

FORESTCITYRATNER
C O M P A N I E S

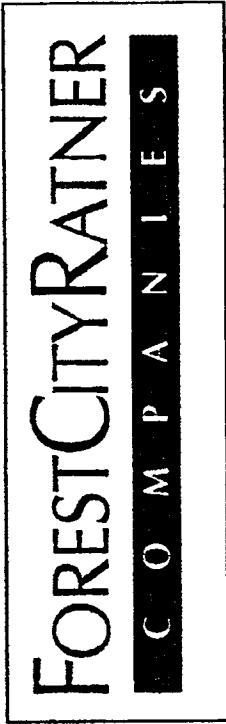


**Brooklyn Arena &
Office/Retail/Residential Development**

October 22, 2003

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Brooklyn Arena and Mixed Use Development

An Investment in the Community

October 22, 2003

Highly Confidential

The Goals

- Public Sector to realize significant profit net of equity contributions
- Acquire the Nets
- Relocate the Team to Brooklyn
- Construct a state of the art arena, designed by world-renowned architect Frank Gehry, primarily with new tax revenues generated by the arena and sports franchises
- Develop 6.3 million square feet of mixed-use projects to respond to New York City's housing shortage and business growth, thereby stimulating economic growth and generating a project return
- Allocate approximately 3.0 million square feet of the real estate development rights to the Nets' Investors as an inducement to ensure a reasonable IRR.

The Current State of Sports Franchises

- **Economics of Sports Teams Must Make Financial Sense**
 - New attractive arena with improved revenue opportunities (e.g. suites, advertising, etc).
 - IRR driven (few vanity purchases)
 - 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

The Risks

- **Competition for and Timing of Team Acquisition**
- **The Arena Development Uncertainty and its status as a New Venue**
 - **Design and Construction of Arena in time to meet Relocation Needs**
 - **Condemnation and Relocation**
 - **EIS and other Public Processes**
 - **Litigation**
 - **Legislation for Financing**
 - **Infrastructure**
 - **Environmental Remediation**
 - **Relocation of LIRR Tracks**
 - **Community Response**
- **Market Absorption of Mixed Used Development**

The Arena & Team

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Arena Total Project Costs of \$430 MM

Project Budget

GROSS Square Feet:		750,000
1 Hard Costs:		
2 Trades	\$ 366.67	\$ 275,000,000
3 Insurance		12,400,000
4 General Conditions/CM Fee	12.00%	33,000,000
5 Permits	\$ 0.60	450,000
6 Bonds	1.00%	2,750,000
7 Owner's Testing/Survey	1.50	1,125,000
8 Development and Hard Cost Contingency		25,000,000
9 Total Hard Costs	\$	\$ 349,725,000
10 Soft Costs:		
11 A & E Base	\$	20,000,000
12 A & E - Consultants		5,000,000
13 A & E Reimbursables & Blueprinting		2,000,000
14 Architecture & Engineering	\$	\$ 27,000,000
15		
16 Legal	\$	3,000,000
17		
18 ULURP/SEQRA/SEIS	\$	1,000,000
19 Project Expenses (1)		5,000,000
20 Other Costs	\$	6,000,000
21		
22		
23 Total Soft Costs	\$	\$ 36,000,000
24		
25 Total Project Costs	\$	\$ 385,725,000

1 Financing Costs:	
2 Capitalized Interest (2)	\$ 33,931,748
3 Reinvestment Income	(6,437,828)
4 Cost of Issuance and Other Financing Fees	2.00%
5 Debt Service Reserve	5,893,028
6 Title Insurance Fee	9,000,000
7 Total Financing Cost	\$ 44,186,948

Total Project and Financing Cost: \$429,911,948

Notes:
 1 Includes Project Expenses, Bank Inspection, Pre-opening Expenses, Insurance (Environmental, Terrorism, Builders Risk), etc.
 2 Assumes Tax Exempt interest rate of 5.5% and Taxable Tranche interest rate of 7%.

Arena 100% Financed through City and State Sales Taxes and Arena Income

Sources (In \$000's)		
	Payment	Funded Amount ¹
Total City & State Payments Derived from Tax Revenue	\$18,000	\$268,213
Team Payment	\$10,000	\$125,256
Premium Seat Tax Recapture	3,000	\$37,577
Total Arena Payments	\$13,000	\$162,833 ²
Total Funding For Arena Construction	\$31,000	\$431,046
1. Per UBS municipal finance analysis dated September 23, 2003 2. 7% interest with 30 year amortization.		
Uses (In \$000's)		
Arena Construct Costs		\$429,912
Arena Funding Surplus/(Gap)		\$1,134

Public Sector to Realize \$179 MM in Aggregate Net Tax Revenue from the Arena

Sources (In \$000's)			
	Annual Annuitized Tax Revenue ¹	NPV at 5.5% (30 Years)	30 Year Aggregate Taxes
Total Admissions Sales Tax	\$16,210	\$235,585	\$552,516
Total Concessions Sales Tax	\$3,217	\$46,758	\$109,351
Total Novelty Sales Tax	\$1,666	\$24,207	\$56,806
Total City & State Sales Tax	\$21,092	\$306,551	\$718,673
Uses (In \$000's)			
	Annual Lease Payments	NPV at 5.5% (30 Years)	30 Year Aggregate Payments
City Tax Payment	\$9,000	\$130,804	\$270,000
State Tax Payment	\$9,000	\$130,804	\$270,000
Total City & State Tax Payments	\$18,000	\$261,607	\$540,000
Tax Surplus / (Gap)	\$3,092	\$44,944	\$178,673
1. Net present value of tax payments at 5.5% annuitized at 5.5%			

New York State to Realize \$105 MM in Aggregate Net Tax Revenue from the Arena

Sources (In \$000's)		30 Year Aggregate Taxes
Tax Revenue	Annual Annuitized Tax Revenue ¹	NPV at 5.5% (30 Years)
Total Admissions Sales Tax	\$8,457	\$122,914
Total Concessions Sales Tax	\$1,679	\$24,396
Total Novelty Sales Tax	\$869	\$12,630
Total State Sales Tax²	\$11,005	\$159,940
Uses (In \$000's)		30 Year Aggregate Payments
Tax Payments	Annual Lease Payments	NPV at 5.5% (30 Years)
Total State Tax Payments	\$9,000	\$130,804
Tax Surplus/(Gap)	\$2,005	\$29,136
<p>1. Net present value of tax payments at 5.5% annuitized at 5.5%</p> <p>2. State tax allocation includes MTA tax</p>		

Investor IRR of 8.7% after Annual Arena Payment of \$13 million

	Projected					2014
	2003	2004	2005	2006	2007	
\$ in thousands						
Nets Equity Investment						
	\$200,000					
Revenue						
Rent from Ticket Sales (Non-premium)					\$5,506	\$7,717
Suite Revenues					26,785	40,581
Club/Floor Seat Revenues					5,270	6,715
Concessions Revenues					7,969	10,938
Novelties Revenues					1,012	1,488
Other Revenue					18,328	19,521
Total Revenue					\$64,871	\$86,960
Operating Expenses					\$32,370	\$33,261
Payment to Arena Company					13,000	13,000
Total Expense					\$45,370	\$52,191
Arena EBITDA					\$19,500	\$34,769
Nets EBITDA						
		(\$40,733)	(\$8,098)	(\$1,869)	\$4,745	\$9,128
Total EBITDA (Arena & Team)						
		(\$40,733)	(\$8,098)	(\$1,869)	\$24,245	\$43,897
Nets Interest Expense						
		(\$3,000)	(\$4,000)	(\$4,500)	(\$5,000)	(\$5,500)
Terminal Value (Equity Value of Team & Arena)						338,969
Total Investment Cash Flow						
	(\$200,000)	(\$43,733)	(\$12,098)	(\$6,369)	\$19,245	\$21,366
Total Investment IRR						8.7%

Infrastructure, Condemnation & Parking

Infrastructure & Condemnation Costs of \$133 million

Arena Infrastructure & Condemnation Cost Estimate	
General Infrastructure (streets, sidewalks, street & traffic lighting, etc)	\$8,930,000
Sewer and Water Main Relocation	\$6,800,000
Facilitate Private Utility Relocation ¹	\$1,000,000
Re-activate existing below grade pedestrian walkway across Atlantic & Flatbush Avenue ²	\$5,000,000
Landscape and sitework for 6 acres of publicly accessible open space	\$6,000,000
Environmental Remediation	\$20,000,000
LIRR Track Relocation	\$25,000,000
Condemnation & Site Acquisition	\$60,000,000
Total:	\$132,730,000

Notes:

¹ Public Utility Companies must relocate from condemned streets at their own expense

² 8900sf @ 2 levels of new control area, escalators, upgrading the passager per MTA standards.

Public Sector to Realize \$405 MM in Aggregate Net Tax Revenue after Condemnation and Infrastructure Payments

Sources	
Tax Revenue	NPV at 5.5% (30 Years)
Wage Taxes	30 Year Aggregate Taxes & Ground Rent
Total Nets Wage Taxes ¹	\$127,733
Arena Wage Taxes	\$20,889
Total Wage Taxes	\$148,622
Real Estate Ground Rent (\$1.5/SF) ²	\$95,584
Total Arena and Real Estate	\$244,206
Uses	
Tax Payments	NPV at 5.5% (30 Years)
Other Costs	30 Year Aggregate Payments
Infrastructure	\$72,730
Condemnation	\$60,000
Contingency	\$25,000
Total Other Site Costs	\$157,730
Public Sector Cash Benefit	\$86,476
\$404,524	

1. Assumes all Nets players and employees are non-NYC residents and do not pay NYC wage taxes
 2. Assumes flat ground rent payments

New York State to Realize \$378 MM in Aggregate Net Tax Revenue after Condemnation and Infrastructure Payments

Sources (In \$000's)	
Tax Revenue	30 Year Aggregate Taxes & Ground Rent
	NPV at 5.5% (30 Years)
Wage Taxes	
Total Nets / Devils Wage Taxes	\$127,733
Arena Wage Taxes	\$13,704
Total State Wage Taxes	\$141,438
Real Estate Ground Rent (\$1.5/SF) ¹	\$68,438
Total Arena and Real Estate	\$209,876
	\$484,739
Uses (In \$000's)	
Tax Payments	30 Year Aggregate Payments
	NPV at 5.5% (30 Years)
Other Costs	
Infrastructure	\$48,836
Condemnation	\$40,288
Contingency	\$16,787
Total Other Site Costs ²	\$105,911
Public Sector Cash Benefit	\$103,965
	\$378,828

1. Assumes flat ground rent payments. 71.6% of ground rent allocated to the State. 71.6% obtained by allocating the MTA and condemnation sites to the State, and the Streets to the City.

2. 67.1% of Other Site Costs allocated to the State. The State obtains 67.1% of total sales taxes, wage taxes, and ground rent payments

Parking

PARKING GARAGE PROFORMA	
Development Costs	
No. of Parking Spaces	1,100
Cost Per Space	\$35,000
Total Project Costs	\$38,500,000
Financing (1)	(\$38,500,000)
Equity	\$0
Cash Flow	
Total	\$2,420,000
Revenue (2) (3)	\$2,420,000
Parking Taxes	\$0
Total Revenue	\$2,420,000
Expenses (3)	(\$750,000)
Net Operating Income	\$1,670,000
Debt Service (1)	(\$2,649,000)
Cash Flow	(\$979,000)
1) Assumes tax exempt financing for 100% of cost. 2) Revenues include parking taxes. 3) Revenues and Expenses assume that garage only operates during events.	

Public Sector to Realize \$583 MM in Aggregate Net Tax Revenue after All Payments

Sources		
Tax Revenue	NPV at 5.5% (30 Years)	30 Year Aggregate Taxes & Ground Rent
Sales Taxes		
Total Admissions Sales Tax	\$235,585	\$552,516
Total Concessions Sales Tax	46,758	109,351
Total Novelty Sales Tax	24,207	56,806
Total City & State Sales Tax	\$306,551	\$718,673
Wage Taxes		
Total Nets Wage Taxes	\$127,733	\$299,533
Arena Wage Taxes	20,889	48,432
Total Wage Taxes	\$148,622	\$347,964
Real Estate Ground Rent (\$1.5/SF) ¹	\$95,584	\$214,290
Total Arena and Real Estate	\$550,757	\$1,280,927
Uses		
Tax Payments	NPV at 5.5% (30 Years)	30 Year Aggregate Payments
Lease Payments		
City Lease Payment	\$130,804	\$270,000
State Lease Payment	130,804	270,000
Total City & State Lease Payments	\$261,607	\$540,000
Other Costs		
Infrastructure	\$72,730	\$72,730
Condemnation	60,000	60,000
Contingency	25,000	25,000
Total Other Site Costs	\$157,730	\$157,730
Total Lease Payments and Site Costs	\$419,337	\$697,730
Public Sector Cash/Benefit	\$131,420	\$583,197

1. Assumes flat ground rent payments

New York State to Realize \$484 MM in Aggregate Net Tax Revenue after All Payments

Sources	
Tax Revenue	NPV at 5.5% (30 Years)
30 Year Aggregate Taxes & Ground Rent	
Sales Taxes	
Total Admissions Sales Tax	\$122,914
Total Concessions Sales Tax	\$24,396
Total Novelty Sales Tax	\$12,630
Total State Sales Tax	\$159,940
Wage Taxes	
Total Nets Wage Taxes	\$127,733
Arena Wage Taxes	13,704
Total State Wage Taxes	\$141,438
Real Estate Ground Rent (\$1.5/SF)¹	\$68,438
Total Arena and Real Estate	\$369,816
Uses	
Tax Payments	NPV at 5.5% (30 Years)
30 Year Aggregate Payments	
Total State Lease Payments	\$130,804
Other Costs	
Infrastructure	\$48,836
Condemnation	\$40,288
Contingency	\$16,787
Total Other Site Costs²	\$105,911
Total Lease Payments and Other Site Costs	\$236,714
Public Sector/Cash/Benefit	\$133,101
Total	\$483,788

1. Assumes flat ground rent payments. 71.6% of ground rent allocated to the State, 71.6% obtained by allocating the MTA and condemnation sites to the State, and the Streets to the City.

2. 67.1% of Other Site Costs allocated to the State. The State obtains 67.1% of total sales taxes, wage taxes, and ground rent payments.

Real Estate Development

Total Real Estate Development Costs of \$2.0 Billion

PER PROJECT	Zoning Square Feet	Total Project Cost	Equity	Cash on Cost Return	Cash on Cash Return	IRR
Office	500,000	181,078,000	36,216,000	9.5%	15.7%	21.0%
Retail	60,000	15,789,800	3,158,000	9.5%	13.3%	21.0%
Residential Rental	360,000	100,824,000	25,206,000	7.9%	17.4%	21.3%
Residential Condo	245,000	75,600,000	21,511,000	N/A	N/A	26.9%

TOTAL DEVELOPMENT	Zoning Square Feet	Total Project Cost	Equity	Cash on Cost Return	Cash on Cash Return	IRR
Office	2,500,000	905,390,000	181,080,000	9.5%	15.7%	21.7%
Retail	300,000	78,949,000	15,790,000	9.5%	13.3%	22.8%
Residential Rental	2,520,000	705,768,000	176,442,000	7.9%	17.4%	22.8%
Residential Condo	980,000	302,400,000	86,044,000	N/A	N/A	26.9%
TOTAL	6,300,000	1,992,507,000	459,356,000			22.6%

Private Development Yields 22.6%

IRR for the Investors

	500,000	500,000	500,000	60,000	60,000	60,000	360,000	360,000	360,000	Terminal Value
SF of Office Developed	500,000	500,000	500,000	60,000	60,000	60,000	360,000	360,000	360,000	-
SF of Retail Developed	60,000	60,000	60,000	360,000	360,000	360,000	245,000	245,000	245,000	38,849
SF of Residential Rental Developed	360,000	360,000	360,000	245,000	245,000	245,000	-	-	-	443,721
SF of Residential Condo Developed	245,000	245,000	245,000	-	-	-	-	-	-	482,570
	(36,216)	(36,216)	(36,216)	-	-	-	-	-	-	-
IRR	(36,216)	(36,216)	(36,216)	22.17%	22.17%	22.17%	22.17%	22.17%	22.17%	22.17%
Total Office Equity	(36,216)	(36,216)	(36,216)	(3,158)	(3,158)	(3,158)	1,567	1,567	1,567	1,885
Total Office Cash Flow	-	-	-	68	68	68	-	-	-	36,032
Total Office Net Proceeds from Sale	-	-	-	-	-	-	-	-	-	37,917
Total Net Cash Flow	(36,216)	(36,216)	(36,216)	(3,158)	(3,158)	(3,158)	1,567	1,567	1,567	37,917
IRR	(3,158)	(3,158)	(3,158)	22.8%	22.8%	22.8%	22.8%	22.8%	22.8%	22.8%
Total Retail Equity	(25,206)	(25,206)	(25,206)	(25,206)	(25,206)	(25,206)	13,874	13,874	13,874	20,458
Total Retail Cash Flow	-	-	-	-	-	-	-	-	-	343,733
Total Retail Net Proceeds from Sale	-	-	-	-	-	-	-	-	-	364,211
Total Net Cash Flow	(25,206)	(25,206)	(25,206)	(25,206)	(25,206)	(25,206)	13,874	13,874	13,874	364,211
IRR	(25,206)	(25,206)	(25,206)	22.8%	22.8%	22.8%	22.8%	22.8%	22.8%	22.8%
Total Residential Rental Equity	(21,511)	(21,511)	(21,511)	(21,511)	(21,511)	(21,511)	25,975	25,975	25,975	36,958
Total Residential Rental Cash Flow	-	-	-	-	-	-	-	-	-	-
Total Residential Rental Net Proceeds from Sale	-	-	-	-	-	-	-	-	-	15,447
Total Net Cash Flow	(21,511)	(21,511)	(21,511)	(21,511)	(21,511)	(21,511)	25,975	25,975	25,975	36,958
IRR	(21,511)	(21,511)	(21,511)	25.9%	25.9%	25.9%	25.9%	25.9%	25.9%	25.9%
Total Project Equity	(64,580)	(64,580)	(64,580)	(64,580)	(64,580)	(64,580)	15,441	15,441	15,441	61,192
Total Project Cash Flow	-	-	-	-	-	-	-	-	-	823,506
Total Project Net Sales Proceeds	-	-	-	-	-	-	-	-	-	884,698
TOTAL PROJECT NET CASH FLOW	(64,580)	(64,580)	(64,580)	(64,580)	(64,580)	(64,580)	(64,580)	(64,580)	(64,580)	884,698
IRR	(64,580)	(64,580)	(64,580)	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%

Combined Arena and Real Estate IRR of 13.1%

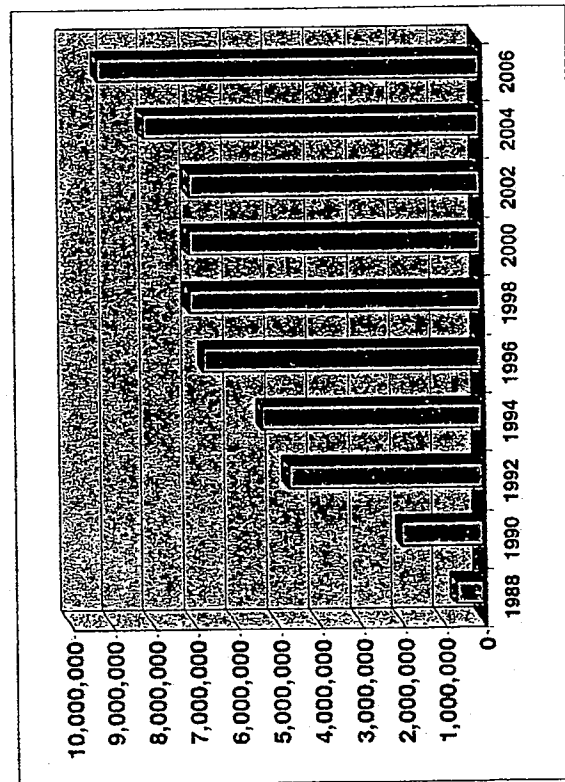
	Projections			
	2003	2004	2005	2006
<i>\$ in thousands</i>				
Total Equity Requirement	(\$200,000)			
Arena EBITDA	-	-	-	34,769
Nets EBITDA	-	(40,733)	(8,098)	9,128
Total EBITDA (Arena & Team)	-	(40,733)	(8,098)	43,897
Total Interest Expense	-	(3,000)	(4,000)	(5,500)
Terminal Value (Equity Value of Team & Arena)	-	-	-	338,969
Total Arena & Team Cash Flow	(200,000)	(43,733)	(12,098)	377,366
Arena and Team IRR				8.7%
Real Estate Cash Flow		(32,290)	(43,011)	30,596
Terminal Value of Real Estate				411,753
Total Real Estate Cash Flow		(32,290)	(43,011)	442,349
Real Estate IRR				22.6%
Total Investment Cash Flow	(200,000)	(76,023)	(55,109)	819,715
Total Investment IRR				13.1%

Total Development has a \$2.8 Billion Annual Effect on the Economy (Spending)

CONSTRUCTION PERIOD (10 Yrs) ECONOMIC AND FISCAL EFFECTS		
	Total Direct	Total Direct/Indirect
Jobs Created (Person-Years)	15,074	28,568
City / State Tax Revenue	\$202 Million	\$294 Million
Effect on Economy (Spending)	\$2.4 Billion	\$5.4 Billion

ANNUAL OPERATING ECONOMIC AND FISCAL EFFECTS CREATED OR RETAINED		
	Total Direct	Total Direct/Indirect
Jobs Created or Retained	12,308	23,374
City / State Tax Revenue Created or Retained	\$140 Million	\$224 Million
Effect on Economy (Spending) Created or Retained	\$2.8 Billion	\$5.6 Billion

Since 1988 (15 Yrs), Downtown Brooklyn Has Absorbed 600,000 SF of New Office Space Per Year



Building	Date Completed	Total Square Feet
One Pierrepont Plaza	1988	650,000
Livingston Plaza	1989	800,000
2 MetroTech	1990	520,000
3 MetroTech	1991	600,000
4 MetroTech	1991	1,200,000
1 MetroTech	1992	933,000
10 MetroTech	1993	410,000
11 MetroTech	1993	216,000
9 MetroTech North	1996	317,000
Renaissance Plaza	1997	1,400,000
9 MetroTech South	2003	680,000
Atlantic Terminal	2004	400,000
12 MetroTech	2005	1,100,000
TOTAL		9,226,000

Conclusions

- **New World Class Sports Facility for NYC that supports Community & Athletic Programming**
- **4,000 Units of Mixed Income Housing and 2.5 MM SF of New Class A Office Space**
 - **The Arena**
 - **Costs of \$430 MM to be 100% Financed through Arena Income and incremental City and State Sales Taxes**
 - **Public Sector to realize \$583 MM in Aggregate Net Tax Revenue after all Condemnation, Infrastructure, and Parking Payments**
 - **Provides the Investor an 8.7% IRR**
 - **Private Real Estate Development**
 - **Cost \$2.0 Billion and will yield the Investor a 22.6% IRR**
- **The Combined Arena and Real Estate will generate a 13.1% IRR**

**Brooklyn Arena
Team Proforma**

(in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014
Rent from Ticket Sales (Non-premium)								
Devils Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Nets Rent	1,487	1,577	1,673	1,774	1,881	1,995	2,116	2,243
Other Sporting Events	570	593	617	642	668	695	723	752
Family Shows	981	1,021	1,062	1,105	1,149	1,196	1,244	1,294
Concerts	1,113	1,216	1,325	1,441	1,564	1,627	1,693	1,761
Fixed-fee Rentals	1,355	1,395	1,437	1,480	1,525	1,570	1,617	1,666
Total Rent from Ticket Sales (Non-premium)	\$5,506	\$5,802	\$6,114	\$6,442	\$6,787	\$7,083	\$7,393	\$7,717
Suite Revenues								
Suite Leases - Nets/Devils	\$21,597	\$23,027	\$24,552	\$26,178	\$27,912	\$29,761	\$31,264	\$32,364
Suite Seats - Other Sporting Events	835	866	940	1,026	1,088	1,155	1,207	1,243
Suite Seats - Family Shows	2,016	2,138	2,269	2,407	2,553	2,709	2,832	2,917
Suite Seats - Concerts	2,337	2,603	2,893	3,209	3,553	3,769	3,940	4,058
Suite Seats - Fixed Fee Rentals	0	0	0	0	0	0	0	0
Total Suite Revenue	\$26,785	\$28,655	\$30,655	\$32,820	\$35,107	\$37,393	\$39,242	\$40,581
Club / Floor Seat Revenues								
Club/Floor Seats - Nets	\$5,270	\$5,456	\$5,648	\$5,847	\$6,053	\$6,266	\$6,486	\$6,715
Club Seats - Devils	0	0	0	0	0	0	0	0
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
Total Club / Seat Revenue	\$5,270	\$5,456	\$5,648	\$5,847	\$6,053	\$6,266	\$6,486	\$6,715
Concessions Revenues								
Concessions - Non Premium	\$6,557	\$6,883	\$7,219	\$7,587	\$7,957	\$8,234	\$8,521	\$8,818
Concessions - Premium	1,412	1,510	1,616	1,736	1,857	1,970	2,059	2,121
Total Concessions Revenues	\$7,969	\$8,393	\$8,834	\$9,323	\$9,813	\$10,203	\$10,580	\$10,938
Novelties Revenues								
Novelties - Non Premium	\$907	\$970	\$1,036	\$1,107	\$1,181	\$1,224	\$1,269	\$1,316
Novelties - Premium	105	115	126	138	151	160	167	172
Total Novelties Revenues	\$1,012	\$1,085	\$1,162	\$1,245	\$1,331	\$1,384	\$1,436	\$1,488
Other Revenues								
General Advertising	\$12,337	\$12,338	\$12,339	\$12,340	\$12,341	\$12,342	\$12,343	\$12,344
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)	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0
Ticketmaster License Fee	358	359	360	361	362	363	364	365
Telephone Billing System	239	240	241	242	243	244	245	246
Total Other Revenues	\$18,328	\$18,484	\$18,645	\$18,810	\$18,980	\$19,155	\$19,335	\$19,521
Annual City & Lease Payments								
City lease payment	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
State lease payment	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Total Annual City & Lease Payments	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
Total Revenues (Excluding City & State Lease Payments)	\$64,871	\$67,875	\$71,057	\$74,487	\$78,071	\$81,485	\$84,473	\$86,960
Operating Expenses								
Event Expenses	\$4,589	\$4,727	\$4,869	\$5,015	\$5,165	\$5,320	\$5,480	\$5,644
Non-Event Expenses	23,290	23,989	24,709	25,450	26,213	27,000	27,810	28,644
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	1,791	1,845	1,900	1,957	2,016	2,076	2,139	2,203
Total Operating Expenses	\$32,370	\$33,261	\$34,177	\$35,122	\$36,094	\$37,096	\$38,128	\$39,191
Arena Financing Payment	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000
EBITDA	\$19,500	\$21,615	\$23,880	\$26,365	\$28,977	\$31,389	\$33,345	\$34,769

Brooklyn Arena One Team Proforma

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

Nets								
Number of Games	42	42	42	42	42	42	42	42
Average Ticket Price	\$68.07	\$71.47	\$75.04	\$78.80	\$82.74	\$86.87	\$91.22	\$95.78
Avg. Paid Attendance (non-premium)	12,113	12,234	12,356	12,480	12,604	12,730	12,858	12,986
Total Revenues	\$34,628	\$36,723	\$38,945	\$41,301	\$43,799	\$46,449	\$49,260	\$52,240
Less: Sales Taxes on Paid Tickets	(2,987)	(3,167)	(3,359)	(3,562)	(3,778)	(4,006)	(4,249)	(4,506)
Less: Sales NBA Surcharge on Tickets	(1,898)	(2,013)	(2,135)	(2,264)	(2,401)	(2,547)	(2,701)	(2,864)
Net Total Revenues	\$29,743	\$31,542	\$33,451	\$35,474	\$37,620	\$39,896	\$42,310	\$44,870
Rent Percentage	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Net Rental Payment	\$1,487	\$1,577	\$1,673	\$1,774	\$1,881	\$1,995	\$2,118	\$2,243
Distribution to Nets Franchise	\$28,256	\$29,965	\$31,778	\$33,701	\$35,739	\$37,902	\$40,195	\$42,626

Devils								
Number of Games	0	0	0	0	0	0	0	0
Average Ticket Price	\$64.42	\$67.64	\$71.03	\$74.58	\$78.31	\$82.22	\$86.33	\$90.65
Avg. Paid Attendance (non-premium)	12,113	12,234	12,356	12,480	12,604	12,730	12,858	12,986
Total Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less: Sales Taxes on Paid Tickets	0	0	0	0	0	0	0	0
Net Total Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent Percentage	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Net Rental Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Distribution to Nets Franchise	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Concerts								
Number of Shows	40	42	44	46	48	48	48	48
Average Ticket Price	\$59.70	\$61.49	\$63.34	\$65.24	\$67.20	\$69.21	\$71.29	\$73.43
Attendance (non-premium)	12,000	12,120	12,241	12,364	12,487	12,612	12,738	12,866
Comp. Contingency	-1800	-1818	-1836.18	-1854.5418	-1873.08722	-1891.81809	-1910.736271	-1929.843634
Avg. Paid Attendance (non-premium)	10,200	10,302	10,405	10,509	10,614	10,720	10,828	10,936
Total Revenues	\$24,359	\$26,608	\$28,998	\$31,538	\$34,235	\$36,815	\$39,050	\$40,543
Less: Sales Taxes on Paid Tickets	(2,101)	(2,295)	(2,501)	(2,720)	(2,953)	(3,072)	(3,196)	(3,324)
Net Total Revenues	\$22,258	\$24,313	\$26,497	\$28,818	\$31,282	\$33,743	\$35,854	\$37,219
Rent Percentage	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Net Rental Payment	\$1,113	\$1,216	\$1,325	\$1,441	\$1,564	\$1,627	\$1,693	\$1,761

Other Sporting Events								
Number of Events	35	35	35	35	35	35	35	35
Average Ticket Price	\$24.39	\$25.12	\$25.87	\$26.65	\$27.45	\$28.27	\$29.12	\$30.00
Avg. Attendance (non-premium)	8,604	8,690	8,777	8,865	8,953	9,043	9,133	9,224
Less: Comp. Contingency	(1,291)	(1,303)	(1,317)	(1,330)	(1,343)	(1,356)	(1,370)	(1,384)
Avg. Paid Attendance (non-premium)	7,313	7,386	7,460	7,535	7,610	7,686	7,763	7,841
Total Revenues	\$6,243	\$6,494	\$6,756	\$7,028	\$7,312	\$7,606	\$7,913	\$8,232
Less: Sales Taxes on Paid Tickets	(538)	(560)	(583)	(606)	(631)	(656)	(682)	(710)
Net Total Revenues	\$5,704	\$5,934	\$6,173	\$6,422	\$6,681	\$6,950	\$7,230	\$7,522
Rent Percentage	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Net Rental Payment	\$570	\$593	\$617	\$642	\$668	\$695	\$723	\$752

Family Shows								
Number of Events	78	78	78	78	78	78	78	78
Average Ticket Price	\$26.41	\$27.20	\$28.01	\$28.88	\$29.72	\$30.61	\$31.53	\$32.48
Avg. Attendance (non-premium)	6,135	6,196	6,258	6,321	6,384	6,448	6,512	6,577
Less: Comp. Contingency	(920)	(929)	(939)	(948)	(958)	(967)	(977)	(987)
Avg. Paid Attendance (non-premium)	5,214	5,267	5,319	5,372	5,426	5,480	5,535	5,591
Total Revenues	\$10,740	\$11,173	\$11,623	\$12,092	\$12,579	\$13,086	\$13,613	\$14,162
Less: Sales Taxes on Paid Tickets	(926)	(964)	(1,003)	(1,043)	(1,085)	(1,129)	(1,174)	(1,221)
Net Total Revenues	\$9,814	\$10,209	\$10,620	\$11,049	\$11,494	\$11,957	\$12,439	\$12,941
Rent Percentage	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Net Rental Payment	\$981	\$1,021	\$1,062	\$1,105	\$1,149	\$1,196	\$1,244	\$1,294

**Brooklyn Arena
One Team Proforma**

ousands

	2007	2008	2009	2010	2011	2012	2013	2014
Fixed Fee Rentals								
Number of Events	26	26	26	26	26	26	26	26
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	8,181	8,273	9,365	9,459	9,554	9,649
Less: Comp. Contingency	(1,350)	(1,384)	(1,377)	(1,391)	(1,405)	(1,419)	(1,433)	(1,447)
Avg. Paid Attendance (non-premium)	7,650	7,727	7,804	7,882	7,961	8,040	8,121	8,202
Total Revenues	\$1,482	\$1,527	\$1,573	\$1,620	\$1,668	\$1,719	\$1,770	\$1,823
Less: Sales Taxes on Paid Tickets	(126)	(132)	(136)	(140)	(144)	(148)	(153)	(157)
Net Total Revenues	\$1,355	\$1,395	\$1,437	\$1,480	\$1,525	\$1,570	\$1,617	\$1,666
Rent Percentage	100.0%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Net Rental Payment	\$1,355	\$1,395	\$1,437	\$1,480	\$1,525	\$1,570	\$1,617	\$1,666

Rentals from Ticketed Events (Premium Seating - Suites)

Nets/Devils								
AAA Suites Rented	33	34	35	36	37	38	39	39
Average Price	\$258,193	\$267,229	\$278,582	\$286,263	\$296,282	\$306,652	\$317,365	\$328,493
AAA Suite Rent Revenue	\$8,504	\$9,066	\$9,665	\$10,303	\$10,984	\$11,709	\$12,299	\$12,729
AA Suites Rented	34	35	36	37	38	39	40	40
Average Price	\$229,505	\$237,537	\$245,851	\$254,456	\$263,362	\$272,579	\$282,120	\$291,994
AA Suite Rent Revenue	\$7,803	\$8,319	\$8,868	\$9,454	\$10,078	\$10,744	\$11,285	\$11,680
A Suites Rented	35	36	37	38	39	41	41	41
Average Price	\$172,128	\$178,153	\$184,388	\$190,842	\$197,521	\$204,435	\$211,590	\$218,995
A Suite Rent Revenue	\$6,035	\$6,434	\$6,859	\$7,312	\$7,795	\$8,310	\$8,728	\$9,034
Total Suite Rent Revenue	\$22,343	\$23,818	\$25,392	\$27,069	\$28,657	\$30,763	\$32,312	\$33,442
Less: Sales Tax	(\$440)	(\$466)	(\$495)	(\$525)	(\$557)	(\$591)	(\$618)	(\$636)
Less: Sales NBA Surcharge on Tickets	(\$306)	(\$325)	(\$344)	(\$365)	(\$387)	(\$411)	(\$430)	(\$443)
Net Suite Revenue	\$21,597	\$23,027	\$24,552	\$26,178	\$27,912	\$29,761	\$31,264	\$32,364
Arena Share of Suite Rental Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Net Revenue to Arena	\$21,597	\$23,027	\$24,552	\$26,178	\$27,912	\$29,761	\$31,264	\$32,364
Distribution to Nets	100%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Distribution to Devils	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Concerts								
Number of Shows	30	32	33	35	36	36	36	36
Suites Rented per Event	102	105	108	111	115	118	120	120
Total Suites Rented	3,060	3,309	3,571	3,845	4,133	4,257	4,320	4,320
Tickets/Suite	14	14	14	14	14	14	14	14
Avg. Price/Ticket	\$59.70	\$61.48	\$63.34	\$65.24	\$67.20	\$69.21	\$71.29	\$73.43
Suite Ticket Revenue	\$2,558	\$2,849	\$3,167	\$3,512	\$3,888	\$4,125	\$4,312	\$4,441
Less: Sales Tax	(\$221)	(\$246)	(\$273)	(\$303)	(\$335)	(\$356)	(\$372)	(\$383)
Net Suite Revenue	\$2,337	\$2,603	\$2,893	\$3,209	\$3,553	\$3,769	\$3,940	\$4,058
Arena Share of Suite Rental Revenue	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Net Revenue to Arena	\$2,337	\$2,603	\$2,893	\$3,209	\$3,553	\$3,769	\$3,940	\$4,058

Other Sporting Events								
Number of Events	26	26	26	27	27	27	27	27
Suites Rented per Event	102	105	108	111	115	118	120	120
Total Suites Rented	2,678	2,758	2,841	3,008	3,100	3,193	3,240	3,240
Tickets/Suite	14	14	14	14	14	14	14	14
Avg. Price/Ticket	\$24.39	\$25.12	\$25.87	\$26.65	\$27.45	\$28.27	\$29.12	\$30.00
Suite Ticket Revenue	\$914	\$970	\$1,029	\$1,123	\$1,191	\$1,264	\$1,321	\$1,381
Less: Sales Tax	(\$79)	(\$84)	(\$89)	(\$97)	(\$103)	(\$109)	(\$114)	(\$117)
Net Suite Revenue	\$835	\$886	\$940	\$1,026	\$1,088	\$1,155	\$1,207	\$1,243
Arena Share of Suite Rental Revenue	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Net Revenue to Arena	\$835	\$886	\$940	\$1,026	\$1,088	\$1,155	\$1,207	\$1,243

**Brooklyn Arena
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ousands

	2007	2008	2009	2010	2011	2012	2013	2014
Family Shows								
Number of Events	59	59	59	59	59	59	59	59
Suites Rented per Event	102	105	108	111	115	118	120	120
Total Suites Rented	5,667	6,146	6,330	6,520	6,716	6,917	7,020	7,020
Tickets/Suite								
Avg. Price/Ticket	14	14	14	14	14	14	14	14
	\$26.41	\$27.20	\$28.01	\$28.86	\$29.72	\$30.61	\$31.53	\$32.48
Suite Ticket Revenue	\$2,206	\$2,340	\$2,483	\$2,634	\$2,794	\$2,965	\$3,099	\$3,192
Less: Sales Tax	(\$190)	(\$202)	(\$214)	(\$227)	(\$241)	(\$256)	(\$267)	(\$275)
Net Suite Revenue	\$2,016	\$2,138	\$2,269	\$2,407	\$2,553	\$2,709	\$2,832	\$2,917
Arena Share of Suite Rental Revenue	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Net Revenue to Arena	\$2,016	\$2,138	\$2,269	\$2,407	\$2,553	\$2,709	\$2,832	\$2,917

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

Nets								
Club Seats								
Number of Games	42	42	42	42	42	42	42	42
Club Seats per Event	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Seats Sold	75,600	75,600	75,600	75,600	75,600	75,600	75,600	75,600
Avg. Price	\$172.13	\$178.15	\$184.39	\$190.84	\$197.52	\$204.43	\$211.59	\$218.99
Club Seat Revenue	\$13,013	\$13,468	\$13,940	\$14,428	\$14,933	\$15,455	\$15,996	\$16,556
Less: Sales Tax on Club Seat Revenue	(554)	(571)	(588)	(606)	(624)	(643)	(662)	(682)
Less: Sales NBA Surcharge on Tickets	(748)	(774)	(801)	(829)	(859)	(889)	(920)	(952)
Net Club Seat Revenue	\$11,711	\$12,124	\$12,551	\$12,993	\$13,450	\$13,924	\$14,414	\$14,922
Arena Share of Club Seat Revenue	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%
Net Club Seat Revenue to Arena	\$5,270	\$5,456	\$5,648	\$5,847	\$6,053	\$6,266	\$6,486	\$6,715
Floor Seats								
Number of Games	42	42	42	42	42	42	42	42
Floor Seats per Event	980	980	980	980	980	980	980	980
Seats Sold	41,160	41,160	41,160	41,160	41,160	41,160	41,160	41,160
Avg. Price	\$574	\$594	\$615	\$636	\$658	\$681	\$705	\$730
Floor Seat Revenue	\$23,616	\$24,443	\$25,298	\$26,184	\$27,100	\$28,048	\$29,030	\$30,046
Less: Sales Tax on Floor Seat Revenue	(2,037)	(2,108)	(2,182)	(2,258)	(2,337)	(2,419)	(2,504)	(2,591)
Less: Sales NBA Surcharge on Tickets	(1,295)	(1,340)	(1,387)	(1,436)	(1,486)	(1,538)	(1,592)	(1,647)
Net Floor Seat Revenue	\$20,284	\$20,994	\$21,729	\$22,490	\$23,277	\$24,092	\$24,936	\$25,807
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	\$5,270	\$5,456	\$5,648	\$5,847	\$6,053	\$6,266	\$6,486	\$6,715
Distribution to Nets	\$26,726	\$27,662	\$28,632	\$29,636	\$30,674	\$31,750	\$32,863	\$34,014

Devils								
Number of Games	0	0	0	0	0	0	0	0
Club Seats per Event	0	0	0	0	0	0	0	0
Seats Sold	0	0	0	0	0	0	0	0
Avg. Price	\$172	\$178	\$184	\$191	\$198	\$204	\$212	\$219
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	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%
Net Club Seat Revenue to Arena	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Distribution to Devils	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Brooklyn Arena
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Thousands

	2007	2008	2009	2010	2011	2012	2013	2014
Concerts								
Number of Shows	40	42	44	46	48	48	48	48
Club Seats per Event								
Seats Sold	0	0	0	0	0	0	0	0
Avg. Price								
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	35	35	35	36	36	36	36	36
Club Seats per Event								
Seats Sold	0	0	0	0	0	0	0	0
Avg. Price								
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								
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								
Seats Sold	0	0	0	0	0	0	0	0
Avg. Price								
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								
Net Club Seat Revenue to Arena	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fixed Fee Rentals								
Number of Events	26	26	26	26	26	26	26	26
Club Seats per Event								
Seats Sold	0	0	0	0	0	0	0	0
Avg. Price								
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								
Net Club Seat Revenue to Arena	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Concessions (non-suite seats)								
Nets								
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	\$15.00	\$15.45	\$15.91	\$16.39	\$16.88	\$17.39	\$17.91	\$18.45
Total Concessions	\$7,853	\$8,089	\$8,331	\$8,581	\$8,839	\$9,104	\$9,377	\$9,658
Less: Sales Tax on Concessions	(677)	(698)	(719)	(740)	(762)	(785)	(809)	(833)
Net Total Concessions	\$7,176	\$7,391	\$7,613	\$7,841	\$8,076	\$8,319	\$8,568	\$8,825
Arena Share of Concessions	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%
Net Concessions to Arena	\$3,228	\$3,326	\$3,426	\$3,528	\$3,634	\$3,743	\$3,856	\$3,971

**Brooklyn Arena
One Team Proforma**

Thousands

	2007	2008	2009	2010	2011	2012	2013	2014
Devils								
Number of Games	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0
Less: No-Show Contingency	0	0	0	0	0	0	0	0
Turnstile Attendance	0	0	0	0	0	0	0	0
Concessions/Capita	\$15.00	\$15.45	\$15.91	\$16.39	\$16.88	\$17.39	\$17.91	\$18.45
Total Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less: Sales Tax on Concessions	0	0	0	0	0	0	0	0
Net Total Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Arena Share of Concessions	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%
Net Concessions to Arena	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Concerts								
Number of Events	40	42	44	46	48	48	48	48
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	480,000	509,040	538,613	568,728	599,388	605,382	611,436	617,550
Less: No-Show Contingency	(38,400)	(40,723)	(43,089)	(45,498)	(47,951)	(48,431)	(48,915)	(49,404)
Turnstile Attendance	441,600	468,317	495,524	523,228	551,437	556,951	562,521	568,146
Concessions/Capita	\$10.00	\$10.30	\$10.61	\$10.93	\$11.26	\$11.59	\$11.94	\$12.30
Total Concessions	\$4,416	\$4,824	\$5,257	\$5,717	\$6,206	\$6,457	\$6,717	\$6,987
Less: Sales Tax on Concessions	(381)	(416)	(453)	(493)	(535)	(557)	(579)	(603)
Net Total Concessions	\$4,035	\$4,408	\$4,804	\$5,224	\$5,671	\$5,900	\$6,137	\$6,385
Arena Share of Concessions	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%
Net Concessions to Arena	\$1,816	\$1,983	\$2,162	\$2,351	\$2,552	\$2,655	\$2,762	\$2,873
Other Sporting Events								
Number of Events	35	35	35	36	36	36	36	36
Attendance per Game (Paid + Comp., Club and Floor)	8,604	8,690	8,690	8,690	8,690	8,690	8,690	8,690
Tickets Purchased + Comp. Tickets	301,135	304,146	304,146	312,836	312,836	312,836	312,836	312,836
Less: No-Show Contingency	(24,091)	(24,332)	(24,332)	(25,027)	(25,027)	(25,027)	(25,027)	(25,027)
Turnstile Attendance	277,044	279,815	279,815	287,809	287,809	287,809	287,809	287,809
Concessions/Capita	\$4.54	\$4.67	\$4.81	\$4.96	\$5.11	\$5.26	\$5.42	\$5.58
Total Concessions	\$1,257	\$1,308	\$1,347	\$1,427	\$1,470	\$1,514	\$1,560	\$1,606
Less: Sales Tax on Concessions	(108)	(113)	(116)	(123)	(127)	(131)	(135)	(139)
Net Total Concessions	\$1,149	\$1,195	\$1,231	\$1,304	\$1,343	\$1,384	\$1,425	\$1,468
Arena Share of Concessions	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%
Net Concessions to Arena	\$517	\$538	\$554	\$587	\$605	\$623	\$641	\$661
Family Shows								
Number of Events	78	78	78	78	78	78	78	78
Attendance per Game (Paid + Comp., Club and Floor)	6,135	6,196	6,258	6,321	6,384	6,448	6,512	6,577
Tickets Purchased + Comp. Tickets	478,500	483,285	488,118	492,999	497,829	502,908	507,937	513,017
Less: No-Show Contingency	(38,280)	(38,863)	(39,049)	(39,440)	(39,834)	(40,233)	(40,635)	(41,041)
Turnstile Attendance	440,220	444,622	449,068	453,559	458,095	462,676	467,302	471,975
Concessions/Capita	\$5.50	\$5.67	\$5.83	\$6.01	\$6.19	\$6.38	\$6.57	\$6.76
Total Concessions	\$2,421	\$2,519	\$2,620	\$2,726	\$2,836	\$2,950	\$3,069	\$3,193
Less: Sales Tax on Concessions	(209)	(217)	(228)	(235)	(245)	(254)	(265)	(275)
Net Total Concessions	\$2,212	\$2,302	\$2,394	\$2,491	\$2,591	\$2,696	\$2,804	\$2,917
Arena Share of Concessions	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%
Net Concessions to Arena	\$996	\$1,036	\$1,077	\$1,121	\$1,166	\$1,213	\$1,262	\$1,313

**Brooklyn Arena
One Team Proforma**

ousands

	2007	2008	2009	2010	2011	2012	2013	2014
Concessions - Suite Seats								
Nets								
Number of Events	42	42	42	42	42	42	42	42
Suite Attendance (Purchased + Comp.)	1,428	1,471	1,515	1,560	1,607	1,655	1,680	1,680
Tickets Purchased + Comp. Tickets	59,976	61,775	63,629	65,537	67,504	69,529	70,560	70,560
Less: No-Show Contingency	(5,998)	(6,178)	(6,363)	(6,554)	(6,750)	(6,953)	(7,056)	(7,056)
Turnstile Attendance	53,978	55,598	57,266	58,984	60,753	62,576	63,504	63,504
Concessions/Capita	\$50.00	\$51.50	\$53.05	\$54.64	\$56.28	\$57.96	\$59.70	\$61.49
Total Concessions	\$2,699	\$2,853	\$3,038	\$3,223	\$3,419	\$3,627	\$3,791	\$3,905
Less: Sales Tax on Concessions	(233)	(247)	(262)	(278)	(295)	(313)	(327)	(337)
Net Total Concessions	\$2,466	\$2,616	\$2,776	\$2,945	\$3,124	\$3,314	\$3,464	\$3,568
Arena Share of Concessions	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Net Concessions to Arena	\$493	\$523	\$555	\$589	\$625	\$663	\$693	\$714
Devils								
Number of Events	0	0	0	0	0	0	0	0
Suite Attendance (Purchased + Comp.)	1,428	1,471	1,515	1,560	1,607	1,655	1,680	1,680
Tickets Purchased + Comp. Tickets	0	0	0	0	0	0	0	0
Less: No-Show Contingency	0	0	0	0	0	0	0	0
Turnstile Attendance	0	0	0	0	0	0	0	0
Concessions/Capita	\$50.00	\$51.50	\$53.05	\$54.64	\$56.28	\$57.96	\$59.70	\$61.49
Total Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less: Sales Tax on Concessions	0	0	0	0	0	0	0	0
Net Total Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Arena Share of Concessions	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Net Concessions to Arena	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Concerts								
Number of Events	40	42	44	46	48	48	48	48
Suite Attendance (Purchased + Comp.)	1,428	1,471	1,515	1,560	1,607	1,655	1,680	1,680
Tickets Purchased + Comp. Tickets	57,120	61,775	65,658	71,779	77,147	79,461	80,640	80,640
Less: No-Show Contingency	(4,570)	(4,942)	(5,333)	(5,742)	(6,172)	(6,357)	(6,451)	(6,451)
Turnstile Attendance	52,550	56,833	61,326	66,037	70,975	73,104	74,189	74,189
Concessions/Capita	\$25.00	\$25.75	\$26.52	\$27.32	\$28.14	\$28.98	\$29.85	\$30.75
Total Concessions	\$1,314	\$1,463	\$1,627	\$1,804	\$1,997	\$2,119	\$2,215	\$2,281
Less: Sales Tax on Concessions	(113)	(126)	(140)	(156)	(172)	(183)	(191)	(197)
Net Total Concessions	\$1,200	\$1,337	\$1,486	\$1,648	\$1,825	\$1,936	\$2,024	\$2,084
Arena Share of Concessions	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Net Concessions to Arena	\$240	\$267	\$297	\$330	\$365	\$387	\$405	\$417
Other Sporting Events								
Number of Events	35	35	35	36	36	36	38	36
Suite Attendance (Purchased + Comp.)	1,428	1,471	1,515	1,560	1,607	1,655	1,680	1,680
Tickets Purchased + Comp. Tickets	49,980	51,479	53,024	56,175	57,860	59,596	60,480	60,480
Less: No-Show Contingency	(3,998)	(4,118)	(4,242)	(4,494)	(4,629)	(4,768)	(4,838)	(4,838)
Turnstile Attendance	45,982	47,361	48,782	51,681	53,231	54,828	55,642	55,642
Concessions/Capita	\$25.00	\$25.75	\$26.52	\$27.32	\$28.14	\$28.98	\$29.85	\$30.75
Total Concessions	\$1,150	\$1,220	\$1,294	\$1,412	\$1,498	\$1,589	\$1,681	\$1,711
Less: Sales Tax on Concessions	(99)	(105)	(112)	(122)	(129)	(137)	(143)	(148)
Net Total Concessions	\$1,050	\$1,114	\$1,182	\$1,290	\$1,369	\$1,452	\$1,518	\$1,563
Arena Share of Concessions	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Net Concessions to Arena	\$210	\$223	\$236	\$258	\$274	\$280	\$304	\$313
Family Shows								
Number of Events	78	78	78	78	78	78	78	78
Suite Attendance (Purchased + Comp.)	1,428	1,471	1,515	1,560	1,607	1,655	1,680	1,680
Tickets Purchased + Comp. Tickets	111,384	114,726	118,167	121,712	125,364	129,125	131,040	131,040
Less: No-Show Contingency	(8,911)	(9,178)	(9,453)	(9,737)	(10,029)	(10,330)	(10,483)	(10,483)
Turnstile Attendance	102,473	105,547	108,714	111,975	115,335	118,795	120,557	120,557
Concessions/Capita	\$25.00	\$25.75	\$26.52	\$27.32	\$28.14	\$28.98	\$29.85	\$30.75
Total Concessions	\$2,562	\$2,718	\$2,883	\$3,059	\$3,245	\$3,443	\$3,599	\$3,707
Less: Sales Tax on Concessions	(221)	(234)	(249)	(264)	(280)	(297)	(310)	(320)
Net Total Concessions	\$2,341	\$2,483	\$2,633	\$2,795	\$2,965	\$3,146	\$3,288	\$3,387
Arena Share of Concessions	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Net Concessions to Arena	\$468	\$497	\$527	\$559	\$593	\$629	\$658	\$677

**Brooklyn Arena
One Team Proforma**

ousands

	2007	2008	2009	2010	2011	2012	2013	2014
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	\$2.50	\$2.58	\$2.65	\$2.73	\$2.81	\$2.90	\$2.99	\$3.07
Total Novelties	\$1,309	\$1,348	\$1,389	\$1,430	\$1,473	\$1,517	\$1,563	\$1,610
Less: Sales Tax on Novelties	(113)	(116)	(120)	(123)	(127)	(131)	(135)	(139)
Net Total Concessions	\$1,196	\$1,232	\$1,269	\$1,307	\$1,346	\$1,386	\$1,428	\$1,471
Arena Share of Novelties	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Net Novelties to Arena	\$299	\$308	\$317	\$327	\$337	\$347	\$357	\$368
Devils								
Number of Games	0	0	0	0	0	0	0	0
Attendance per Game (Paid + Comp.)	12,870	12,870	12,870	12,870	12,870	12,870	12,870	12,870
Attendance (Purchased + Comp.)	0	0	0	0	0	0	0	0
Less: No-Show Contingency	0	0	0	0	0	0	0	0
Turnstile Attendance	0	0	0	0	0	0	0	0
Novelties/Capita	\$2.50	\$2.58	\$2.65	\$2.73	\$2.81	\$2.90	\$2.99	\$3.07
Total Novelties	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less: Sales Tax on Novelties	0	0	0	0	0	0	0	0
Net Total Novelties	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Arena Share of Novelties	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Net Novelties to Arena	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Concerts								
Number of Events	40	42	44	46	48	48	48	48
Attendance per Game (Paid + Comp.)	12,000	12,120	12,241	12,364	12,487	12,612	12,738	12,866
Attendance (Purchased + Comp.)	480,000	509,040	538,613	568,726	599,388	605,382	611,436	617,550
Less: No-Show Contingency	(38,400)	(40,723)	(43,089)	(45,498)	(47,951)	(48,431)	(48,915)	(49,404)
Turnstile Attendance	441,600	468,317	495,524	523,228	551,437	556,951	562,521	568,146
Novelties/Capita	\$14.00	\$14.42	\$14.85	\$15.30	\$15.76	\$16.23	\$16.72	\$17.22
Total Novelties	\$6,182	\$6,753	\$7,360	\$8,004	\$8,689	\$9,039	\$9,404	\$9,782
Less: Sales Tax on Novelties	(533)	(582)	(635)	(690)	(749)	(780)	(811)	(844)
Net Total Novelties	\$5,649	\$6,171	\$6,725	\$7,314	\$7,940	\$8,260	\$8,592	\$8,938
Arena Share of Novelties	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Net Novelties to Arena	\$565	\$617	\$673	\$731	\$794	\$828	\$859	\$894
Other Sporting Events								
Number of Events	35	35	35	36	36	36	36	36
Attendance per Game (Paid + Comp.)	8,604	8,690	8,690	8,690	8,690	8,690	8,690	8,690
Attendance (Purchased + Comp.)	301,135	304,146	304,146	312,836	312,836	312,836	312,836	312,836
Less: No-Show Contingency	(24,091)	(24,332)	(24,332)	(25,027)	(25,027)	(25,027)	(25,027)	(25,027)
Turnstile Attendance	277,044	279,815	279,815	287,809	287,809	287,809	287,809	287,809
Novelties/Capita	\$1.69	\$1.74	\$1.60	\$1.85	\$1.90	\$1.96	\$2.02	\$2.06
Total Novelties	\$469	\$488	\$502	\$532	\$548	\$565	\$582	\$599
Less: Sales Tax on Novelties	(40)	(42)	(43)	(45)	(47)	(49)	(50)	(52)
Net Total Novelties	\$428	\$446	\$459	\$486	\$501	\$516	\$531	\$547
Arena Share of Concession/Novelties	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Net Novelties to Arena	\$43	\$45	\$46	\$49	\$50	\$52	\$53	\$55
Family Shows								
Number of Events	78	78	78	78	78	78	78	78
Attendance per Game (Paid + Comp.)	6,135	6,196	6,258	6,321	6,384	6,448	6,512	6,577
Attendance (Purchased + Comp.)	478,500	483,205	488,118	492,999	497,929	502,908	507,937	513,017
Less: No-Show Contingency	(38,280)	(38,663)	(39,049)	(39,440)	(39,834)	(40,233)	(40,635)	(41,041)
Turnstile Attendance	440,220	444,542	449,069	453,559	458,095	462,676	467,302	471,976
Novelties/Capita	\$5.00	\$5.15	\$5.30	\$5.46	\$5.63	\$5.80	\$5.97	\$6.15
Total Novelties	\$2,201	\$2,290	\$2,382	\$2,478	\$2,578	\$2,682	\$2,790	\$2,902
Less: Sales Tax on Novelties	(190)	(197)	(205)	(214)	(222)	(231)	(241)	(250)
Net Total Novelties	\$2,011	\$2,092	\$2,177	\$2,264	\$2,356	\$2,451	\$2,549	\$2,652
Arena Share of Novelties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net Novelties to Arena	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Brooklyn Arena
One Team Proforma**

ousands

	2007	2008	2009	2010	2011	2012	2013	2014
Novelties - Suite Seats								
Nets								
Number of Events	42	42	42	42	42	42	42	42
Suite Attendance (Purchased + Comp.)	1,428	1,471	1,515	1,560	1,607	1,655	1,680	1,680
Attendance (Purchased + Comp.)	59,976	61,775	63,629	65,537	67,504	69,528	70,560	70,560
Less: No-Show Contingency	(5,998)	(6,178)	(6,363)	(6,554)	(6,750)	(6,953)	(7,056)	(7,056)
Turnstile Attendance	53,978	55,598	57,266	58,984	60,753	62,576	63,504	63,504
Novelties/Capita	\$2.50	\$2.58	\$2.65	\$2.73	\$2.81	\$2.90	\$2.99	\$3.07
Total Novelties	\$135	\$143	\$152	\$161	\$171	\$181	\$190	\$195
Less: Sales Tax on Novelties	(12)	(12)	(13)	(14)	(15)	(16)	(16)	(17)
Net Total Novelties	\$123	\$131	\$139	\$147	\$156	\$166	\$173	\$178
Arena Share of Novelties	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Net Novelties to Arena	\$31	\$33	\$35	\$37	\$39	\$41	\$43	\$45
Devils								
Number of Events	0	0	0	0	0	0	0	0
Suite Attendance (Purchased + Comp.)	1,428	1,471	1,515	1,560	1,607	1,655	1,680	1,680
Attendance (Purchased + Comp.)	0	0	0	0	0	0	0	0
Less: No-Show Contingency	0	0	0	0	0	0	0	0
Turnstile Attendance	0	0	0	0	0	0	0	0
Novelties/Capita	\$2.50	\$2.58	\$2.65	\$2.73	\$2.81	\$2.90	\$2.99	\$3.07
Total Novelties	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less: Sales Tax on Novelties	0	0	0	0	0	0	0	0
Net Total Novelties	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Arena Share of Novelties	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Net Novelties to Arena	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Concerts								
Number of Events	40	42	44	46	48	48	48	48
Suite Attendance (Purchased + Comp.)	1,428	1,471	1,515	1,560	1,607	1,655	1,680	1,680
Attendance (Purchased + Comp.)	57,120	61,775	66,658	71,779	77,147	79,461	80,640	80,640
Less: No-Show Contingency	(4,570)	(4,842)	(5,333)	(5,742)	(6,172)	(6,357)	(6,451)	(6,451)
Turnstile Attendance	52,550	56,833	61,326	66,037	70,975	73,104	74,189	74,189
Novelties/Capita	\$14.00	\$14.42	\$14.85	\$15.30	\$15.76	\$16.23	\$16.72	\$17.22
Total Novelties	\$736	\$820	\$911	\$1,010	\$1,118	\$1,186	\$1,240	\$1,277
Less: Sales Tax on Novelties	(63)	(71)	(79)	(87)	(96)	(102)	(107)	(110)
Net Total Novelties	\$672	\$749	\$832	\$923	\$1,022	\$1,084	\$1,133	\$1,167
Arena Share of Novelties	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Net Novelties to Arena	\$67	\$75	\$83	\$92	\$102	\$108	\$113	\$117
Other Sporting Events								
Number of Events	35	35	35	36	36	36	36	36
Suite Attendance (Purchased + Comp.)	1,428	1,471	1,515	1,560	1,607	1,655	1,680	1,680
Attendance (Purchased + Comp.)	49,980	51,479	53,024	56,175	57,860	59,596	60,480	60,480
Less: No-Show Contingency	(3,998)	(4,118)	(4,242)	(4,494)	(4,829)	(4,768)	(4,838)	(4,838)
Turnstile Attendance	45,982	47,361	48,782	51,681	53,031	54,828	55,642	55,642
Novelties/Capita	\$1.69	\$1.74	\$1.80	\$1.85	\$1.90	\$1.96	\$2.02	\$2.08
Total Novelties	\$78	\$83	\$88	\$96	\$101	\$108	\$112	\$116
Less: Sales Tax on Novelties	(7)	(7)	(8)	(8)	(9)	(9)	(10)	(10)
Net Total Novelties	\$71	\$75	\$80	\$87	\$93	\$98	\$103	\$106
Arena Share of Novelties	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Net Novelties to Arena	\$7	\$8	\$8	\$9	\$9	\$10	\$10	\$11
Family Shows								
Number of Events	78	78	78	78	78	78	78	78
Suite Attendance (Purchased + Comp.)	1,428	1,471	1,515	1,560	1,607	1,655	1,680	1,680
Attendance (Purchased + Comp.)	111,384	114,726	118,167	121,712	125,364	129,125	131,040	131,040
Less: No-Show Contingency	(8,911)	(9,178)	(9,453)	(9,737)	(10,029)	(10,330)	(10,483)	(10,483)
Turnstile Attendance	102,473	105,547	108,714	111,975	115,335	118,795	120,557	120,557
Novelties/Capita	\$5.00	\$5.15	\$5.30	\$5.46	\$5.63	\$5.80	\$5.97	\$6.15
Total Novelties	\$512	\$544	\$577	\$612	\$649	\$689	\$720	\$741
Less: Sales Tax on Novelties	(44)	(47)	(50)	(53)	(56)	(59)	(62)	(64)
Net Total Novelties	\$468	\$497	\$527	\$559	\$593	\$629	\$658	\$677
Arena Share of Novelties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net Novelties to Arena	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Brooklyn Arena
Public Sector Tax Detail
One Team Analysis**

WACC

5.5%

\$ in thousands

Based on 30 Year Life of Arena
Aggregate NPV Annuity

2007 2008 2009 2010 2011 2012 2013 2014

SUMMARY OF CITY AND STATE TAXES GENERATED

	2007	2008	2009	2010	2011	2012	2013	2014
ADMISSIONS SALES TAX								
Non-Premium Ticket Sales Tax	\$6,552	\$6,986	\$7,445	\$7,931	\$8,446	\$8,863	\$9,301	\$9,761
Premium Ticket Sales Tax	2,591	2,679	2,770	2,864	2,961	3,062	3,166	3,273
Suitle Sales Tax	929	998	1,071	1,152	1,236	1,311	1,371	1,412
Total Admissions Sales Tax	\$10,073	\$10,663	\$11,286	\$11,947	\$12,643	\$13,235	\$13,837	\$14,447
CONCESSIONS SALES TAX								
Non-Premium Concessions Sales Tax	\$1,375	\$1,444	\$1,514	\$1,591	\$1,669	\$1,727	\$1,787	\$1,850
Premium Concessions Sales Tax	666	713	763	819	876	930	972	1,001
Total Concessions Sales Tax	\$2,042	\$2,157	\$2,277	\$2,411	\$2,545	\$2,657	\$2,759	\$2,850
NOVELTY SALES TAX								
Non-Premium Novelty Sales Tax	\$876	\$938	\$1,003	\$1,073	\$1,146	\$1,191	\$1,237	\$1,285
Premium Novelty Sales Tax	126	137	149	162	176	187	195	201
Total Novelty Sales Tax	\$1,002	\$1,075	\$1,152	\$1,235	\$1,322	\$1,377	\$1,432	\$1,486
TOTAL CITY & STATE SALES TAX	\$13,117	\$13,895	\$14,715	\$15,593	\$16,511	\$17,270	\$18,028	\$18,782
NETS / DEVILS WAGE TAXES								
Player Salaries	\$4,813	\$5,054	\$5,307	\$5,572	\$5,851	\$6,143	\$6,450	\$6,773
Executive Salaries	301	316	332	348	366	385	404	424
Team Staff Salaries (Including Coaches)	452	475	498	523	550	577	606	636
Total Nets / Devils Wage Taxes	\$5,567	\$5,845	\$6,137	\$6,444	\$6,767	\$7,105	\$7,460	\$7,833
ARENA WAGE TAXES	\$1,018	\$1,049	\$1,080	\$1,112	\$1,146	\$1,180	\$1,216	\$1,252
TOTAL CITY AND STATE TAXES GENERATED	\$19,702	\$20,788	\$21,933	\$23,150	\$24,423	\$25,555	\$26,704	\$27,868

Brooklyn Arena Public Sector Tax Detail One Team Analysis

WACC

5.5%

\$ in thousands

Based on 30 Year Life of Avail.
Aggregate NPV Annuity

2007 2008 2009 2010 2011 2012 2013 2014

SUMMARY OF CITY AND STATE TAXES GENERATED

ADMISSION SALES TAX (1)

Taxes Generated From Non-Premium Ticket Sales:

Nets	\$171,330	\$72,656	\$4,999	\$2,987	\$3,167	\$3,359	\$3,562	\$3,778	\$4,006	\$4,249	\$4,506
Devis	27,298	11,704	805	538	560	593	606	631	656	682	710
Other Sporting Events	46,964	20,135	1,385	926	964	1,003	1,043	1,085	1,129	1,174	1,221
Family Shows	126,722	53,618	3,703	2,101	2,295	2,501	2,720	2,953	3,072	3,196	3,324
Concerts	-	-	-	0	0	0	0	0	0	0	0
Fixed Fee Rentals(2)	-	-	-	0	0	0	0	0	0	0	0
Total Non-Premium Ticket Sales Tax	\$372,313	\$156,313	\$10,893	\$6,532	\$6,986	\$7,446	\$7,931	\$8,448	\$8,863	\$9,391	\$9,781

Taxes Generated From Club/Floor Seat Sales:

Nets	\$126,315	\$54,354	\$3,740	\$2,591	\$2,679	\$2,770	\$2,854	\$2,961	\$3,062	\$3,166	\$3,273
Devis	-	-	-	0	0	0	0	0	0	0	0
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
Total Club Seat Sales Tax	\$126,315	\$54,354	\$3,740	\$2,591	\$2,679	\$2,770	\$2,854	\$2,961	\$3,062	\$3,166	\$3,273

Taxes Generated From Suite Sales

Nets/Devis	\$24,338	\$10,377	\$714	\$440	\$466	\$495	\$525	\$557	\$591	\$618	\$656
Other Sporting Events (Suite Tickets)	4,482	1,808	131	79	84	89	97	103	109	114	117
Family Shows (Suite Tickets)	10,532	4,490	309	180	202	214	227	241	256	267	275
Concerts (Suite Tickets)	14,536	6,143	423	221	246	273	303	335	356	372	383
Fixed Fee Rentals(2)	-	-	-	0	0	0	0	0	0	0	0
Total Suite Sales Tax	\$53,888	\$22,918	\$1,577	\$929	\$998	\$1,071	\$1,152	\$1,236	\$1,311	\$1,371	\$1,412

TOTAL ADMISSIONS SALES TAX

	\$592,516	\$235,585	\$16,210	\$10,073	\$10,663	\$11,286	\$11,947	\$12,643	\$13,238	\$13,837	\$14,447
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(1) Concessions and novelty taxes are calculated directly from the Brooklyn model (assumes 8.63% 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 Public Sector Tax Detail One Team Analysis

WACC

5.5%

\$ in thousands

Based on 30 Year Life of Arena Aggregate NPV Annuity

2007 2008 2009 2010 2011 2012 2013 2014

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
Netls	\$677	\$698	\$719	\$740	\$762	\$785	\$809	\$833
Devils	0	0	0	0	0	0	0	0
Other Sporting Events	108	113	116	123	127	131	135	139
Family Shows	209	217	226	235	245	254	265	275
Concerts	381	418	453	493	535	557	579	603
Fixed Fee Rentals	0	0	0	0	0	0	0	0
Total Non-Premium Concessions Tax	\$1,375	\$1,444	\$1,514	\$1,591	\$1,669	\$1,727	\$1,787	\$1,850

Taxes Generated From Premium Concessions Sales:

	2007	2008	2009	2010	2011	2012	2013	2014
Netls	\$233	\$247	\$262	\$278	\$295	\$313	\$327	\$337
Devils	0	0	0	0	0	0	0	0
Other Sporting Events	99	105	112	122	129	137	143	148
Family Shows	221	234	249	264	280	297	310	320
Concerts	113	126	140	156	172	183	191	197
Fixed Fee Rentals	0	0	0	0	0	0	0	0
Total Premium Concessions Tax	\$666	\$713	\$763	\$819	\$876	\$930	\$972	\$1,001

TOTAL CONCESSIONS SALES TAX

	\$2,042	\$2,157	\$2,277	\$2,411	\$2,545	\$2,657	\$2,759	\$2,850
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(1) Concessions and novelty taxes are calculated directly from the Brooklyn model (assumes 6.63% tax rate).

**Brooklyn Arena
Public Sector Tax Detail
One Team Analysis**

WACC

5.6%

\$ in thousands

Based on 30 Year Life of Arena
Aggregate NPV Annuity

2007 2008 2009 2010 2011 2012 2013 2014

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	\$113	\$116	\$120	\$123	\$127	\$131	\$135	\$139
Devils	0	0	0	0	0	0	0	0
Other Sporting Events	40	42	43	46	47	49	50	52
Family Shows	190	197	205	214	222	231	241	250
Concerts	533	582	635	690	748	780	811	844
Fixed Fee Rentals								
Total Non-Premium Novelty Tax	\$876	\$938	\$1,003	\$1,073	\$1,146	\$1,191	\$1,237	\$1,285

Taxes Generated From Premium Novelty Sales:

	2007	2008	2009	2010	2011	2012	2013	2014
Nets	\$12	\$12	\$13	\$14	\$15	\$16	\$16	\$17
Devils	0	0	0	0	0	0	0	0
Other Sporting Events	7	7	8	8	9	9	10	10
Family Shows	44	47	50	53	56	59	62	64
Concerts	63	71	79	87	96	102	107	110
Fixed Fee Rentals								
Total Premium Novelty Tax	\$126	\$137	\$149	\$162	\$176	\$187	\$185	\$201
TOTAL NOVELTY SALES TAX	\$1,002	\$1,075	\$1,152	\$1,235	\$1,322	\$1,377	\$1,432	\$1,486

(1) Concessions and novelty taxes are calculated directly from the Brooklyn model (assumes 8.63% tax rate).

**Brooklyn Arena
Public Sector Tax Detail
One Team Analysis**

WACC

5.5%

\$ in thousands

Based on 30 Year Lib of Arena
Aggregate NPV Annuity

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

	2007	2008	2009	2010	2011	2012	2013	2014
Player Salaries(1)	\$3,453,192	\$1,472,587	\$101,322	\$1,472,587	\$101,322	\$1,472,587	\$101,322	\$1,472,587
State Tax Rate	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Total Player Salary Wage Taxes	\$258,989	\$110,444	\$7,599	\$110,444	\$7,599	\$110,444	\$7,599	\$110,444
Executive Salaries(2)	\$236,748	\$100,960	\$6,947	\$100,960	\$6,947	\$100,960	\$6,947	\$100,960
State Tax Rate	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%
Total Executive Salary Wage Taxes	\$16,217	\$6,916	\$476	\$6,916	\$476	\$6,916	\$476	\$6,916
Team Staff Salaries Including Coaches(3)	\$355,123	\$151,439	\$10,420	\$151,439	\$10,420	\$151,439	\$10,420	\$151,439
State Tax Rate	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%
Total Team Staff Salary Wage Taxes	\$24,326	\$10,374	\$714	\$10,374	\$714	\$10,374	\$714	\$10,374
TOTAL NETS / DEVILS WAGE TAXES	\$299,533	\$127,733	\$8,789	\$127,733	\$8,789	\$127,733	\$8,789	\$127,733
ARENA WAGE TAXES								
Arena Payroll(4)	\$463,860	\$200,064	\$13,765	\$200,064	\$13,765	\$200,064	\$13,765	\$200,064
City and State Combined Tax Rate	10.44%	10.44%	10.44%	10.44%	10.44%	10.44%	10.44%	10.44%
TOTAL ARENA WAGE TAXES	\$48,432	\$20,889	\$1,437	\$20,889	\$1,437	\$20,889	\$1,437	\$20,889

- (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

Summary of Arena Financing Mechanism October 16, 2003

Our contemplated financing structure for the arena envisions a ground lease from the property owner (ESDC) to a to-be-formed Local Development Corporation ("LDC"). The LDC will be controlled by the City or the State. The LDC will enter into three subleases for use of the arena.

One lease will be from the LDC to the City and one to the State (the "Public Party Leases") to use the arena facility at specified times for indoor state-of-the-art amateur sporting events of the Boards of Education and Higher Education, private secondary schools and colleges and community organizations. The term of the leases will be equal to the term of the LDC bonds. The City and the State would each pay \$9 Million per year for a total annual rent of \$18 Million for the Public Party Leases. It is anticipated that these payments would be offset by the new incremental sales and other taxes generated by the arena. The LDC would issue tax-exempt bonds supported by the rent to be paid under the Public Party Lease. The funds raised by the bond issue will be used by the LDC to pay for a portion of the construction costs of the arena.

A third sublease will be from the LDC to an FCRC entity, which in turn will sublease to the Team Owner (the "Team Lease") to use the arena facility for home games, practices and all other arena events (except those covered by the Public Party Leases). The term of the lease will be 99 years and would contain an option to purchase the facility at a nominal sum following the retirement of the bonds. The rent would be \$1 per year. The Team Lease would permit the lessee to receive all income from the operation of the arena and would require payment of all arena operating expenses. This revenue from the operation of the arena would be used to pay operating expenses and to support a separate, taxable financing secured by pledged arena revenue (approximately \$13 Million of such revenue is expected to be allocated to said financing). The proceeds from this financing, together with the proceeds from the LDC's bond financing, would be used to construct the arena; pursuant to the Team Lease, the lessee would be required to construct the arena.

SOURCES AND USES OF FUNDS

Forest City Ratner Project
New Arena Project

Sources:

Bond Proceeds:	
Par Amount	266,420,000.00
Net Premium	1,792,846.00
	<hr/>
	268,212,846.00

Uses:

Other Fund Deposits:	
Debt Service Reserve Fund	17,999,912.50
Capitalized Interest Fund	<hr/>
	24,813,089.20
	42,813,001.70
Delivery Date Expenses:	
Cost of Issuance	904,634.60
Underwriter's Discount	<hr/>
	1,731,730.00
	2,636,364.60
Other Uses of Funds:	
Project Fund Deposit	222,763,479.70
	<hr/>
	268,212,846.00

BOND SUMMARY STATISTICS

Forest City Ratner Project
New Arena Project

Dated Date	10/01/2003
Delivery Date	10/01/2003
Last Maturity	09/01/2033
Arbitrage Yield	4.983447%
True Interest Cost (TIC)	5.055880%
Net Interest Cost (NIC)	5.052361%
All-In TIC	5.084920%
Average Coupon	5.053534%
Average Life (years)	19.556
Duration of Issue (years)	12.016
Par Amount	266,420,000.00
Bond Proceeds	268,212,846.00
Total Interest	263,290,297.92
Net Interest	263,229,181.92
Total Debt Service	529,710,297.92
Maximum Annual Debt Service	17,999,912.50
Average Annual Debt Service	17,706,193.80
Underwriter's Fees (per \$1000)	
Average Takedown	6.500000
Other Fee	
Total Underwriter's Discount	6.500000
Bid Price	100.022940

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bonds	127,455,000.00	105.978	5.172%	12.728
Term Bonds Due 2033	138,965,000.00	95.807	5.000%	25.818
	266,420,000.00			19.556

	TIC	All-In TIC	Arbitrage Yield
Par Value	266,420,000.00	266,420,000.00	266,420,000.00
+ Accrued Interest			
+ Premium (Discount)	1,792,846.00	1,792,846.00	1,792,846.00
- Underwriter's Discount	-1,731,730.00	-1,731,730.00	
- Cost of Issuance Expense			
- Other Amounts		-904,634.60	
Target Value	266,481,116.00	265,576,481.40	268,212,846.00
Target Date	10/01/2003	10/01/2003	10/01/2003
Yield	5.055880%	5.084920%	4.983447%

BOND PRICING

Forest City Ratner Project
New Arena Project

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Call Date	Call Price
Serial Bonds:							
	09/01/2004		2.500%	1.300%	101.089		
	09/01/2005		4.000%	1.550%	104.608		
	09/01/2006	4,550,000	5.000%	2.000%	108.456		
	09/01/2007	4,775,000	5.000%	2.350%	109.858		
	09/01/2008	5,015,000	5.000%	2.700%	110.521		
	09/01/2009	5,265,000	5.000%	3.050%	110.480		
	09/01/2010	5,530,000	4.000%	3.420%	103.543		
	09/01/2011	5,750,000	4.000%	3.690%	102.108		
	09/01/2012	5,980,000	5.250%	3.900%	110.081		
	09/01/2013	6,295,000	5.250%	4.020%	109.974		
	09/01/2014	6,625,000	5.250%	4.130%	109.034	C 09/01/2013	100.000
	09/01/2015	6,970,000	5.250%	4.230%	108.188	C 09/01/2013	100.000
	09/01/2016	7,335,000	5.250%	4.330%	107.349	C 09/01/2013	100.000
	09/01/2017	7,725,000	5.250%	4.430%	106.519	C 09/01/2013	100.000
	09/01/2018	8,130,000	5.250%	4.550%	105.533	C 09/01/2013	100.000
	09/01/2019	8,555,000	5.250%	4.640%	104.800	C 09/01/2013	100.000
	09/01/2020	9,005,000	5.250%	4.740%	103.993	C 09/01/2013	100.000
	09/01/2021	9,475,000	5.250%	4.850%	103.115	C 09/01/2013	100.000
	09/01/2022	9,975,000	5.250%	4.950%	102.324	C 09/01/2013	100.000
	09/01/2023	10,500,000	5.250%	5.030%	101.696	C 09/01/2013	100.000
		<u>127,455,000</u>					
Term Bonds Due 2033:							
	09/01/2024	11,050,000	5.000%	5.280%	95.807		
	09/01/2025	11,600,000	5.000%	5.280%	95.807		
	09/01/2026	12,180,000	5.000%	5.280%	95.807		
	09/01/2027	12,790,000	5.000%	5.280%	95.807		
	09/01/2028	13,430,000	5.000%	5.280%	95.807		
	09/01/2029	14,100,000	5.000%	5.280%	95.807		
	09/01/2030	14,805,000	5.000%	5.280%	95.807		
	09/01/2031	15,545,000	5.000%	5.280%	95.807		
	09/01/2032	16,325,000	5.000%	5.280%	95.807		
	09/01/2033	17,140,000	5.000%	5.280%	95.807		
		<u>138,965,000</u>					
		<u>266,420,000</u>					

Dated Date	10/01/2003	
Delivery Date	10/01/2003	
First Coupon	03/01/2004	
Par Amount	266,420,000.00	
Premium	1,792,846.00	
Production	268,212,846.00	100.672940%
Underwriter's Discount	-1,731,730.00	-0.650000%
Purchase Price	266,481,116.00	100.022940%
Accrued Interest		
Net Proceeds	266,481,116.00	

BOND DEBT SERVICE

Forest City Ratner Project
New Arena Project

Period Ending	Principal	Coupon	Interest	Debt Service
09/01/2004			12,328,822.92	12,328,822.92
09/01/2005			13,449,625.00	13,449,625.00
09/01/2006	4,550,000	5.000%	13,449,625.00	17,999,625.00
09/01/2007	4,775,000	5.000%	13,222,125.00	17,997,125.00
09/01/2008	5,015,000	5.000%	12,983,375.00	17,998,375.00
09/01/2009	5,265,000	5.000%	12,732,625.00	17,997,625.00
09/01/2010	5,530,000	4.000%	12,469,375.00	17,999,375.00
09/01/2011	5,750,000	4.000%	12,248,175.00	17,998,175.00
09/01/2012	5,980,000	5.250%	12,018,175.00	17,998,175.00
09/01/2013	6,295,000	5.250%	11,704,225.00	17,999,225.00
09/01/2014	6,625,000	5.250%	11,373,737.50	17,998,737.50
09/01/2015	6,970,000	5.250%	11,025,925.00	17,995,925.00
09/01/2016	7,335,000	5.250%	10,660,000.00	17,995,000.00
09/01/2017	7,725,000	5.250%	10,274,912.50	17,999,912.50
09/01/2018	8,130,000	5.250%	9,869,350.00	17,999,350.00
09/01/2019	8,555,000	5.250%	9,442,525.00	17,997,525.00
09/01/2020	9,005,000	5.250%	8,993,387.50	17,998,387.50
09/01/2021	9,475,000	5.250%	8,520,625.00	17,995,625.00
09/01/2022	9,975,000	5.250%	8,023,187.50	17,998,187.50
09/01/2023	10,500,000	5.250%	7,499,500.00	17,999,500.00
09/01/2024	11,050,000	5.000%	6,948,250.00	17,998,250.00
09/01/2025	11,600,000	5.000%	6,395,750.00	17,995,750.00
09/01/2026	12,180,000	5.000%	5,815,750.00	17,995,750.00
09/01/2027	12,790,000	5.000%	5,206,750.00	17,996,750.00
09/01/2028	13,430,000	5.000%	4,567,250.00	17,997,250.00
09/01/2029	14,100,000	5.000%	3,895,750.00	17,995,750.00
09/01/2030	14,805,000	5.000%	3,190,750.00	17,995,750.00
09/01/2031	15,545,000	5.000%	2,450,500.00	17,995,500.00
09/01/2032	16,325,000	5.000%	1,673,250.00	17,998,250.00
09/01/2033	17,140,000	5.000%	857,000.00	17,997,000.00
	266,420,000		263,290,297.92	529,710,297.92

NET DEBT SERVICE

Forest City Ratner Project
New Arena Project

Period Ending	Principal	Interest	Total Debt Service	Debt Service Reserve Fund	Capitalized Interest Fund	Net Debt Service
09/01/2004		12,328,822.92	12,328,822.92		12,328,822.92	
09/01/2005		13,449,625.00	13,449,625.00		13,449,625.00	
09/01/2006	4,550,000	13,449,625.00	17,999,625.00	269,998.68		17,729,626.32
09/01/2007	4,775,000	13,222,125.00	17,997,125.00	269,998.68		17,727,126.32
09/01/2008	5,015,000	12,983,375.00	17,998,375.00	269,998.68		17,728,376.32
09/01/2009	5,265,000	12,732,625.00	17,997,625.00	269,998.68		17,727,626.32
09/01/2010	5,530,000	12,469,375.00	17,999,375.00	269,998.68		17,729,376.32
09/01/2011	5,750,000	12,248,175.00	17,998,175.00	269,998.68		17,728,176.32
09/01/2012	5,980,000	12,018,175.00	17,998,175.00	269,998.68		17,728,176.32
09/01/2013	6,295,000	11,704,225.00	17,999,225.00	269,998.68		17,729,226.32
09/01/2014	6,625,000	11,373,737.50	17,998,737.50	269,998.68		17,728,738.82
09/01/2015	6,970,000	11,025,925.00	17,995,925.00	269,998.68		17,725,926.32
09/01/2016	7,335,000	10,660,000.00	17,995,000.00	269,998.68		17,725,001.32
09/01/2017	7,725,000	10,274,912.50	17,999,912.50	269,998.68		17,729,913.82
09/01/2018	8,130,000	9,869,350.00	17,999,350.00	269,998.68		17,729,351.32
09/01/2019	8,555,000	9,442,525.00	17,997,525.00	269,998.68		17,727,526.32
09/01/2020	9,005,000	8,993,387.50	17,998,387.50	269,998.68		17,728,388.82
09/01/2021	9,475,000	8,520,625.00	17,995,625.00	269,998.68		17,725,626.32
09/01/2022	9,975,000	8,023,187.50	17,998,187.50	269,998.68		17,728,188.82
09/01/2023	10,500,000	7,499,500.00	17,999,500.00	269,998.68		17,729,501.32
09/01/2024	11,050,000	6,948,250.00	17,998,250.00	269,998.68		17,728,251.32
09/01/2025	11,600,000	6,395,750.00	17,995,750.00	269,998.68		17,725,751.32
09/01/2026	12,180,000	5,815,750.00	17,995,750.00	269,998.68		17,725,751.32
09/01/2027	12,790,000	5,206,750.00	17,996,750.00	269,998.68		17,726,751.32
09/01/2028	13,430,000	4,567,250.00	17,997,250.00	269,998.68		17,727,251.32
09/01/2029	14,100,000	3,895,750.00	17,995,750.00	269,998.68		17,725,751.32
09/01/2030	14,805,000	3,190,750.00	17,995,750.00	269,998.68		17,725,751.32
09/01/2031	15,545,000	2,450,500.00	17,995,500.00	269,998.68		17,725,501.32
09/01/2032	16,325,000	1,673,250.00	17,998,250.00	269,998.68		17,728,251.32
09/01/2033	17,140,000	857,000.00	17,997,000.00	18,269,911.18		-272,911.18
	266,420,000	263,290,297.92	529,710,297.92	25,559,875.54	25,778,447.92	478,371,974.46

RESERVE FUND

Forest City Ratner Project
New Arena Project

Debt Service Reserve Fund (DSRF)

Date	Deposit	Interest @ 1.5%	Principal	Capitalized Interest Fund	Debt Service	Balance
10/01/2003	17,999,912.50					17,999,912.50
03/01/2004		112,499.45		-112,499.45		17,999,912.50
09/01/2004		134,999.34		-134,999.34		17,999,912.50
03/01/2005		134,999.34		-134,999.34		17,999,912.50
09/01/2005		134,999.34		-134,999.34		17,999,912.50
03/01/2006		134,999.34			-134,999.34	17,999,912.50
09/01/2006		134,999.34			-134,999.34	17,999,912.50
03/01/2007		134,999.34			-134,999.34	17,999,912.50
09/01/2007		134,999.34			-134,999.34	17,999,912.50
03/01/2008		134,999.34			-134,999.34	17,999,912.50
09/01/2008		134,999.34			-134,999.34	17,999,912.50
03/01/2009		134,999.34			-134,999.34	17,999,912.50
09/01/2009		134,999.34			-134,999.34	17,999,912.50
03/01/2010		134,999.34			-134,999.34	17,999,912.50
09/01/2010		134,999.34			-134,999.34	17,999,912.50
03/01/2011		134,999.34			-134,999.34	17,999,912.50
09/01/2011		134,999.34			-134,999.34	17,999,912.50
03/01/2012		134,999.34			-134,999.34	17,999,912.50
09/01/2012		134,999.34			-134,999.34	17,999,912.50
03/01/2013		134,999.34			-134,999.34	17,999,912.50
09/01/2013		134,999.34			-134,999.34	17,999,912.50
03/01/2014		134,999.34			-134,999.34	17,999,912.50
09/01/2014		134,999.34			-134,999.34	17,999,912.50
03/01/2015		134,999.34			-134,999.34	17,999,912.50
09/01/2015		134,999.34			-134,999.34	17,999,912.50
03/01/2016		134,999.34			-134,999.34	17,999,912.50
09/01/2016		134,999.34			-134,999.34	17,999,912.50
03/01/2017		134,999.34			-134,999.34	17,999,912.50
09/01/2017		134,999.34			-134,999.34	17,999,912.50
03/01/2018		134,999.34			-134,999.34	17,999,912.50
09/01/2018		134,999.34			-134,999.34	17,999,912.50
03/01/2019		134,999.34			-134,999.34	17,999,912.50
09/01/2019		134,999.34			-134,999.34	17,999,912.50
03/01/2020		134,999.34			-134,999.34	17,999,912.50
09/01/2020		134,999.34			-134,999.34	17,999,912.50
03/01/2021		134,999.34			-134,999.34	17,999,912.50
09/01/2021		134,999.34			-134,999.34	17,999,912.50
03/01/2022		134,999.34			-134,999.34	17,999,912.50
09/01/2022		134,999.34			-134,999.34	17,999,912.50
03/01/2023		134,999.34			-134,999.34	17,999,912.50
09/01/2023		134,999.34			-134,999.34	17,999,912.50
03/01/2024		134,999.34			-134,999.34	17,999,912.50
09/01/2024		134,999.34			-134,999.34	17,999,912.50
03/01/2025		134,999.34			-134,999.34	17,999,912.50
09/01/2025		134,999.34			-134,999.34	17,999,912.50
03/01/2026		134,999.34			-134,999.34	17,999,912.50
09/01/2026		134,999.34			-134,999.34	17,999,912.50
03/01/2027		134,999.34			-134,999.34	17,999,912.50
09/01/2027		134,999.34			-134,999.34	17,999,912.50
03/01/2028		134,999.34			-134,999.34	17,999,912.50
09/01/2028		134,999.34			-134,999.34	17,999,912.50
03/01/2029		134,999.34			-134,999.34	17,999,912.50
09/01/2029		134,999.34			-134,999.34	17,999,912.50
03/01/2030		134,999.34			-134,999.34	17,999,912.50
09/01/2030		134,999.34			-134,999.34	17,999,912.50
03/01/2031		134,999.34			-134,999.34	17,999,912.50
09/01/2031		134,999.34			-134,999.34	17,999,912.50

RESERVE FUND

Forest City Ratner Project
New Arena Project

Debt Service Reserve Fund (DSRF)

Date	Deposit	Interest @ 1.5%	Principal	Capitalized Interest Fund	Debt Service	Balance
03/01/2032		134,999.34			-134,999.34	17,999,912.50
09/01/2032		134,999.34			-134,999.34	17,999,912.50
03/01/2033		134,999.34			-134,999.34	17,999,912.50
09/01/2033		134,999.34	17,999,912.50		-18,134,911.84	
	17,999,912.50	8,077,460.51	17,999,912.50	-517,497.47	-25,559,875.54	

RESERVE FUND

Forest City Ratner Project
New Arena Project

Capitalized Interest Fund (CAPI)

Date	Deposit	Interest @ 1.5%	Principal	Debt Service Reserve Fund	Scheduled Draws	Balance
10/01/2003	24,813,089.20					24,813,089.20
03/01/2004		154,985.16	5,336,525.81	112,499.45	5,604,010.42	19,476,563.39
09/01/2004		146,074.23	6,443,738.93	134,999.34	6,724,812.50	13,032,824.46
03/01/2005		97,746.18	6,492,066.98	134,999.34	6,724,812.50	6,540,757.48
09/01/2005		49,055.68	6,540,757.48	134,999.34	6,724,812.50	
	24,813,089.20	447,861.25	24,813,089.20	517,497.47	25,778,447.92	

COST OF ISSUANCE

Forest City Ratner Project
New Arena Project

Cost of Issuance	\$/1000	Amount
Feasibility Study	0.37535	100,000.00
Bond Counsel	1.50139	400,000.00
Underwriter's Counsel	0.75069	200,000.00
Rating Agency Fees	0.56302	150,000.00
Trustee	0.03000	7,992.60
Printing Fees	0.07507	20,000.00
Authority Fee	0.10000	26,642.00
	3.39552	904,634.60

Real Estate Development

Pro Forma Summary

Atlantic Yard Mixed Use Development
Total Project Cash Flow
August 2, 2003

100% 0.00%

	1	2	3	4	5	6	7	8	9	10	11
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Avg ZSF Per Project	501,030	501,030	501,030	501,030	501,030	501,030	501,030	501,030	501,030	501,030	501,030
No. of Projects	5	6	7	8	9	10	11	12	13	14	15
Total ZSF	2,505,150	3,006,180	3,507,210	4,008,240	4,509,270	5,010,300	5,511,330	6,012,360	6,513,390	7,014,420	7,515,450
Total GSF	2,720,000	3,000,000	3,280,000	3,560,000	3,840,000	4,120,000	4,400,000	4,680,000	4,960,000	5,240,000	5,520,000
Sales Cap Rate	7.5%	8.0%	8.5%	9.0%	9.5%	10.0%	10.5%	11.0%	11.5%	12.0%	12.5%
Sales Costs	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%

SF of Office Developed
SF of Retail Developed
SF of Residential Rental Developed
SF of Residential Condo Developed

	1	2	3	4	5	6	7	8	9	10	11	Terminal Value
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
Total Office Equity	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Total Office Cash Flow	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Total Office Net Proceeds from Sale	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000
Total Net Cash Flow	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000
IRR												
Total Retail Equity	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Total Retail Cash Flow	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Total Retail Net Proceeds from Sale	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000
Total Net Cash Flow	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000
IRR												
Total Residential Rental Equity	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Total Residential Rental Cash Flow	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Total Residential Rental Net Proceeds from Sale	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000
Total Net Cash Flow	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000
IRR												
Total Residential Condo Equity	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Total Residential Condo Cash Flow	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Total Residential Condo Net Proceeds from Sale	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000
Total Net Cash Flow	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000
IRR												
Total Project Equity	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Total Project Cash Flow	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Total Project Net Sales Proceeds	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000
TOTAL PROJECT NET CASH FLOW	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000
IRR												

**Atlantic Yard Mixed Use Development
Total Project Cash Flow
August 2, 2003**

100% 0.00%
0

	1	2	3	4	5	6	7	8	9	10	11
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Avg ZSF Per Project											
No. of Projects											
Total ZSF											
Sales Cap. Rate											
Sales Costs											
5	6	7	8	9	10	11	12	13	14	15	16
500,000	2,720,000	2,720,000	2,720,000	2,720,000	2,720,000	2,720,000	2,720,000	2,720,000	2,720,000	2,720,000	2,720,000
80,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
380,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000
245,000	1,920,000	1,920,000	1,920,000	1,920,000	1,920,000	1,920,000	1,920,000	1,920,000	1,920,000	1,920,000	1,920,000
	6,670,000	6,670,000	6,670,000	6,670,000	6,670,000	6,670,000	6,670,000	6,670,000	6,670,000	6,670,000	6,670,000

(In \$000's)

Office Building #1

Equity	(36,216)										
NOI											
Debt Service	13,538	17,214	17,214	17,214	17,214	17,214	17,214	17,214	17,214	17,214	17,214
Proceeds from Refinancing	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)
Cash Flow		4,368		4,368	20,798	2,869	2,869	5,061	5,061	5,061	5,061
Sales Price											
Outstanding Debt	175,097	222,637	222,637	222,637	222,637	222,637	222,637	222,637	222,637	222,637	222,637
Net Proceeds from Sale	(142,811)	(140,601)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)
	32,286	82,036	63,162	63,162	63,162	63,162	63,162	63,162	63,162	63,162	63,162

Office Building #2

Equity	(36,216)										
NOI											
Debt Service	13,538	17,214	17,214	17,214	17,214	17,214	17,214	17,214	17,214	17,214	17,214
Proceeds from Refinancing	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)
Cash Flow		4,368		4,368	20,798	2,869	2,869	5,061	5,061	5,061	5,061
Sales Price											
Outstanding Debt	175,097	222,637	222,637	222,637	222,637	222,637	222,637	222,637	222,637	222,637	222,637
Net Proceeds from Sale	(142,811)	(140,601)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)
	32,286	82,036	63,162	63,162	63,162	63,162	63,162	63,162	63,162	63,162	63,162

Office Building #3

Equity	(36,216)										
NOI											
Debt Service	13,538	17,214	17,214	17,214	17,214	17,214	17,214	17,214	17,214	17,214	17,214
Proceeds from Refinancing	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)
Cash Flow		4,368		4,368	20,798	2,869	2,869	5,061	5,061	5,061	5,061
Sales Price											
Outstanding Debt	175,097	222,637	222,637	222,637	222,637	222,637	222,637	222,637	222,637	222,637	222,637
Net Proceeds from Sale	(142,811)	(140,601)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)
	32,286	82,036	63,162	63,162	63,162	63,162	63,162	63,162	63,162	63,162	63,162

Office Building #4

Equity	(36,216)										
NOI											
Debt Service	13,538	17,214	17,214	17,214	17,214	17,214	17,214	17,214	17,214	17,214	17,214
Proceeds from Refinancing	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)
Cash Flow		4,368		4,368	20,798	2,869	2,869	5,061	5,061	5,061	5,061
Sales Price											
Outstanding Debt	175,097	222,637	222,637	222,637	222,637	222,637	222,637	222,637	222,637	222,637	222,637
Net Proceeds from Sale	(142,811)	(140,601)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)
	32,286	82,036	63,162	63,162	63,162	63,162	63,162	63,162	63,162	63,162	63,162

Office Building #5

Equity	(36,216)										
NOI											
Debt Service	13,538	17,214	17,214	17,214	17,214	17,214	17,214	17,214	17,214	17,214	17,214
Proceeds from Refinancing	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)
Cash Flow		4,368		4,368	20,798	2,869	2,869	5,061	5,061	5,061	5,061
Sales Price											
Outstanding Debt	175,097	222,637	222,637	222,637	222,637	222,637	222,637	222,637	222,637	222,637	222,637
Net Proceeds from Sale	(142,811)	(140,601)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)	(159,475)
	32,286	82,036	63,162	63,162	63,162	63,162	63,162	63,162	63,162	63,162	63,162

Total Office Equity

Equity	(36,216)										
NOI											
Debt Service	50,674	65,256	65,256	65,256	65,256	65,256	65,256	65,256	65,256	65,256	65,256
Proceeds from Refinancing	(39,216)	(39,216)	(39,216)	(39,216)	(39,216)	(39,216)	(39,216)	(39,216)	(39,216)	(39,216)	(39,216)
Cash Flow		14,382		14,382	58,532	7,251	7,251	16,106	16,106	16,106	16,106
Sales Price											
Outstanding Debt	506,740	652,560	652,560	652,560	652,560	652,560	652,560	652,560	652,560	652,560	652,560
Net Proceeds from Sale	(392,160)	(392,160)	(458,576)	(458,576)	(458,576)	(458,576)	(458,576)	(458,576)	(458,576)	(458,576)	(458,576)
	114,321	215,958	181,078	181,078	181,078	181,078	181,078	181,078	181,078	181,078	181,078

Atlantic Yard Mixed Use Development
Total Project Cash Flow
August 2, 2003

100% 0 0.00%

	1	2	3	4	5	6	7	8	9	10	11
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Avg ZSF Per Project	500,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000
No. of Projects	6	6	6	6	6	6	6	6	6	6	6
Total ZSF	3,000,000	16,200,000	16,200,000	16,200,000	16,200,000	16,200,000	16,200,000	16,200,000	16,200,000	16,200,000	16,200,000
Total GSF	3,000,000	16,200,000	16,200,000	16,200,000	16,200,000	16,200,000	16,200,000	16,200,000	16,200,000	16,200,000	16,200,000
Sales Cap Rate	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Sales Costs	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%

	1	2	3	4	5	6	7	8	9	10	11
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Office											
Retail											
Residential Rental											
Residential Condo											
Total											

(In \$'000's)

Retail Building #1

Equity											
NOI											
Debt Service											
Proceeds from Refinancing											
Cash Flow											
Sales Price											
Outstanding Debt											
Net Proceeds from Sale											

Retail Building #2

Equity											
NOI											
Debt Service											
Proceeds from Refinancing											
Cash Flow											
Sales Price											
Outstanding Debt											
Net Proceeds from Sale											

Retail Building #3

Equity											
NOI											
Debt Service											
Proceeds from Refinancing											
Cash Flow											
Sales Price											
Outstanding Debt											
Net Proceeds from Sale											

Retail Building #4

Equity											
NOI											
Debt Service											
Proceeds from Refinancing											
Cash Flow											
Sales Price											
Outstanding Debt											
Net Proceeds from Sale											

Retail Building #5

Equity											
NOI											
Debt Service											
Proceeds from Refinancing											
Cash Flow											
Sales Price											
Outstanding Debt											
Net Proceeds from Sale											

Total Retail Equity

Total Retail Equity											
Total Retail Cash Flow											
Net Proceeds from Sale											

Atlantic Yard Mixed Use Development
 Total Project Cash Flow
 August 2, 2003

	1	2	3	4	5	6	7	8	9	10	11
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Avg ZSF Per Project		0.00%									
Office		500,000	2,720,000	2,500,000	2,720,000	7.5%	3%				
Retail		60,000	300,000	300,000	300,000	8.0%	3%				
Residential Rental		265,000	2,630,000	2,630,000	2,630,000	6.5%	3%				
Residential Condo		245,000	1,020,000	960,000	1,020,000	\$600/ZSF					
Total		6,300,000	6,670,000								

(In \$000's)

Residential Rental Building #1

	1	2	3	4	5	6	7	8	9	10	11
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Equity											
Debt Service		2,922	7,947	8,116	8,288	8,465	8,646	8,830	9,019	9,212	9,409
Proceeds from Refinancing		(4,198)	(5,566)	(5,622)	(5,682)	(5,749)	(5,821)	(5,901)	(5,988)	(6,083)	(6,187)
Cash Flow		-	13,874	2,494	2,606	2,716	2,824	2,928	3,031	3,129	3,222
Sales Price		43,605	118,593	121,113	123,890	126,324	129,018	131,773	134,590	137,469	140,414
Outstanding Debt		(88,544)	(85,948)	(84,583)	(83,803)	(82,950)	(82,017)	(80,988)	(79,880)	(78,697)	(77,444)
Net Proceeds from Sale		32,049	35,165	38,393	41,741	45,216	48,823	52,573	56,473	60,534	64,763

Residential Rental Building #2

	1	2	3	4	5	6	7	8	9	10	11
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Equity											
Debt Service		2,922	7,947	8,116	8,288	8,465	8,646	8,830	9,019	9,212	9,409
Proceeds from Refinancing		(4,198)	(5,566)	(5,622)	(5,682)	(5,749)	(5,821)	(5,901)	(5,988)	(6,083)	(6,187)
Cash Flow		-	13,874	2,494	2,606	2,716	2,824	2,928	3,031	3,129	3,222
Sales Price		43,605	118,593	121,113	123,890	126,324	129,018	131,773	134,590	137,469	140,414
Outstanding Debt		(88,544)	(85,948)	(84,583)	(83,803)	(82,950)	(82,017)	(80,988)	(79,880)	(78,697)	(77,444)
Net Proceeds from Sale		32,049	35,165	38,393	41,741	45,216	48,823	52,573	56,473	60,534	64,763

Residential Rental Building #3

	1	2	3	4	5	6	7	8	9	10	11
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Equity											
Debt Service		2,922	7,947	8,116	8,288	8,465	8,646	8,830	9,019	9,212	9,409
Proceeds from Refinancing		(4,198)	(5,566)	(5,622)	(5,682)	(5,749)	(5,821)	(5,901)	(5,988)	(6,083)	(6,187)
Cash Flow		-	13,874	2,494	2,606	2,716	2,824	2,928	3,031	3,129	3,222
Sales Price		43,605	118,593	121,113	123,890	126,324	129,018	131,773	134,590	137,469	140,414
Outstanding Debt		(88,544)	(85,948)	(84,583)	(83,803)	(82,950)	(82,017)	(80,988)	(79,880)	(78,697)	(77,444)
Net Proceeds from Sale		32,049	35,165	38,393	41,741	45,216	48,823	52,573	56,473	60,534	64,763

Residential Rental Building #4

	1	2	3	4	5	6	7	8	9	10	11
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Equity											
Debt Service		2,922	7,947	8,116	8,288	8,465	8,646	8,830	9,019	9,212	9,409
Proceeds from Refinancing		(4,198)	(5,566)	(5,622)	(5,682)	(5,749)	(5,821)	(5,901)	(5,988)	(6,083)	(6,187)
Cash Flow		-	13,874	2,494	2,606	2,716	2,824	2,928	3,031	3,129	3,222
Sales Price		43,605	118,593	121,113	123,890	126,324	129,018	131,773	134,590	137,469	140,414
Outstanding Debt		(88,544)	(85,948)	(84,583)	(83,803)	(82,950)	(82,017)	(80,988)	(79,880)	(78,697)	(77,444)
Net Proceeds from Sale		32,049	35,165	38,393	41,741	45,216	48,823	52,573	56,473	60,534	64,763

Residential Rental Building #5

	1	2	3	4	5	6	7	8	9	10	11
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Equity											
Debt Service		2,922	7,947	8,116	8,288	8,465	8,646	8,830	9,019	9,212	9,409
Proceeds from Refinancing		(4,198)	(5,566)	(5,622)	(5,682)	(5,749)	(5,821)	(5,901)	(5,988)	(6,083)	(6,187)
Cash Flow		-	13,874	2,494	2,606	2,716	2,824	2,928	3,031	3,129	3,222
Sales Price		43,605	118,593	121,113	123,890	126,324	129,018	131,773	134,590	137,469	140,414
Outstanding Debt		(88,544)	(85,948)	(84,583)	(83,803)	(82,950)	(82,017)	(80,988)	(79,880)	(78,697)	(77,444)
Net Proceeds from Sale		32,049	35,165	38,393	41,741	45,216	48,823	52,573	56,473	60,534	64,763

Atlantic Yard Mixed Use Development
Total Project Cash Flow
August 2, 2003

100%
0

Avg ZSF Per Project	No. of Projects	Total ZSF	Total GSF	Sales Cap Rate	Sales Costs
503,000	5	2,500,000	2,720,000	7.5%	3%
60,000	6	300,000	300,000	8.0%	3%
263,000	7	2,520,000	2,630,000	6.5%	3%
245,000	4	980,000	1,020,000	\$500/SF	
		6,300,000	6,670,000		

	1	2	3	4	5	6	7	8	9	10	11
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014

Residential Rental Building #2

Equity											
Debt Service							2,922	7,947	8,118	8,288	8,465
Proceeds from Refinancing							(4,198)	(5,666)	(5,622)	(5,682)	(5,749)
Cash Flow							11,494	13,874	2,494	2,606	2,716
Sales Price					43,606	118,693					
Outstanding Debt							(85,544)	(85,948)	(85,298)	(84,583)	
Net Proceeds from Sale							32,049	35,165	38,393	41,711	

Residential Rental Building #1

Equity											
Debt Service							2,922	7,947	8,116	8,288	8,465
Proceeds from Refinancing							(4,198)	(5,666)	(5,622)	(5,682)	(5,749)
Cash Flow							13,874	13,874	2,494	2,606	2,716
Sales Price											
Outstanding Debt											
Net Proceeds from Sale											

Total Residential Rental Equity											
Total Residential Rental Cash Flow											
Total Residential Rental Proceeds from Sale											

Atlantic Yard Mixed Use Development
 Total Project Cash Flow
 August 2, 2003

100% 0.00%
 0

	Avg ZSF Per Project	No. of Projects	Total ZSF	Total GSF	Sales Cap Rate	Sales Costs
Office	501,000	5	2,500,000	2,720,000	7.5%	3%
Retail	80,000	6	300,000	300,000	8.0%	3%
Residential Rental	360,000	7	2,520,000	2,630,000	5.5%	3%
Residential Condo	245,000	4	980,000	1,020,000	\$500/SF	
Total			6,300,000	6,670,000		

	1	2	3	4	5	6	7	8	9	10	11
	2004	2005	2008	2007	2008	2009	2010	2011	2012	2013	2014

(in \$000's)

Typical Residential Condo Building

Equity	(21,511)										
Cash Flow	(21,511)		25,975	10,983							

IRR ##

Residential Condo Building 1

Equity	(21,511)				10,983						
Cash Flow				25,975							

Residential Condo Building 2

Equity	(21,511)				25,975			10,983			
Cash Flow											

Residential Condo Building 3

Equity	(21,511)							25,975		10,983	
Cash Flow											

Residential Condo Building 4

Equity	(21,511)										10,983
Cash Flow										25,975	

Total Residential Condo Equity

Equity	(21,511)				(21,511)						
Cash Flow				25,975				36,958			

Total Residential Condo Cash Flow

Cash Flow											10,983
										36,958	

Real Estate Development

Pro Formas

- **Office**
- **Retail**
- **Residential – Rental**
- **Residential – Condo**

Forest City Ratner Companies
Office Development

Atlantic Yards -- Office

EXECUTIVE SUMMARY

Project Description

Description:	Class A Office Building		
Square Footage:	Total Zoning SF=>		500,000
	Total Usable SF=>		467,391
	Total Rentable Square Feet=>		599,220
	Total Project Gross Area=>		573,478
Tenant Mix:	<u>Tenant</u>	<u>RSF</u>	
	Office		599,220
Land Acquisition:	PILOT / Ground Rent		
Target Dates:	Office Construction Period		20 months
	Office Lease-Up		12 months
	Retail Lease-Up		12 months

Total Project Costs

Project Costs	Total	Per GSF
Net Project Costs	181,078,121	362.16
Mortgage	(144,862,497)	(289.72)
Total Partnership Equity	36,215,624	72.43

Income - First Stabilized Year

	TOTAL	Per GSF
Total Rental Income	23,069,955	40.23
Vacancy Factor	(1,153,498)	(2.01)
Total Building Income	21,916,458	38.22
Total Expenses	<u>4,702,275</u>	8.20
NOI	<u>17,214,182</u>	30.02
1st Mort. Debt Service	12,846,253	22.40
Cash Flow	4,367,929	7.62

Returns

Cash on Cost	9.51%
--------------	-------

Refinancing

Year of Refinancing	2008
Net Operating Income	17,214,182
Cap Rate	8.00%
Value	215,177,278
New Debt at 1.20 DSC	161,765,033
New Debt at 80% of Value	172,141,823
New Debt	161,765,033
Less: 2% Transaction Fee	(3,235,301)
Debt Less Refinancing Fees	158,529,733
NOI @ 1.20	\$ 14,345,152
Debt at Refinancing Date	140,601,021
Original Equity	36,215,624
New Equity	18,286,913
Proceeds	17,928,712
Stabilized Cash Flow w/ Refinancing	
NOI	17,214,182
Refinanced Debt Service	14,345,152
Cash Flow	2,869,030

Refinanced Returns

Cash on Cost	9.34%
--------------	-------

Atlantic Yards -- Office

PROFORMA ASSUMPTIONS SUMMARY

Total Zoning SF=>	500,000
Total Above Grade Gross SF=>	543,478
Total Usable SF=>	467,391
Total Office GLA=>	599,220
Cellar SF=>	30,000
Total Project Gross Area=>	673,478

Interest Rate=>	7.50%	7.50%
Amortization Term=>	25	30
Constant:	8.87%	8.39%
Mortgage:	144,862,497	172,141,823
Debt Service: \$	12,846,253	14,345,152
Total Project Cost:	181,078,121	19,313,088
Equity:	36,215,624	18,286,913

Office Operating Expenses=>	\$	6.00	3,595,318	3.00%
PILOT / Ground Rent =>	\$	1.50	750,000	
Management Fee=>	\$	0.50	299,810	5.00%
Vacancy Rate=>		5.00%		
Structural Reserves=>	\$	0.10	57,348	

RSF	599,220	Yrs. 1 - 5	\$39.50	\$	23,069,955	
Base Rent (pref)	\$38.50	6 - 10	\$	42.35	\$	25,376,951
Type of Lease	GROSS	11 - 15	\$	46.59	\$	27,914,646
Term (years)	20	16 - 20	\$	51.24	\$	30,706,111
Commence Date	2/1/2006					
Rent Increase	10%					

Atlantic Yards -- Office

Project Budget

Description	Input	Total Budget Current	\$/Per GSF
1 Site Acquisition:		-	-
2 Total Site Acquisition		-	-
3			
4 Trades	\$ 145.00	83,154,348	145.00
5 Fixed Tenant Contributions (Office)	\$ 35.00	20,972,687	36.57
6 Demolition/Environmental		250,000	0.44
7 Sitework		250,000	0.44
8 General Conditions/ CM Fee	13.00%	10,875,065	18.96
9 Permits		344,087	0.60
10 Bonds		1,045,679	1.82
11 Owner's Testing/Survey		716,848	1.25
12 Construction Contingency	5.00%	4,831,801	8.43
13 Design/Scope Contingency	5.00%	4,831,801	8.43
14 Total Hard Costs		127,272,317	221.93
15			
16 Soft Costs:		3,727,609	6.50
17 A & E Base		372,761	0.65
18 A & E - Consultants		410,037	0.72
19 A & E Reimbursables & Blueprinting		4,510,407	7.87
20 Architecture & Engineering			
21		21,333,941	37.20
22 Leasing Commissions			
23		1,110,000	1.94
24 Legal			
25		9,053,906	15.79
26 Construction Interest (50% outstanding)	7.50%	2,535,094	4.42
27 Financing Fees & Out-of-Pocket		6,035,937	
28 Forest City Cost of capital		250,000	0.44
29 Mortgage Recording Tax		549,302	0.96
30 Title Insurance Fee		100,000	0.17
31 Bank Inspection		18,524,239	32.30
32 Financing			
33		200,000	0.35
34 Pre Opening Expenses		100,000	0.17
35 ULURP/SEQRA		1,000,000	1.74
36 Marketing and Project Expenses		-	0.00
37 PILOT / Ground Rent		1,000,000	1.74
38 Insurance		2,300,000	4.01
39 Other Costs			
40		47,778,587	83.31
41 Total Soft Costs			
42		175,050,904	305.24
43 Sub-Total Project Costs			
44		2,388,929	4.17
45 Soft Cost Contingency		5,432,344	9.47
46 Overhead		182,872,177	318.88
47 Total Project Costs			
48			
49 Other Funding:			0.00
50 Development Deficit		(1,794,055)	(3.13)
51 Sales Tax Savings		181,078,121	315.75
52 Net Project Costs			
53			
54 Funding:			
55 Mortgage	80.00%	(144,862,497)	(252.60)
56		36,215,624	63.15
57 Partnership Equity			

3

Atlantic Yards -- Office

Cash Flow Analysis (000's)

	1	2	3	4	5	6	7	8	9	10
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
RENTAL INCOME										
Total Rental Income	18,071	23,070	23,070	23,070	23,070	25,377	25,377	25,377	25,377	25,377

RECOVERIES

Office Operating Expenses	-	-	108	219	333	451	573	688	826	959
Total Recoveries	-	-	108	219	333	451	573	688	826	959

EXPENSES

Office PILOT / Ground Rent	750	750	750	750	750	750	750	750	750	750
Offices Operating Expenses	3,333	3,595	3,703	3,814	3,929	4,047	4,168	4,293	4,422	4,554
Management Fee	300	300	300	300	300	300	300	300	300	300
Structural Reserves (\$.10 psf)	57	57	57	57	57	57	57	57	57	57
Total Expenses	4,440	4,702	4,810	4,921	5,036	5,154	5,275	5,400	5,529	5,661

NET OPERATING INCOME

Interest Payment	13,538	17,214	17,214	17,214	17,214	19,406	19,406	19,406	19,406	19,406
Cash Flow After Interest	10,795	10,636	10,484	10,279	10,080	9,865	9,634	9,385	9,116	8,826
Amortization	2,743	6,578	6,750	6,935	7,134	7,340	7,552	7,772	8,000	8,226
Net Cash Flow	2,051	2,210	2,382	2,567	2,766	2,981	3,212	3,462	3,730	4,020
Net Cash Flow	692	4,368	4,368	4,368	4,368	6,560	6,560	6,560	6,560	6,560

Refinanced Pro Forma

NET OPERATING INCOME	13,538	17,214	17,214	17,214	17,214	19,406	19,406	19,406	19,406	19,406
Interest Payment - New Mortgage	10,795	10,636	12,055	11,877	11,685	11,479	11,258	11,016	10,758	10,480
Cash Flow After Interest	2,743	6,578	5,159	5,337	5,529	7,927	8,150	8,389	8,648	8,926
Amortization - New Mortgage	2,051	2,210	2,290	2,468	2,660	2,866	3,089	3,329	3,587	3,866
Net Cash Flow	692	4,368	2,869	2,869	2,869	5,061	5,061	5,061	5,061	5,061
Net Refinancing Proceeds	0	0	17,928	0	0	0	0	0	0	0
Cash Flow After Ref. Proceeds	692	4,368	20,798	2,869	2,869	5,061	5,061	5,061	5,061	5,061

4

**Forest City Ratner Companies
Retail Development**

Atlantic Yards-- Retail

EXECUTIVE SUMMARY

Project Description

Description:	Arena Retail			
Square Footage:	Zoning Square Footage			300,000
	Gross Buildable Area			300,000
	Available GLA			255,000
Tenant Mix:	<u>Tenant</u>	<u>Type of Lease</u>	<u>Lease Term (Years)</u>	<u>Square Feet</u>
	ACME1	nnn	10	255,000
Land Acquisition:	Ground Rent			
Target Dates:	Construction Period in Months			18

Project Costs

Project Costs	Total	Per GLA
Project Costs	78,948,528	309.60
Net Project Costs	(63,158,822)	(247.68)
Mortgage		
Total Partnership Equity	15,789,706	61.92

Refinancing

Year of Refinancing	1/1/2006
Net Operating Income	7,536,171
Cap Rate	8.00%
Value	94,202,132
New Debt at 75% of Value	70,651,599
Less: 2% Transaction Fee	(1,413,032)
Debt Less Refinancing Fees	69,238,567
Debt at Refinancing Date	63,014,382
Original Equity	15,789,706
New Equity	9,565,520
Proceeds	6,224,185
Stabilized Cash Flow w/ Refinancing	
NOI	7,536,171
Refinanced Debt Service	6,265,309
Cash Flow	1,270,862

Income

First Stabilized Year

Total Rental Income	8,160,000	32.00
Total Recoveries	1,813,050	7.11
Other Income	(498,653)	(1.96)
Total Building Income	9,474,398	37.15
Total Expenses	1,938,227	7.60
Investors Share of NOI	-	0.00
Net Operating Income	7,536,171	29.55
1st Mortgage Debt Service	5,600,858	21.96
Cash Flow	1,935,313	7.59

Returns

Cash on Cost	9.55%
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Refinanced Returns

Cash on Cost	9.38%
--------------	-------

5

RETAIL PRO FORMA ASSUMPTIONS/SUMMARY

28-Sep-03 9:50 PM

Project Description			Financing		
Project Name=> Atlantic Yards-- Retail			1st Mortgage/Mini-Perm Refinance		
Parcel Size=>	-	0 acres	Interest Rate=>	7.50%	7.50%
Parking Spaces=>	-	/1000 gla	Amortization Term=>	25	25
Zoning ZSF =>	300,000	of GSF	Constant:	8.87%	8.87%
Gross Leasable Area	255,000	85% of GSF	Mortgage:	(63,158,822)	(70,651,599)
Non-Leasable Area1=>	45,000	15.0%	Debt Service:	\$ 5,600,858	\$ 6,265,309
Non-Leasable Area2=>	-	0%	Total Project Cost:	78,948,528	80,361,560
Non-Leasable Area3=>	-	0%	Equity:	15,789,706	9,565,520
Total Project Gross Area	300,000 GSF				

Expenses	\$/GLA or %	Total	Growth
CAM Estimate=>	\$5.00	1,275,000	2.00%
PILOT / Ground Rent=>	\$1.50	382,500	0.00%
Management Fee=>	\$0.02	153,255	
Marketing Fund=>	\$0.30	76,500	0%
Ground Rent=>	\$0.00	0	10.00%
Credit Loss Factor=>	5.00%		

Tenant Assumptions									
Space	Tenant	GLA	Rent/GLA	5yr Bumps	Work/GLA	TIA/GLA	Broker/GLA	Credit Risk	Commences
1	ACME1	255,000	\$ 32.00	10.0%	\$ 30.00	\$ -	\$ 10.00	Y	12/1/2005

Tenant Summaries									
1	ACME1		Rent	\$/sf	Total	Recoveries	Per GLA	Total	
	GLA (sf)	255,000	Yrs. 1 - 5	\$32.00	8,160,000	CAM	\$5.00	\$ 1,275,000	
	Type of Lease	nnn	6 - 10	\$35.20	8,976,000	RE Tax	\$1.50	\$ 382,500	
	Term	10	11 - 15	\$38.72	9,873,600	Work \$	30.00	\$ 7,650,000	
	Commence Date	12/1/2005	16 - 20	\$42.59	10,860,960	Contribution \$	-	\$ -	
						Brokerage \$	10.00	\$ 2,550,000	

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Atlantic Yards-- Retail

Project Budget

Description	Input per GSF	Total Budget
1 Site Acquisition:		-
2 Total Site Acquisition		-
3		
4 Hard Costs:		
5 Trades - Base Building	\$ 140.0	42,000,000
6 Sitework		100,000
7 General Conditions / CM Fee	13.00%	5,473,000
8 Demolition/Environmental		200,000
9 Tenant Work		7,650,000
10 Tenant Contributions		0
11 Permits		300,000
12 Bonds		624,375
13 Owner's Testing/Survey		675,000
14 Construction Contingency	5.00%	2,851,119
15 Design/Scope Contingency	5.00%	2,851,119
16 Total Hard Costs		62,724,613
17		
18 Soft Costs:		
19 A & E Base		1,500,000
20 A & E - Consultants		600,000
21 A & E Reimbursables		210,000
22 Architecture & Engineering		2,310,000
23		
24 Leasing Commissions		2,550,000
25		
26 Legal		1,360,000
27		
28 Construction Interest (45% Outstanding)	7.50%	3,197,415
29 Financing Fees & Out-of-Pocket		1,105,279
30 Forest City Cost of Capital		2,368,456
31 Mortgage Recording/Transfer Tax		0
32 Title Insurance Fee		260,863
33 Bank Inspection		50,000
34 Financing		6,982,013
35		
36 Preopening Expenses		100,000
37 Project Expenses		300,000
38 ULURP/SEQRA/Environmental		100,000
39 PILOT/Ground Rent		-
40 Insurance		400,000
41 Other Costs		900,000
42		
43 Total Soft Costs		14,102,013
44		
45 Sub-Total Project Costs		76,826,626
46		
47 Soft Cost Contingency		705,101
48 Overhead		2,322,952
49 Total Project Costs		79,854,678
50		
51 Other Funding:		
52 Sales Tax Savings		(906,150)
53 Net Project Costs		78,948,528
54		
55 Funding:		
56 Mortgage	80.00%	(63,158,822)
57 Partnership Equity		15,789,706

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Atlantic Yards-- Retail

Cash Flow Analysis (000's)

	1	2	3	4	5	6	7	8	9	10
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
RENTAL INCOME										
Base Rent	1,360	8,160	8,160	8,160	8,160	8,976	8,976	8,976	8,976	8,976
Total Rental Income	1,360	8,160	8,160	8,160	8,160	8,976	8,976	8,976	8,976	8,976
RECOVERIES										
PILOT/Ground Rent	64	383	383	383	383	383	383	383	383	383
CAM	213	1,301	1,327	1,353	1,380	1,408	1,436	1,465	1,494	1,524
Administrative Fee	21	130	133	135	138	141	144	146	149	152
Total Recoveries	298	1,813	1,842	1,871	1,901	1,931	1,962	1,994	2,026	2,059
Credit Loss	-	(499)	(500)	(502)	(503)	(545)	(547)	(548)	(550)	(552)
Total Income	1,658	9,474	9,502	9,529	9,558	10,362	10,391	10,421	10,452	10,483
EXPENSES										
PILOT / Ground Rent	64	383	383	383	383	383	383	383	383	383
CAM	213	1,301	1,327	1,353	1,380	1,408	1,436	1,465	1,494	1,524
Management Fee	27	153	153	153	153	169	169	169	169	168
Ground Rent	0	0	0	0	0	0	0	0	0	0
Marketing	77	77	77	77	77	77	77	77	77	77
Structural Reserves	4	26	26	26	26	26	26	26	26	26
Total Expenses	384	1,938	1,964	1,991	2,018	2,061	2,089	2,118	2,147	2,177
	1,273	7,536	7,537	7,539	7,540	8,301	8,302	8,303	8,305	8,306
NET OPERATING INCOME										
Interest Payment - 1st Mortgage	789	4,695	4,625	4,549	4,468	4,380	4,285	4,183	4,073	3,954
Cash Flow After Interest	484	2,841	2,912	2,989	3,072	3,921	4,017	4,121	4,232	4,352
Amortization - 1st Mortgage	144	905	976	1,052	1,133	1,221	1,316	1,418	1,528	1,647
Final Cash Flow	340	1,935	1,937	1,938	1,939	2,700	2,701	2,703	2,704	2,705
Refinanced Pro Forma *										
NET OPERATING INCOME	1,273	7,536	7,537	7,539	7,540	8,301	8,302	8,303	8,305	8,306
Interest Payment - New Mortgage	789	5,265	5,187	5,104	5,013	4,916	4,811	4,699	4,577	4,446
Cash Flow After Interest	484	2,271	2,350	2,435	2,526	3,385	3,491	3,605	3,728	3,860
Amortization - New Mortgage	144	1,000	1,078	1,162	1,252	1,349	1,454	1,567	1,688	1,819
Final Cash Flow	340	1,271	1,272	1,273	1,275	2,035	2,037	2,038	2,039	2,041
Net Refinancing Proceeds	0	6,224	0	0	0	0	0	0	0	0
Cash Flow After Ref. Proceeds	340	7,495	1,272	1,273	1,275	2,035	2,037	2,038	2,039	2,041

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Forest City Ratner Companies
Residential Development

Atlantic Yards -- Residential Rental (80/20)

EXECUTIVE SUMMARY

Project Description																					
Description:	Residential Rental																				
Square Footage:	<table border="1"> <thead> <tr> <th></th> <th>GSF</th> </tr> </thead> <tbody> <tr> <td>ZONING Square Feet=></td> <td>360,000</td> </tr> <tr> <td>GROSS Square Feet=></td> <td>391,500</td> </tr> <tr> <td>RESIDENTIAL Square Feet=></td> <td>302,290</td> </tr> </tbody> </table>		GSF	ZONING Square Feet=>	360,000	GROSS Square Feet=>	391,500	RESIDENTIAL Square Feet=>	302,290												
	GSF																				
ZONING Square Feet=>	360,000																				
GROSS Square Feet=>	391,500																				
RESIDENTIAL Square Feet=>	302,290																				
Residential Unit Mix:	<table border="1"> <thead> <tr> <th></th> <th># of Units</th> <th>Average Unit Size</th> <th>Average Monthly Rent</th> <th>Average Rent/SF</th> </tr> </thead> <tbody> <tr> <td>Market</td> <td>343</td> <td>720</td> <td>\$2,391</td> <td>\$39.84</td> </tr> <tr> <td>Low Income</td> <td>86</td> <td>638</td> <td>\$561</td> <td>\$10.55</td> </tr> <tr> <td>Total</td> <td>429</td> <td>704</td> <td>\$2,025</td> <td>\$34.53</td> </tr> </tbody> </table>		# of Units	Average Unit Size	Average Monthly Rent	Average Rent/SF	Market	343	720	\$2,391	\$39.84	Low Income	86	638	\$561	\$10.55	Total	429	704	\$2,025	\$34.53
	# of Units	Average Unit Size	Average Monthly Rent	Average Rent/SF																	
Market	343	720	\$2,391	\$39.84																	
Low Income	86	638	\$561	\$10.55																	
Total	429	704	\$2,025	\$34.53																	
Land Acquisition:	PILOT / Ground Rent																				
Target Dates:	<table border="1"> <tbody> <tr> <td>Construction Period</td> <td>18 months</td> </tr> <tr> <td>Retail Lease-up</td> <td>0 months</td> </tr> <tr> <td>Market Rate Residential Lease-up</td> <td>8 months</td> </tr> <tr> <td>Middle-Income Residential Lease-up</td> <td>0 months</td> </tr> <tr> <td>Low - Income Lease-up</td> <td>2 months</td> </tr> <tr> <td>Parking Lease-up</td> <td>NA</td> </tr> </tbody> </table>	Construction Period	18 months	Retail Lease-up	0 months	Market Rate Residential Lease-up	8 months	Middle-Income Residential Lease-up	0 months	Low - Income Lease-up	2 months	Parking Lease-up	NA								
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Low - Income Lease-up	2 months																				
Parking Lease-up	NA																				

Project Costs	Total	Per Unit	Per GSF
Total Project Costs	100,303,823	233,808	256.2
Tax Exempt Bond Amount	(90,741,824)	(211,519)	(231.8)
Taxable Bond Amount	(10,082,425)	(23,502)	(25.8)
Bank Exposure	75,618,186	176,268	193.1
FCR Equity LC	25,206,062	58,755	64.4
Total Partnership Equity + LC	25,206,062	58,755	64.4

Income @ End Stabilized Year	Total	Per Unit	Per GSF
Total Rental Income (Incl. Retail)	10,423,506	24,297	26.62
Total Recoveries/Other Income	138,660	323	0.35
Total Vacancy	(489,225)	(1,164)	(1.28)
Total Building Income	10,062,940	23,457	25.70
Total Expenses	2,820,306	6,574	7.20
NOI	7,242,634	16,883	18.50
Tax Credit	704,300	1,642	1.80
NOI After Tax Credit	7,946,935	18,524	20.30
Tax Exempt Bond	5,666,827	13,209	14.47
Taxable Bonds	629,647	1,468	1.61
Cash Flow	1,650,460	3,847	4.22

Year of Refinancing	2007
NOI	7,242,634
Debt Coverage	1.20
New Ref. Debt	88,103,845
Less 2% Closing Costs	(1,512,364)
Debt Less Refinancing Fees	86,591,481
Original Bank RE Exposure	75,618,186
Original Equity LC	25,206,062
Original Project Costs	100,303,823
Ref Debt	(86,591,481)
Equity After Refl.	13,712,342
Net Equity Proceeds	11,493,720
Stabilized Cash Flow w/ Refinancing	
NOI	7,946,935
Refinanced Debt Service (tax exempt)	5,566,271
Cash Flow	2,380,664

Cash on Cost	7.88%
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Cash on Cost	7.77%
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02/20/03

Atlantic Yards – Residential Rental (80/20)

Project Budget Base

Description	Input	Total Budget Current	Per GSF
1 Site Acquisition:		-	-
2 Site Purchase (ZSF)		-	-
3 Total Site Acquisition		-	-
4 Hard Costs:			
5 Trades - Base Building	\$ 145.00	56,767,500	145.00
6 Demolition/Environmental		250,000	0.64
7 Sitework		250,000	0.64
8 General Conditions/ CM Fee	13.00%	7,444,775	19.02
9 Permits		293,625	0.75
10 Bonds		572,675	1.46
11 Owner's Testing/Survey		685,125	1.75
12 Construction Contingency	5.00%	3,313,185	8.46
13 Design/Scope Contingency	5.00%	3,313,185	8.46
14 Total Hard Costs		72,890,070	186.18
15			
16 Soft Costs:			
17 Architectural Base		3,132,000	8.00
18 MEP & Structural Engineers		587,250	1.50
19 A & E Consultants/Miscellaneous		117,450	0.30
20 A & E Reimbursables		156,600	0.40
21 Architecture & Engineering		3,993,300	10.20
22			
23 Leasing Commissions		1,640,975	4.19
24			
25 Legal		560,000	1.43
26			
27 421-A Fee	0.40%	403,297	1.03
28 Bond Placement/ Admin Fees	0.50%	504,121	1.29
29 Financing Fee and HDC Fee		2,772,667	7.08
30 80/20 Accounting		150,000	0.38
31 Bond Interest (Tax Exempt Bonds)	3.50%	4,763,946	12.17
32 Bond Interest (Taxable Bonds)	5.00%	756,182	1.93
33 Bond Proceeds Reinvestment	2.50%	(2,268,546)	(5.79)
34 LC Fees (Bank)	2.00%	2,268,546	5.79
35 Interest Cap	0.70%	705,770	1.80
36 Mortgage Recording Tax/IDA Fees		-	-
37 Forest City Cost of Capital		3,780,909	9.66
38 Title Insurance Fee		374,253	0.96
39 Bank Inspection		80,000	0.20
40 Financing		14,291,145	36.50
41			
42 Pre Opening Expenses		80,000	0.20
43 ULURP/SEQRA/SEIS		100,000	0.26
44 Marketing and Project Expenses		2,279,100	5.82
45 Gym		200,000	0.51
46 PILOT / Ground Rent		-	-
47 Insurance		400,000	1.02
48 Other Costs		3,059,100	7.81
49			
50 Total Soft Costs		23,544,520	60.14
51			
52 Sub-Total Project Costs		96,434,590	246.32
53			
54 Soft Cost Contingency		1,177,226	3.01
55 Overhead		2,692,007	6.88
56 Total Project Costs		100,303,823	256.20
57			
58 Other Costs/(Funding):			
59 Development Deficit		1,745,184	4.46
60 Sales Tax Savings		(1,224,759)	(3.13)
61 Net Project Costs		100,824,248	257.53
62			
63 Funding:			
64 Mortgage (Tax Exempt Bond Financing)	90.00%	(90,741,824)	(231.78)
65 2nd Mortgage (Taxable Bond Financing)	10.0%	(10,082,425)	(25.75)

Atlantic Yards - Residential Rental (80/20)

Project Name: Atlantic Yards - Residential Rental (80/20)	
Residential Efficiency =>	88.00%
ZONING Square Feet =>	390,000
Above Grade GROSS Square Feet =>	376,000
Residential Unit Net Square Feet	302,290
Lobby/Laundry/Commons =>	21,500
Cellar SFs =>	16,500
Total Project Gross Area	391,500 GSF
Interest Rates - 1st Mortgage/Min. Term Refinances	8.25% 5.76%
Amortization Terms - Constant	0 5.75%
Net Project Cost:	100,824,248
Payroll and Benefits =>	2,076 \$
Utilities =>	1,093 \$
Repairs and Maintenance =>	786 \$
Professional Fees =>	189 \$
Misc./Insurance =>	219 \$
Redeveloping per unit on roll over (25% of unit/yr) =>	546 \$
Subtotal Residential Operating Expenses =>	4,371 \$
Inflation (Years) =>	3.00
Management Fees =>	3.00%
Vacancy Rate (On mkt and half of middle income) =>	5.00%

PLOT / Ground Rent (on ZSP) =>	\$	540,000	3.00%
Structural Reserves (per GSF) =>	\$	107,250	3.00%

Number of Units	RSF	Commence Date	Rent/Laundry Increase	Laundry Income/Unit/Mth \$	Avg. Size	Ann. Rent/SE	Avg. Mnth. Rent	Total SF	Total Annual Rent
343	247,104	6/12/06	2.5%	20.00	720	39.84	1,660	34,320	1,397,478
69	1BR				500	39.84	2,324	144,144	5,743,411
69	2BR				1,000	39.84	3,320	89,640	2,734,858
343	Total				720	39.84	2,391	247,104	8,845,847

Unit Mix	# of Units	% of Total	Avg. Size	Ann. Rent/SE	Avg. Mnth. Rent	Total SF	Total Annual Rent
Unit Mix Studios	17	20.0%	450	13.81	510	7,722	105,097
Unit Mix Studios	51	60.0%	825	10.48	546	32,176	337,307
Unit Mix 2BR	17	20.0%	865	9.11	657	14,843	135,255
Total	66	100.0%	838	10.55	961	54,740	577,658

% of Gross Rentable Area of U Units 18.14%

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Atlantic Yards - Residential Rental (80720)

(1st Business Year

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
RENTALS	4,070	9,846	10,092	10,344	11,420	10,858	11,140	11,418	11,704	11,998	12,290
Residential - Market	390	678	659	601	636	615	636	651	664	677	690
Residential - Low Income	16	36	37	38	40	39	40	41	42	42	45
Storage	47	103	111	108	114	114	119	114	122	126	129
Net Landlord Income	54	139	142	148	157	153	161	161	165	169	173
Total Recoveries	694	1,059	1,019	924	959	931	959	979	1,009	1,024	1,051
Vacancy - Residential (Single & Duplex)	4,559	10,053	10,317	10,588	11,370	11,025	11,370	11,651	11,939	12,224	12,552
Total Income	380	540	556	673	699	668	698	645	664	684	705
PLOT/Ground Rent	1,260	1,276	1,291	1,309	1,324	1,310	1,324	1,329	1,330	1,336	1,344
Residential Operating Expenses	129	149	153	153	153	153	153	153	153	153	153
Residential Management Fee	149	107	107	107	107	107	107	107	107	107	107
Replacement Reserve (\$250/unit)	1,628	2,820	2,800	2,822	2,822	2,822	2,822	2,822	2,822	2,822	2,822
Total Expenses	2,452	7,243	7,412	7,884	7,761	7,441	7,594	7,618	7,618	7,618	7,618
Net Operating Income	470	850	850	850	850	850	850	850	850	850	850
Tax Credit	(1,210)	1,850	1,819	1,822	1,819	1,822	1,819	1,822	1,819	1,822	1,822
Net Cash Flow	(740)	650	650	650	650	650	650	650	650	650	650
Refinanced Pro Forma:	2,922.0	7,947	8,116	8,386	8,405	8,448	8,520	9,019	9,212	9,409	9,141
Net Operating Income	2,772.0	4,975	4,975	4,975	4,975	4,975	4,975	4,975	4,975	4,975	4,975
Interest Payment - Tax Exempt	150.0	972.0	972.0	972.0	972.0	972.0	972.0	972.0	972.0	972.0	972.0
Interest Payment - Taxable	(1,275.0)	3,141	3,141	3,311	3,480	3,571	3,555	4,044	4,237	4,434	4,187
Cash Flow After Interest	347.0	1,802	1,862	1,672	1,765	1,372	1,392	1,903	1,708	1,512	1,758
Amortization - Tax Exempt	(1,275.0)	2,331	2,484	2,509	2,516	2,524	2,525	2,531	2,532	2,532	2,541
Amortization - Taxable	0	0	0	0	0	0	0	0	0	0	0
Net Cash Flow	(928.0)	471.0	378.0	163.0	249.0	148.0	167.0	370.0	176.0	178.0	216.0
Net Refinancing Proceeds	1,213.7	1,814	2,494	2,860	2,824	2,824	2,824	2,824	2,824	2,824	2,824
Cash Flow After Ref. Proceeds	285.7	685.0	872.0	1,023.0	1,073.0	1,072.0	1,091.0	1,194.0	1,148.0	1,102.0	1,032.0

(12)

**Forest City Ratner Companies
Residential Development**

Atlantic Yards -- Condominium

EXECUTIVE SUMMARY

Project Description

Description:	Residential Condominium				
Square Footage:	ZONING Square Feet		245,000		
	GROSS Square Feet		265,208		
	RESIDENTIAL Square Feet		191,959		
Residential Unit Mix:		<u># of Units</u>	<u>Average Unit Size</u>	<u>Avg Price</u>	<u>Average Rent/SF</u>
	Studios	43	575	\$301,875	\$525.00
	1 Bedrooms	86	825	\$433,125	\$525.00
	2 Bedrooms	86	1125	\$590,625	\$525.00
	Total	214	895	\$469,875	\$525.00
Land Acquisition:	Purchase				
Target Dates:	Construction Period		18 months		
	Units Pre-Sold		86 40%		
	Avg Units Sold Per Month		11 months		
	Months to Sellout		13 months		

Total Project Costs

Project Costs	Total	Per Unit	Per GSF	Per ZSF
Total Project Costs	75,600,056	352,481	285	309
Net Project Cost	75,600,056	352,481	285	309
Mortgage Amount	(54,089,432)	(252,189)	(204)	(221)
Total Partnership Equity	21,510,624	100,292	81	88

Project Returns

Project Costs	Total	Per Unit	Per GSF	Per ZSF
Total Gross Income from Unit Sales	100,778,563	469,875	380	411
Mortgage Amount	(54,089,432)	(252,189)	(204)	(221)
Total Sales Costs	(8,100,402)	(37,768)	(31)	(33)
Total Carrying Costs	(1,630,654)	(7,603)	(6)	(7)
Net Proceeds from Unit Sales	36,958,074	172,315	139	151
Return on Cost	33%			
Return on Equity	72%			
Internal Rate of Return (IRR)	27%			

Atlantic Yards – Condominium

Project Budget - Base

Description	Input	Total Budget Current	Per GSF
1 Site Acquisition:			
2 Site Purchase (ZSF)	\$ 15.00	3,675,000	13.86
3 Total Site Acquisition		<u>3,675,000</u>	<u>13.86</u>
4			
5 Hard Costs:			
6 Trades - Base Building	\$ 165.00	43,759,375	165.00
7 Demolition/Environmental		200,000	0.75
8 Sitework		200,000	0.75
9 General Conditions/ CM Fee	13.00%	5,740,719	21.65
10 Permits		198,906	0.75
11 Bonds		441,594	1.67
12 Owner's Testing/Survey		464,115	1.75
13 Construction Contingency	5.00%	2,550,235	9.62
14 Design/Scope Contingency	5.00%	2,550,235	9.62
15 Total Hard Costs		<u>56,105,179</u>	<u>211.55</u>
16			
17 Soft Costs:			
18 Architectural Base		2,121,667	8.00
19 MEP & Structural Engineers		265,208	1.00
20 A & E Consultants/Miscellaneous		79,563	0.30
21 A & E Reimbursables		106,083	0.40
22 Architecture & Engineering		<u>2,572,521</u>	<u>9.70</u>
23			
24 Legal		<u>510,000</u>	<u>1.92</u>
25			
26 Construction Interest (50% Outstanding)	7.50%	3,042,531	11.47
27 Financing Fees & Out-of-Pocket		946,565	3.57
28 Forest City Cost of Capital		3,226,594	12.17
29 Mortgage Recording Tax/IDA Fees		250,000	0.94
30 Title Insurance Fee		265,938	1.00
31 Bank Inspection		80,000	0.30
32 Financing		<u>7,811,627</u>	<u>29.45</u>
33			
34 Pre Opening / Capital Reserve		500,000	1.89
35 ULURP/SEQRA/SEIS		100,000	0.38
36 Marketing and Project Expenses		1,000,000	3.77
37 Gym/Lobby/Other		250,000	0.94
38 PILOT / Ground Rent		-	-
39 Insurance		400,000	1.51
40 Other Costs		<u>2,250,000</u>	<u>8.48</u>
41			
42 Total Soft Costs		<u>13,144,148</u>	<u>49.56</u>
43			
44 Sub-Total Project Costs		<u>72,924,327</u>	<u>274.97</u>
45			
46 Soft Cost Contingency		657,207	2.48
47 Overhead		2,018,522	7.61
48 Total Project Costs		<u>75,600,056</u>	<u>285.06</u>
49			
50 Other Costs/(Funding):			
51 Other Funding		-	-
52 Sales Tax Savings		(944,109)	(3.56)
53 Net Project Costs		<u>75,600,056</u>	<u>285.06</u>
54			
55 Funding:			
56 Mortgage	71.55%	(54,089,432)	(203.95)
57			
58 Partnership Equity		<u>21,510,624</u>	<u>81.11</u>

Atlantic Yards - Condominium

PROFORMA ASSUMPTIONS SUMMARY

Project Name -> Atlantic Yards - Condominium	
Residential Efficiency ->	86.00%
ZONING Square Fees ->	245,000
Above Grade Total Gross Square Fees ->	256,208
Residential Square Fees ->	181,959
Lobby/Laundry/Commons ->	20,000
Mechanical PH Sps ->	2,800
Cellar GSFs ->	10,000
No. of Units ->	214
Total Project Gross Area	
	265,208 GSF

Interest Rate ->	7.50%
Amortization Term ->	0
Consultant Mortgage:	54,089,432
Debt Service:	4,056,707
Net Project Cost:	75,800,058
Equity:	Total

Percent Sold at Openings ->	40%
Average Sales Per Month ->	11
Total Months to Sellout ->	13
Commissions ->	8%
Legal Fees (Per Unit) ->	\$ 1,000
Transfer Taxes ->	1.83%

CONDOMINIUM REVENUES				
Payroll and Benefits ->	\$ 2,300	\$ 483,303	3.00%	
Utilities ->	\$ 1,000	\$ 214,480	3.00%	
Repairs and Maintenance ->	\$ 700	\$ 150,138	3.00%	
Professional Fees ->	\$ 125	\$ 28,810	3.00%	
Misc./Insurance ->	\$ 250	\$ 53,620	3.00%	
Management Fees ->	\$ 125	\$ 28,810	3.00%	
Others ->	\$ 500	\$ 107,240	3.00%	
Subtotal Residential Operating Expenses ->	\$ 5,000	\$ 1,072,398	3.00%	

CONDOMINIUM REVENUES				
Unit Mix	# of Units	% of Total	Avg. Size	
Studios	43	20.0%	575	
1Br	88	40.0%	825	
2Br	88	40.0%	1,125	
Total	214	100.0%	885	
Total Square Feet	24,895			
Total Square Feet	70,778			
Legal Fees	98,516			
Transfer Taxes	181,859			
Total Sales Price	\$ 525.00	\$ 301,875	Total Sales Price	12,848,201
Average Sales Price / SF	\$ 525.00	\$ 433,125	Total Sales Price	37,158,578
Commissions	\$ 525.00	\$ 580,925	Total Sales Price	50,870,786
Legal Fees	\$ 525.00	\$ 488,875	Total Sales Price	100,778,683

15

Atlantic Yards Condominium

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Units Sold	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11
Total Units Sold	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11
Units Owned by Sponsor	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11
Sales Proceeds	6,188,228	6,188,228	6,188,228	6,188,228	6,188,228	6,188,228	6,188,228	6,188,228	6,188,228	6,188,228	6,188,228	6,188,228	6,188,228	6,188,228	6,188,228	6,188,228	6,188,228	6,188,228
Sales Costs	(94,377)	(94,377)	(94,377)	(94,377)	(94,377)	(94,377)	(94,377)	(94,377)	(94,377)	(94,377)	(94,377)	(94,377)	(94,377)	(94,377)	(94,377)	(94,377)	(94,377)	(94,377)
Less Transfer Tax	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)
Less Legal Fees	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)
Less Sales Commissions	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)	(10,118)
Total Sales Costs	(30,613)	(30,613)	(30,613)	(30,613)	(30,613)	(30,613)	(30,613)	(30,613)	(30,613)	(30,613)	(30,613)	(30,613)	(30,613)	(30,613)	(30,613)	(30,613)	(30,613)	(30,613)
Net Sales Proceeds	6,157,615	6,157,615	6,157,615	6,157,615	6,157,615	6,157,615	6,157,615	6,157,615	6,157,615	6,157,615	6,157,615	6,157,615	6,157,615	6,157,615	6,157,615	6,157,615	6,157,615	6,157,615
Monies Paid Down	(2,774,067)	(2,774,067)	(2,774,067)	(2,774,067)	(2,774,067)	(2,774,067)	(2,774,067)	(2,774,067)	(2,774,067)	(2,774,067)	(2,774,067)	(2,774,067)	(2,774,067)	(2,774,067)	(2,774,067)	(2,774,067)	(2,774,067)	(2,774,067)
Proceeds After Mortgage	3,383,548	3,383,548	3,383,548	3,383,548	3,383,548	3,383,548	3,383,548	3,383,548	3,383,548	3,383,548	3,383,548	3,383,548	3,383,548	3,383,548	3,383,548	3,383,548	3,383,548	3,383,548
Carrying Costs	(54,089,437)	(54,089,437)	(54,089,437)	(54,089,437)	(54,089,437)	(54,089,437)	(54,089,437)	(54,089,437)	(54,089,437)	(54,089,437)	(54,089,437)	(54,089,437)	(54,089,437)	(54,089,437)	(54,089,437)	(54,089,437)	(54,089,437)	(54,089,437)
Mortgage Interest	(2,533,857)	(2,533,857)	(2,533,857)	(2,533,857)	(2,533,857)	(2,533,857)	(2,533,857)	(2,533,857)	(2,533,857)	(2,533,857)	(2,533,857)	(2,533,857)	(2,533,857)	(2,533,857)	(2,533,857)	(2,533,857)	(2,533,857)	(2,533,857)
Property Taxes	(185,497)	(185,497)	(185,497)	(185,497)	(185,497)	(185,497)	(185,497)	(185,497)	(185,497)	(185,497)	(185,497)	(185,497)	(185,497)	(185,497)	(185,497)	(185,497)	(185,497)	(185,497)
Total Carrying Costs	(2,718,354)	(2,718,354)	(2,718,354)	(2,718,354)	(2,718,354)	(2,718,354)	(2,718,354)	(2,718,354)	(2,718,354)	(2,718,354)	(2,718,354)	(2,718,354)	(2,718,354)	(2,718,354)	(2,718,354)	(2,718,354)	(2,718,354)	(2,718,354)
Cash Flow	6,122,961	6,122,961	6,122,961	6,122,961	6,122,961	6,122,961	6,122,961	6,122,961	6,122,961	6,122,961	6,122,961	6,122,961	6,122,961	6,122,961	6,122,961	6,122,961	6,122,961	6,122,961



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September 26, 2003

Mr. James Stuckey
Forest City Ratner Companies
One Metrotech Ctr.
Brooklyn, NY 11201

Re: **Atlantic Yards Arena and Mixed-Use Development:
Economic and Fiscal Effects**

Dear Mr. Stuckey:

Attached are the results of our analysis to-date of the expected economic and fiscal benefits from the Atlantic Yards Project. In particular, please find:

- Summary of construction period economic and fiscal effects.
- Summary of annual operation economic and fiscal effects.
- A 30-year net present value analysis of the tax revenues resulting from the direct activity associated with the project.
- A 30-year net present value analysis of the tax revenues resulting from the total direct and indirect activity associated with the project.

We remain excited about the project and what it can mean to Brooklyn, New York City, and the New York State.

Sincerely,

AKRF, INC.

Dennis Mincieli
Vice President

cc: Linh Do
Jerry G. Rice

SUMMARY OF CONSTRUCTION PERIOD ECONOMIC AND FISCAL EFFECTS
(Dollars are Millions of Constant 2003 Dollars)

TOTAL PROJECT

	<u>Total Direct</u>	<u>Total Direct/Indirect</u>
<i>Jobs Created (Person-Years)</i>		
Arena	3,430	6,554
Office	4,425	8,410
Residential - Rental	4,860	9,140
Residential - Condo	1,653	3,114
Retail	450	860
Parking	256	486
TOTAL	15,074	28,564
<i>Total Effect on the Local Economy</i>		
Arena	\$569.33	\$1,088.37
Office	\$689.90	\$1,322.95
Residential - Rental	\$763.90	\$1,415.00
Residential - Condo	\$260.19	\$481.95
Retail	\$70.45	\$135.10
Parking	\$49.36	\$93.86
TOTAL	\$2,403.13	\$4,537.23
<i>Total City/State Tax Revenue</i>		
Arena	\$38.76	\$61.62
Office	\$70.15	\$98.35
Residential - Rental	\$53.20	\$80.50
Residential - Condo	\$29.46	\$38.76
Retail	\$7.00	\$9.85
Parking	\$3.44	\$5.26
TOTAL	\$202.01	\$294.34

PER BUILDING

	<u>Total Direct</u>	<u>Total Direct/Indirect</u>
<i>Jobs Created (Person-Years)</i>		
Arena	3,430	6,554
Each of 5 Office Buildings	885	1,682
Each of 10 Residential - Rental Bldg.	486	914
Each of 3 Residential - Condo Bldg.	551	1,038
Each of 5 Retail Buildings	90	172
Parking (Phase 2 & 3 Each)	128	243
<i>Total Effect on the Local Economy</i>		
Arena	\$569.33	\$1,088.37
Each of 5 Office Buildings	\$137.98	\$264.59
Each of 10 Residential - Rental Bldg.	\$76.39	\$141.50
Each of 3 Residential - Condo Bldg.	\$86.73	\$160.65
Each of 5 Retail Buildings	\$14.09	\$27.02
Parking (Phase 2 & 3 Each)	\$24.68	\$46.93
<i>Total City/State Tax Revenue</i>		
Arena	\$38.76	\$61.62
Each of 5 Office Buildings	\$14.03	\$19.67
Each of 10 Residential - Rental Bldg.	\$5.32	\$8.05
Each of 3 Residential - Condo Bldg.	\$9.82	\$12.92
Each of 5 Retail Buildings	\$1.40	\$1.97

SUMMARY OF ANNUAL OPERATING ECONOMIC AND FISCAL EFFECTS
(Dollars are Millions of Constant 2003 Dollars)

TOTAL PROJECT

	<u>Total Direct</u>	<u>Total Direct/Indirect</u>
Jobs Created (Permanent)		
Arena	400	2,176
Office	10,880	19,645
Residential - Rental	180	360
Residential - Condo	45	90
Retail	775	1,065
Parking	28	38
TOTAL	12,308	23,374
Total Effect on the Local Economy		
Arena	\$214.69	\$493.59
Office	\$2,505.00	\$4,904.80
Residential - Rental	\$25.00	\$37.80
Residential - Condo	\$6.30	\$9.51
Retail	\$62.05	\$117.80
Parking	\$3.28	\$6.28
TOTAL	\$2,816.32	\$5,569.78
Total City/State Tax Revenue		
Arena	\$41.13	\$53.12
Office	\$62.05	\$121.50
Residential - Rental	\$5.20	\$6.30
Residential - Condo	\$19.68	\$19.95
Retail	\$12.05	\$22.90
Parking	\$0.36	\$0.68
TOTAL	\$140.47	\$224.45

PER BUILDING

	<u>Total Direct</u>	<u>Total Direct/Indirect</u>
Jobs Created (Permanent)		
Arena	400	2,176
Each of 5 Office Buildings	2,176	3,929
Each of 10 Residential - Rental Bldg.	18	36
Each of 3 Residential - Condo Bldg.	15	30
Each of 5 Retail Buildings	155	213
Parking (Phase 2 & 3 Each)	14	19
TOTAL	12,308	23,374
Total Effect on the Local Economy		
Arena	\$214.69	\$493.59
Each of 5 Office Buildings	\$501.00	\$980.96
Each of 10 Residential - Rental Bldg.	\$2.50	\$3.78
Each of 3 Residential - Condo Bldg.	\$2.10	\$3.17
Each of 5 Retail Buildings	\$12.41	\$23.56
Parking (Phase 2 & 3 Each)	\$1.64	\$3.14
TOTAL	\$2,816.32	\$5,569.78
Total City/State Tax Revenue		
Arena	\$41.13	\$53.12
Each of 5 Office Buildings	\$12.41	\$24.30
Each of 10 Residential - Rental Bldg.	\$0.52	\$0.63
Each of 3 Residential - Condo Bldg.	\$6.56	\$6.65
Each of 5 Retail Buildings	\$2.41	\$4.58
TOTAL	\$140.47	\$224.45

Block 1127

Note: All Land SF... Zoning SF represent "approximate" SF
 Note: Valuation based on comparable sales data in Area Codes 11217, 11238, 11205 from January 2002 - Present

Property Type	Price / Sq. Ft.
Vacant Land (1)	\$60
Residential - Walk-Up Apartment (2)	\$150
Residential - One to Six Family w/ Store (3)	\$175
Residential - Condo / Coop (4)	\$100
Gas Station (5)	\$100
Industrial / Warehouse (6)	\$75
Miscellaneous (7)	\$100
Parking (8)	\$70
Public / City (9)	\$70
Storage (10)	\$75
Offices / Commercial (11)	\$150

a>>> Varied based on actual sales data per unit

Total - Base Case	High Value Estimate	Low Value Estimate
\$54,800,000	\$65,740,000	\$43,800,000
\$	\$5,444,000	3% Market Value Adjustment Assuming June 2004 Assessment
\$	2,560,000	Tenant Payout*
\$	59,004,000	Total Apts Site Condemnation Value

* Tenant Payout assumes \$20,000 for 116 residential lease holders and \$15,000 future payment for 10 business lease holders

Block	Lot	Address	Street	Land Use	Property Code	Land SF	Zone	FAR	Total ZSF	Building Sq. Ft.	Price Estimate	Value * 20%	Value * 20%	Value Low
1127	1	185	Flabush Ave	Transportation and Utility	3	17,574	C2-4	2	35,148	1,913	1,913	223,580	223,580	153,040
1127	10	183	Flabush Ave	Mixed Res & Com	3	1,108	C2-4	2	2,216	2,216	2,216	310,240	310,240	465,380
1127	11	191	Flabush Ave	Mixed Res & Com	3	1,650	C2-4	2	3,300	3,300	3,300	697,200	697,200	484,800
1127	12	189	Flabush Ave	Mixed Res & Com	3	1,282	C2-4	2	2,564	2,564	2,564	554,820	554,820	369,880
1127	13	185	Flabush Ave	Empty Lot	1	1,690	C2-4	2	3,380	2,642	2,642	243,380	243,380	162,240
1127	18	618	Pacific Street	Multi-Family Walk Up	2	1,337	C2-4	2	2,674	2,850	2,850	513,000	513,000	342,000
1127	19	620	Pacific Street	Transportation and Utility	5	1,425	C2-4	2	2,850	3,158	3,158	378,990	378,990	252,840
1127	20	622	Pacific Street	Transportation and Utility	5	1,725	C2-4	2	3,450	6,900	6,900	182,400	182,400	121,900
1127	21	624	Pacific Street	Mixed Res & Com	3	1,975	C4-4A	4	7,900	5,000	5,000	1,050,000	1,050,000	700,000
1127	22	626	Pacific Street	Industrial & Manuf	6	7,418	C4-4A	4	29,672	6,000	6,000	540,000	540,000	360,000
1127	27	638	Pacific Street	Condominium Building	4	11,000	C4-4A	4	44,000	38,729	38,729	17,706,899	17,706,899	11,804,998
1127	29	640	Pacific Street	Industrial & Manuf	6	2,780	C4-4A	4	4,280	4,280	4,280	382,500	382,500	255,000
1127	30	642/644/646	Pacific Street	Industrial & Manuf	6	8,250	C4-4A	4	33,000	19,879	19,879	1,771,110	1,771,110	1,180,740
1127	33	648	Pacific Street	Public Facilities	9	2,780	C4-4A	4	4,280	2,780	2,780	231,000	231,000	154,000
1127	35	24	6th Ave	Condominium Building	4	8,598	C4-4A	4	34,032	28,891	28,891	10,054,167	10,054,167	6,702,778
1127	35	24	6th Ave	Condominium Building	4	8,598	C4-4A	4	34,032	28,891	28,891	10,054,167	10,054,167	6,702,778
1127	43	485	Dean Street	Mixed Res & Com	3	1,938	R6B	2	3,876	6,200	6,200	1,302,000	1,302,000	868,000
1127	45	483	Dean Street	Mixed Res & Com	3	1,550	R6B	2	3,100	3,200	3,200	672,000	672,000	448,000
1127	46	481	Dean Street	Multi-Family Walk Up	2	1,550	R6B	2	3,100	3,200	3,200	672,000	672,000	448,000
1127	47	479	Dean Street	Multi-Family Walk Up	2	1,540	R6B	2	3,080	3,080	3,080	654,400	654,400	399,800
1127	48	475	Dean Street	Storage Cooperative	10	11,125	R6B	2	22,250	40,640	40,640	857,600	857,600	2,438,400
1127	50	473	Dean Street	Multi-Family Walk Up	2	2,750	R6B	2	5,500	7,800	7,800	1,600,000	1,600,000	1,200,000
1127	51	467	Dean Street	Commercial	11	8,250	R6B	2	16,500	10,000	10,000	1,800,000	1,800,000	1,200,000
1127	54	465	Dean Street	Commercial	11	2,750	R6B	2	5,500	4,908	4,908	883,440	883,440	588,960
1127	55	463	Dean Street	Multi-Family Walk Up	2	2,750	R6B	2	5,500	6,125	6,125	1,102,500	1,102,500	735,000
1127	58	461	Dean Street	Multi-Family Walk Up	2	2,750	R6B	2	5,500	5,500	5,500	990,000	990,000	660,000

Block	Lot	Address	Street	Land Use	Property Code	Land SF	Zone	Current FAR	Total Zonina SF	Building Sq. Ft.	Price Estimate	Value - High	Value Low
1128	1	NA	NA	Empty Lot	1	900	C4-4A	4	3,600	3,600	27,900	239,200	172,800
1128	2	NA	NA	Empty Lot	1	2,040	C4-4A	4	8,160	8,160	63,696	597,920	391,680
1128	4	25	8th Avenue	Commercial & Storage	11	4,052	C4-4A	4	16,208	28,530	28,530	4,775,400	3,163,800
1128	6	25	8th Avenue	Commercial & Storage	11	7,965	C4-4A	4	31,860	28,280	28,280	5,098,800	3,361,200
1128	85	485	Dean Street	Residential	2	1,540	C4-4A	4	6,160	1,200	1,200	216,000	144,000
1128	86	483	Dean Street	Residential	2	1,780	C4-4A	4	7,040	7,040	7,040	1,281,200	844,800
1128	87	481	Dean Street	Residential	2	1,860	C4-4A	4	7,440	7,440	7,440	1,281,200	844,800
1128	88	489	Dean Street	Multi-Family Walk Up	2	1,100	C4-4A	4	4,400	4,400	4,400	792,000	528,000
1128	89	487	Dean Street	Mixed Res & Com	3	1,200	C4-4A	4	4,800	2,860	2,860	558,600	372,400

Block	Lot	Address	Street	Land Use	Property Code	Land SF	Zone	Current FAR	Total Zonina SF	Building Sq. Ft.	Price Estimate	Value - High	Value Low
1118	1	181	Flabush Avenue	Parking	11	6,475	C8-1	6	38,850	2,200	22,000	264,000	176,000
1118	5	177	Flabush Avenue	Commercial	5	1,600	C8-1	6	9,600	3,900	3,900	630,000	420,000
1118	6	175	Flabush Avenue	Industrial & Manuf	6	13,500	C8-1	6	81,000	3,625	3,625	325,259	217,500
1118	21	608	Atlantic Avenue	Industrial & Manuf	6	871	C8-1	6	5,226	3,144	3,144	292,989	188,640
1118	22	610	Atlantic Avenue	Industrial & Manuf	6	1,028	C8-1	6	6,168	3,960	3,960	324,000	216,000
1118	23	612	Atlantic Avenue	Industrial & Manuf	6	1,148	C8-1	6	6,888	3,200	3,200	286,000	192,000
1118	24	614	Atlantic Avenue	Industrial & Manuf	6	1,272	C8-1	6	7,632	3,600	3,600	324,000	216,000
1118	25	615	Atlantic Avenue	Industrial & Manuf	6	2,936	C8-1	6	17,816	7,000	7,000	630,000	420,000
1118	27	620	Atlantic Avenue	Industrial & Manuf	6	1,688	C8-1	6	10,128	3,400	3,400	306,000	204,000

Block	Lot	Address	Street	Land Use	Property Code	Land SF	Zone	Current FAR	Total Zonina SF	Building Sq. Ft.	Price Estimate	Value - High	Value Low
1119	1	622	Atlantic Avenue	Transportation and Utility	5	12,200	M1-1	1	12,200	1,753	1,753	210,360	140,240
1119	64	NA	5th Avenue	Vacant Land	1	2,500	M1-1	1	2,500	2,500	130,000	160,000	120,000

SUMMARY OF SALES COMPARABLES

Zip Code-->	11217 - Boerum Center, Atlantic Center, Park Slope	2000-May 2003		11238-Clinton Hill, Fort Greene, Downtown, Prospect Heights	2000-May 2003		11205-Clinton Hill, Fort Greene, Pratt, Bed Stuy	2000-May 2003		Average Price per Sq. Ft.	Property Type
		# of Sales	Avg Price per SF		# of Sales	Avg Price per SF		# of Sales	Avg Price per SF		
	4 to 6 Family with Store	28	\$175	105	\$114	63	\$120		\$125	4 to 6 Family with Store	
	Elevator Apts with Store	0	N/A	3	\$230	0	N/A		\$230	Elevator Apts with Store	
	Warehouse	9	\$82	4	\$50	12	\$89		\$80	Warehouse	
	Factory	8	\$80	21	\$60	9	\$79		\$69	Factory	
	Garage / Serv Station	6	\$121	25	\$90	20	\$90		\$94	Garage / Serv Station	
	Hotels	0	N/A	0	N/A	1	\$700		N/A	Hotels	
	Medical Facilities	2	\$357	0	N/A	0	N/A		\$357	Medical Facilities	
	Theatres / Arts	0	N/A	0	N/A	0	N/A		N/A	Theatres / Arts	
	Commercial / Retail	4	\$160	5	\$120	6	\$76		\$113	Commercial / Retail	
	Loft Buildings	1	\$50	0	N/A	5	\$78		\$73	Loft Buildings	
	Offices	1	\$71	1	\$110	0	N/A		\$91	Offices	
	1 to 6 family with Stores	44	\$159	64	\$103	45	\$112		\$122	1 to 6 family with Stores	
	School / Learning Institution	0	N/A	0	N/A	2	\$235		\$235	School / Learning Institution	
	Miscellaneous	0	N/A	4	\$100	3	\$141		\$118	Miscellaneous	
	Total	103		232		166					

Source: Massy Knakal, REBNY, First American Realty; compiled by The Weitzman Group, Inc.

2003 LAND SALE COMPS FOR BROOKLYN
 ZIP CODES(11231,11217,11238,11216,11213,11215,11225,11232)

Address	Building Class	Zip Code	Sale Date	Sale Price	Zoning	Land Sq. Ft.	FAR	Max FAR	Price per FAR
Sullivan Street	Vacant Land	11231	8-Jan-03	\$13,500	R5	1,000	1.95	1,950	\$6.92
931 Atlantic Ave	Vacant Land	11238	26-Feb-03	\$90,000	M1-1	1,330	1	1,330	\$67.67
608 Sterling Place	Vacant Land	11238	31-Mar-03	\$72,000	R6	2,620	2.2	5,764	\$12.49
555 Brooklyn Avenue	Vacant Land	11225	15-Apr-03	\$200,000	R6	6,330	2.2	13,926	\$14.36
361 Franklin Avenue	Vacant Land	11238	10-Jan-03	\$60,000	R6	1,700	2.2	3,740	\$16.04
468 St. Johns Place	Vacant Land	11238	28-Jan-03	\$75,000	R6	2,271	2.2	4,996	\$15.01
63 Rapelye Street	Vacant Land	11231	28-Feb-03	\$79,000	M1-1	1,875	1	1,875	\$42.13
412 Lefferts Avenue	Vacant Land	11225	14-Mar-03	\$275,000	R6	2,200	2.2	4,840	\$56.82
414 Lefferts Avenue	Vacant Land	11225	14-Mar-03	\$275,000	R6	2,200	2.2	4,840	\$56.82
405 Dean Street	Vacant Land	11217	25-Feb-03	\$200,000	R6B	1,600	2	3,200	\$62.50
101 King Street	Vacant Land	11231	15-Apr-03	\$247,000	R5	5,000	1.95	9,750	\$25.33
Classon Avenue	Vacant Land	11238	7-Apr-03	\$70,000	R6	2,000	2.2	4,400	\$15.91
529 Vanderbilt Avenue	Vacant Land	11238	13-Mar-03	\$200,000	R6	1,763	2.2	3,879	\$51.56
392 St. Marks Ave	Vacant Land	11238	5-Mar-03	\$300,000	R6	5,461	2.2	12,014	\$24.97
533 Vanderbilt Avenue	Vacant Land	11238	4-Jun-03	\$170,000	M1-1	1,773	1	1,773	\$95.88
531 Vanderbilt Avenue	Vacant Land	11238	4-Jun-03	\$170,000	R6	1,773	2.2	3,901	\$43.58
									\$38.00

M zoning Avg \$68.56
 R zoning Avg \$30.95

Source: REBNY, Compiled by The Weitzman Group, Inc.

Infrastructure Cost Detail

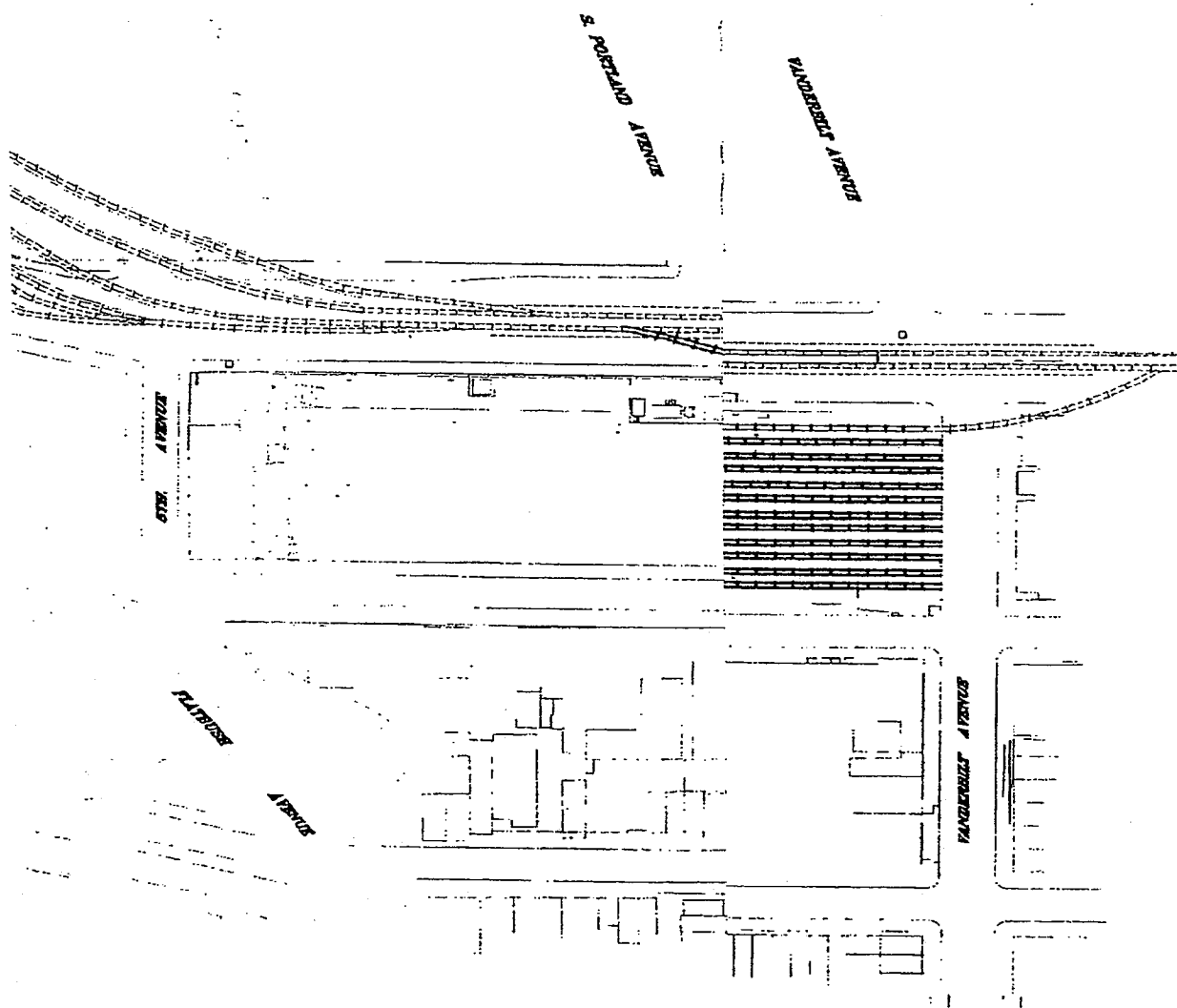
1 General Infrastructure (streets, sidewalks, street & traffic lighting, etc)				\$8,930,000
Modify and add new traffic lights at Flatbush Avenue Intersection	1 ea	250,000	500,000	
Modify and add new traffic lights at Atlantic Avenue Intersection	3 ea	250,000	750,000	
Modify and add new traffic lights at Vanderbilt Avenue Intersection	1 ea	250,000	250,000	
New sidewalk and curb around the perimeter of the blocks within the Project Site			2,016,000	
Widen Atlantic Avenue Sidewalk			756,000	
Rebuild and re-pave Dean Street, Vanderbilt and Carlton within the Project Site			3,136,000	
New street lighting around the perimeter of the blocks within the Project Site			375,000	
Widen Flatbush Avenue between Dean Street & Atlantic			1,147,000	
2. Sewer and Water Main Relocation				\$6,846,300
New 24" Drain Pipe	3400 lf	135	459,000	
Continuous Concrete Cradle	1000 cy	480	480,000	
Ballast	500 cy	70	35,000	
Piles, Driven up to 18'	580 ea	1,200	696,000	
Pipe Encasement	1000 cy	190	190,000	
Connect to Existing Sewer	6 ea	25,000	150,000	
Manholes	38 ea	30,000	1,140,000	
Sheeting	6800 lf	125	850,000	
Excavation, Backfill	13600 cy	55	748,000	
Plug Existing Sewer	4 ea	8,500	34,000	
Fill-in Existing Manholes	20 ea	1,500	30,000	
New 24" Water Line	5400 lf	120	648,000	
Connect to 36" High Pressure Line	2 lf	45,000	90,000	
Add for Shut-downs	1 cy	50,000	50,000	
Underpipe Bed	400 cy	70	28,000	
Manholes	30 cy	4,500	135,000	
Sheeting	5400 lf	50	270,000	
Excavation, Backfill	2880 ls	35	100,800	
Street Hydrants	25 set	7,500	187,500	
Gate Valves	70 pair	7,500	525,000	
3. Facilitate Private Utility Relocation ¹				\$1,000,000
4. Re-activate existing below grade pedestrian walkway across Atlantic & Flatbush Ave. ²				\$5,000,000
5. Landscape and sitework for 6 acres of publicly accessible open space				\$6,000,680
Waterproofing over Deck	261360 sf	8	1,960,200	
4" Concrete Slab over Waterproofing	261360 sf	6	1,437,480	
Planters, Walls, etc	9000 sf	40	360,000	
Top Soil	1600 cy	55	88,000	
Trees	100 ea	1,600	160,000	
Planting Material	150000 sf	1	180,000	
Benches	100 ea	750	75,000	
Pavers	80000 sf	13	1,040,000	
Design Enhancements			700,000	
6. Environmental Remediation				\$20,000,000
Blocks, 1119, 1120, 1121			\$18,000,000	
Gas Stations (1 @ \$1,000,000 each)			\$1,000,000	
Auto Service Shops (1 @ \$500,000)			\$500,000	
Blocks 1118, 1127			\$500,000	
7. LIRR Track Relocation				\$25,000,000
Track Removal and Relocation			8,500,000	
Power and Signalization Work			4,000,000	
Construction and Switches			7,500,000	
8. Condemnation & Site Acquisition				\$60,000,000

Total:	\$132,776,980
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Notes:

¹ Public Utility Companies must relocate from condemned streets at their own expense

² 8900sf @ 2 levels of new control area, escalators, upgrading the passage per MTA standards.

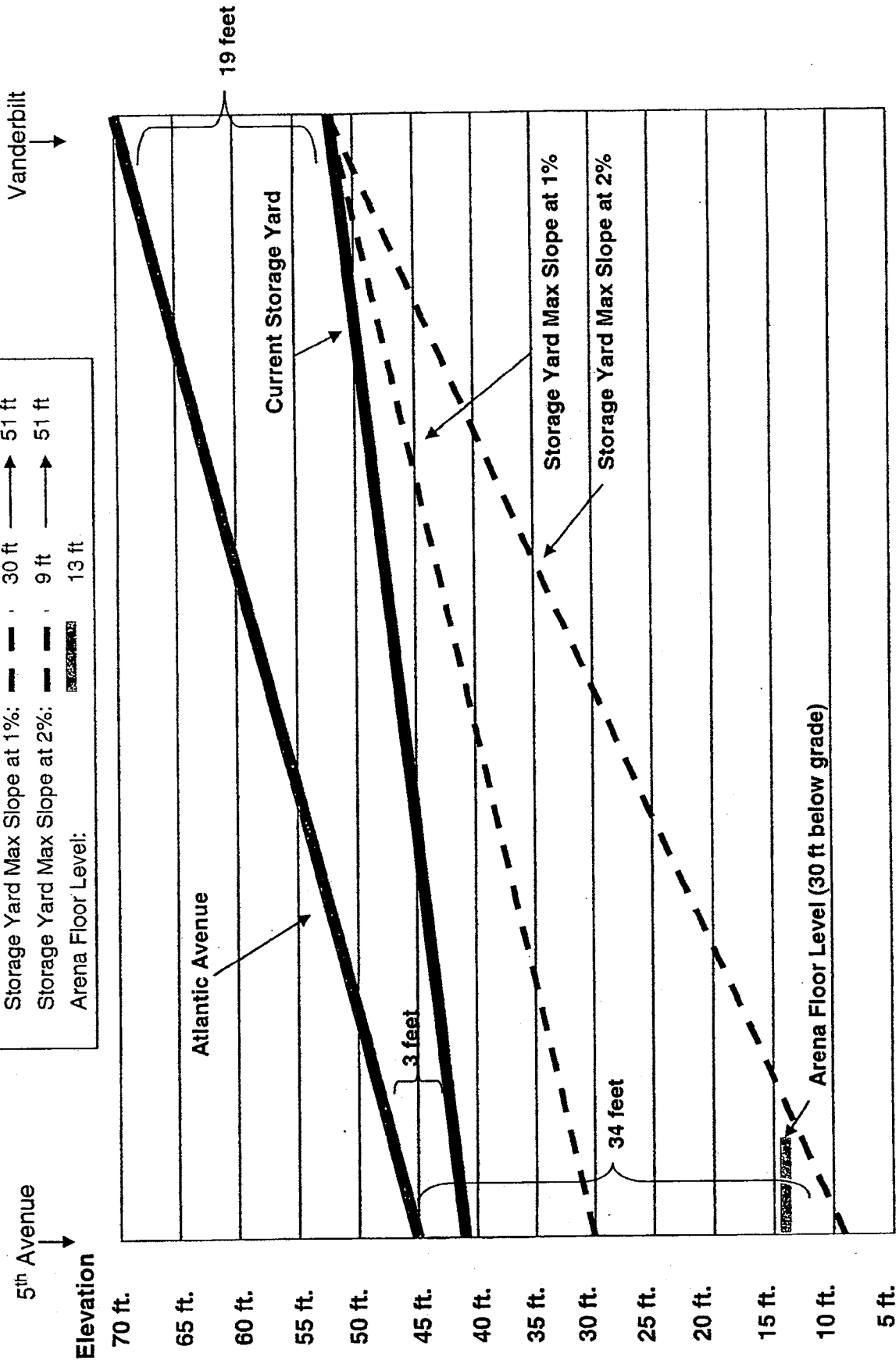


DILLMER ASSOCIATES LLP

Engineers
Architects
Landscape Architects
Planners

Summary of Elevations

Atlantic Avenue:	43 ft	→	70 ft
Current Storage Yard:	41 ft	→	51 ft
Storage Yard Max Slope at 1%:	30 ft	→	51 ft
Storage Yard Max Slope at 2%:	9 ft	→	51 ft
Arena Floor Level:	13 ft		



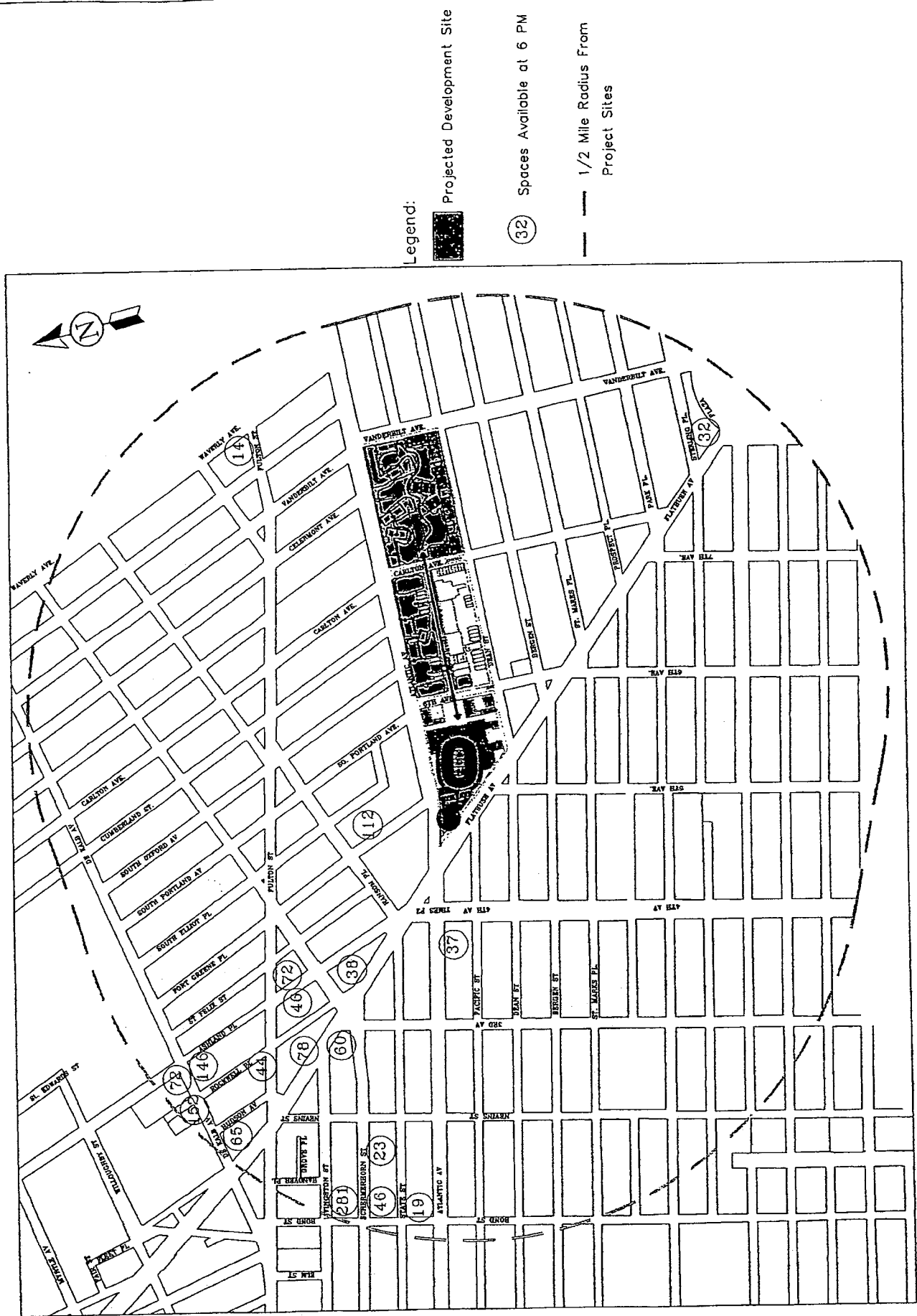
Note: Elevations are in relation to the Brooklyn Borough President Sewer Datum which is 1.72 ft above the mean sea level at Sandy Hook

**Table 1
Off-Street Parking Utilization**

TIME	Parking Facilities Within 1/2 Mile Radius																	Demand	% Utilization	Available Capacity		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17					
	#22(BAM North)	#46(BAM South)	#1(Atlantic Center)	#47	#23	#27	#25	#17	#24	#10	#7	#6	#4	B	C	D	F					
Capacity	140	110	650	322	130	606	100	50	40	140	328	316	155	95	80	30	69	3,361				
12-1 AM	N/A	N/A	225	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
1-2 AM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2-3 AM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
3-4 AM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
4-5 AM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
5-6 AM	1	3	N/A	57	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
6-7 AM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
7-8 AM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
8-9 AM	56	55	N/A	N/A	N/A	N/A	N/A	15	32	133	197	265	124	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
9-10 AM	64	46	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	155	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
10-11 AM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
11-12 AM	112	94	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
12-1 PM	103	82	N/A	305	N/A	N/A	N/A	48	40	84	263	316	85	N/A	N/A	N/A	62	N/A	N/A	N/A	N/A	
1-2 PM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2-3 PM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3-4 PM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4-5 PM	75	66	N/A	217	74	345	57	28	23	80	187	180	88	N/A	N/A	N/A	39	2,146	N/A	N/A	N/A	1,215
5-6 PM	62	72	538	204	70	325	54	27	21	75	176	170	83	51	43	16	37	2,024	64%	1,337		
6-7 PM	48	78	521	192	66	309	51	26	20	71	167	161	79	48	41	15	35	1,929	60%	1,432		
7-8 PM	35	83	463	178	63	293	48	24	19	68	158	153	75	46	39	14	33	1,791	57%	1,432		
8-9 PM	21	89	351	165	57	265	44	22	18	61	144	136	68	42	35	13	30	1,563	53%	1,570		
9-10 PM	N/A	N/A	N/A	N/A	51	238	39	20	16	55	129	124	61	37	31	12	27	N/A	N/A	N/A	N/A	N/A
10-11 PM	N/A	N/A	N/A	N/A	48	224	37	18	15	52	121	117	57	35	30	11	25	N/A	N/A	N/A	N/A	N/A
11-12 PM	N/A	N/A	N/A	N/A	48	224	37	18	15	52	121	117	57	35	30	11	25	N/A	N/A	N/A	N/A	N/A

Notes:
 * Includes new office/retail demand
 #22: Rockwell Car Park, LLC; 29-31 Flatbush Avenue/ 574-578 Fulton Street/ 62-70 Rockwell Place; License # 1080614
 #46: Amber Car Park, LLC; 10 Lafayette Avenue; License # not posted
 #1: Edison Henson, LLC; 625 Atlantic Avenue; License # 951349
 #47: Amber Car Park, LLC; 258 Ashland Place; License # 1021918, 1021919, 1021920, 1021922, 986471
 #23: Impark 365, LLC; 365 Schermerhorn Street; License # 1107700
 #27: Livingston & Bond Municipal Garage; 300 Livingston Street; License # N/A
 #25: Paul's Parking; 252-286 Schermerhorn Street; License # 1107700
 #17: Impark 365, LLC; 300 Schermerhorn Street; License # 1107700
 #24: Teddy's Parking System; 71-77 Bond Street; License # 365142
 #10: Edison Parking Management; 395 Flatbush Avenue Extension; License # 0978218
 #7: Sharom Park, Inc.; 85 Dekalb Avenue; License # 6988933
 #6: Discount Parking, Inc.; 180 Ashland Place; License # 1009614
 #4: BHC Car Park, LLC; 97-103 Dekalb Avenue; License # 1019609
 B: 622 Fulton Street; License # 1026759
 C: 553 Atlantic Avenue; License # 1030282
 D: Waverly Avenue/Fulton; License # not posted
 F: 405 Flatbush Avenue; License # 1030813

ATLANTIC ARENA
 Figure 1
 Off-Street Parking Spaces Available Within the Study Area at 6 PM



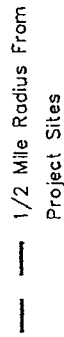
Legend:



Projected Development Site



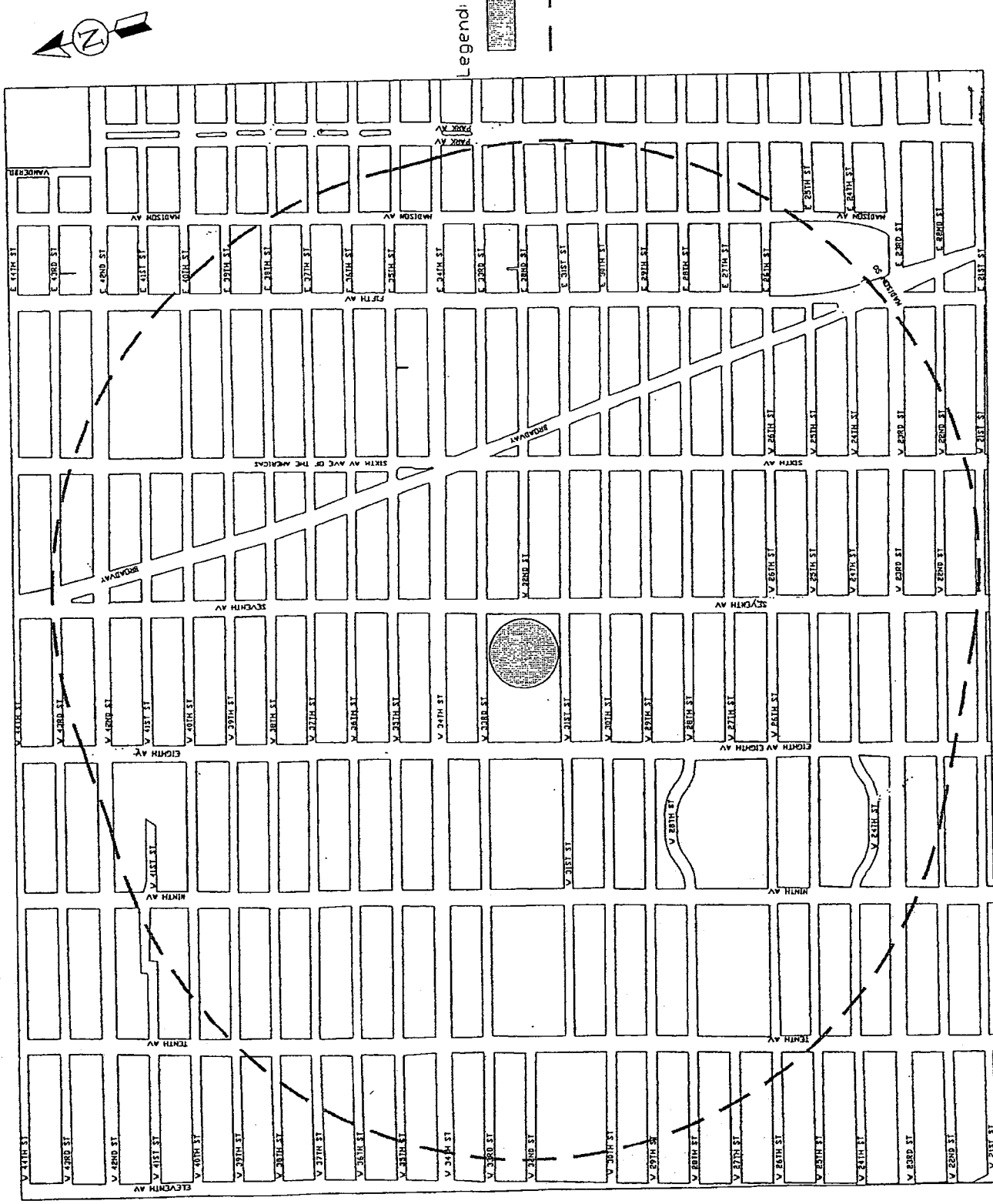
Spaces Available at 6 PM





1/2 Mile Radius From Project Sites

Figure 2
Madison Square Garden

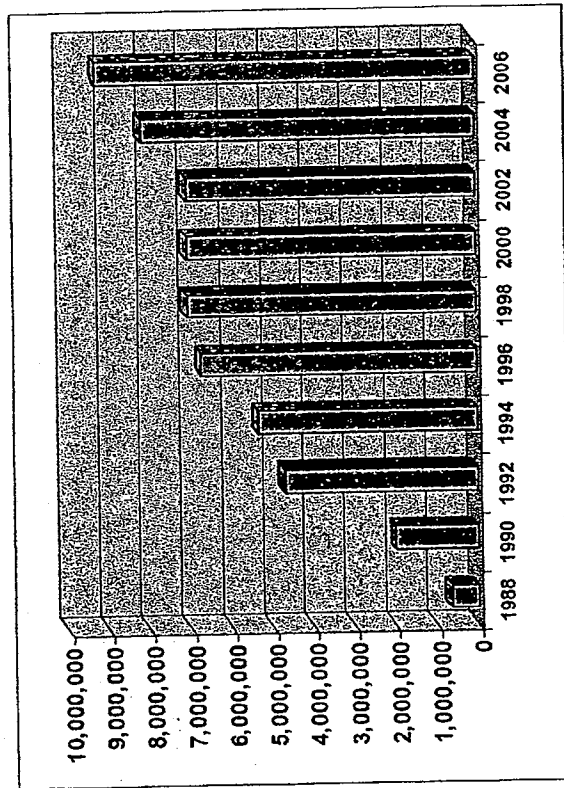
ATLANTIC AVENUE



Legend:

-  Madison Square Garden
-  1/2 Mile Radius From Madison Square Garden

Since 1988 (15 Yrs), Downtown Brooklyn Has Absorbed 600,000 SF of New Office Space Per Year

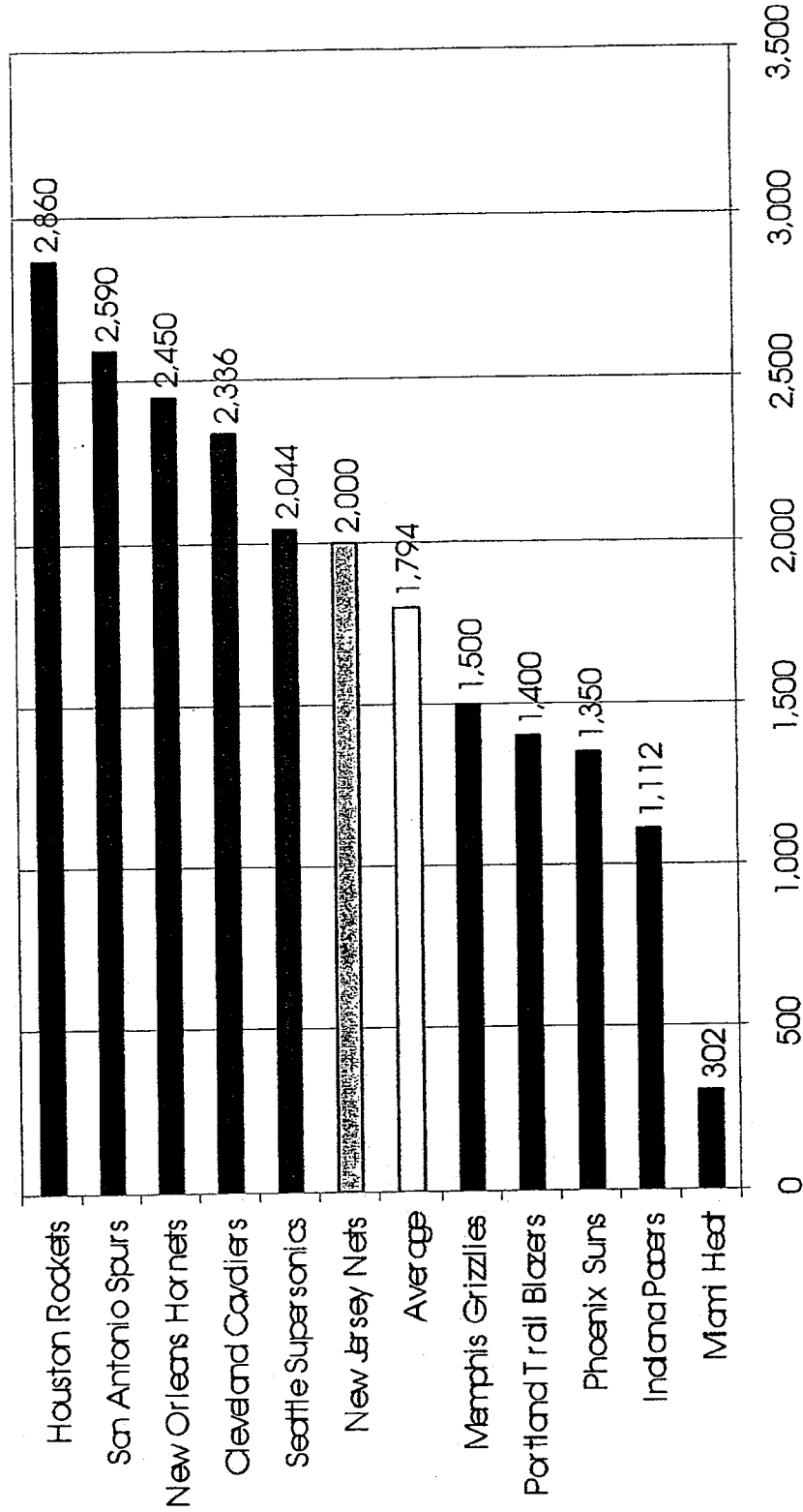


Building	Date Completed	Total Square Feet
One Pierrepont Plaza	1988	650,000
Livingston Plaza	1989	800,000
2 MetroTech	1990	520,000
3 MetroTech	1991	600,000
4 MetroTech	1991	1,200,000
1 MetroTech	1992	933,000
10 MetroTech	1993	410,000
11 MetroTech	1993	216,000
9 MetroTech North	1996	317,000
Renaissance Plaza	1997	1,400,000
9 MetroTech South	2003	680,000
Atlantic Terminal	2004	400,000
12 MetroTech	2005	1,100,000
TOTAL		9,226,000



Supplemental Arena Info - Club Seats

New NBA-Only Arenas

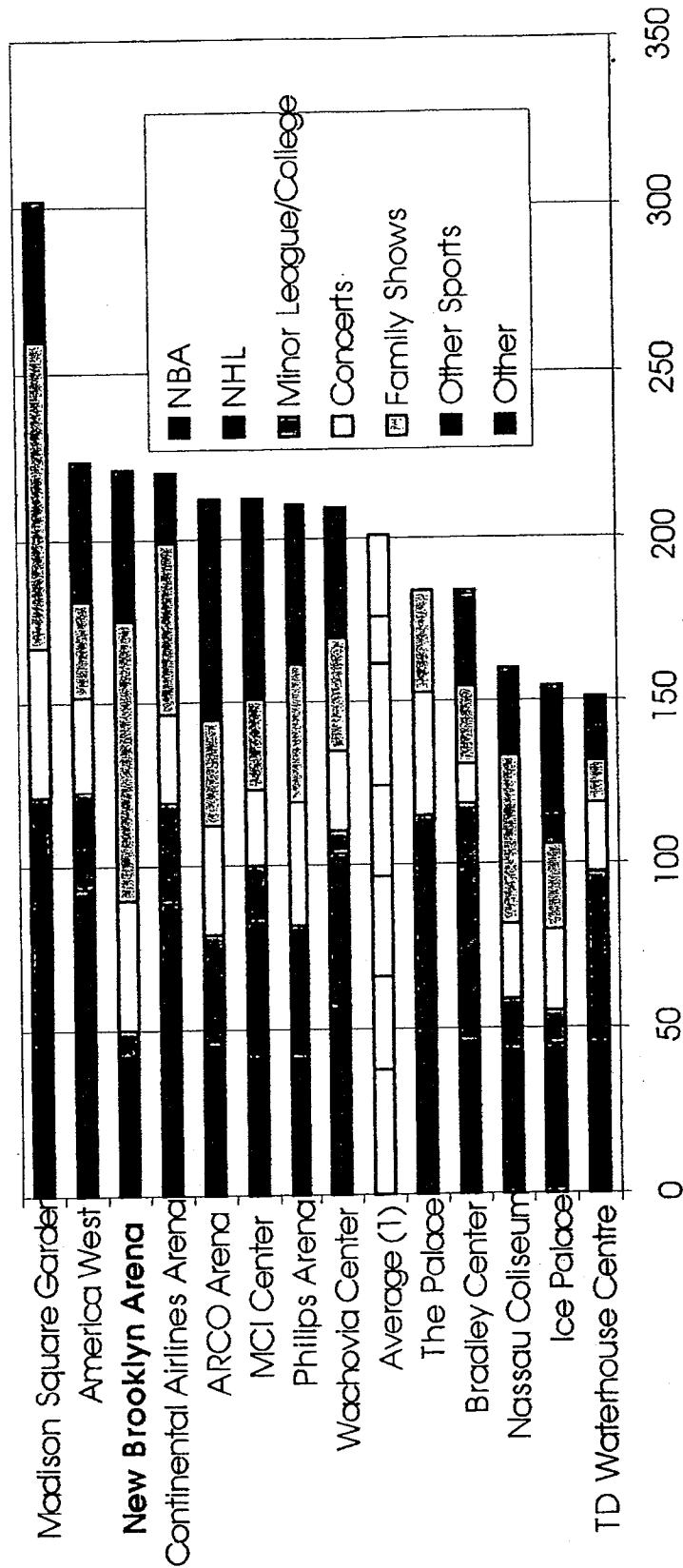


• Average excludes Nets estimated club seat inventory in Brooklyn Arena.

• Source: Arena management and industry publications.



Supplemental Arena Info - Events



(1) Average excludes New Brooklyn Arena event estimates



Supplemental Arena Info Events (con't)

	TD Wferhouse Centre	Ice Palace	Nassau Coliseum	Bradley Center	The Palace	Average (1)	Wachovia Center	Phillips Arena	MCI Center	ARCO Arena	Continental Airlines Arena	New York Arenas	America West	Madison Square Garden
tenant Events	45	0	0	45	48	38	56	41	41	45	45	42	47	45
BA	0	45	43	1	0	28	48	41	42	0	44	0	46	44
HL	53	10	16	73	67	31	7	0	17	34	31	18	30	32
Minor League/College	98	55	59	119	115	99	111	82	100	79	120	50	123	121
Total Tenant Events														
Other Events	21	25	23	12	38	29	24	38	24	34	27	40	29	46
Sports	13	26	52	24	31	37	35	42	27	32	52	185	29	92
Family Shows	10	8	13	26	0	14	14	6	22	40	10	15	3	12
Other Sports	9	41	13	3	0	24	25	42	39	27	11	131	39	31
Other	53	100	101	65	69	103	98	128	112	133	100	171	100	181
Total Other Events														
Total Events	151	155	160	184	184	202	209	210	212	212	220	221	223	302

(1) Average excludes Brooklyn Arena events