



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

September 29, 2003

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The Development

Site Area

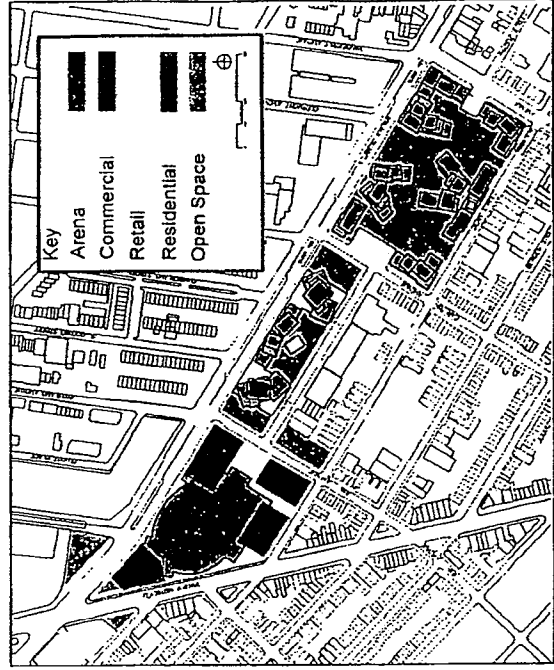
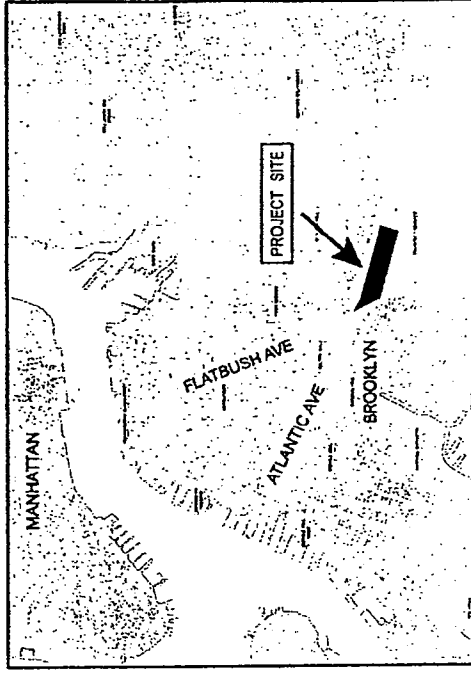
- 1.18 million SF, including streets

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

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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					
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				41,166,948
8					
9	Total Project and Financing Costs				\$426,891,948

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/(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
		NPV at 5.5% (30 Years)
Total Admissions Sales Tax	\$16,210	\$235,585
Total Concessions Sales Tax	\$3,217	\$46,758
Total Novelty Sales Tax	\$1,666	\$24,207
Total City & State Sales Tax	\$21,092	\$306,551
<i>Source: 10/13/10</i>		
Uses (In \$000's)		30 Year
Tax Payments	Annual Lease Payments	Aggregate Payments
		NPV at 5.5% (30 Years)
City Tax Payment	\$9,000	\$130,804
State Tax Payment	\$9,000	\$130,804
Total City & State Tax Payments	\$18,000	\$261,607
Tax Surplus/(Gap)	\$3,092	\$44,944
		\$178,673

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												
Net 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	26,785	55,802	\$6,114	\$6,442	\$6,787	\$7,083	\$7,393	\$7,717	\$8,042	\$8,368	\$8,692
Operating Expenses												
Payment to Arena Company												
Total Expense	28,655	5,270	5,458	5,648	5,847	6,053	6,266	6,486	6,715	6,944	7,172	7,400
Arena EBITDA	\$19,500	\$45,370	\$46,261	\$47,177	\$48,122	\$49,094	\$50,096	\$51,128	\$52,191	\$53,245	\$54,310	\$55,382
Net EBITDA	(\$40,733)	(\$40,733)	(\$1,869)	(\$1,869)	(\$1,869)	(\$1,869)	(\$1,869)	(\$1,869)	(\$1,869)	(\$1,869)	(\$1,869)	(\$1,869)
Total EBITDA (Arena & Team)	(\$3,000)	(\$3,000)	(\$4,500)	(\$4,500)	(\$4,500)	(\$4,500)	(\$4,500)	(\$4,500)	(\$4,500)	(\$4,500)	(\$4,500)	(\$4,500)
Net Interest Expense												
Terminal Value (Equity Value of Team & Arena)												
Total Investment Cash Flow	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Total Investment IRR												

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	\$127,733
Arena Wage Taxes	\$20,889
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	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)	\$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			
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, Parking, and Real Estate	\$550,757	\$1,280,927	
Uses			
Tax 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, 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 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013	11 2014
SF of Office Developed	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	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	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	360,000	360,000	360,000
SF of Residential Condo Developed	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000
	(36,216)	(36,216)	(36,216)	(36,216)	(36,216)	(36,216)	(36,216)	(36,216)	(36,216)	(36,216)	(36,216)
Total Office Equity											
Total Office Cash Flow											
Total Office Net Proceeds from Sale											
Total Net Cash Flow											
IRR											
Total Retail Equity											
Total Retail Cash Flow											
Total Retail Net Proceeds from Sale											
Total Net Cash Flow											
IRR											
Total Residential Rental Equity											
Total Residential Rental Cash Flow											
Total Residential Rental Net Proceeds from Sale											
Total Net Cash Flow											
IRR											
Total Residential Condo Equity											
Total Residential Condo Cash Flow											
Total Residential Condo Net Proceeds from Sale											
Total Net Cash Flow											
IRR											
Total Project Equity											
Total Project Cash Flow											
Total Project Net Sales Proceeds											
TOTAL PROJECT NET CASH FLOW											
IRR											

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
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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	\$2,116	\$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/Deviils								
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								
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	5,967	6,146	6,330	6,520	6,716	6,917	7,020	7,020
Tickets/Suite								
Avg. Price/Ticket	\$26.41	\$27.20	\$28.01	\$28.86	\$29.72	\$30.61	\$31.53	\$32.48
Suite Ticket Revenue								
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								
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								
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								
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								
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								
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								
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
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	449,068	453,559	458,085	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)	(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
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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)

	2007	2008	2009	2010	2011	2012	2013	2014
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	(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
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

**Brooklyn Arena
One Team Proforma**

ousands

2007 2008 2009 2010 2011 2012 2013 2014

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	69,529	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
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)	(4,942)	(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
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)	(4,629)	(4,768)	(4,838)	(4,838)
Turnstile Attendance	45,982	47,361	48,782	51,681	53,231	54,828	55,642	55,642
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	(6,911)	(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

\$ in thousands

SUMMARY OF CITY AND STATE TAXES GENERATED

ADMISSIONS SALES TAX

Non-Premium Ticket Sales Tax	\$372,313	\$158,313	\$10,893	\$6,552	\$7,445	\$7,931	\$8,446	\$8,853	\$9,301	\$9,751
Premium Ticket Sales Tax	128,315	\$54,354	3,740	2,591	2,770	2,864	2,951	3,052	3,166	3,273
Suite Sales Tax	53,888	\$22,918	1,577	929	1,071	1,152	1,236	1,311	1,371	1,412
Total Admissions Sales Tax	\$552,516	\$235,585	\$16,210	\$10,073	\$11,286	\$11,947	\$12,643	\$13,236	\$13,837	\$14,447

CONCESSIONS SALES TAX

Non-Premium Concessions Sales Tax	\$71,133	\$30,496	\$2,098	\$1,375	\$1,514	\$1,591	\$1,669	\$1,727	\$1,787	\$1,850
Premium Concessions Sales Tax	38,218	\$16,253	1,119	666	763	819	878	930	972	1,001
Total Concessions Sales Tax	\$109,351	\$46,758	\$3,217	\$2,042	\$2,277	\$2,411	\$2,545	\$2,657	\$2,759	\$2,850

NOVELTY SALES TAX

Non-Premium Novelty Sales Tax	\$45,153	\$20,960	\$1,442	\$876	\$938	\$1,003	\$1,146	\$1,191	\$1,237	\$1,285
Premium Novelty Sales Tax	7,653	\$3,247	\$223	126	149	162	176	187	195	201
Total Novelty Sales Tax	\$56,806	\$24,207	\$1,666	\$1,002	\$1,075	\$1,235	\$1,322	\$1,377	\$1,432	\$1,486

TOTAL CITY & STATE SALES TAX

	\$718,673	\$306,551	\$21,082	\$13,117	\$13,895	\$14,715	\$15,593	\$16,511	\$17,270	\$18,028
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NETS / DEVILS WAGE TAXES

Player Salaries	\$256,889	\$110,444	\$7,599	\$4,813	\$5,307	\$5,572	\$5,851	\$6,143	\$6,450	\$6,773
Executive Salaries	16,217	\$6,916	476	301	332	349	366	385	404	424
Team Staff Salaries (Including Coaches)	24,326	\$10,374	714	452	498	523	550	577	606	636
Total Nets / Devils Wage Taxes	\$299,533	\$127,733	\$8,789	\$5,567	\$5,845	\$6,444	\$6,767	\$7,105	\$7,460	\$7,833

ARENA WAGE TAXES

	\$48,432	\$20,869	\$1,437	\$1,018	\$1,080	\$1,112	\$1,146	\$1,180	\$1,216	\$1,252
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TOTAL CITY AND STATE TAXES GENERATED

	\$1,066,637	\$455,173	\$31,318	\$19,702	\$20,788	\$21,933	\$23,150	\$24,423	\$25,555	\$26,704
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5.5%

APPROPRIATE NPV ANNUITY

	\$372,313	\$158,313	\$10,893	\$6,552	\$7,445	\$7,931	\$8,446	\$8,853	\$9,301	\$9,751
	128,315	\$54,354	3,740	2,591	2,770	2,864	2,951	3,052	3,166	3,273
	53,888	\$22,918	1,577	929	1,071	1,152	1,236	1,311	1,371	1,412
	\$552,516	\$235,585	\$16,210	\$10,073	\$11,286	\$11,947	\$12,643	\$13,236	\$13,837	\$14,447

	\$71,133	\$30,496	\$2,098	\$1,375	\$1,514	\$1,591	\$1,669	\$1,727	\$1,787	\$1,850
	38,218	\$16,253	1,119	666	763	819	878	930	972	1,001
	\$109,351	\$46,758	\$3,217	\$2,042	\$2,277	\$2,411	\$2,545	\$2,657	\$2,759	\$2,850

	\$45,153	\$20,960	\$1,442	\$876	\$938	\$1,003	\$1,146	\$1,191	\$1,237	\$1,285
	7,653	\$3,247	\$223	126	149	162	176	187	195	201
	\$56,806	\$24,207	\$1,666	\$1,002	\$1,075	\$1,235	\$1,322	\$1,377	\$1,432	\$1,486

	\$718,673	\$306,551	\$21,082	\$13,117	\$13,895	\$14,715	\$15,593	\$16,511	\$17,270	\$18,028
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	\$256,889	\$110,444	\$7,599	\$4,813	\$5,307	\$5,572	\$5,851	\$6,143	\$6,450	\$6,773
	16,217	\$6,916	476	301	332	349	366	385	404	424
	24,326	\$10,374	714	452	498	523	550	577	606	636
	\$299,533	\$127,733	\$8,789	\$5,567	\$5,845	\$6,444	\$6,767	\$7,105	\$7,460	\$7,833

	\$48,432	\$20,869	\$1,437	\$1,018	\$1,080	\$1,112	\$1,146	\$1,180	\$1,216	\$1,252
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	\$1,066,637	\$455,173	\$31,318	\$19,702	\$20,788	\$21,933	\$23,150	\$24,423	\$25,555	\$26,704
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APPROPRIATE NPV ANNUITY

	\$372,313	\$158,313	\$10,893	\$6,552	\$7,445	\$7,931	\$8,446	\$8,853	\$9,301	\$9,751
	128,315	\$54,354	3,740	2,591	2,770	2,864	2,951	3,052	3,166	3,273
	53,888	\$22,918	1,577	929	1,071	1,152	1,236	1,311	1,371	1,412
	\$552,516	\$235,585	\$16,210	\$10,073	\$11,286	\$11,947	\$12,643	\$13,236	\$13,837	\$14,447

	\$71,133	\$30,496	\$2,098	\$1,375	\$1,514	\$1,591	\$1,669	\$1,727	\$1,787	\$1,850
	38,218	\$16,253	1,119	666	763	819	878	930	972	1,001
	\$109,351	\$46,758	\$3,217	\$2,042	\$2,277	\$2,411	\$2,545	\$2,657	\$2,759	\$2,850

	\$45,153	\$20,960	\$1,442	\$876	\$938	\$1,003	\$1,146	\$1,191	\$1,237	\$1,285
	7,653	\$3,247	\$223	126	149	162	176	187	195	201
	\$56,806	\$24,207	\$1,666	\$1,002	\$1,075	\$1,235	\$1,322	\$1,377	\$1,432	\$1,486

	\$718,673	\$306,551	\$21,082	\$13,117	\$13,895	\$14,715	\$15,593	\$16,511	\$17,270	\$18,028
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	\$256,889	\$110,444	\$7,599	\$4,813	\$5,307	\$5,572	\$5,851	\$6,143	\$6,450	\$6,773
	16,217	\$6,916	476	301	332	349	366	385	404	424
	24,326	\$10,374	714	452	498	523	550	577	606	636
	\$299,533	\$127,733	\$8,789	\$5,567	\$5,845	\$6,444	\$6,767	\$7,105	\$7,460	\$7,833

	\$48,432	\$20,869	\$1,437	\$1,018	\$1,080	\$1,112	\$1,146	\$1,180	\$1,216	\$1,252
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	\$1,066,637	\$455,173	\$31,318	\$19,702	\$20,788	\$21,933	\$23,150	\$24,423	\$25,555	\$26,704
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**Brooklyn Arena
Public Sector Tax Detail
One Team Analysis**

WACC

5.5%

\$ in thousands

SUMMARY OF CITY AND STATE TAXES GENERATED

ADMISSION SALES TAX (1)

Taxes Generated From Non-Premium Ticket Sales:

	2007	2008	2009	2010	2011	2012	2013
ADMISSION SALES TAX (1)							
Taxes Generated From Non-Premium Ticket Sales:							
Nets							
Devils	\$2,987	\$3,167	\$3,359	\$3,562	\$3,778	\$4,006	\$4,506
Other Sporting Events	538	560	563	606	631	656	710
Family Shows	926	864	1,003	1,043	1,065	1,129	1,221
Concerts	2,101	2,295	2,501	2,720	2,953	3,072	3,324
Fixed Fee Rentals(2)	0	0	0	0	0	0	0
Total Non-Premium Ticket Sales Tax	\$6,552	\$6,886	\$7,445	\$7,931	\$8,446	\$8,863	\$9,761
Taxes Generated From Club/Floor Seat Sales:							
Nets							
Devils	\$2,591	\$2,679	\$2,770	\$2,864	\$2,961	\$3,062	\$3,273
Other Sporting Events	0	0	0	0	0	0	0
Family Shows	0	0	0	0	0	0	0
Concerts	0	0	0	0	0	0	0
Fixed Fee Rentals(2)	0	0	0	0	0	0	0
Total Club Seat Sales Tax	\$2,591	\$2,679	\$2,770	\$2,864	\$2,961	\$3,062	\$3,273
Taxes Generated From Suite Sales							
Nets/Devils	\$440	\$466	\$485	\$525	\$557	\$591	\$636
Other Sporting Events (Suite Tickets)	79	84	89	97	103	109	117
Family Shows (Suite Tickets)	190	202	214	227	241	256	275
Concerts (Suite Tickets)	221	246	273	303	335	356	383
Fixed Fee Rentals(2)	0	0	0	0	0	0	0
Total Suite Sales Tax	\$829	\$898	\$1,071	\$1,152	\$1,238	\$1,311	\$1,412
TOTAL ADMISSIONS SALES TAX	\$10,073	\$10,663	\$11,286	\$11,947	\$12,643	\$13,236	\$14,447

(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

\$ in thousands

SUMMARY OF CITY AND STATE TAXES GENERATED

CONCESSIONS SALES TAX(1)

Taxes Generated From Non-Premium Concessions Sales:

	2007	2008	2009	2010	2011	2012	2013	2014				
Net	\$32,224	\$13,888	\$956	\$577	\$698	\$719	\$740	\$762	\$785	\$809	\$833	\$857
Devis	-	-	-	0	0	0	0	0	0	0	0	0
Other Sporting Events	5,349	2,302	158	108	113	116	123	127	131	135	139	143
Family Shows	10,597	4,539	312	209	217	226	235	245	254	265	275	285
Concerts	22,973	8,757	671	381	416	453	493	535	557	579	603	627
Fixed Fee Rentals	-	-	-	0	0	0	0	0	0	0	0	0
Total Non-Premium Concessions Tax	\$71,133	\$30,496	\$2,098	\$1,375	\$1,444	\$1,514	\$1,591	\$1,669	\$1,727	\$1,787	\$1,850	\$1,913
Net	\$12,885	\$5,494	\$378	\$233	\$247	\$262	\$278	\$295	\$313	\$327	\$337	\$347
Devis	-	-	-	0	0	0	0	0	0	0	0	0
Other Sporting Events	5,636	2,389	165	99	105	112	122	129	137	143	148	153
Family Shows	12,231	5,215	359	221	234	249	264	280	297	310	320	329
Concerts	7,466	3,155	217	113	126	140	156	172	183	191	197	203
Fixed Fee Rentals	-	-	-	0	0	0	0	0	0	0	0	0
Total Premium Concessions Tax	\$38,218	\$16,263	\$1,119	\$668	\$713	\$763	\$818	\$878	\$930	\$972	\$1,001	\$1,050
TOTAL CONCESSIONS SALES TAX	\$2,042	\$2,157	\$2,277	\$2,411	\$2,545	\$2,657	\$2,759	\$2,857	\$2,957	\$3,059	\$3,161	\$3,263

(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

\$ in thousands

Based on the 2014-15 Annual Report of the
New York State Thruway Authority

WACC: 5.5%

2007 2008 2009 2010 2011 2012 2013 2014

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

	2007	2008	2009	2010	2011	2012	2013	2014
Player Salaries(1)	\$64,178	\$67,387	\$70,756	\$74,284	\$78,009	\$81,909	\$86,005	\$90,305
State Tax Rate	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Total Player Salary Wage Taxes	\$4,813	\$5,054	\$5,307	\$5,572	\$5,851	\$6,143	\$6,450	\$6,773
Executive Salaries(2)	\$4,400	\$4,620	\$4,851	\$5,094	\$5,348	\$5,616	\$5,896	\$6,191
State Tax Rate	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%
Total Executive Salary Wage Taxes	\$301.40	\$316.47	\$332.29	\$348.91	\$366.35	\$384.67	\$403.90	\$424.10
Team Staff Salaries including Coaches(3)	\$6,600	\$6,930	\$7,277	\$7,640	\$8,022	\$8,423	\$8,845	\$9,287
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	\$452	\$475	\$498	\$523	\$550	\$577	\$606	\$636
TOTAL NETS / DEVLIS WAGE TAXES	\$5,567	\$5,845	\$6,137	\$6,444	\$6,767	\$7,105	\$7,460	\$7,833

ARENA WAGE TAXES

Arena Payroll(4)	\$9,750	\$10,043	\$10,344	\$10,654	\$10,974	\$11,303	\$11,642	\$11,991
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	\$1,018	\$1,049	\$1,080	\$1,112	\$1,146	\$1,180	\$1,216	\$1,252

- (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

Financial and New York City Tax Revenue Comparison
One Team versus Two Teams

	One Team	Two Team	Variance
Annual Arena Attendance	2,005,099	2,179,208	174,109
Arena Investor IRR	8.7%	8.8%	0.1%
Total 2007 New York City Sales and Wages Taxes	\$6,623	\$8,274	\$1,651
Annual 30 Year Annuity of New York City Sales and Wages Taxes	\$10,585	\$13,681	\$3,096

1. Taxes NPV at 5.5% and annuitized at 5.5% for 30 years

New York City	2007 Annual Tax Revenue			Annualized Tax Revenue		
	One Team	Two Teams	Variance	One Team	Two Teams	Variance
Sales Taxes						
Total Admissions Sales Tax	\$4,817	\$6,126	\$1,309	\$7,752	\$10,360	\$2,607
Total Concessions Sales Tax	976	1,287	311	1,539	1,995	456
Total Novelty Sales Tax	479	392	(87)	797	663	(134)
Total City & State Sales Tax	\$6,273	\$7,806	\$1,533	\$10,088	\$13,018	\$2,930
Wage Taxes						
Total Nets / Devils Wage Taxes	\$0	\$1	\$2	\$3	\$4	\$5
Arena Wage Taxes	350	467	117	494	659	165
Total Wage Taxes	\$350	\$468	\$119	\$497	\$663	\$170
Total Arena & Wage Taxes	\$6,623	\$8,274	\$1,651	\$10,585	\$13,681	\$3,096

1. Taxes NPV at 5.5% and annuitized at 5.5% for 30 years

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	24,813,089.20
	<hr/>
	42,813,001.70
Delivery Date Expenses:	
Cost of Issuance	904,634.60
Underwriter's Discount	1,731,730.00
	<hr/>
	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	
Other Fee	6.500000
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
	<u>266,420,000.00</u>			<u>19.556</u>

	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		-904,634.60	
- Other Amounts			
Target Value	<u>266,481,116.00</u>	<u>265,576,481.40</u>	<u>268,212,846.00</u>
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	<u>17,140,000</u>	5.000%	5.280%	95.807		
		138,965,000					
		<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	500,000	60,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000
No. of Projects	6	5	5	5	5	5	5	5	5	5	5
Total ZSF	3,000,000	300,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Total GSF	2,730,000	300,000	2,630,000	2,630,000	2,630,000	2,630,000	2,630,000	2,630,000	2,630,000	2,630,000	2,630,000
Sales Cap. Rate	7.5%	8.0%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Sales Costs	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Total	6,300,000	6,300,000	6,300,000	6,300,000	6,300,000	6,300,000	6,300,000	6,300,000	6,300,000	6,300,000	6,300,000

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
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Office Equity	500,000	60,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000
Total Office Cash Flow	(36,216)	(36,216)	-	4,368	25,166	(36,216)	23,667	28,727	17,368	38,166	48,849
Total Office Net Proceeds from Sale	(36,216)	(36,216)	-	4,368	25,166	(36,216)	23,667	28,727	17,368	38,166	48,849
Total Net Cash Flow	21.7%										
Total Retail Equity	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Total Retail Cash Flow	(3,158)	(3,158)	68	1,567	(3,158)	577	2,077	1,381	2,824	1,732	1,885
Total Retail Net Proceeds from Sale	(3,158)	(3,158)	68	1,567	(3,158)	577	2,077	1,381	2,824	1,732	1,885
Total Net Cash Flow	22.3%										
Total Residential Rental Equity	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000
Total Residential Rental Cash Flow	(25,206)	(25,206)	(25,206)	13,674	(25,206)	18,874	21,891	27,444	30,475	19,730	20,468
Total Residential Rental Net Proceeds from Sale	(25,206)	(25,206)	(25,206)	13,674	(25,206)	18,874	21,891	27,444	30,475	19,730	20,468
Total Net Cash Flow	22.8%										
Total Residential Condo Equity	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000
Total Residential Condo Cash Flow	(64,590)	(64,590)	(64,590)	81,675	(64,590)	81,675	84,392	89,548	50,667	89,618	61,192
Total Residential Condo Net Proceeds from Sale	(64,590)	(64,590)	(64,590)	81,675	(64,590)	81,675	84,392	89,548	50,667	89,618	61,192
Total Net Cash Flow	22.6%										
TOTAL PROJECT NET CASH FLOW											

Atlantic Yard Mixed Use Development
 August 2, 2003

100% 0.00%

Avg ZSF Per Project No. of Projects Total ZSF Total ZSF Sales Cap Rate Sales Costs

	2	3	4	5	6	7	8	9	10	11
	2005	2006	2007	2008	2008	2010	2011	2012	2013	2014
Office	533,000	2,120,000	2,600,000	2,720,000	2,720,000	7.5%	3%			
Resid.	60,000	300,000	300,000	300,000	300,000	8.0%	3%			
Residential Rental	350,000	2,520,000	2,630,000	2,630,000	2,630,000	6.5%	3%			
Residential Condo	245,000	1,020,000	980,000	1,020,000	1,020,000	\$500/SF				
Total	1,188,000	6,060,000	6,530,000	6,670,000	6,670,000					

	1	2	3	4	5	6	7	8	9	10	11
	2004	2005	2006	2007	2008	2008	2010	2011	2012	2013	2014
Office Building #1											
Equity											
Debt Service											
Proceeds from Refinancing											
Cash Flow											
Sales Price											
Outstanding Debt											
Net Proceeds from Sale											

(36,216)	13,538	(12,846)	17,214	17,214	17,214	17,214	17,214	19,406	19,406	19,406	19,406
	(12,846)	(12,846)	(14,345)	(14,345)	(14,345)	(14,345)	(14,345)	(14,345)	(14,345)	(14,345)	(14,345)
	4,368	17,929	20,788	2,869	2,869	2,869	2,869	5,061	5,061	5,061	5,061
	175,097	(142,811)	222,637	222,637	222,637	222,637	222,637	250,982	250,982	250,982	250,982
	(142,811)	(142,811)	(140,601)	(140,601)	(140,601)	(140,601)	(140,601)	(148,391)	(148,391)	(148,391)	(141,475)
	32,286	32,286	63,162	63,162	63,162	63,162	63,162	99,502	99,502	102,920	109,507

(36,216)	13,538	(12,846)	17,214	17,214	17,214	17,214	17,214	19,406	19,406	19,406	19,406
	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(14,345)	(14,345)	(14,345)	(14,345)
	4,368	17,929	20,788	2,869	2,869	2,869	2,869	5,061	5,061	5,061	5,061
	175,097	(142,811)	222,637	222,637	222,637	222,637	222,637	250,982	250,982	250,982	250,982
	(142,811)	(142,811)	(140,601)	(140,601)	(140,601)	(140,601)	(140,601)	(148,391)	(148,391)	(148,391)	(141,475)
	32,286	32,286	63,162	63,162	63,162	63,162	63,162	99,502	99,502	102,920	109,507

(36,216)	13,538	(12,846)	17,214	17,214	17,214	17,214	17,214	19,406	19,406	19,406	19,406
	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(14,345)	(14,345)	(14,345)	(14,345)
	4,368	17,929	20,788	2,869	2,869	2,869	2,869	5,061	5,061	5,061	5,061
	175,097	(142,811)	222,637	222,637	222,637	222,637	222,637	250,982	250,982	250,982	250,982
	(142,811)	(142,811)	(140,601)	(140,601)	(140,601)	(140,601)	(140,601)	(148,391)	(148,391)	(148,391)	(141,475)
	32,286	32,286	63,162	63,162	63,162	63,162	63,162	99,502	99,502	102,920	109,507

(36,216)	13,538	(12,846)	17,214	17,214	17,214	17,214	17,214	19,406	19,406	19,406	19,406
	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(14,345)	(14,345)	(14,345)	(14,345)
	4,368	17,929	20,788	2,869	2,869	2,869	2,869	5,061	5,061	5,061	5,061
	175,097	(142,811)	222,637	222,637	222,637	222,637	222,637	250,982	250,982	250,982	250,982
	(142,811)	(142,811)	(140,601)	(140,601)	(140,601)	(140,601)	(140,601)	(148,391)	(148,391)	(148,391)	(141,475)
	32,286	32,286	63,162	63,162	63,162	63,162	63,162	99,502	99,502	102,920	109,507

(36,216)	13,538	(12,846)	17,214	17,214	17,214	17,214	17,214	19,406	19,406	19,406	19,406
	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(14,345)	(14,345)	(14,345)	(14,345)
	4,368	17,929	20,788	2,869	2,869	2,869	2,869	5,061	5,061	5,061	5,061
	175,097	(142,811)	222,637	222,637	222,637	222,637	222,637	250,982	250,982	250,982	250,982
	(142,811)	(142,811)	(140,601)	(140,601)	(140,601)	(140,601)	(140,601)	(148,391)	(148,391)	(148,391)	(141,475)
	32,286	32,286	63,162	63,162	63,162	63,162	63,162	99,502	99,502	102,920	109,507

(36,216)	13,538	(12,846)	17,214	17,214	17,214	17,214	17,214	19,406	19,406	19,406	19,406
	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(14,345)	(14,345)	(14,345)	(14,345)
	4,368	17,929	20,788	2,869	2,869	2,869	2,869	5,061	5,061	5,061	5,061
	175,097	(142,811)	222,637	222,637	222,637	222,637	222,637	250,982	250,982	250,982	250,982
	(142,811)	(142,811)	(140,601)	(140,601)	(140,601)	(140,601)	(140,601)	(148,391)	(148,391)	(148,391)	(141,475)
	32,286	32,286	63,162	63,162	63,162	63,162	63,162	99,502	99,502	102,920	109,507

(36,216)	13,538	(12,846)	17,214	17,214	17,214	17,214	17,214	19,406	19,406	19,406	19,406
	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(12,846)	(14,345)	(14,345)	(14,345)	(14,345)
	4,368	17,929	20,788	2,869	2,869	2,869	2,869	5,061	5,061	5,061	5,061
	175,097	(142,811)	222,637	222,637	222,637	222,637	222,637	250,982	250,982	250,982	250,982
	(142,811)	(142,811)	(140,601)	(140,601)	(140,601)	(140,601)	(140,601)	(148,391)	(148,391)	(148,391)	(141,475)
	32,286	32,286	63,162	63,162	63,162	63,162	63,162	99,502	99,502	102,920	109,507

Alliantic 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											
No. of Projects											
Total ZSF											
Total GSF											
Sales Cap Rate											
Sales Costs											
Office											
Retail											
Residential Rental											
Residential Condo											
Total											

(In \$000's)

Retail Building #1

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

Retail Building #2

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

Retail Building #3

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

Retail Building #4

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

Retail Building #5

Equity											
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											
Total Retail Net Proceeds from Sale											

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

100%
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	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
No. of Projects	6	5	5	5	5	5	5	5	5	5	5
Total ZSF	3,000,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total GSF	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
Sales Cap Rate	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
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
Equity	(25,206)	7,947	7,947	8,116	8,288	8,465	8,646	8,830	9,019	9,212	9,409
Debt Service	(4,198)	(5,566)	(5,566)	(5,622)	(5,682)	(5,749)	(5,821)	(5,901)	(5,988)	(6,083)	(6,187)
Proceeds from Refinancing	-	13,874	13,874	2,494	2,606	2,716	2,824	2,929	3,031	3,128	3,222
Cash Flow	-	11,494	11,494	11,494	11,494	11,494	11,494	11,494	11,494	11,494	11,494
Sales Price	43,605	118,593	118,593	121,113	123,690	126,324	129,018	131,773	134,590	137,469	140,414
Outstanding Debt	(85,544)	(85,544)	(85,544)	(85,296)	(84,983)	(84,613)	(84,191)	(83,717)	(83,191)	(82,613)	(81,983)
Net Proceeds from Sale	32,049	35,165	35,165	35,165	35,165	35,165	35,165	35,165	35,165	35,165	35,165

(In \$000's)

Residential Rental Building #1

Equity	(25,206)	7,947	7,947	8,116	8,288	8,465	8,646	8,830	9,019	9,212	9,409
Debt Service	(4,198)	(5,566)	(5,566)	(5,622)	(5,682)	(5,749)	(5,821)	(5,901)	(5,988)	(6,083)	(6,187)
Proceeds from Refinancing	-	13,874	13,874	2,494	2,606	2,716	2,824	2,929	3,031	3,128	3,222
Cash Flow	-	11,494	11,494	11,494	11,494	11,494	11,494	11,494	11,494	11,494	11,494
Sales Price	43,605	118,593	118,593	121,113	123,690	126,324	129,018	131,773	134,590	137,469	140,414
Outstanding Debt	(85,544)	(85,544)	(85,544)	(85,296)	(84,983)	(84,613)	(84,191)	(83,717)	(83,191)	(82,613)	(81,983)
Net Proceeds from Sale	32,049	35,165	35,165	35,165	35,165	35,165	35,165	35,165	35,165	35,165	35,165

Residential Rental Building #2

Equity	(25,206)	7,947	7,947	8,116	8,288	8,465	8,646	8,830	9,019	9,212	9,409
Debt Service	(4,198)	(5,566)	(5,566)	(5,622)	(5,682)	(5,749)	(5,821)	(5,901)	(5,988)	(6,083)	(6,187)
Proceeds from Refinancing	-	13,874	13,874	2,494	2,606	2,716	2,824	2,929	3,031	3,128	3,222
Cash Flow	-	11,494	11,494	11,494	11,494	11,494	11,494	11,494	11,494	11,494	11,494
Sales Price	43,605	118,593	118,593	121,113	123,690	126,324	129,018	131,773	134,590	137,469	140,414
Outstanding Debt	(85,544)	(85,544)	(85,544)	(85,296)	(84,983)	(84,613)	(84,191)	(83,717)	(83,191)	(82,613)	(81,983)
Net Proceeds from Sale	32,049	35,165	35,165	35,165	35,165	35,165	35,165	35,165	35,165	35,165	35,165

Residential Rental Building #3

Equity	(25,206)	7,947	7,947	8,116	8,288	8,465	8,646	8,830	9,019	9,212	9,409
Debt Service	(4,198)	(5,566)	(5,566)	(5,622)	(5,682)	(5,749)	(5,821)	(5,901)	(5,988)	(6,083)	(6,187)
Proceeds from Refinancing	-	13,874	13,874	2,494	2,606	2,716	2,824	2,929	3,031	3,128	3,222
Cash Flow	-	11,494	11,494	11,494	11,494	11,494	11,494	11,494	11,494	11,494	11,494
Sales Price	43,605	118,593	118,593	121,113	123,690	126,324	129,018	131,773	134,590	137,469	140,414
Outstanding Debt	(85,544)	(85,544)	(85,544)	(85,296)	(84,983)	(84,613)	(84,191)	(83,717)	(83,191)	(82,613)	(81,983)
Net Proceeds from Sale	32,049	35,165	35,165	35,165	35,165	35,165	35,165	35,165	35,165	35,165	35,165

Residential Rental Building #4

Equity	(25,206)	7,947	7,947	8,116	8,288	8,465	8,646	8,830	9,019	9,212	9,409
Debt Service	(4,198)	(5,566)	(5,566)	(5,622)	(5,682)	(5,749)	(5,821)	(5,901)	(5,988)	(6,083)	(6,187)
Proceeds from Refinancing	-	13,874	13,874	2,494	2,606	2,716	2,824	2,929	3,031	3,128	3,222
Cash Flow	-	11,494	11,494	11,494	11,494	11,494	11,494	11,494	11,494	11,494	11,494
Sales Price	43,605	118,593	118,593	121,113	123,690	126,324	129,018	131,773	134,590	137,469	140,414
Outstanding Debt	(85,544)	(85,544)	(85,544)	(85,296)	(84,983)	(84,613)	(84,191)	(83,717)	(83,191)	(82,613)	(81,983)
Net Proceeds from Sale	32,049	35,165	35,165	35,165	35,165	35,165	35,165	35,165	35,165	35,165	35,165

Residential Rental Building #5

Equity	(25,206)	7,947	7,947	8,116	8,288	8,465	8,646	8,830	9,019	9,212	9,409
Debt Service	(4,198)	(5,566)	(5,566)	(5,622)	(5,682)	(5,749)	(5,821)	(5,901)	(5,988)	(6,083)	(6,187)
Proceeds from Refinancing	-	13,874	13,874	2,494	2,606	2,716	2,824	2,929	3,031	3,128	3,222
Cash Flow	-	11,494	11,494	11,494	11,494	11,494	11,494	11,494	11,494	11,494	11,494
Sales Price	43,605	118,593	118,593	121,113	123,690	126,324	129,018	131,773	134,590	137,469	140,414
Outstanding Debt	(85,544)	(85,544)	(85,544)	(85,296)	(84,983)	(84,613)	(84,191)	(83,717)	(83,191)	(82,613)	(81,983)
Net Proceeds from Sale	32,049	35,165	35,165	35,165	35,165	35,165	35,165	35,165	35,165	35,165	35,165

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

100%
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	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
No. of Projects	6	6	6	6	6	6	6	6	6	6	6
Total ZSF	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total GSF	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	2,700,000
Sales Cap Rate	7.5%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
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
Equity							2,922	7,947	8,116	8,288	8,465
NCI							(4,198)	(5,566)	(5,822)	(5,682)	(5,749)
Debt Service								11,484	11,484	11,484	11,484
Proceeds from Refinancing								13,874	2,494	2,608	2,716
Cash Flow								118,593	121,113	123,690	126,324
Sales Price							43,605	(85,944)	(85,948)	(85,948)	(84,589)
Outstanding Debt								32,048	35,165	38,333	41,741
Net Proceeds from Sale											

Residential Rental Building #E

Equity							2,922	7,947	8,116	8,288	8,465
NCI							(4,198)	(5,566)	(5,822)	(5,682)	(5,749)
Debt Service								11,484	11,484	11,484	11,484
Proceeds from Refinancing								13,874	2,494	2,608	2,716
Cash Flow								118,593	121,113	123,690	126,324
Sales Price							43,605	(85,944)	(85,948)	(85,948)	(84,589)
Outstanding Debt								32,048	35,165	38,333	41,741
Net Proceeds from Sale											

Residential Rental Building #Z

Equity							(25,206)	2,522	7,847	8,116	8,288
NCI								(4,198)	(5,566)	(5,622)	(5,682)
Debt Service								11,484	11,484	11,484	11,484
Proceeds from Refinancing								13,874	2,494	2,494	2,606
Cash Flow								43,605	118,593	121,113	123,690
Sales Price								(86,544)	(86,544)	(85,948)	(84,589)
Outstanding Debt								32,048	35,165	38,333	41,741
Net Proceeds from Sale											

Total Residential Rental Equity

Total Residential Rental Equity	(25,206)		(25,206)	(25,206)	(25,206)	(25,206)	(25,206)	27,444	30,475	19,730	20,458
Total Residential Rental Cash Flow			13,874	18,368	18,974	21,891	24,518	24,138	23,958	318,384	343,753
Total Residential Rental Proceeds from Sale			32,048	67,213	105,607	147,348	182,563	241,386	235,858	318,384	343,753

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		533,000									
No. of Projects		6									
Total ZSF		2,500,000									
Total GSF		2,720,000									
Sales Cap. Rate		7.5%									
Sales Costs		3%									
Office		60,000									
Retail		300,000									
Residential Rental		2,620,000									
Residential Condo		245,000									
Total		6,300,000									

(In \$000's)

Typical Residential Condo Building

Equity	(21,511)
Cash Flow	25,975
IRR	25,975

Residential Condo Building 1

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

Residential Condo Building 2

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

Residential Condo Building 3

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

Residential Condo Building 4

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

Total Residential Condo Equity
 Total Residential Condo Cash Flow

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

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

	Total	Per GSF
Project Costs		362.16
Net Project Costs	181,078,121	(289.72)
Mortgage	(144,862,497)	
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%
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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	<u>36,215,624</u>
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%
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Atlantic Yards -- Office

PRO FORMA ASSUMPTIONS SUMMARY

Project Description	Value
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=>	973,478

Office Expense	Rate	Total
Office Operating Expenses=> \$	6.00	3,995,318
PILLOT / Ground Rent =>	1.50	750,000
Management Fee=> \$	0.50	299,610
Vacancy Rate=>	5.00%	
Structural Reserves=> \$	0.10	57,348
		3.00%
		5.00%

Interest Rate=>	7.50%	7.50%	Refinance
Amortization Term=>	25	30	
Constant:	8.87%	8.39%	
Mortgage:	144,862,497	172,141,823	
Debt Service: \$	12,848,253	14,345,182	
Total Project Cost:	181,078,121	19,313,088	
Equity:	36,215,624	18,286,913	

Office	Yrs. 1 - 5	Yrs. 6 - 10	Yrs. 11 - 15	Yrs. 16 - 20
RSF	599,220	\$38.50	\$	23,069,955
Base Rent (p/sf)	\$38.50	42.35	\$	25,376,951
Type of Lease	GROSS	46.59	\$	27,914,646
Term (Years)	20	51.24	\$	30,708,111
Commence Date	2/1/2008			
Rent Increase	10%			

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

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	18,071	23,070	23,070	23,070	23,070	25,377	25,377	25,377	25,377	25,377
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	698	826	959
Total Recoveries	-	-	108	219	333	451	573	698	826	959

EXPENSES

Office PILOT / Ground Rent	750	750	750	750	750	750	750	750	750	750
Office Operating Expenses	3,333	3,595	3,703	3,814	3,928	4,047	4,168	4,283	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	10,795	10,636	10,464	10,279	10,080	9,885	9,634	9,385	9,116	8,829
Cash Flow After Interest	2,743	6,578	6,750	6,935	7,134	7,540	7,772	10,021	10,290	10,530
Amortization	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	4,560	4,560	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	10,785	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

Net Refinancing Proceeds	0	0	17,829	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

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	<u>15,789,706</u>
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	<u>1,938,227</u>	<u>7.60</u>
Investors Share of NOI	-	0.00
Net Operating Income	<u>7,536,171</u>	<u>29.55</u>
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%
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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	GLA (sf)	Rent	\$/sf	Total	Recoveries	Per GLA	Total	
		255,000	Yrs. 1 - 5	\$32.00	8,160,000	CAM	\$5.00	\$ 1,275,000	
		nnn	6 - 10	\$35.20	8,976,000	RE Tax	\$1.50	\$ 382,500	
		10	11 - 15	\$38.72	9,873,600	Work \$	30.00	\$ 7,650,000	
		12/1/2005	16 - 20	\$42.59	10,860,960	Contribution \$	-	\$ -	
						Brokerage \$	10.00	\$ 2,560,000	

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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		2,550,000
24 Leasing Commissions		
25		1,360,000
26 Legal		
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		100,000
36 Preopening Expenses		300,000
37 Project Expenses		100,000
38 ULURP/SEQRA/Environmental		-
39 PILOT/Ground Rent		400,000
40 Insurance		900,000
41 Other Costs		
42		14,102,013
43 Total Soft Costs		
44		76,826,626
45 Sub-Total Project Costs		
46		705,101
47 Soft Cost Contingency		2,322,952
48 Overhead		79,854,678
49 Total Project Costs		
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
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 - 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:		<u>GSF</u>			
	ZONING Square Feet=>	360,000			
	GROSS Square Feet=>	391,500			
	RESIDENTIAL Square Feet=>	302,290			
Residential Unit Mix:		<u># of Units</u>	<u>Average Unit Size</u>	<u>Average Monthly Rent</u>	<u>Average Rent/SF</u>
	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:	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			

Total Project Costs			
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	176,266	193.1
FCR Equity LC	25,206,062	58,755	64.4
Total Partnership Equity + LC	25,206,062	58,755	64.4

Income - First 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	(499,225)	(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	1,660,460	3,847	4.22

Refinancing	
Year of Refinancing	2007
NOI	7,242,634
Debt Coverage	1.20
New Refi. 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
Refi 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

Returns	
Cash on Cost	7.88%

Refinanced Returns	
Cash on Cost	7.77%

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02/26/2003

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)

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9/28/2003

PRO FORMA ASSUMPTIONS/SUMMARY

Project Name -> Atlantic Yards - Residential Rental (80/20)

Residential Efficiency =>	60.00%
ZONING Square Feet =>	360,000
Above Grade GROSS Square Feet =>	302,230
Residential Unit Net Square Feet	21,500
Lobby/Laundry/Commons =>	
Cellar SF =>	16,500
Total Project Gross Area	391,500 GSF

PLOT / Ground Rent (on ZSR) => \$	1.50	640,000	3.00%
Structural Reserves (per GSF) => \$	0.27	107,250	3.00%

Interest Rates ->	8.25%	8.25%	5.75%
1st Mortgage/Mini-Perm	0	0	0
Amortization Terms ->	Constant	6.25%	5.75%
Net Project Cost:	100,824,248	101,818,187	
Payroll and Benefits =>	\$ 2,076	\$ 890,662	3.00%
Utilities =>	\$ 1,093	\$ 468,760	3.00%
Repairs and Maintenance =>	\$ 766	\$ 328,146	3.00%
Professional Fees =>	\$ 109	\$ 46,878	3.00%
Misc./Insurance =>	\$ 218	\$ 83,756	3.00%
Redevelopment/Per. unit on roll over (25% of Units) =>	\$ 548	\$ 46,878	3.00%
Subtotal Residential Operating Expenses =>	\$ 4,371	\$ 1,976,120	3.00%
Initiation (Years) =>	3.00		
Management Fees =>	3.00%		
Vacancy Rate (On mkt. and half of middle income) =>	5.00%		

Unit Mix	# of Units	Avg. Size	Ann Rent/SE	Avg. Utility Rent	Total SF	Total Annual Rent
Studios	69	500	\$ 39.84	\$ 1,650	34,320	\$ 1,957,478
1BR	206	700	\$ 39.84	\$ 2,324	144,144	\$ 5,743,411
2BR	69	1,000	\$ 39.84	\$ 3,320	68,640	\$ 2,734,858
Total	343	720	\$ 39.84	\$ 2,391	247,104	\$ 9,845,647

Unit Mix	# of Units	Avg. Size	Ann Rent/SE	Avg. Utility Rent	Total SF	Total Annual Rent
Studios	17	450	\$ 13.81	\$ 510	7,722	\$ 105,097
1BR	51	625	\$ 10.48	\$ 546	32,175	\$ 337,307
2BR	17	865	\$ 8.11	\$ 657	14,643	\$ 135,455
Total	85	638	\$ 10.55	\$ 561	54,740	\$ 577,658

% of Gross Rentable Area of LL Units 18.14%



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
RENTALS	4,605	8,844	10,092	10,603	11,440	11,704	11,848	11,418	11,418	11,418	11,704	11,848	11,418	11,418	11,704	11,848	12,206
Residential - Market	340	874	988	913	913	858	858	858	858	858	858	858	858	858	858	858	858
Residential - Low Income	18	38	37	11	11	40	41	41	41	41	42	42	42	42	42	42	42
Shared	41	103	106	114	114	119	119	119	119	119	122	122	122	122	122	122	122
Residential Laundry Income	61	139	142	144	144	165	165	165	165	165	165	165	165	165	165	165	165
Total Receivables	(704)	(499)	(812)	(831)	(831)	(855)	(855)	(855)	(855)	(855)	(855)	(855)	(855)	(855)	(855)	(855)	(855)
Variable - Residual/Impairment	4,250	10,093	10,312	10,824	11,551	11,859	11,859	11,563	11,563	11,563	11,859	11,859	11,563	11,563	11,859	11,859	12,358
Total Income	365	540	558	590	628	628	643	643	643	643	664	664	664	664	664	664	706
PILOT/ Ground Rent	1,250	1,875	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821
Residential Operating Expenses	176	313	305	313	313	313	313	313	313	313	313	313	313	313	313	313	313
Residential Laundry Expenses	17	107	107	107	107	107	107	107	107	107	107	107	107	107	107	107	107
Equipment Expense (\$250/Unit)	1,808	2,835	2,828	2,828	2,828	2,828	2,828	2,828	2,828	2,828	2,828	2,828	2,828	2,828	2,828	2,828	2,828
Total Expenses	2,422	4,943	4,918	4,943	4,943	4,943	4,943	4,943	4,943	4,943	4,943	4,943	4,943	4,943	4,943	4,943	4,943
Net Operating Income	1,209	1,875	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821	1,821
Tax Credit	3,222	4,817	4,616	4,616	4,616	4,616	4,616	4,616	4,616	4,616	4,616	4,616	4,616	4,616	4,616	4,616	4,616
ROTI (Net of Tax Credit)	4,431	6,692	6,437	6,437	6,437	6,437	6,437	6,437	6,437	6,437	6,437	6,437	6,437	6,437	6,437	6,437	6,437
Interest Payment - Tax Exempt	3,778	5,687	5,687	5,687	5,687	5,687	5,687	5,687	5,687	5,687	5,687	5,687	5,687	5,687	5,687	5,687	5,687
Interest Payment - Taxable	470	850	850	850	850	850	850	850	850	850	850	850	850	850	850	850	850
Cash Flow After Interest	(1,220)	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820
Amortization - Tax Exempt	1,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820
Amortization - Taxable	1,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820
Net Cash Flow	(1,220)	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820	1,820
ROTI (Net of Interest)	2,211	3,872	3,617	3,617	3,617	3,617	3,617	3,617	3,617	3,617	3,617	3,617	3,617	3,617	3,617	3,617	3,617
Net Operating Income	2,922.0	7,847	6,116	6,445	6,445	6,445	6,445	6,445	6,445	6,445	6,445	6,445	6,445	6,445	6,445	6,445	6,445
Interest Payment - Tax Exempt	3,778.0	5,687	5,687	5,687	5,687	5,687	5,687	5,687	5,687	5,687	5,687	5,687	5,687	5,687	5,687	5,687	5,687
Interest Payment - Taxable	1,820.0	3,272	3,272	3,272	3,272	3,272	3,272	3,272	3,272	3,272	3,272	3,272	3,272	3,272	3,272	3,272	3,272
Cash Flow After Interest	(1,616.0)	1,293	1,157	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491
Amortization - Tax Exempt	1,491.0	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211
Amortization - Taxable	1,491.0	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211	2,211
Net Cash Flow	(1,616.0)	1,293	1,157	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491
Net Refunding Proceeds	11,494	13,974	2,624	2,624	2,624	2,624	2,624	2,624	2,624	2,624	2,624	2,624	2,624	2,624	2,624	2,624	2,624
Cash Flow After Ref. Proceeds	(1,220.0)	1,293	1,157	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491	1,491

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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>
	Studios	43	575	\$301,875
	1 Bedrooms	86	825	\$433,125
	2 Bedrooms	86	1125	\$590,625
	Total	214	895	\$469,875
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%			

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9/28/2003

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

PRO FORMA ASSUMPTIONS/SUMMARY

Project Name - Atlantic Yards - Condominium	
Residential Efficiency >>	86.00%
ZONING Square Feet >>	245,000
Above Grade Total Gross Square Feet >>	255,208
Lobby/Laundry/Commons >>	181,959
Mechanical PH SF >>	2,000
Cellar/GSF >>	19,000
No. of Units >>	214
Total Project Gross Area	287,208 GSF

CONDO OPERATING EXPENSES		
Payroll and Benefits >>	\$ 483,303	3.00%
Utilities >>	\$ 214,480	3.00%
Repairs and Maintenance >>	\$ 150,138	3.00%
Professional Fees >>	\$ 20,810	3.00%
Misc./Insurance >>	\$ 53,820	3.00%
Management Fees >>	\$ 26,610	3.00%
Others >>	\$ 107,240	3.00%
Subtotal Residential Operating Expenses >>	\$ 1,072,398	3.00%

RESIDENTIAL CONDO		
Unit Mix	% of Total	
Studios	43	20.0%
1Br	86	40.0%
2Br	86	40.0%
Total	214	100.0%

Interest Rates - 111 Months Monthly	
Amortization Term >>	7.50%
Constant Mortgage	7.50%
Debt Service	\$ 54,089,432
Net Project Cost	\$ 4,056,707
Equity Total	\$ 75,600,056

Percent Sold at Opening >>	40%
Average Sales Per Month >>	11
Total Months to Sellout >>	13
Commissions >>	6%
Legal Fees (Per Unit) >>	\$ 1,000
Transfer Taxes >>	1.63%

RESIDENTIAL CONDO					
Total Square Feet	24,865	Total Sales Price	\$ 301,875	Total Sellout	12,849,201
Average Sales Per Month	70,778	Sales Price / SF	\$ 525.00		37,158,578
Commissions	96,516		\$ 525.00		50,870,789
Legal Fees	191,859		\$ 525.00		100,778,563

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Atlantic Yards Condominium

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Units Sold													
Total Units Sold													
Units Owned by Sponsor													
Sales Proceeds													
Sales Costs													
Less Transfer Tax													
Less Legal Fees													
Less Marketing Expenses													
Total Sales Costs													
Net Sales Proceeds													
Mortgage Paydown													
Proceeds After Mortgage													
Carrying Costs													
Commons Charge													
Mortgage Balance													
Other Expenses													
Total Carrying Costs													
Cash Flow													

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117 East 29th Street
New York, NY 10016
tel: 212 696-0670
fax: 212 213-3191
www.akrf.com

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>
Jobs Created (Person-Years)		
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
Total Effect on the Local Economy		
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
Total City/State Tax Revenue		
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>
Jobs Created (Person-Years)		
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
Total Effect on the Local Economy		
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
Total City/State Tax Revenue		
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>
<i>Jobs Created (Permanent)</i>		
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
<i>Total Effect on the Local Economy</i>		
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
<i>Total City/State Tax Revenue</i>		
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>
<i>Jobs Created (Permanent)</i>		
Arena	400	2,176
Each of 5 Office Buidlings	2,176	3,929
Each of 10 Residential - Rental Bldg.	18	36
Each of 3 Residential - Condo Bldg.	15	30
Each of 5 Retail Buidlings	155	213
Parking (Phase 2 & 3 Each)	14	19
<i>Total Effect on the Local Economy</i>		
Arena	\$214.69	\$493.59
Each of 5 Office Buidlings	\$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 Buidlings	\$12.41	\$23.56
Parking (Phase 2 & 3 Each)	\$1.64	\$3.14
<i>Total City/State Tax Revenue</i>		
Arena	\$41.13	\$53.12
Each of 5 Office Buidlings	\$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 Buidlings	\$2.41	\$4.58

Brooklyn Arenas

Preliminary Estimate of Projected Condemnation Values
 Note: All Land SF
 Note: Valuation based on comparable sales data in Area Codes 11217, 11236, 11205 from January 2002 - Present

Assumptions	Price / Sq. Ft.
Property Type	\$50
Vacant Land (1)	\$150
Residential - Walk-Up Apartment (2)	\$175
Residential - One to Six Family w/ Stairs (3)	\$100
Residential - Condo / Coop (4)	\$75
Gas Station (5)	\$100
Industrial / Warehouse (6)	\$100
Miscellaneous (7)	\$100
Parking (8)	\$70
Public / City (9)	\$75
Storage (10)	\$75
Office / Commercial (11)	\$150

Summary - Total		
Total Base Case	High Value Estimate	Low Value Estimate
\$54,800,000	\$65,700,000	\$43,900,000
3% Market Value Adjustment Assuming June 2004 Assessment		
\$56,444,000	Real Estate Value	
\$2,560,000	Tenant Payout	
\$59,004,000	Total Arena Site Condemnation Value	

* Tenant Payout assumes \$20,000 for 116 residential lease holders and \$15,000 fixture payment for 16 business lease holders

Block	Lot	Address	Street	Land Use	Property Code	Land SF	Zone	FAB	Total Zoning SF	Building Sq. Ft.	Price Estimate	Value - 20%	Value - 20%
Block 1127	1	195	Flatbush Ave	Transportation and Utility	5	17,574	C2-4	2	35,148	191,300	\$	209,560	153,040
1127	10	183	Flatbush Ave	Mixed Res & Com	3	1,108	C2-4	2	2,216	387,800	\$	465,380	310,240
1127	11	191	Flatbush Ave	Mixed Res & Com	3	1,650	C2-4	2	3,300	591,000	\$	687,200	464,000
1127	12	189	Flatbush Ave	Mixed Res & Com	3	1,292	C2-4	2	2,584	462,350	\$	554,820	369,880
1127	13	185	Flatbush Ave	Employ Lot	1	1,680	C2-4	2	3,360	202,800	\$	243,360	162,240
1127	18	618	Pacific Street	Multi-Family Walk Up	2	1,337	C2-4	2	2,674	477,500	\$	573,000	342,000
1127	19	620	Pacific Street	Transportation and Utility	5	1,450	C2-4	2	2,900	315,800	\$	378,960	252,840
1127	20	622	Pacific Street	Transportation and Utility	5	1,725	C2-4	2	3,450	152,000	\$	182,400	121,600
1127	21	624	Pacific Street	Mixed Res & Com	4	1,975	C4-4A	4	3,950	875,000	\$	1,050,000	700,000
1127	22	626	Pacific Street	Indust & Manuf	6	7,418	C4-4A	4	14,836	450,000	\$	540,000	360,000
1127	27	638	Pacific Street	Condominium Building	4	11,000	C4-4A	4	22,000	14,755,749	\$	17,708,899	11,804,659
1127	28	640	Pacific Street	Indust & Manuf	6	2,750	C4-4A	4	5,500	1,475,925	\$	1,771,110	1,180,740
1127	30	642/644/646	Pacific Street	Public Facilities	9	8,250	C4-4A	4	16,500	192,500	\$	231,000	154,000
1127	33	648	Pacific Street	Public Facilities	9	4,608	C4-4A	4	9,216	318,750	\$	382,500	255,000
1127	35	24	6th Ave	Condominium Building	4	34,032	C4-4A	4	68,064	8,378,473	\$	10,054,167	6,702,778
1127	43	465	Dean Street	Mixed Res & Com	3	1,938	R6B	2	3,876	1,085,000	\$	1,302,000	866,000
1127	45	483	Dean Street	Mixed Res & Com	3	1,550	R6B	2	3,100	880,000	\$	1,056,000	704,000
1127	46	481	Dean Street	Multi-Family Walk Up	2	1,550	R6B	2	3,100	480,000	\$	576,000	384,000
1127	47	479	Dean Street	Multi-Family Walk Up	2	1,540	R6B	2	3,080	462,000	\$	554,400	368,800
1127	48	475	Dean Street	Storage Cooperative	10	1,125	R6B	2	2,250	3,046,000	\$	3,655,200	2,436,400
1127	50	473	Dean Street	Multi-Family Walk Up	2	2,750	R6B	2	5,500	1,170,000	\$	1,404,000	936,000
1127	51	467	Dean Street	Commercial	11	8,250	R6B	2	16,500	1,500,000	\$	1,800,000	1,200,000
1127	54	465	Dean Street	Commercial	11	2,750	R6B	2	5,500	736,200	\$	883,440	586,960
1127	55	463	Dean Street	Multi-Family Walk Up	2	2,750	R6B	2	5,500	918,750	\$	1,102,500	735,000
1127	56	461	Dean Street	Multi-Family Walk Up	2	2,750	R6B	2	5,500	825,000	\$	990,000	660,000
Total Block 1127											\$39,951,897	\$47,942,276	\$31,981,617

Block	Lot	Address	Street	Land Use	Property Code	Land SF	Zone	Current LEAB	Total Zoning SF	Building Sq. Ft.	Price Estimate	Value - High	Value Low
Block 1128	1	NA	NA	Employ Lot	1	900	C4-4A	4	3,600	216,000	\$	259,200	172,800
1128	2	NA	NA	Employ Lot	1	2,040	C4-4A	4	8,160	489,600	\$	587,520	381,680
1128	4	25	6th Avenue	Commercial & Storage	11	4,052	C4-4A	4	16,208	3,979,500	\$	4,775,400	3,183,600
1128	6	25	6th Avenue	Commercial & Storage	11	7,065	C4-4A	4	28,260	4,239,000	\$	5,086,800	3,381,200
1128	85	495	Dean Street	Residential	2	1,540	C4-4A	4	6,160	1,200	\$	1,440,000	960,000
1128	86	483	Dean Street	Residential	2	1,760	C4-4A	4	7,040	1,056,000	\$	1,267,200	844,800
1128	87	491	Dean Street	Residential	2	1,880	C4-4A	4	7,520	405,000	\$	486,000	324,000
1128	88	489	Dean Street	Multi-Family Walk Up	2	1,100	C4-4A	4	4,400	660,000	\$	792,000	528,000
1128	89	487	Dean Street	Mixed Res & Com	3	1,200	C4-4A	4	4,800	465,500	\$	558,600	372,400
Total Block 1128											\$11,690,600	\$14,028,720	\$9,382,680

Block	Lot	Address	Street	Land Use	Property Code	Land SF	Zone	Current LEAB	Total Zoning SF	Building Sq. Ft.	Price Estimate	Value - High	Value Low
Block 1118	1	161	Flatbush Avenue	Parking	5	6,475	C6-1	6	38,850	220,000	\$	264,000	176,000
1118	5	177	Flatbush Avenue	Commercial	11	1,600	C6-1	6	9,600	525,000	\$	630,000	420,000
1118	6	175	Flatbush Avenue	Indust & Manuf	6	13,500	C6-1	6	81,000	3,625	\$	435,000	286,640
1118	21	608	Allantic Avenue	Indust & Manuf	6	871	C6-1	6	5,226	235,800	\$	282,960	188,640
1118	22	610	Allantic Avenue	Indust & Manuf	6	1,026	C6-1	6	6,156	270,000	\$	324,000	216,000
1118	23	612	Allantic Avenue	Indust & Manuf	6	1,148	C6-1	6	6,888	3,200	\$	384,000	256,000
1118	24	614	Allantic Avenue	Indust & Manuf	6	1,272	C6-1	6	7,632	2,400,000	\$	2,880,000	1,920,000
1118	25	616	Allantic Avenue	Indust & Manuf	6	2,935	C6-1	6	17,610	525,000	\$	630,000	420,000
1118	27	620	Allantic Avenue	Indust & Manuf	6	1,658	C6-1	6	10,128	255,000	\$	306,000	204,000
Total Block 1118											\$2,812,675	\$3,375,210	\$2,250,140

Block	Lot	Address	Street	Land Use	Property Code	Land SF	Zone	Current LEAB	Total Zoning SF	Building Sq. Ft.	Price Estimate	Value - High	Value Low
Block 1119	1	622	Allantic Avenue	Transportation and Utility	5	12,200	M1-1	1	12,200	175,300	\$	210,360	140,240
1119	64	NA	5th Avenue	Vacant Land	1	2,500	M1-1	1	2,500	150,000	\$	180,000	120,000
Total Block 1119											\$325,300	\$390,360	\$260,240

SUMMARY OF SALES COMPARABLES

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

Source: Massay 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

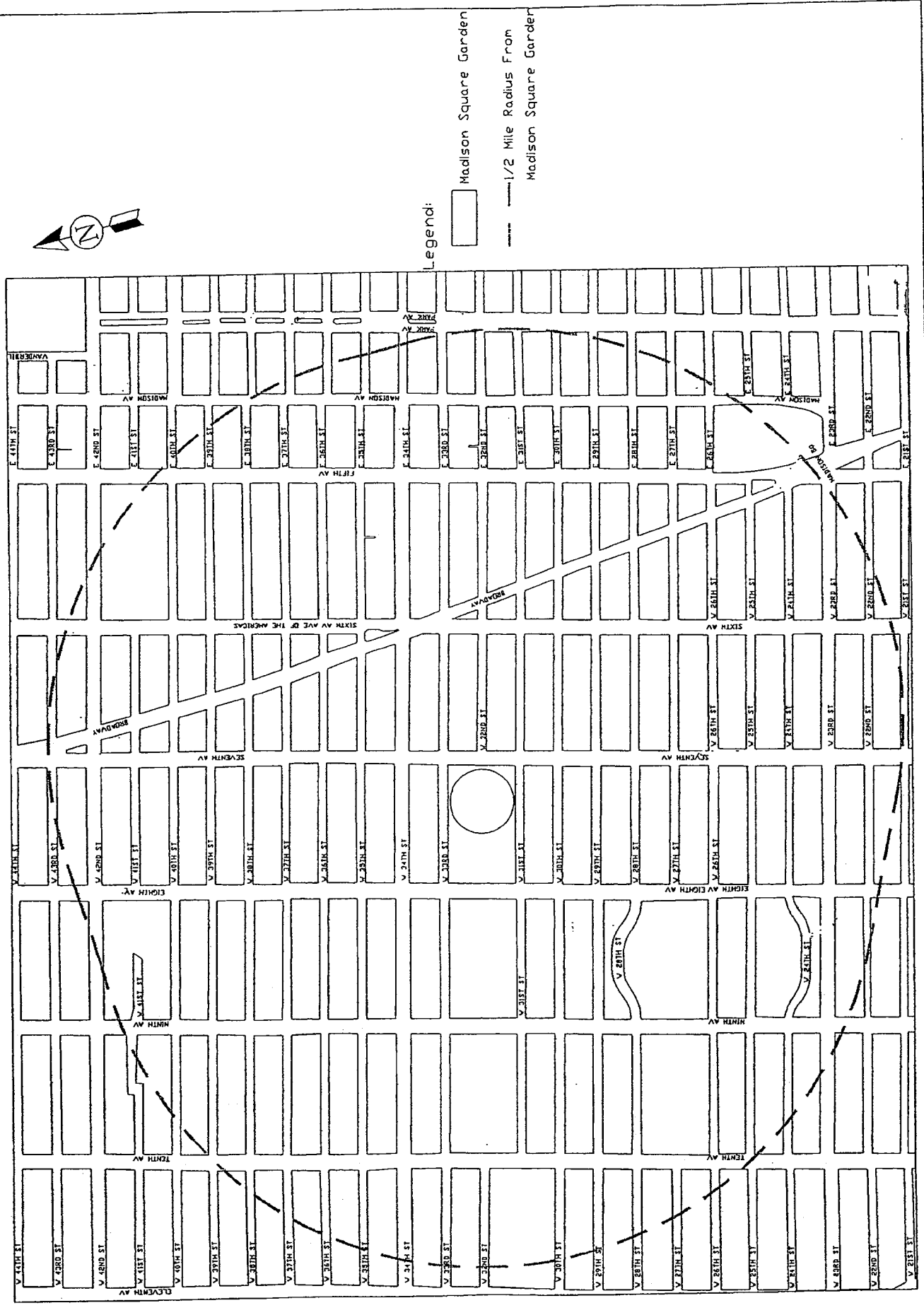
Source: REBNY; Compiled by The Weitzman Group, Inc.

**Table 1
Off-Street Parking Utilization**

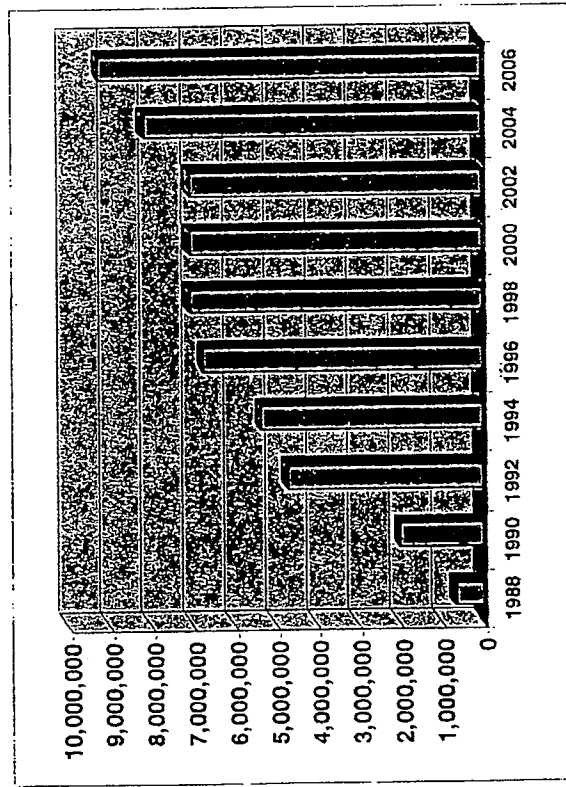
TIME	Parking Facilities Within 1/2 Mile Radius																	Demand	% Utilization	Available Capacity	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17				
	#22(BAM North)	#46(BAM South)	#1(Alliantic Center)	#47	#23	#27	#25	#17	#24	#10	#7	#6	#4	B	C	D	F				
Capacity	140	110	650	322	130	606	100	50	40	140	328	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	104	182	50	15	32	133	197	285	124	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9-10 AM	54	46	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
10-11 AM	N/A	N/A	N/A	200	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	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
12-1 PM	112	94	N/A	N/A	124	485	95	48	40	84	263	316	155	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1-2 PM	103	82	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
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
4-5 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
5-6 PM	75	66	571	N/A	74	345	57	28	23	80	187	180	88	54	46	17	39	2,146	64%	1,215	
6-7 PM	62	72	538	204	70	325	54	27	21	75	176	170	83	51	43	16	37	2,024	60%	1,337	
7-8 PM	48	78	521	192	66	309	51	26	20	71	167	161	79	48	41	15	35	1,929	57%	1,432	
8-9 PM	35	83	463	178	63	293	48	24	19	68	158	153	75	46	39	14	33	1,791	53%	1,570	
9-10 PM	21	89	351	165	57	265	44	22	18	81	144	138	68	42	35	13	30	1,663	48%	1,798	
10-11 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
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

Notes:

- * Includes new office/retail demand
- #22: Rockwell Car Park, LLC; 28-31 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 Hanson, 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 # 1119974
- #17: Impark 365, LLC; 300 Schermerhorn Street; License # 365142
- #24: Teddy's Parking System; 71-77 Bond Street; License # 1107700
- #10: Edison Parking Management; 395 Flatbush Avenue Extension; License # 0978218
- #7: Sharom Park, Inc.; 85 Dekalb Avenue; License # 898933
- #6: Discourt Parking, Inc.; 180 Ashland Place; License # 1009614
- #4: BHC Car Park, LLC; 97-103 Dekalb Avenue; License # 1019609
- B: 622 Fulton Street; License # 1028759
- C: 563 Atlantic Avenue; License # 1030282
- D: Waverly Avenue/Fulton; License # not posted
- F: 405 Flatbush Avenue; License # 1030613



Since 1988, Downtown Brooklyn Has Absorbed 500,000 SF of New Office Space Per Year



Building	Date Completed	Total Square Feet
One Pierrepoint 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