.0	\$66,097.2	\$68,080.1	\$70,122.5
Avg. Attendance (non-premium)		9,000	9,090	9,181	9,273	9,365	9,459	9,554	9,649
Less: Comp. Contingency		0	0	0	0	0	0	0	0
Avg. Paid Attendance (non-premium)		9,000	9,090	9,181	9,273	9,365	9,459	9,554	9,649
Total Revenues		\$912	\$940	\$968	\$997	\$1,027	\$1,058	\$1,089	\$1,122
Less: Sales Taxes on Paid Tickets		(75)	(78)	(80)	(82)	(85)	(87)	(90)	(93)
Net Total Revenues		\$837	\$862	\$888	\$915	\$942	\$970	\$999	\$1,029
Rent Percentage		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Net Rental Payment		\$836.89	\$862.10	\$887.87	\$914.61	\$942.05	\$970.31	\$999.42	\$1,029.40

# Brooklyn Arena

Arena - Detail

\$ in thousands

## Rentals from Ticketed Events (Premium Seating - Suites)

	2007	2008	2009	2010	2011	2012	2013	2014
<b>Meats/Devils</b>								
AAA Suites Rented	34	35	36	37	38	39	40	40
Average Price	\$450,000	\$463,500	\$477,405	\$491,727	\$506,479	\$521,673	\$537,324	\$553,443
AAA Suite Rent Revenue	\$15,300	\$16,232	\$17,220	\$18,269	\$19,382	\$20,562	\$21,493	\$22,138
<b>AA Suites Rented</b>								
Average Price	\$350,000	\$360,500	\$371,315	\$382,454	\$393,928	\$405,746	\$417,918	\$430,456
AA Suite Rent Revenue	\$10,710	\$11,362	\$12,054	\$12,788	\$13,567	\$14,383	\$15,045	\$15,496
<b>A Suites Rented</b>								
Average Price	\$250,000	\$257,500	\$265,225	\$273,182	\$281,377	\$289,819	\$298,513	\$307,468
A Suite Rent Revenue	\$7,650	\$8,116	\$8,610	\$9,135	\$9,691	\$10,281	\$10,746	\$11,069
<b>Total Suite Rent Revenue</b>	<b>\$33,660</b>	<b>\$35,710</b>	<b>\$37,885</b>	<b>\$40,192</b>	<b>\$42,639</b>	<b>\$45,236</b>	<b>\$47,284</b>	<b>\$48,703</b>
Less: Sales Tax	(\$2,777)	(\$2,946)	(\$3,125)	(\$3,318)	(\$3,518)	(\$3,732)	(\$3,901)	(\$4,018)
<b>Net Suite Revenue</b>	<b>\$30,883</b>	<b>\$32,764</b>	<b>\$34,760</b>	<b>\$36,876</b>	<b>\$39,122</b>	<b>\$41,504</b>	<b>\$43,384</b>	<b>\$44,685</b>
<b>Arena Share of Suite Rental Revenue</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Net Revenue to Arena</b>	<b>\$30,883</b>	<b>\$32,764</b>	<b>\$34,759</b>	<b>\$36,876</b>	<b>\$39,122</b>	<b>\$41,504</b>	<b>\$43,384</b>	<b>\$44,685</b>
<b>Distribution to Meats</b>	<b>50%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Distribution to Devils</b>	<b>50%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Concerts

Number of Shows	25	27	29	31	33	35	35	35
Suites Rented per Event	95	98	101	104	107	110	112	112
<b>Total Suites Rented</b>	<b>2,380</b>	<b>2,648</b>	<b>2,929</b>	<b>3,225</b>	<b>3,536</b>	<b>3,863</b>	<b>3,920</b>	<b>3,920</b>
<b>Tickets/Suite</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>
<b>Avg. Price/Ticket</b>	<b>\$41.20</b>	<b>\$42.43</b>	<b>\$43.70</b>	<b>\$45.01</b>	<b>\$46.37</b>	<b>\$47.76</b>	<b>\$49.19</b>	<b>\$50.66</b>
<b>Suite Ticket Revenue</b>	<b>\$1,373</b>	<b>\$1,573</b>	<b>\$1,792</b>	<b>\$2,032</b>	<b>\$2,295</b>	<b>\$2,583</b>	<b>\$2,699</b>	<b>\$2,780</b>
Less: Sales Tax	(\$113)	(\$130)	(\$148)	(\$168)	(\$189)	(\$213)	(\$223)	(\$229)
<b>Net Suite Revenue</b>	<b>\$1,259</b>	<b>\$1,443</b>	<b>\$1,644</b>	<b>\$1,865</b>	<b>\$2,106</b>	<b>\$2,369</b>	<b>\$2,477</b>	<b>\$2,551</b>
<b>Arena Share of Suite Rental Revenue</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>
<b>Net Revenue to Arena</b>	<b>\$63</b>	<b>\$72</b>	<b>\$82</b>	<b>\$93</b>	<b>\$105</b>	<b>\$118</b>	<b>\$124</b>	<b>\$128</b>

## Other Sporting Events

Number of Events	67	67	67	67	67	67	67	67
Suites Rented per Event	85	98	101	104	107	110	112	112
<b>Total Suites Rented</b>	<b>6,378</b>	<b>6,570</b>	<b>6,767</b>	<b>6,970</b>	<b>7,179</b>	<b>7,384</b>	<b>7,504</b>	<b>7,504</b>
<b>Tickets/Suite</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>
<b>Avg. Price/Ticket</b>	<b>\$14.30</b>	<b>\$14.73</b>	<b>\$15.17</b>	<b>\$15.63</b>	<b>\$16.10</b>	<b>\$16.58</b>	<b>\$17.08</b>	<b>\$17.59</b>
<b>Suite Ticket Revenue</b>	<b>\$1,277</b>	<b>\$1,355</b>	<b>\$1,438</b>	<b>\$1,525</b>	<b>\$1,618</b>	<b>\$1,717</b>	<b>\$1,794</b>	<b>\$1,848</b>
Less: Sales Tax	(\$109)	(\$112)	(\$119)	(\$126)	(\$133)	(\$142)	(\$148)	(\$152)
<b>Net Suite Revenue</b>	<b>\$1,172</b>	<b>\$1,243</b>	<b>\$1,319</b>	<b>\$1,399</b>	<b>\$1,485</b>	<b>\$1,575</b>	<b>\$1,646</b>	<b>\$1,696</b>
<b>Arena Share of Suite Rental Revenue</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Net Revenue to Arena</b>	<b>\$1,172</b>	<b>\$1,243</b>	<b>\$1,319</b>	<b>\$1,399</b>	<b>\$1,485</b>	<b>\$1,575</b>	<b>\$1,646</b>	<b>\$1,696</b>

## Family Shows

Number of Events	42	42	42	42	42	42	42	42
Suites Rented per Event	95	98	101	104	107	110	112	112
<b>Total Suites Rented</b>	<b>3,998</b>	<b>4,118</b>	<b>4,242</b>	<b>4,369</b>	<b>4,500</b>	<b>4,635</b>	<b>4,704</b>	<b>4,704</b>
<b>Tickets/Suite</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>
<b>Avg. Price/Ticket</b>	<b>\$18.12</b>	<b>\$18.69</b>	<b>\$20.28</b>	<b>\$20.89</b>	<b>\$21.52</b>	<b>\$22.16</b>	<b>\$22.83</b>	<b>\$23.51</b>
<b>Suite Ticket Revenue</b>	<b>\$1,070</b>	<b>\$1,135</b>	<b>\$1,204</b>	<b>\$1,278</b>	<b>\$1,356</b>	<b>\$1,438</b>	<b>\$1,503</b>	<b>\$1,548</b>
Less: Sales Tax	(\$88)	(\$94)	(\$99)	(\$105)	(\$112)	(\$119)	(\$124)	(\$128)
<b>Net Suite Revenue</b>	<b>\$982</b>	<b>\$1,042</b>	<b>\$1,105</b>	<b>\$1,172</b>	<b>\$1,244</b>	<b>\$1,319</b>	<b>\$1,379</b>	<b>\$1,421</b>
<b>Arena Share of Suite Rental Revenue</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Net Revenue to Arena</b>	<b>\$982</b>	<b>\$1,042</b>	<b>\$1,105</b>	<b>\$1,172</b>	<b>\$1,244</b>	<b>\$1,319</b>	<b>\$1,379</b>	<b>\$1,421</b>

# Brooklyn Arena

Arena - Devils

\$ in thousands

2007 2008 2009 2010 2011 2012 2013 2014

## Rentals from Ticketed Events (Premium Seating - Club Seats/Floor Seats)

Nets								
Club Seats	42	42	42	42	42	42	42	42
Number of Games	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900
Club Seats per Event	79,800	79,800	79,800	79,800	79,800	79,800	79,800	79,800
Seats Sold	79,800	79,800	79,800	79,800	79,800	79,800	79,800	79,800
Avg. Price	\$238.81	\$245.87	\$253.35	\$260.95	\$268.78	\$276.85	\$285.15	\$293.71
Club Seat Revenue	\$19,057	\$19,629	\$20,218	\$20,824	\$21,449	\$22,092	\$22,755	\$23,438
Less: Sales Tax on Club Seat Revenue	(1,572)	(1,610)	(1,668)	(1,718)	(1,770)	(1,823)	(1,877)	(1,934)
Net Club Seat Revenue	\$17,485	\$18,009	\$18,550	\$19,106	\$19,679	\$20,270	\$20,878	\$21,504
Arena Share of Club Seat Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Net Club Seat Revenue to Arena	\$17,485	\$18,009	\$18,550	\$19,106	\$19,679	\$20,270	\$20,878	\$21,504
Floor Seats								
Club Seats	42	42	42	42	42	42	42	42
Number of Games	980	980	980	980	980	980	980	980
Floor Seats per Event	41,160	41,160	41,160	41,160	41,160	41,160	41,160	41,160
Seats Sold	41,160	41,160	41,160	41,160	41,160	41,160	41,160	41,160
Avg. Price	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633
Floor Seat Revenue	\$21,197	\$21,833	\$22,488	\$23,163	\$23,858	\$24,574	\$25,311	\$26,070
Less: Sales Tax on Floor Seat Revenue	(1,749)	(1,801)	(1,855)	(1,911)	(1,968)	(2,027)	(2,088)	(2,151)
Net Floor Seat Revenue	\$19,449	\$20,032	\$20,633	\$21,252	\$21,890	\$22,546	\$23,223	\$23,919
Arena Share of Floor Seat Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Floor Seat Revenue to Arena	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Club/Floor Seat Revenue to Arena	\$17,485	\$18,009	\$18,550	\$19,106	\$19,679	\$20,270	\$20,878	\$21,504
Distribution to Nets	\$19,449	\$20,032	\$20,633	\$21,252	\$21,890	\$22,546	\$23,223	\$23,919
Devils								
Club Seats	43	43	43	43	43	43	43	43
Number of Games	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900
Club Seats per Event	81,700	81,700	81,700	81,700	81,700	81,700	81,700	81,700
Seats Sold	81,700	81,700	81,700	81,700	81,700	81,700	81,700	81,700
Avg. Price	\$239	\$246	\$253	\$261	\$269	\$277	\$285	\$294
Club Seat Revenue	19,511	20,096	20,699	21,320	21,960	22,618	23,297	23,996
Less: Sales Tax on Club Seat Revenue	(1,610)	(1,658)	(1,708)	(1,759)	(1,812)	(1,866)	(1,922)	(1,980)
Net Club Seat Revenue	\$17,901	\$18,438	\$18,991	\$19,561	\$20,148	\$20,752	\$21,375	\$22,016
Arena Share of Club Seat Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Net Club Seat Revenue to Arena	\$17,901	\$18,438	\$18,991	\$19,561	\$20,148	\$20,752	\$21,375	\$22,016
Distribution to Devils	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Concerts								
Number of Shows	25	27	28	31	33	35	35	35
Club Seats per Event	0	0	0	0	0	0	0	0
Seats Sold	0	0	0	0	0	0	0	0
Avg. Price	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Club Seat Revenue	0	0	0	0	0	0	0	0
Less: Sales Tax on Club Seat Revenue	0	0	0	0	0	0	0	0
Net Club Seat Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Arena Share of Club Seat Revenue	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Net Club Seat Revenue to Arena	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Sporting Events								
Number of Events	67	67	67	67	67	67	67	67
Club Seats per Event	0	0	0	0	0	0	0	0
Seats Sold	0	0	0	0	0	0	0	0
Avg. Price	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Club Seat Revenue	0	0	0	0	0	0	0	0
Less: Sales Tax on Club Seat Revenue	0	0	0	0	0	0	0	0
Net Club Seat Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Arena Share of Club Seat Revenue	0	0	0	0	0	0	0	0
Net Club Seat Revenue to Arena	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Family Shows								
Number of Events	42	42	42	42	42	42	42	42
Club Seats per Event	0	0	0	0	0	0	0	0
Seats Sold	0	0	0	0	0	0	0	0
Avg. Price	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Club Seat Revenue	0	0	0	0	0	0	0	0
Less: Sales Tax on Club Seat Revenue	0	0	0	0	0	0	0	0
Net Club Seat Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Arena Share of Club Seat Revenue	0	0	0	0	0	0	0	0
Net Club Seat Revenue to Arena	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

## Brooklyn Arena

Arena - Detail

\$ in thousands

	2007	2008	2009	2010	2011	2012	2013	2014
<b>Fixed Fee Rentals</b>								
Number of Events	16	16	16	16	16	16	16	16
Club Seats per Event								
Seats Sold	0	0	0	0	0	0	0	0
<b>Avg. Price</b>								
Club Seat Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less: Sales Tax on Club Seat Revenue	0	0	0	0	0	0	0	0
Net Club Seat Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Arena Share of Club Seat Revenue</b>								
Net Club Seat Revenue to Arena	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

### Concessions (non-state seats)

<b> Nets</b>								
Number of Games	42	42	42	42	42	42	42	42
Attendance per Game (Paid + Comp., Club and Floor)	13,850	13,850	13,850	13,850	13,850	13,850	13,850	13,850
Tickets Purchased + Comp. Tickets	581,700	581,700	581,700	581,700	581,700	581,700	581,700	581,700
Less: No-Show Contingency	(58,170)	(58,170)	(58,170)	(58,170)	(58,170)	(58,170)	(58,170)	(58,170)
Turnstile Attendance	523,530	523,530	523,530	523,530	523,530	523,530	523,530	523,530
Concessions/Capita	\$12.00	\$12.36	\$12.73	\$13.11	\$13.51	\$13.91	\$14.33	\$14.76
Total Concessions	\$6,282	\$6,471	\$6,665	\$6,865	\$7,071	\$7,283	\$7,501	\$7,727
Less: Sales Tax on Concessions	(518)	(534)	(550)	(566)	(583)	(601)	(619)	(637)
Net Total Concessions	\$5,764	\$5,937	\$6,115	\$6,299	\$6,488	\$6,682	\$6,883	\$7,089
<b>Arena Share of Concessions</b>	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%
Net Concessions to Arena	\$3,170	\$3,265	\$3,363	\$3,464	\$3,568	\$3,675	\$3,785	\$3,899

<b> Devils</b>								
Number of Games	43	43	43	43	43	43	43	43
Attendance per Game (Paid + Comp., Club and Floor)	12,870	12,870	12,870	12,870	12,870	12,870	12,870	12,870
Tickets Purchased + Comp. Tickets	553,410	553,410	553,410	553,410	553,410	553,410	553,410	553,410
Less: No-Show Contingency	(55,341)	(55,341)	(55,341)	(55,341)	(55,341)	(55,341)	(55,341)	(55,341)
Turnstile Attendance	498,069	498,069	498,069	498,069	498,069	498,069	498,069	498,069
Concessions/Capita	\$12.00	\$12.36	\$12.73	\$13.11	\$13.51	\$13.91	\$14.33	\$14.76
Total Concessions	\$5,977	\$6,156	\$6,341	\$6,531	\$6,727	\$6,929	\$7,137	\$7,351
Less: Sales Tax on Concessions	(483)	(508)	(523)	(539)	(555)	(572)	(589)	(606)
Net Total Concessions	\$5,494	\$5,648	\$5,818	\$5,992	\$6,172	\$6,357	\$6,548	\$6,744
<b>Arena Share of Concessions</b>	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%
Net Concessions to Arena	\$3,016	\$3,107	\$3,200	\$3,296	\$3,395	\$3,496	\$3,601	\$3,709

<b> Concerts</b>								
Number of Events	25	27	28	31	33	35	35	35
Attendance per Game (Paid + Comp., Club and Floor)	12,000	12,120	12,241	12,364	12,487	12,612	12,738	12,866
Tickets Purchased + Comp. Tickets	300,000	327,240	354,895	383,272	412,079	441,424	470,838	500,297
Less: No-Show Contingency	(6,000)	(6,545)	(7,100)	(7,665)	(8,242)	(8,828)	(9,417)	(10,006)
Turnstile Attendance	294,000	320,695	347,795	375,607	403,838	432,596	461,421	490,291
Concessions/Capita	\$5.50	\$5.67	\$5.83	\$6.01	\$6.19	\$6.38	\$6.57	\$6.76
Total Concessions	\$1,617	\$1,817	\$2,030	\$2,257	\$2,500	\$2,759	\$3,039	\$3,335
Less: Sales Tax on Concessions	(133)	(150)	(167)	(186)	(206)	(228)	(253)	(276)
Net Total Concessions	\$1,484	\$1,667	\$1,863	\$2,071	\$2,294	\$2,531	\$2,786	\$3,059
<b>Arena Share of Concessions</b>	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%
Net Concessions to Arena	\$816	\$917	\$1,024	\$1,139	\$1,261	\$1,392	\$1,538	\$1,698

<b> Other Sporting Events</b>								
Number of Events	67	67	67	67	67	67	67	67
Attendance per Game (Paid + Comp., Club and Floor)	7,514	7,589	7,589	7,589	7,589	7,589	7,589	7,589
Tickets Purchased + Comp. Tickets	503,450	508,485	508,485	508,485	508,485	508,485	508,485	508,485
Less: No-Show Contingency	(10,069)	(10,170)	(10,170)	(10,170)	(10,170)	(10,170)	(10,170)	(10,170)
Turnstile Attendance	493,381	498,315	498,315	498,315	498,315	498,315	498,315	498,315
Concessions/Capita	\$1.90	\$1.98	\$2.02	\$2.08	\$2.14	\$2.20	\$2.27	\$2.34
Total Concessions	\$937	\$975	\$1,004	\$1,035	\$1,066	\$1,098	\$1,131	\$1,164
Less: Sales Tax on Concessions	(77)	(80)	(83)	(85)	(88)	(91)	(93)	(96)
Net Total Concessions	\$860	\$895	\$922	\$949	\$978	\$1,007	\$1,037	\$1,068
<b>Arena Share of Concessions</b>	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%
Net Concessions to Arena	\$473	\$492	\$507	\$522	\$538	\$554	\$570	\$588

<b> Family Shows</b>								
Number of Events	42	42	42	42	42	42	42	42
Attendance per Game (Paid + Comp., Club and Floor)	6,226	6,288	6,351	6,415	6,479	6,544	6,609	6,675
Tickets Purchased + Comp. Tickets	261,500	264,115	266,756	269,424	272,118	274,839	277,588	280,363
Less: No-Show Contingency	(5,230)	(5,282)	(5,335)	(5,388)	(5,442)	(5,497)	(5,552)	(5,607)
Turnstile Attendance	256,270	258,833	261,421	264,035	266,676	269,342	272,036	274,756
Concessions/Capita	\$5.50	\$5.67	\$5.83	\$6.01	\$6.19	\$6.38	\$6.57	\$6.76
Total Concessions	\$1,409	\$1,466	\$1,525	\$1,587	\$1,651	\$1,717	\$1,787	\$1,859
Less: Sales Tax on Concessions	(116)	(121)	(126)	(131)	(136)	(142)	(147)	(153)
Net Total Concessions	\$1,293	\$1,345	\$1,400	\$1,456	\$1,515	\$1,576	\$1,639	\$1,705
<b>Arena Share of Concessions</b>	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%
Net Concessions to Arena	\$711	\$740	\$770	\$801	\$833	\$867	\$902	\$938

# Brooklyn Arena

Arena - Detail

\$ In thousands

	2007	2008	2009	2010	2011	2012	2013	2014
<b>Concessions - Suite Seats</b>								
<b>Nets</b>								
Number of Events	42	42	42	42	42	42	42	42
Suite Attendance (Purchased + Comp.)	1,333	1,373	1,414	1,456	1,500	1,545	1,568	1,568
Tickets Purchased + Comp. Tickets	55,878	57,657	59,387	61,168	63,003	64,893	65,856	65,856
Less: No-Show Contingency	(5,598)	(5,766)	(5,939)	(6,117)	(6,300)	(6,489)	(6,586)	(6,586)
Turnstile Attendance	50,380	51,891	53,448	55,051	56,703	58,404	59,270	59,270
Concessions/Capita	\$25.00	\$25.75	\$26.52	\$27.32	\$28.14	\$28.98	\$29.85	\$30.75
Total Concessions	\$1,258	\$1,336	\$1,418	\$1,504	\$1,595	\$1,693	\$1,769	\$1,822
Less: Sales Tax on Concessions	(104)	(110)	(117)	(124)	(132)	(140)	(146)	(150)
Net Total Concessions	\$1,156	\$1,226	\$1,301	\$1,380	\$1,464	\$1,553	\$1,623	\$1,672
Arena Share of Concessions	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Net Concessions to Arena	\$231	\$245	\$260	\$276	\$293	\$311	\$325	\$334
<b>Devils</b>								
Number of Events	43	43	43	43	43	43	43	43
Suite Attendance (Purchased + Comp.)	1,333	1,373	1,414	1,456	1,500	1,545	1,568	1,568
Tickets Purchased + Comp. Tickets	57,310	59,030	60,801	62,625	64,503	66,438	67,424	67,424
Less: No-Show Contingency	(5,731)	(5,903)	(6,080)	(6,262)	(6,450)	(6,644)	(6,742)	(6,742)
Turnstile Attendance	51,579	53,127	54,721	56,362	58,053	59,794	60,682	60,682
Concessions/Capita	\$25.00	\$25.75	\$26.52	\$27.32	\$28.14	\$28.98	\$29.85	\$30.75
Total Concessions	\$1,289	\$1,368	\$1,451	\$1,540	\$1,633	\$1,733	\$1,811	\$1,866
Less: Sales Tax on Concessions	(106)	(113)	(120)	(127)	(135)	(143)	(149)	(154)
Net Total Concessions	\$1,183	\$1,255	\$1,332	\$1,413	\$1,499	\$1,590	\$1,662	\$1,712
Arena Share of Concessions	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Net Concessions to Arena	\$237	\$251	\$266	\$283	\$300	\$318	\$332	\$342
<b>Concerts</b>								
Number of Events	25	27	29	31	33	35	35	35
Suite Attendance (Purchased + Comp.)	1,333	1,373	1,414	1,456	1,500	1,545	1,568	1,568
Tickets Purchased + Comp. Tickets	33,320	37,065	41,005	45,148	49,503	54,078	54,880	54,880
Less: No-Show Contingency	(3,332)	(3,707)	(4,101)	(4,515)	(4,850)	(5,408)	(5,489)	(5,488)
Turnstile Attendance	29,988	33,358	36,904	40,633	44,552	48,670	49,392	49,392
Concessions/Capita	\$10.00	\$10.30	\$10.61	\$10.93	\$11.26	\$11.59	\$11.94	\$12.30
Total Concessions	\$300	\$344	\$392	\$444	\$501	\$564	\$590	\$607
Less: Sales Tax on Concessions	(25)	(28)	(32)	(37)	(41)	(47)	(49)	(50)
Net Total Concessions	\$275	\$315	\$359	\$407	\$460	\$518	\$541	\$557
Arena Share of Concessions	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Net Concessions to Arena	\$55	\$63	\$72	\$81	\$92	\$104	\$108	\$111
<b>Other Sporting Events</b>								
Number of Events	67	67	67	67	67	67	67	67
Suite Attendance (Purchased + Comp.)	1,333	1,373	1,414	1,456	1,500	1,545	1,568	1,568
Tickets Purchased + Comp. Tickets	89,288	91,977	94,736	97,578	100,505	103,520	105,056	105,056
Less: No-Show Contingency	(8,930)	(9,198)	(9,474)	(9,758)	(10,051)	(10,352)	(10,506)	(10,506)
Turnstile Attendance	80,358	82,779	85,262	87,820	90,455	93,168	94,550	94,550
Concessions/Capita	\$10.00	\$10.30	\$10.61	\$10.93	\$11.26	\$11.59	\$11.94	\$12.30
Total Concessions	\$804	\$853	\$905	\$960	\$1,018	\$1,080	\$1,129	\$1,163
Less: Sales Tax on Concessions	(69)	(70)	(75)	(79)	(84)	(89)	(93)	(96)
Net Total Concessions	\$737	\$782	\$830	\$880	\$934	\$991	\$1,036	\$1,067
Arena Share of Concessions	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Net Concessions to Arena	\$147	\$156	\$166	\$176	\$187	\$198	\$207	\$213
<b>Family Shows</b>								
Number of Events	42	42	42	42	42	42	42	42
Suite Attendance (Purchased + Comp.)	1,333	1,373	1,414	1,456	1,500	1,545	1,568	1,568
Tickets Purchased + Comp. Tickets	55,878	57,657	59,387	61,168	63,003	64,893	65,856	65,856
Less: No-Show Contingency	(5,598)	(5,766)	(5,939)	(6,117)	(6,300)	(6,489)	(6,586)	(6,586)
Turnstile Attendance	50,380	51,891	53,448	55,051	56,703	58,404	59,270	59,270
Concessions/Capita	\$10.00	\$10.30	\$10.61	\$10.93	\$11.26	\$11.59	\$11.94	\$12.30
Total Concessions	\$504	\$534	\$567	\$602	\$638	\$677	\$708	\$728
Less: Sales Tax on Concessions	(42)	(44)	(47)	(50)	(53)	(56)	(58)	(60)
Net Total Concessions	\$462	\$490	\$520	\$552	\$586	\$621	\$649	\$669
Arena Share of Concessions	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Net Concessions to Arena	\$92	\$98	\$104	\$110	\$117	\$124	\$130	\$134

# Brooklyn Arena

Arena - Detail

\$ in thousands

	2007	2008	2009	2010	2011	2012	2013	2014
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## Novelties (non-suite seats)

Nets								
Number of Games	42	42	42	42	42	42	42	42
Attendance per Game (Paid + Comp.)	13,850	13,850	13,850	13,850	13,850	13,850	13,850	13,850
Attendance (Purchased + Comp.)	581,700	581,700	581,700	581,700	581,700	581,700	581,700	581,700
Less: No-Show Contingency	(58,170)	(58,170)	(58,170)	(58,170)	(58,170)	(58,170)	(58,170)	(58,170)
Turnstile Attendance	523,530	523,530	523,530	523,530	523,530	523,530	523,530	523,530
Novelties/Capita	\$1.66	\$1.71	\$1.76	\$1.81	\$1.87	\$1.82	\$1.98	\$2.04
Total Novelties	\$869	\$895	\$922	\$950	\$978	\$1,007	\$1,038	\$1,069
Less: Sales Tax on Novelties	(72)	(74)	(76)	(78)	(81)	(83)	(86)	(88)
Net Total Concessions	\$797	\$821	\$846	\$871	\$897	\$924	\$952	\$981
Arena Share of Novelties	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Net Novelties to Arena	\$399	\$411	\$423	\$436	\$449	\$462	\$476	\$480

Devils								
Number of Games	43	43	43	43	43	43	43	43
Attendance per Game (Paid + Comp.)	12,870	12,870	12,870	12,870	12,870	12,870	12,870	12,870
Attendance (Purchased + Comp.)	553,410	553,410	553,410	553,410	553,410	553,410	553,410	553,410
Less: No-Show Contingency	(55,341)	(55,341)	(55,341)	(55,341)	(55,341)	(55,341)	(55,341)	(55,341)
Turnstile Attendance	498,069	498,069	498,069	498,069	498,069	498,069	498,069	498,069
Novelties/Capita	\$1.66	\$1.71	\$1.76	\$1.81	\$1.87	\$1.92	\$1.98	\$2.04
Total Novelties	\$827	\$852	\$877	\$903	\$931	\$958	\$987	\$1,017
Less: Sales Tax on Novelties	(68)	(70)	(72)	(75)	(77)	(79)	(81)	(84)
Net Total Novelties	\$759	\$781	\$805	\$829	\$854	\$879	\$906	\$933
Arena Share of Novelties	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Net Novelties to Arena	\$379	\$391	\$402	\$414	\$427	\$440	\$453	\$466

Concerts								
Number of Events	25	27	29	31	33	35	35	35
Attendance per Game (Paid + Comp.)	12,000	12,120	12,241	12,364	12,487	12,612	12,738	12,866
Attendance (Purchased + Comp.)	300,000	327,240	354,895	383,272	412,079	441,424	445,838	450,297
Less: No-Show Contingency	(6,000)	(6,545)	(7,100)	(7,655)	(8,242)	(8,828)	(9,417)	(9,006)
Turnstile Attendance	294,000	320,695	347,895	375,607	403,838	432,596	436,422	441,291
Novelties/Capita	\$14.00	\$14.42	\$14.85	\$15.30	\$15.76	\$16.23	\$16.72	\$17.22
Total Novelties	\$4,116	\$4,624	\$5,167	\$5,746	\$6,363	\$7,021	\$7,304	\$7,598
Less: Sales Tax on Novelties	(340)	(382)	(426)	(474)	(525)	(579)	(603)	(627)
Net Total Novelties	\$3,776	\$4,243	\$4,741	\$5,272	\$5,838	\$6,442	\$6,701	\$6,971
Arena Share of Novelties	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Net Novelties to Arena	\$378	\$424	\$474	\$527	\$584	\$644	\$670	\$697

Other Sporting Events								
Number of Events	67	67	67	67	67	67	67	67
Attendance per Game (Paid + Comp.)	7,514	7,589	7,589	7,589	7,589	7,589	7,589	7,589
Attendance (Purchased + Comp.)	503,450	508,485	508,485	508,485	508,485	508,485	508,485	508,485
Less: No-Show Contingency	(10,069)	(10,170)	(10,170)	(10,170)	(10,170)	(10,170)	(10,170)	(10,170)
Turnstile Attendance	493,381	498,315	498,315	498,315	498,315	498,315	498,315	498,315
Novelties/Capita	\$10.00	\$10.30	\$10.61	\$10.93	\$11.26	\$11.59	\$11.94	\$12.30
Total Novelties	\$4,834	\$5,133	\$5,287	\$5,445	\$5,609	\$5,777	\$5,950	\$6,129
Less: Sales Tax on Novelties	(407)	(423)	(436)	(448)	(463)	(477)	(491)	(506)
Net Total Novelties	\$4,427	\$4,709	\$4,850	\$4,996	\$5,146	\$5,300	\$5,459	\$5,623
Arena Share of Concessions/Novelties	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Net Novelties to Arena	\$453	\$471	\$485	\$500	\$515	\$530	\$546	\$562

Family Shows								
Number of Events	42	42	42	42	42	42	42	42
Attendance per Game (Paid + Comp.)	6,226	6,288	6,351	6,415	6,479	6,544	6,609	6,675
Attendance (Purchased + Comp.)	261,500	264,115	266,756	269,424	272,118	274,839	277,588	280,363
Less: No-Show Contingency	(5,230)	(5,282)	(5,335)	(5,388)	(5,442)	(5,497)	(5,552)	(5,607)
Turnstile Attendance	256,270	258,833	261,421	264,035	266,676	269,342	272,036	274,756
Novelties/Capita	\$10.00	\$10.30	\$10.61	\$10.93	\$11.26	\$11.59	\$11.94	\$12.30
Total Novelties	\$2,563	\$2,666	\$2,773	\$2,885	\$3,001	\$3,122	\$3,248	\$3,379
Less: Sales Tax on Novelties	(211)	(220)	(229)	(238)	(248)	(258)	(268)	(279)
Net Total Novelties	\$2,351	\$2,446	\$2,545	\$2,647	\$2,754	\$2,865	\$2,980	\$3,100
Arena Share of Novelties	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Net Novelties to Arena	\$235	\$245	\$254	\$265	\$275	\$286	\$298	\$310

# Brooklyn Arena

Arena - Detail

\$ in thousands

	2007	2008	2009	2010	2011	2012	2013	2014
<b>Novelties - Suite Seats</b>								
<b>Nets</b>								
Number of Events	42	42	42	42	42	42	42	42
Suite Attendance (Purchased + Comp.)	1,333	1,373	1,414	1,456	1,500	1,545	1,568	1,568
Attendance (Purchased + Comp.)	55,978	57,657	59,387	61,168	63,003	64,893	65,856	65,856
Less: No-Show Contingency	(5,598)	(5,765)	(5,839)	(6,117)	(6,300)	(6,489)	(6,585)	(6,586)
Turnstile Attendance	50,380	51,891	53,448	55,051	56,703	58,404	59,270	59,270
Novelties/Capita	\$1.66	\$1.71	\$1.76	\$1.81	\$1.87	\$1.92	\$1.98	\$2.04
Total Novelties	\$84	\$89	\$94	\$100	\$106	\$112	\$117	\$121
Less: Sales Tax on Novelties	(7)	(7)	(8)	(8)	(9)	(9)	(10)	(10)
Net Total Novelties	\$77	\$81	\$86	\$92	\$97	\$103	\$108	\$111
Arena Share of Novelties	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Net Novelties to Arena	\$38	\$41	\$43	\$46	\$49	\$52	\$54	\$56

<b>Devils</b>								
<b>Nets</b>								
Number of Events	43	43	43	43	43	43	43	43
Suite Attendance (Purchased + Comp.)	1,333	1,373	1,414	1,456	1,500	1,545	1,568	1,568
Attendance (Purchased + Comp.)	57,310	59,030	60,801	62,625	64,503	66,438	67,424	67,424
Less: No-Show Contingency	(5,731)	(5,903)	(6,080)	(6,262)	(6,450)	(6,644)	(6,742)	(6,742)
Turnstile Attendance	51,579	53,127	54,721	56,362	58,053	59,794	60,682	60,682
Novelties/Capita	\$1.66	\$1.71	\$1.76	\$1.81	\$1.87	\$1.92	\$1.98	\$2.04
Total Novelties	\$86	\$91	\$96	\$102	\$108	\$115	\$120	\$124
Less: Sales Tax on Novelties	(7)	(7)	(8)	(8)	(9)	(9)	(10)	(10)
Net Total Novelties	\$79	\$83	\$88	\$94	\$100	\$106	\$110	\$114
Arena Share of Novelties	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Net Novelties to Arena	\$39	\$42	\$44	\$47	\$50	\$53	\$55	\$57

<b>Concerts</b>								
<b>Nets</b>								
Number of Events	25	27	29	31	33	35	35	35
Suite Attendance (Purchased + Comp.)	1,333	1,373	1,414	1,456	1,500	1,545	1,568	1,568
Attendance (Purchased + Comp.)	33,320	37,065	41,005	45,148	49,503	54,078	54,880	54,880
Less: No-Show Contingency	(3,332)	(3,707)	(4,101)	(4,515)	(4,950)	(5,408)	(5,489)	(5,488)
Turnstile Attendance	29,988	33,358	36,905	40,633	44,552	48,670	49,392	49,392
Novelties/Capita	\$14.00	\$14.42	\$14.85	\$15.30	\$15.76	\$16.23	\$16.72	\$17.22
Total Novelties	\$420	\$481	\$548	\$622	\$702	\$790	\$826	\$850
Less: Sales Tax on Novelties	(35)	(40)	(45)	(51)	(58)	(65)	(68)	(70)
Net Total Novelties	\$385	\$441	\$503	\$570	\$644	\$725	\$758	\$780
Arena Share of Novelties	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Net Novelties to Arena	\$39	\$44	\$50	\$57	\$64	\$72	\$76	\$78

<b>Other Sporting Events</b>								
<b>Nets</b>								
Number of Events	67	67	67	67	67	67	67	67
Suite Attendance (Purchased + Comp.)	1,333	1,373	1,414	1,456	1,500	1,545	1,568	1,568
Attendance (Purchased + Comp.)	89,298	91,977	94,736	97,578	100,505	103,520	105,056	105,056
Less: No-Show Contingency	(8,830)	(9,188)	(9,474)	(9,758)	(10,051)	(10,352)	(10,506)	(10,506)
Turnstile Attendance	80,468	82,779	85,262	87,820	90,455	93,168	94,550	94,550
Novelties/Capita	\$10.00	\$10.30	\$10.61	\$10.93	\$11.28	\$11.59	\$11.94	\$12.30
Total Novelties	\$804	\$853	\$905	\$960	\$1,018	\$1,080	\$1,129	\$1,163
Less: Sales Tax on Novelties	(66)	(70)	(75)	(79)	(84)	(89)	(93)	(96)
Net Total Novelties	\$737	\$782	\$830	\$880	\$934	\$991	\$1,036	\$1,067
Arena Share of Novelties	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Net Novelties to Arena	\$74	\$78	\$83	\$88	\$93	\$99	\$104	\$107

<b>Family Shows</b>								
<b>Nets</b>								
Number of Events	42	42	42	42	42	42	42	42
Suite Attendance (Purchased + Comp.)	1,333	1,373	1,414	1,456	1,500	1,545	1,568	1,568
Attendance (Purchased + Comp.)	55,978	57,657	59,387	61,168	63,003	64,893	65,856	65,856
Less: No-Show Contingency	(5,598)	(5,765)	(5,839)	(6,117)	(6,300)	(6,489)	(6,585)	(6,586)
Turnstile Attendance	50,380	51,891	53,448	55,051	56,703	58,404	59,270	59,270
Novelties/Capita	\$4.50	\$4.64	\$4.77	\$4.92	\$5.06	\$5.22	\$5.37	\$5.53
Total Novelties	\$227	\$241	\$255	\$271	\$287	\$305	\$318	\$328
Less: Sales Tax on Novelties	(19)	(20)	(21)	(22)	(24)	(25)	(26)	(27)
Net Total Novelties	\$208	\$221	\$234	\$248	\$263	\$280	\$292	\$301
Arena Share of Novelties	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Net Novelties to Arena	\$21	\$22	\$23	\$25	\$26	\$28	\$29	\$30

# Brooklyn Arena

*Nets - Opco - Income Statement*

2007

## Revenues

Ticket Sales (exluding Suites)	\$41,751
Suite Revenues	0
<b>Total Net Ticket Revenues</b>	<b>\$41,751</b>
Television Revenues	31,514
Other Revenue	11,255
Arena / Misc.	0
<b>Total Revenue</b>	<b>\$84,520</b>
<i>Growth</i>	<i>13.3%</i>

*NBA Royalties  
Sponsor, etc*

## Operating Expenses

Player Personnel	\$70,542
Team Costs	9,831
Basketball Administration	6,269
Scouting	\$819
Player Development	0
Marketing & Sponsorship	7,000
Sales	1,567
Public Relations	1,500
Ticketing	1,122
Broadcast	2,228
General & Administrative	11,273
Systems	234
<b>Total Operating Expenses</b>	<b>\$112,385</b>
<i>Growth</i>	<i>7.2%</i>

Additional Revenue from NBA Playoffs

<b>EBITDA</b>	<b>(\$27,865)</b>
Arena Income Distributions	\$32,817
<b>Total Cash Flow (Franchise &amp; Arena)</b>	<b>\$4,952</b>

# Brooklyn Arena

## Devils - Income Statement

	2007
<b>Revenues</b>	
Ticket Sales (excluding Suites)	\$25,249
Suite Revenues	0
<b>Total Net Ticket Revenues</b>	<b>\$25,249</b>
Other Revenue	19,000
<b>Total Revenue</b>	<b>\$57,338</b>
<b>Operating Expenses</b>	<b>\$48,672</b>
Player Personnel	3,822
Team Costs	3,210
Hockey Administration	2,451
Scouting	4,370
Player Development	2,294
Marketing and Sponsorship Programs	2,099
Sales	1,000
Public Relations	418
Ticketing	1,150
Broadcast Production Costs	9,460
General and Administrative	402
Systems	10,300
Revenue Sharing	
<b>Total Operating Expenses</b>	<b>\$89,648</b>
<b>EBITDA</b>	<b>(\$32,311)</b>
Arena Income Distributions	\$32,817
<b>Total Cash Flow (Franchise &amp; Arena)</b>	<b>\$507</b>