

FORESTCITYRATNER
C O M P A N I E S



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

September 29, 2003

Table of Contents

- 1 Presentation
- 2 One Team Arena Proforma
- 3 One-Team/Two Team Tax Summary and Detail
- 4 UBS Municipal Finance Analysis
- 5 Housing/Office/Retail Cash Flow & Proformas
- 6 RIMS Analysis To Date
- 7 Condemnation Cost Summary
- 8 Parking Supply Analysis
- 9 Historical Office Development Rate in Downtown Brooklyn

The Development

Site Area

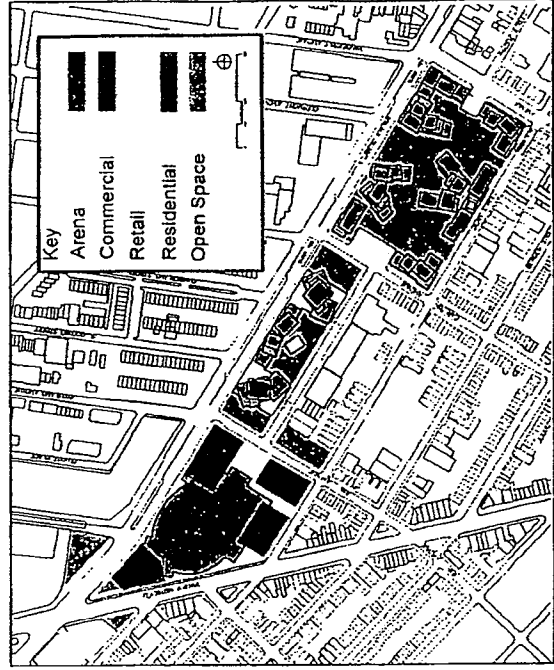
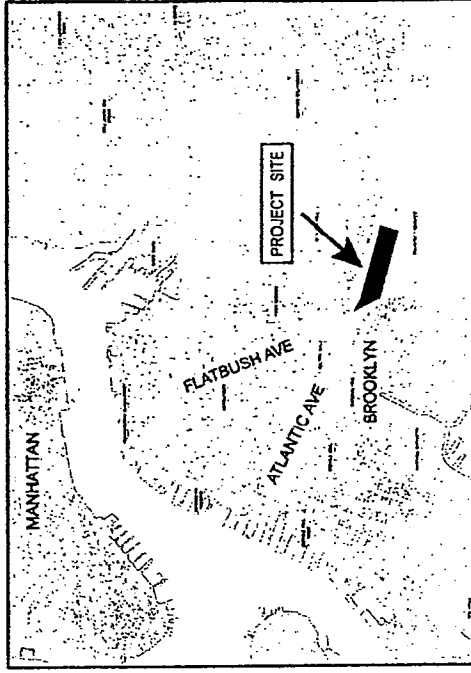
- 1.18 million SF, including streets

Arena

- 750,000 SF
 - 20,500 Seats
 - 125 to 150 Suites
 - 2,000 Club Seats

Mixed-Use Development

- 6.3 million square feet:
 - 2.5 MM SF of office
 - 3.5 MM SF of residential (4,000 Units)
 - 300k SF of retail
 - 6+ acres of publicly accessible open space
 - Built out over 10 years
- Total Real Estate Development Cost of \$2.0 billion**



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

6

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					
11	Soft Costs:				
12	A & E Base	\$		\$	20,000,000
13	A & E - Consultants				5,000,000
14	A & E Reimbursables & Blueprinting				2,000,000
15	Architecture & Engineering	\$		\$	27,000,000
16					
17	Legal	\$		\$	3,000,000
18					
19	ULURP/SEQRA/SEIS	\$		\$	1,000,000
20	Project Expenses (1)				5,000,000
21	Other Costs	\$		\$	6,000,000
22					
23	Total Soft Costs	\$		\$	36,000,000
24					
25	Total Project Costs	\$		\$	385,725,000
26					
1	Financing Costs:				
2	Capitalized Interest (2)	\$		\$	33,931,748
3	Reinvestment Income		2.00%		(6,437,828)
4	Cost of Issuance and Other Financing Fees				5,893,028
5	Debt Service Reserve				9,000,000
6	Title Insurance Fee				1,800,000
7	Total Financing Costs				42,186,948
	Total Project and Financing Costs				\$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)		Funded Amount ¹
Total City & State Payments Derived from Tax Revenue	Payment \$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/(Cap)		\$1,134

Public Sector to Realize \$3.1 MM/Year in Net Tax Revenue from the Arena

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

1. Net present value of tax payments at 5.5% annuitized at 5.5%

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

	Projected											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
\$ in thousands												
\$200,000												
Nets Equity Investment												
Revenue												
Rent from Ticket Sales (Non-premium)												
Suite Revenues												
Club/Floor Seat Revenues												
Concessions Revenues												
Novelties Revenues												
Other Revenue												
Total Revenue	\$5,506	\$6,114	\$5,802	\$6,114	\$6,442	\$6,114	\$6,442	\$6,787	\$7,083	\$7,393	\$7,717	\$7,717
Operating Expenses												
Payment to Arena Company	26,785	30,655	28,655	30,655	32,820	35,107	37,393	39,242	40,581	42,430	44,279	46,128
Total Expense	5,270	5,458	5,458	5,648	5,847	6,053	6,266	6,486	6,715	6,938	7,167	7,393
Arena EBITDA	7,969	8,393	8,393	8,634	8,923	9,313	9,717	10,203	10,368	10,455	10,550	10,624
Operating Expenses	1,012	1,085	1,085	1,162	1,245	1,331	1,384	1,436	1,488	1,535	1,581	1,628
Payment to Arena Company	18,328	18,484	18,484	18,645	18,810	18,980	19,155	19,335	19,521	19,711	19,902	20,093
Total Expense	\$24,370	\$24,573	\$24,573	\$24,807	\$25,055	\$25,311	\$25,579	\$25,850	\$26,125	\$26,406	\$26,691	\$26,971
Total Revenue	\$5,506	\$6,114	\$5,802	\$6,114	\$6,442	\$6,114	\$6,442	\$6,787	\$7,083	\$7,393	\$7,717	\$7,717
Total Expense	\$24,370	\$24,573	\$24,573	\$24,807	\$25,055	\$25,311	\$25,579	\$25,850	\$26,125	\$26,406	\$26,691	\$26,971
Total Investment Cash Flow	(\$18,864)	(\$18,459)	(\$18,771)	(\$18,693)	(\$18,613)	(\$18,533)	(\$18,453)	(\$18,373)	(\$18,293)	(\$18,213)	(\$18,133)	(\$18,053)
Total Investment IRR	8.7%											

Infrastructure, Condemnation & Parking

Infrastructure & Condemnation Costs of \$133 million

Arena Infrastructure & Condemnation Cost Estimate	
1. General Infrastructure (streets, sidewalks, street & traffic lighting, etc)	\$8,930,000
2. Sewer and Water Main Relocation	\$6,800,000
3. Facilitate Private Utility Relocation ¹	\$1,000,000
4. Re-activate existing below grade pedestrian walkway across Atlantic & Flatbush Avenue ²	\$5,000,000
11. Landscape and sitework for 6 acres of publicly accessible open space	\$6,000,000
12. Environmental Remediation	\$20,000,000
13. LIRR Track Relocation	\$25,000,000
14. 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 NPV of \$86 MM 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	\$299,533
Arena Wage Taxes	\$48,432
Total Wage Taxes	\$347,964
Real Estate Ground Rent (\$1.5/SF) ¹	\$95,584
Total Arena, Parking, 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
Public Sector Cash Benefit	\$404,524

1. Assumes flat ground rent payments

Parking

PARKING GARAGE PROFORMA	
Development Costs	
No. of Parking Spaces	Total 1,100
Cost Per Space	\$35,000
Total Project Costs	\$38,500,000
Financing (1)	(\$38,500,000)
Equity	\$0
Cash Flow	
Revenue (2) (3)	Total \$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 NPV of \$131 MM after All Payments

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

1. Assumes flat 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

	1	2	3	4	5	6	7	8	9	10	11
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
SF of Office Developed	500,000	500,000	500,000	500,000	60,000	500,000	500,000	500,000			
SF of Retail Developed	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000			
SF of Residential Rental Developed	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000			
SF of Residential Condo Developed	245,000	245,000	245,000	245,000							
	(36,216)	(36,216)	(36,216)	(36,216)	25,166	(36,216)	(36,216)	28,727	17,358	38,156	38,849
Total Office Equity											
Total Office Cash Flow											
Total Office Net Proceeds from Sale											
Total Net Cash Flow	(36,216)	(36,216)	(31,848)	(31,848)	25,166	(12,549)	(26,110)	28,727	17,358	38,156	443,721
IRR	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%
	(3,158)	(3,158)	(3,158)	(3,158)	577	2,077	(2,415)	1,391	2,824	1,732	1,895
Total Retail Equity											
Total Retail Cash Flow											
Total Retail Net Proceeds from Sale											
Total Net Cash Flow	(3,158)	(3,158)	(1,405)	(1,405)	(2,581)	2,077	(743)	1,391	2,824	1,732	37,917
IRR	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%
	(25,206)	(25,206)	(25,206)	(25,206)	18,974	(21,691)	(24,515)	27,444	30,475	19,730	20,458
Total Residential Rental Equity											
Total Residential Rental Cash Flow											
Total Residential Rental Net Proceeds from Sale											
Total Net Cash Flow	(25,206)	(25,206)	(8,838)	(8,838)	(6,232)	(3,515)	(691)	27,444	30,475	19,730	343,753
IRR	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%
	(21,511)	(21,511)	(21,511)	(21,511)	36,958	36,958	36,958	10,983			
Total Residential Condo Equity											
Total Residential Condo Cash Flow											
Total Net Cash Flow	(21,511)	(21,511)	(21,511)	(21,511)	15,447	36,958	36,958	10,983			
IRR	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%	22.6%
	(64,580)	(64,580)	(46,717)	(46,090)	(49,675)	(81,422)	(64,580)	68,546	50,657	59,618	61,192
Total Project Equity											
Total Project Cash Flow											
Total Project Net Sales Proceeds											
TOTAL PROJECT NET CASH FLOW	(64,580)	(64,580)	(37,625)	(37,625)	31,801	22,970	8,415	68,546	50,657	59,618	803,506
IRR	22.6%	22.6%	22.6%	22.6%	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	2007	2008	2009	2010	2011	2012	2013	2014
Total Equity Requirement	(\$200,000)											
Arena EBITDA					19,500	21,815	23,880	26,365	28,977	31,389	33,345	34,769
Net EBITDA		(40,733)	(9,098)	(1,869)	4,745	5,251	5,793	6,373	6,994	7,657	8,368	9,128
Total EBITDA (Arena & Team)		(40,733)	(9,098)	(1,869)	24,245	26,866	29,673	32,738	35,970	39,046	41,712	43,897
Total Interest Expense		(9,000)	(4,000)	(4,500)	(5,000)	(5,500)	(5,500)	(5,500)	(5,500)	(5,500)	(5,500)	(5,500)
Terminal Value (Equity Value of Team & Arena)												338,989
Total Arena & Team Cash Flow	(200,000)	(43,733)	(12,098)	(6,369)	19,245	21,366	24,173	27,238	30,470	33,546	36,212	377,366
Arena and Team IRR												12.7%
Real Estate Cash Flow												
Terminal Value of Real Estate		(32,290)	(43,011)	(15,638)	(18,813)	15,900	11,485	4,707	34,273	25,328	29,809	30,596
Total Real Estate Cash Flow		(32,290)	(43,011)	(15,638)	(18,813)	15,900	11,485	4,707	34,273	25,328	29,809	442,349
Real Estate IRR												12.6%
Total Investment Cash Flow	(200,000)	(76,023)	(52,109)	(22,007)	1,432	37,266	35,658	31,945	64,743	50,656	59,621	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		
	Total Direct	Total Direct/Indirect
Jobs Created (Person-Years)	12,308	23,374
City / State Tax Revenue	\$140 Million	\$224 Million
Effect on Economy (Spending)	\$2.8 Billion	\$5.6 Billion

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 \$3.1 MM/Year in Net Tax Revenue and NPV of \$116 MM 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 and Mixed Use Development

An Investment in the Community

September 29, 2003

Highly Confidential

**Brooklyn Arena
One Team Proforma**

ousands

	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	886	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
Sign Rights	0	0	0	0	0	0	0	0
Sign 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**

ousands

	2007	2008	2009	2010	2011	2012	2013	2014
--	------	------	------	------	------	------	------	------

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	\$2,116	\$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
Avg. Attendance (non-premium)	12,000	12,120	12,241	12,364	12,487	12,612	12,738	12,866
Less: Comp. Contingency	(1,800)	(1,818)	(1,836.18)	(1,854.5418)	(1,873.08722)	(1,891.81809)	(1,910.736271)	(1,929.843634)
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	\$36,615	\$37,050	\$38,543
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	\$32,543	\$33,854	\$35,219
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	\$28.86	\$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)	(954)	(1,003)	(1,043)	(1,085)	(1,129)	(1,174)	(1,221)
Net Total Revenues	\$9,814	\$10,209	\$10,621	\$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**

Thousands

	2007	2008	2009	2010	2011	2012	2013	2014
F. Suite 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	9,181	9,273	9,365	9,459	9,554	9,649
Less: Comp. Contingency	(1,350)	(1,364)	(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	(128)	(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/Devis								
AAA Suites Rented	33	34	35	36	37	38	39	39
Average Price	\$258,193	\$267,229	\$276,582	\$286,263	\$296,282	\$306,652	\$317,385	\$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	\$28,857	\$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

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	\$61.49	\$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)	(\$366)	(\$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	3,009	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	\$1,361
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
One Team Proforma**

ousands

	2007	2008	2009	2010	2011	2012	2013	2014
Monthly Shows	59	59	59	59	59	59	59	59
Number of Events	102	105	108	111	115	118	120	120
Suites Rented per Event	5,967	6,146	6,330	6,520	6,716	6,917	7,020	7,020
Total Suites Rented								
Tickets/Suite	14	14	14	14	14	14	14	14
Avg. Price/Ticket	\$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	\$2,784	\$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								
<i>Club Seats</i>								
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
<i>Floor Seats</i>								
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	\$28,030	\$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	\$24,935	\$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
One Team Proforma**

ousands	2007	2008	2009	2010	2011	2012	2013	2014
Arts								
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Club Seat Revenue to Arena	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Family Shows								
Number of Events	42	42	42	42	42	42	42	42
Club Seats per Event								
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Club Seat Revenue to Arena	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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	\$3,229	\$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
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	568,726	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
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)	(571)	(603)	(633)
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	497,920	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	444,622	449,069	453,559	458,086	462,676	467,302	471,976
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)	(226)	(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

	2017	2018	2019	2020	2021	2022	2023	2024
--	------	------	------	------	------	------	------	------

C 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	\$2,863	\$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	66,658	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	36	35
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	\$1,661	\$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	\$290	\$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**

Thousands

2007 2008 2009 2010 2011 2012 2013 2014

I. Seats (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	\$8,939
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	\$826	\$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	\$1.80	\$1.85	\$1.90	\$1.96	\$2.02	\$2.08
Total Novelties	\$469	\$488	\$502	\$532	\$548	\$565	\$582	\$599
Less: Sales Tax on Novelties	(40)	(42)	(43)	(46)	(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	483,285	488,118	492,899	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	444,622	449,068	453,559	458,095	462,676	467,302	471,975
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	(180)	(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
Share of Novelties to Arena	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

