

23-041A

December 2, 2010

Ms. Linda Chiarelli, Senior Vice President
Deputy Director of Construction
Forest City Ratner Companies
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Brooklyn, New York 11201
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Mr. Joseph M. Lawlor, Vice President (By Hand)
The Bank of New York Mellon,
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Ms. Arana Hankin (By Hand)
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d/b/a Empire State Development Corporation,
as Lease Administrator
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New York, New York 10017
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Re: New Nets Arena
Barclays Center and Transit Connection
Brooklyn, New York

Dear Ms. Chiarelli, Mr. Lawlor, and Ms. Hankin:

Enclosed is our Site Observation Report 7 for the referenced project, based on our visit of October 28, 2010. James G. Cockinos, AIA, Senior Associate, performed the observation and prepared the report.

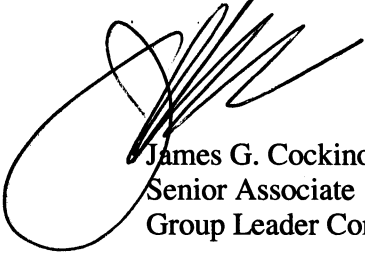
Please refer to **Section II - "Executive Summary"** for a brief overview of the project.

M_&H

If you have any questions regarding this report, please call.

Very truly yours,

MERRITT & HARRIS, INC.



James G. Cockinos, AIA
Senior Associate
Group Leader Construction Monitoring

JGC:eb
Enclosure

cc: Forest City Ratner Companies

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**NEW NETS ARENA
BARCLAYS CENTER AND TRANSIT CONNECTION
BROOKLYN, NEW YORK**

SITE OBSERVATION REPORT 7

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SECTION I - IDENTIFICATION

**Project Name
and Location:**

New Nets Arena
Barclays Center and Transit Connection
Brooklyn, New York

Improvements:

The construction of a new 8-level, approximately 670,000 sq. ft., 18,103-seat capacity enclosed state-of-the-art sports arena for the National Basketball Association's professional basketball team, the New Jersey Nets, with 105 suites overall. An underground transit connection from the existing subway station to the Arena plaza, and site work (landscaping, trees, sidewalks, bollards, etc.) in front of and surrounding the Arena, in addition to the 4th Avenue reconfiguration are also to be constructed.

Prepared For:

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(Arena):**

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Architect of Record:	Ellerbe Becket Architects and Engineers, P.C. 2380 Mc Gee, Suite 200 Kansas City, Missouri 64108
Structural Engineers:	Thornton Tomasetti 51 Madison Avenue New York, New York 10010
Mechanical/Electrical/ Plumbing/Fire Protection Engineers:	WSP Flack + Kurtz 512 7 th Avenue New York, New York 10018
Building Codes/Life Safety:	FP&C Consultants One Ward Parkway Kansas City, Missouri 64112
Seismic Engineers:	Mueser Rutledge Consulting Engineers 14 Penn Plaza - 225 West 34 th Street New York, New York 10122
Arena Design Architects:	SHoP Architects, P.C. 11 Park Place Penthouse New York, New York 10007
Civil Engineers: (Site Work Design)	Stantec Consulting Services, Inc. 50 West 23 rd Street, 8 th Floor New York, New York 10010
Construction Manager (Transit Connection):	Turner Construction Company 375 Hudson Street, 6 th Floor New York, New York 10014 Rick Salaway, <i>Senior Project Manager</i> Phone: 212.229.6000 E-mail: rsalaway@tcco.com Chuck Baldwin, LEED AP, <i>Project Manager</i> Phone: 212.229.6000 Mobile: 603.944.3474 E-mail: cbaldwin@tcco.com
Construction Site Telephone:	718.789.1100
Observation and Report By:	James G. Cockinos, AIA, <i>Senior Associate</i>

**Present During
Site Observation:**

James Lester, Forest City Ratner Companies
Rob Tarulli, Forest City Ratner Companies
Greg Lowe, Forest City Ratner Companies
Eileen Weingarten, Forest City Ratner Companies
Rebecca D'Eloia, Forest City Ratner Companies
Jennifer Dominguez, Forest City Ratner Companies
Sherveen Baftechi, Forest City Ratner Companies
Lauren Du, Forest City Ratner Companies
Linda Chiarelli, Forest City Ratner Companies
H. Mark Gladden, Hunt Construction
Jon Anthony, Hunt Construction
Scott Hamburg, Hunt Construction

**Date of Site
Observation:**

October 28, 2010

**Date of Previous
Site Observation:**

September 30, 2010

**Date of Draft
Review:**

November 30, 2010

**Dates of Future
Site Observations:**

Last Thursday of each month (8:30 A.M.)

November 23, 2010
December 22, 2010

SECTION II - EXECUTIVE SUMMARY

This section is intended to be a brief overview of the project, based on our current site visit. Please read the report in its entirety for a complete understanding of our comments and opinions as presented herein.

Conformance to Plans and Specifications and Workmanship

Construction Documents (Drawing Volumes 1 - 6, Specifications Volumes 1 - 3) marked "Not for Construction," dated July 31, 2009, were provided for our review. 60% CD drawings, dated to include the Arena façade have been made available. The 100% CD drawings, dated August 13, 2010, have been made available as of August 18, 2010.

Mass Transit Improvement documents, (plans and specifications Volumes 1 - 5) labeled "90% Submission," dated August 28, 2009, were provided for our review.

The work is proceeding in general accordance with the plans, specifications, and other pertinent documents that we have reviewed to date.

The overall quality of workmanship is good.

Summary of Hunt GMP Costs

Arena

The following summary is based upon the General Contractor's Application and Certificate for Payment 10, covering the period through October 31, 2010:

Current Contract Value (Design/Build with GMP)		\$470,526,715
Total Work Completed and Stored to Date	11.2%	\$53,650,781
Current Payment Due and Recommended by Merritt & Harris, Inc.		\$6,224,937 *

* Current Payment Due includes Hard Costs (\$4,470,030), GC/CM Fee (\$1,294,309), and associated A/E Soft Costs (\$460,599)

In our opinion, the remaining Contract Value funds of \$416,875,934 (net of retainage), together with the remaining Developer's Arena Design/Scope Contingency, are sufficient to complete the work as it is currently defined.

The Guaranteed Maximum Price (GMP) was based on the "Scope Set" drawings, dated July 31, 2009.

Transit Connection

The following summary is based upon the General Contractor's Application and Certificate for Payment 3, covering the period through October 31, 2010:

Current Contract Value (Lump Sum)		\$52,406,000
Total Work Completed and Stored to Date	11.5%	\$ 6,043,747
Current Payment Due and Recommended by Merritt & Harris, Inc.		\$ 2,538,900

In our opinion, the remaining Contract Value funds of \$46,362,253 and the Developer's Design/Scope Contingency are sufficient to complete the work as it is currently defined.

Summary of Total Project Hard Costs:

The following summary is based upon the Developer's Application and Certificate for Payment 7 covering the period through October 31, 2010:

<u>Description</u>	<u>Budget</u>	<u>Previously Completed</u>	<u>Current Request</u>	<u>Total Completed</u>	<u>% Complete</u>	<u>Remaining Balance</u>
Arena	\$507,193,011	\$61,317,006	\$7,305,262 *	\$68,622,268	13.5	\$438,570,743
Transit Connection	66,507,554	5,966,517	2,737,103	8,703,620	13.1	57,803,934
Arena Site Work	20,143,349	346,032	17,578	363,610	1.8	19,779,739
Arena Mitigation	<u>2,685,886</u>	<u>80,690</u>	<u>0</u>	<u>80,690</u>	3.0	<u>2,605,196</u>
Totals	\$596,529,800	\$67,710,245	\$10,059,943	\$77,770,188	13.0%	\$518,759,613

The \$10,059,943 being requested for these line items under the Requisition, covering October 2010, was reviewed by our office and found to be reasonable.

* Current Request is part of the Hunt Construction Design-Build contract and includes the trades, GC/CM Fee Costs, and miscellaneous other Hard Costs.

Summary of Total Project Soft Costs

The following summary is based upon the Developer's Application and Certificate for Payment 7, covering the period through October 31, 2010:

Current Revised Budget		\$183,606,869
Total Amount Incurred to Date	83.7%	\$153,731,951
Current Payment Due and Recommended by Merritt & Harris, Inc.		\$ 1,923,998

The overall Soft Cost budget includes the following Soft Cost related items:

<u>Description</u>	<u>Budget</u>	<u>Previously Completed</u>	<u>Current Request</u>	<u>Total Completed</u>	<u>% Complete</u>	<u>Remaining Balance</u>
Arena	\$174,827,003	\$145,602,856	\$1,721,939	\$147,324,794	84.3	\$27,502,209
Transit Connection	5,066,098	3,276,428	101,939	3,378,367	66.7	1,687,731
Arena Site Work	3,667,307	2,899,218	100,121	2,999,339	81.8	667,968
Arena Mitigation	46,461	29,451	0	29,451	63.4	17,010
Totals	\$183,606,869	\$151,807,953	\$1,923,999	\$153,731,951	83.7	\$29,874,918

The \$1,923,998 being requested for these line items under the Developer's Requisition, covering October 2010, was reviewed by our office and found to be reasonable.

In our opinion, the remaining budget funds of \$29,874,918 which include the remaining Development Contingency are sufficient to complete the work as it is currently defined.

Additional costs not included within the Hard or Soft Cost Requisition include the following:

<u>Description</u>	<u>Budget</u>	<u>Previously Completed</u>	<u>Current Request</u>	<u>Total Completed</u>	<u>% Complete</u>	<u>Remaining Balance</u>
Accounts Payable (AP)	\$ 4,950,367 ⁽¹⁾	\$ 4,517,503	\$ 74,028	\$ 4,591,531	92.7	\$358,835
Financing	29,715,483 ⁽²⁾	29,713,221	0	29,713,221	99.9	2,262
Totals	\$34,665,850	\$34,230,724	\$74,028	\$34,304,752	99.0	\$ 361,097

(1) Costs incurred prior to closing

(2) Costs of financing

Summaries of Recommended Payment Due

<u>Description</u>	<u>Amount</u>
Hard Costs - Arena	\$ 7,305,262.44
Hard Costs - Transit Connection	2,737,102.41
Hard Cost - Site Work	17,577.59
Soft Costs	1,923,998.13
Accounts Payable (AP)	74,028.38
Financing	0.00
Total	\$ 12,057,968.95

Scheduled Completion

A High Level Arena Summary Construction Schedule, dated July 16, 2010, has been provided for our review. The current schedule, prepared by Hunt, indicates that substantial completion is anticipated to be by August 12, 2012. The Developer is currently reviewing that schedule and there is a meeting anticipated for mid-December to resolve current schedule disputes.

An early substantial completion date of June 1, 2012, has been established with the following criteria to be met:

- a. Owner may use and occupy the Arena
- b. Only punch list items remain
- c. The Architect of Record has issued a Certificate of Substantial Completion
- d. A TCO has been issued

Punch list work and Subcontractor close-outs may extend the construction term to a final completion date of February 28, 2013.

Based on our computerized progress chart which compares the cash flow amount to the projected construction progress, the project is currently slightly ahead of schedule.

Open Issues/Comments

No new issues have been discussed this period.

Previous Periods

4.1.3. Stress crack on grade beam

Update: No update information provided

Resolved Issues

4.1 The following construction items are not critical in nature and are noted for monitoring purposes:

1. Rebar installation at Pier P3

Resolved: The rebar inspections are proceeding and being conducted by Thornton-Tomasetti Structural Engineers

2. Anchor bolts at Column Lines G-15.5, D-15, F-16, D-12, and F-12

Resolved: Anchor bolts have been inspected and accepted.

4. Concrete placement at Elevator 2A walls located at Grid Line 13.75/F.75

Resolved: Work has been completed

5. Water damage occurring at perimeter footing, interior grade beams, and footings

Resolved: Waterproofing operation at all perimeter footings, grade beams, and footings continues to take place

5.1 The following construction items are not critical in nature and are noted for monitoring purposes:

1. Premium time authorized by Hunt to Foundations Subcontractor in Areas D and E
2. Revised start of steel erection point being reviewed (Column 10 vs. Column 35)
3. Revised and greater detailed excavation activity in southeast quadrant being implemented
4. Alt. 2 #4 for SOE and CIP concrete work in southeast quadrant being secured
5. The Developer is to secure limited exclusion zone requirements from NYC DOB

Resolved: All items have been addressed by the General Contractor.

6.1. Test Reports from July 15 - October 30, 2010

Resolved: All updated test results have been made available for our review.

SECTION III - PROJECT SCOPE

The following description is distilled from our Project Review Report, dated November 30, 2009, and is a snapshot of the project scope at that time. A more detailed description of the project scope is contained in our Project Review Report.

The Atlantic Yard Project will consist of the redevelopment of 6 full and 2 partial City Tax blocks including the Metropolitan Transportation Authority (MTA) bus yard and the Long Island Rail Road (LIRR) Vanderbilt rail yard in the Prospect Heights section of Brooklyn, New York.

The site for the proposed arena project is located at the intersection of Flatbush and Atlantic Avenues.

The proposed project will entail the construction of a new 8-level, approximately 670,000 sq. ft., 18,103-seat capacity enclosed state-of-the-art sports arena for the National Basketball Association's professional basketball team, the *Nets*, with 105 suites overall. The arena will also be used for hockey, concert events, and other theatrical presentations.

The Arena will consist of 8 levels (Event, Mezzanine, Main Concourse, Lower Suite, Upper Suite, Upper Concourse, Mechanical Mezzanine, and Catwalk Levels) surrounding 2 structured octagonal-shaped seating bowls (lower and upper).

TV truck parking, loading dock facilities, and trash docks will be located on the east and southeast, as well as a central security command center, a truck turntable, and 2 truck elevators at the southeast corner of the level. A flight of stairs on this corner of the level leads up to a small mezzanine which will contain the electrical switchgear room and several electrical compartments. Press work and dining facilities will be located on the northeast corner.

The foundations will be individual, reinforced concrete, spread column footings, grade beams, continuous strip wall footings, foundation walls, elevator pits, pool pits, turntable pit, and truck elevator pit.

Typical floors will consist of concrete fill, reinforced with #4 or #6 bars at 12" on center, bottom and top bars parallel to the span and #4 or #6 bars at 12" on center top perpendicular to the span, on 3"-deep, 18- or 20-gauge composite steel floor deck. The slabs will have a total thicknesses of 5½", 7½", or 12". They will be supported on rolled-shape structural steel floor beams, girders, and columns. Beams and girders will be provided with welded, headed, shear studs for composite action. Rolled-shape structural steel columns will support the girders and transfer gravity (vertical) loads to the foundation. The girders, columns, and bracing members comprise the braced bents.

A central heating plant will consist of 2 natural gas-fired 400 BHP water tube boilers (Unilux as standard). The heating hot water will be distributed using these 680-gpm circulating pumps (1 is a standby) to serve the arena. The hot water supply and return piping will run horizontally to the service corridor in the Event Level. This main will split into 2 supply and return branch main pipes. One set will serve Quadrants A and D, and the other set will serve Quadrants B and C, to feed AHUs in the respective quadrants.

Three 1,000-ton cooling towers (BAC as standard), totaling 3,000 tons, will be installed on the practice court roof. The cooling towers are sized to include a capacity of 300 tons for the Ice Floor Refrigeration Plant. The central condenser water system will provide sand filter filtration and chemical treatment systems.

A waterside economizer system will be installed that consists of a Plate and Frame Heat Exchanger and pumps. Indirect water circulation of the chilled water and condenser water will provide 1,200 tons of cooling capacity when ambient temperatures are appropriate to affect economizer cooling.

Three 900-ton centrifugal chillers (York as standard) for a total of 2,700 tons of cooling will be installed.

The Arena Bowl and Suites will be heated and cooled by 4 VAV draw-through AHUs and VAV boxes, to be supplied with chilled water and heating hot water by a central chilled water and heating hot water plant. Other areas will be provided with DX AC units, HVAC units, fan coil units, cabinet unit heaters, unit heaters, and H & V units exhaust, return, and pressurization fans are installed. The units will be installed in the Upper Mezzanine Mechanical Equipment Room. Each unit will deliver 90,000 CFM of conditioned air that will be distributed utilizing a main loop duct installed adjacent to the catwalk, and with drum louvers mounted on vertical plenum ducts.

Five combined storm and sanitary house sewers will exit the project to connect into the city combined sewer system (four 15" and one 10" combined sewers).

Roof drains will collect the storm water, conducted down in 4 leaders to drain into 3 below-ground storm retention tanks (by others). Tank overflow lines will be piped to the sewer system. A duplex storm water discharge pump will be installed in Quadrant A retention tank and a triplex pump set will be installed in the B/A retention tank that will discharge overflow storm water to the combined sewer system.

The sanitary system will include toilet facilities, saunas, hydrotherapy rooms, kitchens, concessions, prep areas, truck docks, and floor drains in mechanical spaces, laundry areas, locker rooms, bathrooms, and other areas. A duplex ejector pump set will be installed in the mechanical room pit, located under hydro and whirlpool rooms. Waste from the kitchens and food concessions will drain into grease interceptors, and then into the building sanitary system. Sanitary waste from the building will be gathered at the Event Level and will leave the building at 5 locations to connect into the street combined sewers.

A 6" water service from Flatbush Avenue will enter into Quadrant E, equipped with a water meter and double check valve backflow preventer assembly. It will supply water to a 5,000-gal. steel suction tank. Domestic water to the project will be pressure boosted by a quadruplex pump set.

An existing electric utility vault exists at the property line that is available for possible future utility transformers is installed by the utility company. Electric service will be provided by 265/460-volt, 3-phase, 4-wire secondary power to the arena. Four metered main service switchboards, each rated at 4,000-amperes will serve the project.

The Arena Event Sports lighting will be served from 2 dedicated risers. The power will be distributed to 4 locations on the catwalk to 1,000-watt clear metal halide sports lighting fixtures mounted on the catwalk handrails and capable of achieving temporary "blackout" by means of a shutter system without extinguishing the lamp. Emergency power will be provided in addition to the normal Event Lighting Power to supply 20% of the arena lighting fixtures and 50% of aisle light fixtures for emergency egress lighting. Arena aisle lighting will be theatrical 575-watt incandescent fixtures, with rotating shutter assembly, mounted on the catwalk handrails.

Automatic sprinklers will provide protection in all areas of the building with the exception of the seating bowl. The main building will be separated into 4 sprinkler zones on each floor level. Each automatic sprinkler zone control station will include a zone isolation valve with tamper switch, check valve, flow control switch, pressure gauge, and test and drain assembly.

There will be a combination fire standpipe/sprinkler standpipes for the 4 zones fed from a 6" fire protection loop at Event Level 1.

A 90-psi, 1,000-gpm, electric-powered fire pump and an electric jockey pump will supply a 6" fire protection water loop routed around the ceiling of Event Level 1 to supply water to combination standpipes in each of the 4 stair towers of the building.

A diesel generator supplies emergency power to the life safety circuits and will include: fire alarm system, smoke exhaust and supply fans, elevators, 1 elevator in each bank at a time, fire and jockey pumps, arena air handling units, emergency and exit lights, stair pressurization fans and boilers.

The energy management system for the Arena will be a microprocessor-based, direct digital control (DDC), building management system. It will monitor, control, and optimize the operation of the HVAC system. The system is the main system for the arena Block complex and will control and monitor distributed subpanels located in each of the 4 towers and central plant. The system head end will be located in the Engineer's office in the arena.

Transit Connection

The work will consist of the construction of the MTA's new Transit Hub Entry, a new below-grade Control Area with back-of-house support facilities, and new connections to both existing IRT (2, 3, 4, 5) and BMT lines (B, Q), as well as renovation of existing platforms, new and/or refurbishment of support facilities and stairs along the affected platforms. Work will also include relocation and restructuring of existing subway vents.

SECTION IV - CONSTRUCTION STATUS

Work was active at the time of our site observation and appeared to be proceeding in a good and workmanlike manner, in general accordance with the plans, specifications, and all pertinent documents reviewed to date.

Items previously reported as generally completed have been removed from this section. The following progress in construction was observed this period:

General Conditions

The General Contractor has mobilized their office across from the site. Protective plywood and chain-link fencing, gates, barricades, concrete barriers, and traffic signage are in place. Mobile cranes, tie-back, and pile driving equipment are on site.

The soil erosion control and stabilization of the construction entrance are in place.

Excavation

Bulk excavation is well advanced at the southeast corner of 6th Avenue Bridge and Pacific Street continuing along Flatbush Avenue and extending to the southwest area of the site. Steel H-sections have been driven with plywood shoring at the east wall of the site. The tie-back operation is substantially complete along the sheeting and shoring wall at the east portion of the site and extending along the Atlantic Avenue retaining wall, and continuing along the west perimeter (5th Avenue). The support of excavation which includes walers and H-section cross bracing abutting the existing MTA subway and LIRR tracks has begun at the west end of the Dean Avenue perimeter wall.

Temporary earth ramps have been formed for construction access.

The removal and transport of the contaminated soils is continuing.

Concrete

Interior footing formwork with rebar placement is underway within Column Lines C, D, E, and H. Concrete pours of the perimeter footings are complete at Atlantic Avenue and well advanced at the Flatbush Avenue elevation.

Anchor bolts and steel embeds/clips are incorporated within the formwork and concrete pours.

Formwork and reinforcing have been set in place for the foundation walls along Flatbush Avenue, with concrete poured along the Atlantic Avenue walls.

Structural Steel

Shop and erection drawings, anchor bolt and embed drawings, connection design and engineering are well advanced with the 1st deliveries of the structural steel scheduled to begin mid-November 2010.

Façade

System engineering and design, shop drawings, and calculations are underway by the Subcontractor. Coordination and detailing are ongoing between all Professionals of Record with the Subcontractor (ASI).

Plumbing

The equalizer piping line between the east and west storm retention tanks has been installed.

Electrical

Temporary power is currently servicing the site.

Underground electrical conduit rough-in is underway for the duct banks.

Transit Connection

Excavation of the proposed connection is underway.

Piles have been driven within the excavated areas.

A test pile has been set up.

SECTION V - DOCUMENTS, TESTS, CERTIFICATIONS, AND PERMITS

Our office has reviewed all of the following documents and found them to be satisfactorily complete, in order, and in general conformance with the contract requirements.

Please note that Merritt & Harris does not perform consulting relating to asbestos or hazardous materials, claims no expertise in these areas, and can assume no liability for the work opinions, or reports of any independent consulting firms engaged to do so.

Documents

Our office has reviewed the plans and specifications labeled "Scope Set," dated September 31, 2009, and is presently reviewing the 100% CO Prelim - Advance Procurement Drawings, dated August 13, 2010.

The Mass Transit Improvement documents (Plans and Specifications, Volumes 1 - 5) labeled 90% submission, dated August 28, 2009, were provided for our review.

The following documents were made available this period:

1. General Contractor's Application and Certificate for Payment 10 (Arena), for the period ending October 31, 2010
2. General Contractor's Application and Certificate for Payment 3 (Transit Connection), for the period ending October 31, 2010
3. Developer's Requisition Summary 6 for October 2010
4. General Contractor's Monthly Report for October 2010

Tests

The following test reports were reviewed to date:

1. AEL - Atlantic Engineering Laboratories of New York, Inc. Reports:
 - a. Concrete Compressive Strength Report, dated June 16 - September 30, 2010
 - b. Soil Compaction Test Reports, dated June 21 - September 24, 2010
 - c. Daily Field Reports, dated June 16 - August 12, 2010
 - d. Concrete Plant Inspection Daily Reports, dated June 16 - September 23, 2010
 - e. Structural Steel Field Inspection Reports, dated July 23 - September 13, 2010
 - f. Wall Embed Installation Report, dated August 4 - September 22, 2010
 - g. Soils Reports, dated July 6 - August 28, 2010
 - h. Sieve & Proctor Reports, dated July 13, 2010
 - i. Pull test Reports (Epoxy Rebars), dated July 8, 2010
 - j. Shoring of Excavation Reports, dated July 23 - August 3, 2010
 - k. Structural Steel Shop Inspection Reports, dated July 1 - September 24, 2010
2. Langan Engineering & Environmental Services:
 - a. Geotechnical Site Inspection Reports, dated October 4 - October 8, 2010

We have reviewed all test reports that were made available to us. Since some reports may be missing from the on-site files, our office is also relying on the Deficiency Logs and Monthly Certification from the Professionals of Record to certify that the work in place is in accordance with the construction documents.

Certifications

1. Architect's Certificate for Payment 10 (Arena) (AIA Document G702 - Application and Certificate for Payment), covering the period through October 31, 2010.
2. Architect's Certificate for Payment 3 (Transit Connection) (AIA Document G702 - Application and Certificate for Payment), covering the period through October 31, 2010.

Permits

The following major Building Permits have been received to date:

1. New York City Department of Buildings:

<u>Permit</u>	<u>Description</u>	<u>Issued</u>	<u>Expires</u>
a. 320135493-01-EQ-FN	Alt. Type 2 - Construction Equipment - Fence	09/02/10	09/01/11
b. 320140682-01-EW-OT	Alt. Type 2 - Foundation	09/02/10	09/01/11
c. 320140682-02-EW-OT	Alt. Type 2 - Sheet/Pier/Brac	09/02/10	09/01/11
d. 320145856-01-EQ-OT	Alt. Type 3 - Construction Equipment - Other	04/13/10	04/01/11
e. 320162266-01-EQ-FN	Alt. Type 2 - Construction Equipment - Fence	05/14/10	11/01/10
f. 320148782-01-EW-OT	Alt. Type 2 - Sheet/Pier/Brac - Concrete Work not authorized - Concrete Placement Formwork, Steel Reinforcing not permitted	09/02/10	09/01/11
g. 320100234-01-FO	New Building	09/03/10	09/01/11
h. B328732	Electrical Work Permit Descriptions 1 and 6	06/30/10	06/30/13
i. 320100234-01-FO-EA	New Building - Earthwork Review for Zoning	09/03/10	09/01/11
j. 320100234-04-PL	New Building - Plumbing - Partial Underground Piping	07/20/10	07/20/11
k. CN595-10	CD4: Tower & Mobile Crane/Derrick/Mast Climber/Pile Driver On-Site Inspection Application/Certificate	09/29/10	09/29/11

2. New York City Department of Transportation:

- a. DOT Permit 04-2010281-058, dated October 10, 2010, expired November 1, 2010
- b. DOT Permits 02-2010280-079 - 114, dated October 10, 2010, expired November 1, 2010
- c. DOT Permits 02-201019486 - 103, dated July 13, 2010, expired October 10, 2010

SECTION VI - CONTRACTS AND BONDS

General Contract

Design/Build with Guaranteed Maximum Price (GMP) Agreement between the Developer and Hunt Construction Group Inc., dated December 28, 2009, for the Arena only with attached:

- Exhibit A - GMP Documents
- Exhibit B - Subcontractor Performance and Payment Bond
- Exhibit C - Schedule of Values
- Exhibit D - Change Order Form
- Exhibit E - Final Release and Affidavit
- Exhibit F - Not Used
- Exhibit G - Lien Waiver
- Exhibit H - Owner's Insurance
- Exhibit I - Design/Builder's Insurance
- Exhibit J - Affirmative Action/Community Benefits/Economic Development Requirements
- Exhibit K - Scope of Design Phase Services
- Exhibit L - Scope of Construction Phase Services
- Exhibit M - Not Used
- Exhibit N - Supplemental Conditions - Project Sponsor Requirements
- Exhibit O - Arena Schedule
- Exhibit P - Owner's Construction Phasing Schedule
- Exhibit Q - Owner's Financing Plan
- Exhibit R - Survey
- Exhibit S - Letter of Credit
- Exhibit T - Form of Consent to Assignment
- Exhibit U - Forms of Architect Certification, amounting to \$484,594,525 has not been executed.

A 50/50 savings clause subject to a cap of \$5,000,000 is included between the Developer and the Contractor.

Subcontracts

According to Mr. Fisher and Mr. Hamburg, the Hunt Construction subcontracts are now approximately 68% contracted and are within budget. No major overruns are currently being anticipated.

The following executed subcontracts have been made available to date:

<u>Subcontractor</u>	<u>Trade Description</u>	<u>General Contractor's Original Budget</u>	<u>Subcontract Amount</u>
Almar Plumbing	Plumbing	\$14,990,000	\$14,758,000
American Stair	Steel Stairs	4,601,366	2,029,695
ASI Limited	Exterior Façade	39,194,310	32,411,211
ASM	HVAC/BMS	43,350,000	43,250,000
Banker Steel	Structural Steel	50,344,722 *	51,450,673
Banker Steel	Structural Precast	8,279,500	5,920,560
Cimco	Ice rink	3,400,600	3,450,600
Commodore	Structure Concrete	9,070,000	9,070,000
E-J/ERMCO	Electrical	46,511,724	46,231,954
H-Mak	Food Service	10,825,000	9,305,000
Hydro Worx Int'l	Aquatic Therapy Pools	527,500	337,500
J.E. Thompson	Truck Elevators & Turntable	1,572,000	724,000
LaQuila Group	Excavation, Foundation	28,900,000	27,500,000
Otis Elevators	Elevator & Escalators	6,847,250	5,500,000
Staging Concepts	Ornamental Metal	2,701,518	3,232,367
United Hoisting	Fencing	1,510,000	470,900
United Hoisting	Fencing	<u>0</u>	<u>776,210</u>
Totals		\$272,625,490	\$256,418,670

* Difference between the budgeted amount and the contract amount has been reallocated from the façade allowance.

Note that the contract amounts may not, in all cases, represent the total costs of the individual line items, i.e., Internal Change Orders are not included in the subcontract amounts. Note that the preceding table does not include General Conditions and the Contractor's Fee.

Contractor's Contingency Reserve

The General Contractor's Contingency Reserve balance currently stands at \$19,679,350.

Bonds

Based on the Design/Build Agreement, the General Contractor will not need to be bonded while all Subcontractors must be bonded. Based on the Hunt Construction's contract, all Subcontractors will be bonded in an amount equal to its subcontract price, naming the Developer and General Contractor as co-obligees.

The following Payment and Performance Bonds have been made available to date:

<u>Subcontractor</u>	<u>Trade</u>
LaQuila Group	Excavation, Foundations
United Hoisting	Fencing
Banker Steel	Structural Steel
ASI Limited	Exterior Façade
E-J/ERMCO	Electrical
Commodore Construction	Superstructure Concrete

Note that the subcontracts for "material only" shall not be required to be bonded.

All Subcontractors shall be enrolled in the OCIP Program, as their contracts are executed. A trust fund in the amount of \$7,100,000 has been established with the Bank of New York. EJ/ERMCO JV (Electrical); enrollment in the OCIP Program will be limited to the General Liability (GL) coverage only. ASM Mechanical is excluded from the OCIP and will provide traditional insurance.

SECTION VII - CHANGE ORDERS AND PENDING CHANGE ORDERS
Change Orders**Arena**

Change Orders 26 - 42, totaling a credit of \$5,228,792, were provided this period and are included in the following list of executed Change Orders that have been made available:

<u>CO</u>	<u>Amount</u>	<u>Description</u>
1	\$ 0	Budget transfer from Division 17 (Technology) to 16 (Electrical) for low voltage scope of work.
2	(895,700)	OCIP Deduct - Banker Steel
3	0	Structural quantities matrix; credits site security credit
4	(1,770,921)	OCIP Deduct - Laquila
5	(220,000)	OCIP deduct - Almar Plumbing
6	57,316	Bus Ramp Design
7	(29,500)	Design Credit for wind and falling ice
8	2,928	Hockey Sightline Study
9	249,994	Updated Construction Fence from Chain-Link to Plywood
10	0	Fence around Lot 21 during demolition
11	0	Structural precast concrete award assigned to Banker Steel
12	506,780	Fence upgrades
13	0	Disposal of on-site contaminated excavated materials - \$7,746,950
14	(53,162)	OCIP Deduct - Otis Elevator
15	(1,066,100)	OCIP Deduct - ASI Ltd.
16*	0	Clarification Reconciliation of CCE/GMP Contract Values - (\$8,839,018) credit
17	(153,200)	OCIP Deduct - H-Mak
18	(20,916)	OCIP Deduct - American Stair
19	47,426	Construction Fence Upgrades - General Condition and CM Fee only
20	75,000	Relocate Con Edison Network Room
21	0	Reconciliation of previous OCO 1 - 20
22	0	Super Hazmat Material Trucking (Environmental Budget)
23	0	Facade Allowance to ASI for Signage - Budget Transfer
24	(435,000)	Early Payment Credit to ASI
25	(125,760)	United Hoist Phase 2 OCIP - Demo portion - \$5,240
26	(455,625)	OCIP Deduct EJ/Ermco
27	(5,000)	JE Thompson OCIP Deduct
28	(79,888)	Staging Concept OCIP Deduct
29	0	Site Security - G.C. Transfer
30	(279,000)	Commodore OCIP Deduct
31	(692,721)	Deduct Food Carts from H Mak scope
32	29,243	Design Elevator Hoistway
33	0	Hunt Laquila Haz & super Haz Disposal
34	3,120	Design Con Ed Network Rev Rm Layout
35	0	Partial September Reconciliation
36	61,795	Add Pass thru Window with Heat Lamp
37	20,099	Per DOT/BOB

<u>CO</u>	<u>Amount</u>	<u>Description</u>
38	0	Partial September Reconciliation
39	0	Budget Transfer for Laquila SCO-8
40	0	Budget Transfer Civetta from excav to COW GC
41	0	Budget Transfer from site requisition to United Fence \$3,147,367
42	<u>0</u>	Budget Transfer Temps site to MFM Contract \$3,147,367
	\$(5,228,792)	Total

- * OCO 16 amounting to a credit of \$8,839,018 address are the costs of the precon services provided by Hunt Construction prior to start of construction and has been deducted from the current budget and total work-in-place.

Transit Connection

Change Orders 1 and 2 amounting to \$1,845,000 were provided this period:

<u>CO</u>	<u>Amount</u>	<u>Description</u>
1	\$ 400,000	Civetta – Payment and Performance Bond
2	<u>1,485,000</u>	IRT column and beam Inspection
	\$1,845,000	Total

The preceding Change Orders have been executed by the Developer and General Contractor and we recommend your acceptance of them. The scope of work and dollar amounts appear reasonable. The scope changes do not substantially change the quality of the project. No time extensions to the project are indicated on these Change Orders.

The monies for all Change Orders resulting in the contract value being increased will be made available from the Developer's Contingency.

Pending Change Orders

The Developer's Pending Change Order (PCO) Log, dated November 23, 2010, amounts to \$0 for the Arena, and \$170,299 for the Transit Connection.

A Pending Change Order for Hunt Construction for additional General Conditions due to the delayed Notice to Proceed is being reviewed by the Developer.

Developer's Hard Cost Contingency Reserve

The Developer's Total Hard Cost Design/Scope Contingency Reserve balance currently totals \$28,911,748.

SECTION VIII - REQUISITION REVIEW
Summary of Hunt GMP Costs**Arena**

The following summary is based upon the General Contractor's Application and Certificates for Payment 10, covering the period through October 31, 2010:

Original Contract (Design/Build with GMP)		\$484,594,525
Adjustments (Less CCE per OCO 16)		(8,839,018)
Adjustments (COs 1 - 42)		<u>(5,228,792)</u>
Revised Contract Budget		\$470,526,715
Work Previously Completed	8.6%	\$ 41,219,232
Work Completed This Period	1.0%	<u>4,610,949</u>
Total Work Completed To Date	9.6%	\$ 45,830,181
Off-Site Stored Materials		<u>7,820,600</u>
Total Work Completed and Stored To Date	11.2%	\$ 53,650,781
Less Retainage		<u>(3,329,151)</u>
Total Completed and Stored Less Retainage		\$ 50,321,630
Less Previous Payments		<u>(44,096,693)</u>
Current Payment Due and Recommended by Merritt & Harris, Inc.		\$ 6,224,937 *
Balance to Complete based on Current Contract Value of \$470,526,715		\$416,875,934

* Current Payment Due includes Hard Costs (\$4,470,030), GC/CM Fee (\$1,294,309), and associated A/E Soft Costs (\$460,599)

In our opinion, the remaining Contract Value funds of \$416,875,934 (net of retainage), together with the remaining Developer's Arena Design/Scope Contingency, are sufficient to complete the work as it is currently defined.

The GMP budget was based on the "Scope Set" drawings, dated July 31, 2009.

The dollar amounts of each line item were reviewed at the time of our site visit, and the amounts were found to reasonably reflect the percentage of work in place.

Please note the following:

1. The fixed General Conditions will be requisitioned at an amount established under the Payment Schedule with the Developer for the remaining 24 months of the construction term.
2. The Cost of Work (COW) General Conditions shall be requisitioned monthly as cost incurred.
3. The Design Builder's Fee is a "Base Lump Sum" of \$18,200,000 and will be requisitioned as a percentage of work completed.
4. The Ellerbe Becket Design Fees are requisitioned as monthly costs incurred.
5. An Imprest Account amounting to \$1,000,000 has been established.
6. Retainage will be withheld at a rate of 10% for all Subcontractors, with the exception of subcontracts for materials only, until 50% of their subcontract is completed, with 0% withheld thereafter until completion. Early release of retainage for Subcontractors will be considered at the Developer's discretion.
7. This being a GMP contract, complete back-up documentation was made available for our review. No modifications were made to the requested percentages submitted at the time of our site visit.

Transit Connection

The following summary is based upon the General Contractor's Application and Certificate for Payment 3, covering the period through October 31, 2010:

Original Contract (Lump Sum)		\$50,581,000
Adjustment (FC-001- 002)		<u>1,825,000</u>
Current Revised Budget		\$52,406,000
Work Previously Completed	6.1%	\$ 3,222,747
Work Completed This Period	5.4%	<u>2,821,000</u>
Total Work Completed To Date	11.5%	\$ 6,043,747
Off-Site Stored Materials		<u>0</u>
Total Work Completed and Stored To Date	11.5%	\$ 6,043,747
Less Retainage		<u>(573,800)</u>
Total Completed and Stored Less Retainage		\$ 5,469,947
Less Previous Payments		<u>(2,931,047)</u>
Current Payment Due and Recommended by Merritt & Harris, Inc.		\$ 2,538,900
Balance to Completed based on Current Contract Value of \$52,406,000 (Net of Retainage)		\$46,362,253

In our opinion, the remaining Contract Value funds of \$46,362,253, and the Developer's Design/Scope Contingency, are sufficient to complete the work as it is currently defined.

The dollar amounts of each line item were reviewed at the time of our site visit, and the amounts were found to reasonably reflect the percentage of work in place.

Off-Site Stored Materials

The following off-site stored materials amounting to \$7,820,600 represents the current closing inventory:

<u>Trade</u>	<u>Amount</u>
Structural Steel	\$4,890,950
Metal wall panels	2,335,650
Mechanical	<u>594,000</u>
Total	\$7,820,600

Of the closing inventory amounting to \$7,820,600, the new value of off-site stored materials added this period is \$2,654,216.

Complete backup documentation was made available for these materials, including the Bills of Sale, Insurance Certificates, and Affidavits. As instructed by you, our office will not be observing the materials stored off site.

Summary of Total Project Hard Costs

The overall Hard Cost budget includes the following hard cost related items:

<u>Description</u>	<u>Budget</u>	<u>Previously Completed</u>	<u>Current Request</u>	<u>Total Completed</u>	<u>% Complete</u>	<u>Remaining Balance</u>
Arena	\$507,193,011	\$61,317,006	\$7,305,262 *	\$68,622,268	13.5	\$438,570,743
Transit Connection	66,507,554	5,966,517	2,737,103	8,703,620	13.1	57,803,934
Arena Site Work	20,143,349	346,032	17,578	363,610	1.8	19,779,739
Arena Mitigation	<u>2,685,886</u>	<u>80,690</u>	<u>0</u>	<u>80,690</u>	3.0	<u>2,605,196</u>
Totals	\$596,529,800	\$67,710,245	\$10,059,943	\$77,770,188	13.0%	\$518,759,613

The \$10,059,943 being requested for these line items under the Requisition, covering October 2010, was reviewed by our office and found to be reasonable.

* Current Request is part of the Hunt Construction Design-Build contract and includes the trades, GC/CM Fee Costs, and other miscellaneous Hard Costs.

Soft Costs

<u>Description</u>	<u>Budget</u>	<u>Total Completed</u>	<u>Amount Due</u>	<u>Remaining Balance</u>	<u>% Complete</u>
Architecture and Engineering	\$ 100,346,749	\$92,637,477	\$706,172	\$7,709,272	92.3
Legal	2,828,180	934,413	133,919	1,893,767	33.0
Development Costs	45,000,000	36,222,780	915,966	8,777,220	80.5
Project Expenses/Marketing	29,415,305	22,907,733	167,941	6,507,572	77.9
Insurance/Commissioning	3,344,840	1,029,548	0	2,315,292	30.8
Development Contingency	<u>2,671,795</u>	<u>0</u>	<u>0</u>	<u>2,671,795</u>	0.0
Totals	\$183,606,869	\$153,731,951	\$1,923,998	\$29,874,918	83.7

Current Revised Budget \$183,606,869

Total Amount Incurred to Date 83.7% \$153,731,951

Current Payment Due and Recommended by Merritt & Harris, Inc. \$ 1,923,998

Balance Amount based on Budget of \$183,606,869 \$ 29,874,918

Soft Cost Related Items

<u>Description</u>	<u>Budget</u>	<u>Previously Completed</u>	<u>Current Request</u>	<u>Total Completed</u>	<u>% Complete</u>	<u>Remaining Balance</u>
Arena	\$174,827,003	\$145,602,856	\$1,721,939	\$147,324,794	84.3	\$27,502,209
Transit Connection	5,066,098	3,276,428	101,939	3,378,367	66.7	1,687,731
Arena Site Work	3,667,307	2,899,218	100,121	2,999,339	81.8	667,968
Arena Mitigation	46,461	29,451	0	29,451	63.4	17,010
Totals	\$183,606,869	\$151,807,953	\$1,923,999	\$153,731,951	83.7	\$29,874,918

Additional costs not included within the Hard or Soft Cost Requisition includes the following:

<u>Description</u>	<u>Budget</u>	<u>Previously Completed</u>	<u>Current Request</u>	<u>Total Completed</u>	<u>% Complete</u>	<u>Remaining Balance</u>
Accounts Payable (AP)	\$ 4,950,367 ⁽¹⁾	\$ 4,517,503	\$74,028	\$ 4,591,531	92.7	\$358,835
Financing	29,715,483 ⁽²⁾	29,713,221	0	29,713,221	99.9	2,262
Totals	\$34,665,850	\$34,230,724	\$74,028	\$34,304,752	99.0	\$ 361,097

(1) Costs incurred prior to closing

(2) Costs of financing

Summaries of Recommended Payment Due

<u>Description</u>	<u>Amount</u>
Hard Costs - Arena	\$ 7,305,262.44
Hard Costs - Transit Connection	2,737,102.41
Hard Costs - Site Work	17,577.59
Soft Costs	1,923,998.13
Accounts Payable (AP)	74,028.38
Financing	0.00
Total	\$ 12,057,968.95

SECTION IX - LIEN WAIVERS

The General Contractor's (Arena) Lien Waiver, dated November 3, 2010, amounting to \$50,321,630.04 including the current payment of \$6,224,937.55, was made available for our review. The lien waiver amount agrees with the monies requisitioned by the General Contractor through Application and Certificate for Payment 9, covering through October 31, 2010.

The General Contractor's (Transit Connection) Lien Waiver, dated November 5, 2010, amounting to \$763,830 including the current payment of \$2,538,900 for the period ending October 31, 2010, was made available.

The following Subcontractors' lien waivers have been made available to date:

<u>Subcontractor</u>	<u>Cumulative Amount Paid</u>	<u>Period Ending</u>
ASI Limited	\$4,838,123	10/31/10
ASM Mechanical	579,831	10/31/10
Almar Plumbing	277,302	10/31/10
Banker Steel	4,980,874	10/31/10
E-J/ERMCO	2,747,706	10/31/10
H-Mak	482,706	10/31/10
Hydro Work Int'l	33,750	04/30/10
LaQuila Group	9,442,524	10/31/10
LaQuila Group - Environmental	3,486,127	09/30/10
United Hoisting – Contract 1	664,525	09/30/10
United Hoisting – Contract 2	638,568	10/31/10
MFM Contracting	<u>16,896</u>	10/31/10
Total	\$28,188,932	

As of the current Application and Certificate for Payment 10, the previously funded amount to the General Contractor currently totals \$44,096,693. The amounts requisitioned under General Conditions, Fee, Design Fees, and Pre-Construction Estimating Services constitute the major portion of the difference between the amount paid to date and lien waivers made available to date.

Please note that our office is not performing a detailed accounting of lien waiver amounts paid to date for each Subcontractor. We are calculating the total of all lien waivers to date, to ascertain whether the total amount paid to date generally conforms to the most recently funded requisition amount.

SECTION X - CONSTRUCTION SCHEDULE

Rate of Progress and Estimated Completion Date

A High Level Arena Summary Construction Schedule, dated July 16, 2010, has been provided for our review. The current schedule, prepared by Hunt, indicates that substantial completion is anticipated to be by August 12, 2012. The Developer is currently reviewing that schedule and there is a meeting anticipated for mid-December to resolve current schedule disputes.

The schedule further indicates the following important milestones:

Activity

<u>Construction Phase</u>	<u>Early Start</u>	<u>Early Finish</u>
Start Foundations	06/07/10	-
Footings	06/07/10	05/12/11
Start Steel Fabrication	06/28/10	-
Start Steel Façade Fabrication	08/09/10	-
Start MEP Coordination	08/23/10	-
Start Precast Fabrication	08/24/10	-
Underground MEP & Slab-on-Grade	11/01/10	10/06/11
Start Steel Erection	11/29/10	-
Structural Steel (excluding Catwalk)	11/29/10	08/08/11
Performance Mockup Done	-	01/14/11
Con Ed Vault	01/20/11	08/12/11
Start Concrete on Metal Deck	01/28/11	-
Concrete on Metal deck	01/28/11	09/23/11
Start Structural Precast	03/11/11	-
Structural Precast	03/11/11	09/14/11
Metal Stairs	03/14/11	06/25/12
Interior Masonry Partitions	03/22/11	03/23/12
Interior Finishes	03/22/11	08/12/12
Fireproofing	03/28/11	12/14/11
MEP Work	04/08/11	07/16/12
Vertical Transportation	04/13/11	04/13/12
Start Roof Steel	04/18/11	-
Roof Steel/Deck	04/18/11	12/20/11
Roofing	07/15/11	03/19/12
Start Exterior Skin	08/09/11	-
Exterior Skin	08/09/11	06/14/12
Con Ed Pavement Power Available	11/04/11	-
Phase 5 (Lower Bowl Leave-Out) Foundations & Precast	11/22/11	02/09/12
Seating	11/22/11	08/07/12
Canopy Steel/Roof	01/17/12	05/15/12
Start Scoreboard	01/26/12	-
Scoreboard, Video Displays, & Sound System	01/26/12	06/08/12
Phase 5 Ice Rinks Systems	02/10/12	07/10/12
Substantial Completion	-	08/12/12
Start NBA Pre-Season Games	10/17/12	-
Start NBA Regular Season	10/31/12	-

In our opinion, the construction term of 26 months for the Arena is reasonable, provided that adequate manpower is maintained throughout the construction term, and that there are no hold-ups, such as strikes, inclement weather, material shortages, or other unforeseen circumstances.

A, early target substantial completion date of June 1, 2012, has been established with the following criteria to be met:

- a. Owner may use and occupy the Arena
- b. Only punch list items remain
- c. The Architect of Record has issued a Certificate of Substantial Completion
- d. A TCO has been issued

Punch list work and Subcontractor close-outs may extend the construction term to a final completion date of February 28, 2013.

According to the General Contractor, 120 persons have been on the job this month. Daily Manpower Logs, in chronological order, will be made available at the job site and will be reviewed periodically by our office.

We are enclosing our own computerized Construction Chart on which we have plotted actual construction progress versus the projected construction progress (see Attachment). This chart, based on cash flow projections, gives you an idea as to how the project is progressing on a month-to-month basis.

Currently, the project is slightly ahead of schedule.

Work Anticipated for the Next Period

Mr. Gladden indicated that by our next site visit, we should expect to see the following progress:

Arena

1. Bulk excavation will continue along the southeast portion of the site
2. The support of excavation operation will continue along Dean Street
3. Interior footings at Lines W, X, and Y at the northwest area will be poured
4. Foundation walls along Lines 4 - 3 will be poured
5. Underground electrical and plumbing rough-in will continue
6. Retaining wall removal along Pacific Street will continue
7. Steel columns at the northwest corner will begin

In our opinion, the preceding projections, as stated by Mr. Gladden, are realistic. It should be noted that all of last month's projections have been met.

SECTION XI - ATTACHMENTS

The following documents are attached to this report:

1. *Site Location Map*
2. *Developer's Requisition 7, covering October 2010*
3. *General Contractor's Application and Certificate for Payment 10 (Arena), covering the period through October 31, 2010*
4. *General Contractor's Application and Certificate for Payment 3 (Transit Connection), covering the period through October 31, 2010*
5. *Developer's Requisition for Payment*
6. *Change Order Summary and Change Orders*
7. *Off-Site Stored Material Documentation*
8. *Construction Progress Chart, prepared by Merritt & Harris, Inc.*
9. *Progress Photographs*

23-041

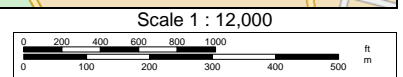
**BARCLAYS CENTER
BROOKLYN, NEW YORK**



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ATTACHMENT 1

**EXHIBIT A
BARCLAYS ARENA
REQUISITION # 7
SUMMARY**

	(A) Original Budget	(B) Budget Revisions	(C) Revised Budget	(D) Previously Expended	(E) Current Requisition	(F) = (D)+(E) Total Expended to date	(G) = (C)-(F) Remaining Balance	(H) Retainage To Date
1 SITE ACQUISITION COSTS:	124,125,125	0	124,125,125	124,125,125	0	124,125,125	0	-
2 Hard Costs:								
3 Trades	471,705,468	(1,446,000)	470,259,468	43,401,445	7,516,254	50,917,699	419,341,769	3,810,851
4 GC / CM Fee	80,694,032	1,746,000	82,440,032	12,341,058	2,514,416	14,855,477	47,584,555	92,300
5 GMP Contingency	19,679,350	0	19,679,350	0	0	0	19,679,350	-
6 Hunt Add / Alternate Allowance for Site Rents & FF&E	0	0	0	0	0	0	0	-
7 Preconstruction Estimating Services	11,396,809	0	11,396,809	10,927,403	0	10,927,403	469,406	-
8 Permits, Bonds	2,301,484	0	2,301,484	890,558	0	890,558	1,410,926	-
9 Owner's Testing/Survey	1,540,908	0	1,540,908	359,782	0	359,782	1,181,126	-
10 Owner's Design/Scope Contingency	30,711,748	(1,800,000)	28,911,748	0	0	0	28,911,748	-
11 Total Hard Costs	596,029,800	(1,500,000)	594,529,800	87,710,244	10,059,942	98,770,187	515,759,613	3,902,951
12 Soft Costs and Other:								
13 Architecture & Engineering	98,946,749	1,500,000	100,446,749	91,931,305	706,172	92,637,477	7,709,272	-
14 Legal	2,828,180	0	2,828,180	800,484	133,919	934,403	1,893,767	-
15 Development Costs	45,000,000	0	45,000,000	35,306,814	915,866	36,222,780	8,777,220	-
16 Project Expenses / Marketing	28,245,305	170,000	28,415,305	22,738,792	187,941	22,926,733	5,488,572	-
17 Insurance / Commissioning / Other	3,514,840	(170,000)	3,344,840	1,028,548	0	1,028,548	2,316,292	-
18 Development Contingency	2,871,795	0	2,871,795	0	0	0	2,871,795	-
19 Total Soft Costs & Other	182,106,869	1,500,000	183,606,869	151,807,933	1,923,988	153,731,921	29,874,947	-
20 Total Project Costs	804,281,793	0	804,281,793	343,643,322	11,983,941	355,627,263	548,654,531	3,902,951
21 Total AP				(432,894)	74,026	(358,868)	368,835	-
22 Total Liability				(432,894)	74,026	(358,868)	368,835	-
23 TOTAL USES	804,281,793	0	804,281,793	343,210,428	12,057,969	355,268,427	548,993,366	3,902,951
24 SOURCES								
25 Contribution from NYC/NYS								
26 Tax-Exempt Bond Proceeds	(131,000,000)	0	(131,000,000)	(131,000,000)	0	(131,000,000)	0	-
27 Funds to Construction Account from Non-Asset Account Escrow	(510,999,997)	0	(510,999,997)	(113,601,430)	0	(113,601,430)	(397,398,567)	-
28 Projected Interest Earnings on Bond Fund (Prior to Vacant Possession)	1,937,350	0	1,937,350	48,975	0	48,975	(48,975)	-
29 Projected Interest Earnings on Construction Account	(6,061,727)	0	(6,061,727)	(1,937,350)	0	(1,937,350)	0	-
30 Costs of Financing from Bond Proceeds and certain Interest Earnings	115,538,780	0	115,538,780	115,538,780	0	115,538,780	0	-
31 Total Construction Account Sources	(495,490,293)	0	(495,490,293)	(48,975)	0	(48,975)	(405,539,268)	-
32 Additional Rent	(395,712,890)	0	(395,712,890)	(256,507,202)	(12,057,969)	(268,565,171)	(128,147,703)	-
33 Projected Interest Earnings on Non-Asset Account	(39,850)	0	(39,850)	(39,850)	0	(39,850)	0	-
34 Projected Interest Earnings on Additional Rent Account	(734,255)	0	(734,255)	0	0	0	(734,255)	-
35 Surplus Costs of Issuance Deposit to Additional Rent Account	0	0	0	2,262	0	2,262	(2,262)	-
36 Non-Asset Account Escrow	0	0	0	18,113,032	0	18,113,032	(18,113,032)	-
37 Deposit to Additional Rent Account from Non-Asset Account Escrow	(397,486,984)	0	(397,486,984)	(238,431,764)	(12,057,969)	(250,489,733)	(146,997,251)	-
38 Additional Rent Account Balance	(397,486,984)	0	(397,486,984)	(238,431,764)	(12,057,969)	(250,489,733)	(146,997,251)	-
39 Costs of Financing from Additional Rent and certain Interest Earnings	29,715,483	0	29,715,483	29,713,221	0	29,713,221	2,262	-
40 Total Additional Rent Sources (Net of COI)	(367,771,501)	0	(367,771,501)	(208,718,544)	(12,057,969)	(220,776,513)	(146,994,985)	-
41 TOTAL SOURCES (NET OF COI)	(994,281,785)	0	(994,281,785)	(339,869,589)	(12,057,969)	(351,927,558)	(552,534,257)	-
42 Additional Rent Account at Vacant Possession (5-12-10)	213,978,702			58,464,373	12,057,969	70,522,342	143,456,360	
43 Construction Account Balance at Vacant Possession (5-12-10)	405,539,268				0		405,539,268	

**EXHIBIT A
BARCLAYS ARENA
REQUISITION # 7
ARENA BUILDING**

	(A) Arena Building Budget	(B) Budget Revisions	(C) Revised Budget	(D) Previously Expended	(E) Current Requisition	(F) = (D+E) Total Expended to date	(G) = (C-F) Remaining Balance	(H) Retainage To Date
1 <u>Site Acquisition Costs:</u>	124,125,125	0	124,125,125	124,125,125	0	124,125,125	0	-
2								
3 <u>Hard Costs:</u>	395,246,107	0	395,246,107	40,058,841	4,982,482	45,039,103	350,207,004	3,329,151
4 Trades	58,642,649	0	58,642,649	11,612,259	2,293,530	13,905,789	44,736,860	-
5 GC / CM Fee	19,878,350	0	19,878,350	0	0	0	19,878,350	-
6 GMP Contingency	0	0	0	0	0	0	0	-
7 Hunt Add / Alternate Allowance for Site Reqs. & FF&E	8,914,565	0	8,914,565	8,914,565	0	8,914,565	0	-
8 Preconstruction Estimating Services	750,000	0	750,000	373,759	0	373,759	376,241	-
9 Permits, Bonds	1,341,007	0	1,341,007	358,782	29,270	388,052	951,955	-
10 Owner's Testing/Survey	22,619,332	0	22,619,332	0	0	0	22,619,332	-
11 Owner's Design/Scope Contingency	507,183,019	0	507,183,019	61,317,606	7,306,262	68,622,288	438,570,743	3,329,151
12 <u>Total Hard Costs</u>								
13								
14 <u>Soft Costs and Other:</u>	93,238,819	(960,000)	92,278,819	86,205,962	527,807	86,733,769	5,545,050	-
15 Architecture & Engineering	2,685,000	0	2,685,000	637,314	133,919	771,233	1,893,787	-
16 Legal	45,000,000	0	45,000,000	35,306,814	915,966	36,222,780	8,777,220	-
17 Development Costs	29,085,305	0	29,085,305	22,558,920	144,248	22,703,167	8,382,139	-
18 Project Expenses / Marketing	3,126,084	0	3,126,084	893,846	0	893,846	2,232,239	-
19 Insurance / Commissioning / Other	2,671,795	0	2,671,795	0	0	0	2,671,795	-
20 Development Contingency	175,787,003	(960,000)	174,827,003	145,602,866	1,721,938	147,324,794	27,502,209	-
21 <u>Total Soft Costs & Other</u>								
22								
23 <u>Total Project Costs</u>	807,105,138	(960,000)	806,145,138	331,044,886	9,027,201	340,072,186	466,072,952	3,329,151
24								
25 <u>Total AP</u>	0	0	0	(425,043)	74,028	(351,015)	351,015	-
26								
27 <u>Total Liability</u>	0	0	0	(425,043)	74,028	(351,015)	351,015	-
28								
29 <u>TOTAL USES</u>	807,105,138	(960,000)	806,145,138	330,619,942	9,101,229	339,721,171	466,423,967	3,329,151
30 Add: COI this period					0	0		
31 <u>TOTAL ARENA (w/ COI)</u>					9,101,229			

**EXHIBIT A
BARCLAYS ARENA
REQUISITION # 7
TRANSIT CONNECTION**

	(A) Transit Connection Budget	(B) Budget Revisions	(C) Revised Budget	(A) Updated Budget	(D) Previously Expended	(E) Current Requisition	(F) = (D+E) Total Expended to date	(G) = (C-F) Remaining Balance	(H) Rebalance To Date
1 Site Acquisition Costs:									
2 Hard Costs:									
3 Trades									
4 GC / CM Fee	58,324,500	(1,446,000)	57,078,500	55,278,500	2,949,680	2,516,214	5,465,894	51,612,506	481,500
5 GMP Contingency	0	1,746,000	1,746,000	1,746,000	728,800	220,888	949,888	796,312	92,300
6 Hunt Add / Alternate Allowance for Site Reqs. & FF&E	0	0	0	0	0	0	0	0	
7 Preconstruction Estimating Services	2,282,244	0	2,282,244	2,282,244	1,981,240	0	1,981,240	301,004	
8 Permits, Bonds	1,166,850	0	1,166,850	1,166,850	306,797	0	306,797	860,053	
9 Owner's Testing/Survey	0	0	0	0	0	0	0	0	
10 Owner's Design/Scope Contingency	6,033,960	(1,800,000)	4,233,960	6,033,960	0	0	0	4,233,960	
11 Total Hard Costs	66,607,654	(1,690,000)	64,917,654	64,917,654	5,966,517	2,737,102.41	6,703,619	57,803,834	573,800
12									
13 Soft Costs and Other:									
14 Architecture & Engineering									
15 Legal	3,117,848	1,500,000	4,617,848	4,617,848	2,992,187	84,198	3,076,385	1,541,463	
16 Development Costs	163,180	0	163,180	163,180	163,180	0	163,180	0	
17 Project Expenses / Marketing	0	0	0	0	0	0	0	0	
18 Insurance / Commissioning / Other	285,070	125,000	125,000	125,000	16,376	17,741	34,117	90,883	
19 Development Contingency	0	(125,000)	160,070	160,070	104,686	0	104,686	55,384	
20 Total Soft Costs & Other	3,696,098	1,500,000	5,096,098	5,096,098	3,278,428	101,939	3,378,367	1,847,731	
21 Total Project Costs	71,673,652	0	71,673,652	71,673,652	9,242,945	2,839,042	12,081,987	59,491,665	673,800
22									
23 Total AP	0							7,820	
24									
25 Total Liability	0	0	0	0	(7,820)	0	(7,820)	7,820	
26									
27									
28 TOTAL USES	71,673,652	0	71,673,652	71,673,652	9,235,125	2,839,042	12,074,168	59,499,485	673,800
29									

EXHIBIT A
BARCLAYS ARENA
REQUISITION # 7
ARENA SITEWORK

	(A) Arena Sitework Budget	(B) Budget Revisions	(C) Revised Budget	(D) Previously Expended	(E) Current Requisition	(F) = (D)+(E) Total Expended to date	(G) = (C)-(F) Remaining Balance	(H) Remaining To Date
1 Site Acquisition Costs:								
2 Hard Costs:								
3 Trades	15,734,060	0	15,734,060	314,434	17,578	332,012	15,402,048	
4 GC / CM Fee	1,888,087	0	1,888,087	0	0	0	1,888,087	
5 GMP Contingency	0	0	0	0	0	0	0	
6 Hunt Add / Alternate Allowance for Site Reqs. & FF&E	0	0	0	0	0	0	0	
7 Preconstruction Estimating Services	150,000	0	150,000	31,598	0	31,598	118,402	
8 Permits, Bonds	354,018	0	354,018	0	0	0	354,018	
9 Owner's Testing/Survey	188,901	0	188,901	0	0	0	188,901	
10 Owner's Design/Scope Contingency	1,817,284	0	1,817,284	0	0	0	1,817,284	
11 Total Hard Costs	20,143,349	0	20,143,349	345,032	17,578	362,610	19,778,740	
12								
13 Soft Costs and Other:								
14 Architecture & Engineering	2,460,631	960,000	3,420,631	2,703,708	94,167	2,797,872	622,759	
15 Legal	0	0	0	0	0	0	0	
16 Development Costs	0	0	0	0	0	0	0	
17 Project Expenses / Marketing	180,000	45,000	205,000	184,496	5,964	170,450	34,550	
18 Insurance / Commissioning / Other	86,576	(45,000)	41,576	31,017	0	31,017	10,659	
19 Development Contingency	0	0	0	0	0	0	0	
20 Total Soft Costs & Other	2,707,307	960,000	3,667,307	2,898,218	100,121	2,998,339	667,968	
21								
22 Total Project Costs	22,850,656	960,000	23,810,656	3,245,250	117,898	3,362,948	20,447,708	
23								
24 Total AP	0	0	0	0	0	0	0	
25								
26 Total Liability	0	0	0	0	0	0	0	
27								
28 TOTAL USES	22,850,656	960,000	23,810,656	3,245,250	117,898	3,362,948	20,447,708	
29								

**EXHIBIT A
BARCLAYS ARENA
REQUISITION # 7
ARENA MITIGATION**

	(A) Arena Mitigation Budget	(B) Budget Revisions	(C) Revised Budget	(D) Previously Expended	(E) Current Requisition	(F) = (D+E) Total Expended to date	(G) = (C-F) Remaining Balance	(H) Retainage To Date
1 Site Acquisition Costs:								
2 Hard Costs:								
3 Trades	0	0	0	0	0	0	0	
4 GC / CM Fee	2,200,800	0	2,200,800	80,690		80,690	2,120,110	
5 GMP Contingency	163,296	0	163,296	0		0	163,296	
6 Hunt Add / Alternate Allowance for Site Reqs. & FF&E	0	0	0	0	0	0	0	
7 Preconstruction Estimating Services	50,000	0	50,000	0	0	0	50,000	
8 Permits, Bonds	30,618	0	30,618	0	0	0	30,618	
9 Owner's Testing/Survey	0	0	0	0	0	0	0	
10 Owner's Design/Scope Contingency	241,172	0	241,172	0	0	0	241,172	
11 Total Hard Costs	2,685,886	0	2,685,886	80,690	0	80,690	2,605,196	-
12								
13 Soft Costs and Other:								
14 Architecture & Engineering	29,451	0	29,451	29,451		29,451	0	
15 Legal	0	0	0	0	0	0	0	
16 Development Costs	0	0	0	0	0	0	0	
17 Project Expenses / Marketing	0	0	0	0	0	0	0	
18 Insurance / Commissioning / Other	17,010	0	17,010	0	0	0	17,010	
19 Development Contingency	0	0	0	0	0	0	0	
20 Total Soft Costs & Other	46,461	0	46,461	29,451	0	29,451	17,010	-
21								
22 Total Project Costs	2,732,347	0	2,732,347	110,141	0	110,141	2,622,206	-
23								
24 Total AP	0				0	0	0	
25								
26 Total Liability	0	0	0	0	0	0	0	-
27								
28 TOTAL USES	2,732,347	0	2,732,347	110,141	0	110,141	2,622,206	-
29								

ARENA
REQUISITION #7

Sum of Req #7	Request Sheet					
Requisition Line	Vendor name	Invoice	Arena Building	Arena Sitework	Arena Transit	Grand Total
04 - Trades	Hunt Construction Group Inc.	APP1287-010 BA	4,470,029.29			4,470,029.29
	Hunt Construction Group Inc. Total		4,470,029.29			4,470,029.29
	John Civetta and Sons, Inc.	APP003-1878			2,457,000.00	2,457,000.00
	John Civetta and Sons, Inc. Total				2,457,000.00	2,457,000.00
	SimplexGrinnell LP	APP001-1926	70,711.94			70,711.94
	SimplexGrinnell LP Total		70,711.94			70,711.94
	Willis of New York, Inc.	1006071	415,738.28	16,543.64	55,731.08	488,013.00
		1006072	25,982.95	1,033.95	3,483.10	30,500.00
	Willis of New York, Inc. Total		441,721.23	17,577.59	59,214.18	518,513.00
04 - Trades Total			4,982,462.46	17,577.59	2,516,214.18	7,516,254.23
05 - GC/CM Fee	Hunt Construction Group Inc.	APP1287-010 BA	1,294,309.26			1,294,309.26
	Hunt Construction Group Inc. Total		1,294,309.26			1,294,309.26
	John Civetta and Sons, Inc.	APP003-1878			81,900.00	81,900.00
	John Civetta and Sons, Inc. Total				81,900.00	81,900.00
	NYC Transit Authority	82560			138,988.23	138,988.23
	NYC Transit Authority Total				138,988.23	138,988.23
	NYC Police Dept	RE-0582010710	183,001.43			183,001.43
		RE-0582010784	195,462.73			195,462.73
		RE-0582010819	184,958.51			184,958.51
		RE-0582010816	159,829.71			159,829.71
		RE-0582011085	136,592.59			136,592.59
		RE-0582011086	139,375.95			139,375.95
	NYC Police Dept Total		899,220.92			899,220.92
05 - GC/CM Fee Total			2,293,530.18		220,888.23	2,514,418.41
10 - Owners Testing	Atlantic Engineering Laborator	APP002-1880	48,957.52			48,957.52
	Atlantic Engineering Laborator Total		48,957.52			48,957.52
	Langan Engineering & Environ.	APP6-0165816	18,268.50			18,268.50
		APP7-0166776	20,325.60			20,325.60
	Langan Engineering & Environ. Total		38,594.10			38,594.10
	Vibra-Tech	244753	(9,168.80)			(9,168.80)
		245567	(17,977.74)			(17,977.74)
		246348	(14,699.67)			(14,699.67)
		247285	(16,435.61)			(16,435.61)
	Vibra-Tech Total		(58,281.82)			(58,281.82)
10 - Owners Testing Total			29,269.80			29,269.80
15 - Architecture & Engineering	A.Esteban & Company	781809	4,426.60			4,426.60
	A.Esteban & Company Total		4,426.60			4,426.60
	e4, Inc.	20956	5,000.00			5,000.00
	e4, Inc. Total		5,000.00			5,000.00
	Hunt Construction Group Inc.	APP1287-010 BA	460,599.00			460,599.00
	Hunt Construction Group Inc. Total		460,599.00			460,599.00
	Lovett Silverman Construction	APP10-0203256IN	9,228.25			9,228.25
		APP11-0203296IN	10,042.75			10,042.75
		APP9-0203213IN	8,849.25			8,849.25
	Lovett Silverman Construction Total		28,120.25			28,120.25
	Shop Architects PC	090705-18	45,407.34			45,407.34
		090705-18 Plaza		53,789.39		53,789.39
	Shop Architects PC Total		45,407.34	53,789.39		99,196.73
	Stantec Consulting ServicesInc	APP11-441479			84,198.48	84,198.48
		APP9Rev-445541		40,397.26		40,397.26
	Stantec Consulting ServicesInc Total			40,397.26	84,198.48	124,595.74
	Vibra-Tech	243795	(15,746.56)			(15,746.56)
	Vibra-Tech Total		(15,746.56)			(15,746.56)
15 - Architecture & Engineering Total			527,806.63	94,186.65	84,198.48	706,191.76
16 - Legal	Duane Morris LLP	f539820	1,035.00			1,035.00
		1545349	595.00			595.00
		1551975	178.50			178.50
		1560091	297.50			297.50
		1576388	714.00			714.00
	Duane Morris LLP Total		2,820.00			2,820.00
	Fried, Frank, Harris, Shriver	142183	8,106.42			8,106.42
		142707	5,549.84			5,549.84
		145046	111,512.79			111,512.79
	Fried, Frank, Harris, Shriver Total		125,169.05			125,169.05
	Howrey, LLP	9010039182	846.00			846.00
		9010040502	1,034.00			1,034.00
	Howrey, LLP Total		1,880.00			1,880.00
	Proskauer Rose, LLP	1031909	168.75			168.75
		1054329	2,868.75			2,868.75
		1075894	337.50			337.50
		1084162	675.00			675.00
	Proskauer Rose, LLP Total		4,050.00			4,050.00
16 - Legal Total			133,919.05			133,919.05
17 - Development Cost	Forest City Ratner Co.	SM093010C	433,333.00			433,333.00
		SM103110C	476,333.00			476,333.00
	Forest City Ratner Co. Total		909,666.00			909,666.00
	New York City Water Board	2000-081110	6,300.37			6,300.37
	New York City Water Board Total		6,300.37			6,300.37
17 - Development Cost Total			915,966.37			915,966.37
18 - Project Expenses/Marketing	Darryl E. Greene & Associates	BEC-2010-6	26,291.44	1,183.17	3,525.89	31,000.00
		BEC-2010-MOD	108,013.89	4,770.83	14,215.28	125,000.00
	Darryl E. Greene & Associates Total		132,305.33	5,954.00	17,740.67	155,000.00
	Fast Signs	153-30318	90.95			90.95
	Fast Signs Total		90.95			90.95
	Firebird Group, Inc.	090110-BA	3,000.00			3,000.00
		100510-02	3,000.00			3,000.00

ARENA
REQUISITION #7

Sum of Req #7		Requisition Sheet				
Requisition Line	Vendor name	Invoice	Arena Building	Arena Sitework	Arena Transit	Grand Total
18 - Project Expenses/Marketing	Firebird Group, Inc. Total		8,000.00			8,000.00
	Merritt & Harris Inc.	23041A07	5,850.00			5,850.00
	Merritt & Harris Inc. Total		5,850.00			5,850.00
18 - Project Expenses/Marketing Total			144,248.28	5,964.00	17,740.67	167,940.95
25 - Total AP	Vibra-Tech	243795	15,748.56			15,748.56
		244753	9,168.80			9,168.80
		245567	17,977.74			17,977.74
		246348	14,699.67			14,699.67
		247285	16,435.61			16,435.61
	Vibra-Tech Total		74,028.38			74,028.38
25 - Total AP Total			74,028.38			74,028.38
Grand Total			9,101,229.15	117,898.24	2,839,041.56	12,057,968.95

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AP

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF

PAGES

TO OWNER:

Atlantic Yards Development Company, LLC
One Metrotech Center North, 11th Floor
Brooklyn, NY 11201

FROM CONTRACTOR:

Hest Construction Group, Inc.
625 Atlantic Avenue, 3rd Floor
Brooklyn, NY 11217

VIA ARCHITECT:
Ellerbe Beckett
2300 McGee Street
Kansas City, MO 64108

PROJECT: Barclay's Center Arena
at Atlantic Yards

APPLICATION NO: 1287-010 (001)

ARENA ONLY

PERIOD TO: 10/31/10

PROJECT NOS:

CONTRACT FOR:

CONTRACT DATE

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract Continuation Sheet, AIA Document G703, is attached

1A. ORIGINAL CONTRACT SUM - GMP	\$ 48,159,525.00
1B. LESS CPE PER OCO 16	\$ (8,839,015.00)
1. TOTAL PROJECT COST	\$ 39,320,510.00
2. Net change by Change Orders Thru 42	\$ (1,228,792.00)
3. CONTRACT SUM TO DATE (Line 1 + 2)	\$ 38,091,718.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$ 31,650,780.63

5. RETAINAGE:	
a. % of Completed Work (Column D + E on G703)	\$ 3,329,150.59
b. % of Stored Material (Column F on G703)	\$
Total Retainage (Lines 5a + 5b on Total in Column I of G703)	\$ 3,329,150.59

6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	\$ 34,762,567.41
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$ 44,096,692.49
8. CURRENT PAYMENT DUE	\$ 6,224,937.55
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	\$ 420,205,084.96

CHANGES ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$2,500,000.00	\$4,370,000.00
Total approved this month (Line 2b 42)	\$11,425,700.00	\$1,500,000.00
TOTALS	\$13,925,700.00	\$5,870,000.00
NET CHANGES by Change Order	\$8,055,700.00	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due

CONTRACTOR: Hest Construction Group, Inc.

By: [Signature] Date: 11/05/10
State of: NY County of: Middlesex
Subscribed and sworn to before me this 05 day of NOV 2010
Notary Public:
My Commission expires George Thoma

GEORGE RICHTER
NOTARY PUBLIC
STATE OF NEW JERSEY
MY COMMISSION EXPIRES DEC. 2015

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED

AMOUNT CERTIFIED \$ 6,224,937.55

(A) Each explanation (if amount certified differs from the amount applied, initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)
ARCHITECT: Ellerbe Beckett

By: [Signature] Date: 11/14/10
This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

THE END

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DETAIL

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Topic

1994, 1996, 1998, 2000, 2002, 2004, 2006, 2008, 2010, 2012, 2014, 2016, 2018, 2020, 2022, 2024, 2026, 2028, 2030, 2032, 2034, 2036, 2038, 2040, 2042, 2044, 2046, 2048, 2050, 2052, 2054, 2056, 2058, 2060, 2062, 2064, 2066, 2068, 2070, 2072, 2074, 2076, 2078, 2080, 2082, 2084, 2086, 2088, 2090, 2092, 2094, 2096, 2098, 2100, 2102, 2104, 2106, 2108, 2110, 2112, 2114, 2116, 2118, 2120, 2122, 2124, 2126, 2128, 2130, 2132, 2134, 2136, 2138, 2140, 2142, 2144, 2146, 2148, 2150, 2152, 2154, 2156, 2158, 2160, 2162, 2164, 2166, 2168, 2170, 2172, 2174, 2176, 2178, 2180, 2182, 2184, 2186, 2188, 2190, 2192, 2194, 2196, 2198, 2200, 2202, 2204, 2206, 2208, 2210, 2212, 2214, 2216, 2218, 2220, 2222, 2224, 2226, 2228, 2230, 2232, 2234, 2236, 2238, 2240, 2242, 2244, 2246, 2248, 2250, 2252, 2254, 2256, 2258, 2260, 2262, 2264, 2266, 2268, 2270, 2272, 2274, 2276, 2278, 2280, 2282, 2284, 2286, 2288, 2290, 2292, 2294, 2296, 2298, 2300, 2302, 2304, 2306, 2308, 2310, 2312, 2314, 2316, 2318, 2320, 2322, 2324, 2326, 2328, 2330, 2332, 2334, 2336, 2338, 2340, 2342, 2344, 2346, 2348, 2350, 2352, 2354, 2356, 2358, 2360, 2362, 2364, 2366, 2368, 2370, 2372, 2374, 2376, 2378, 2380, 2382, 2384, 2386, 2388, 2390, 2392, 2394, 2396, 2398, 2400, 2402, 2404, 2406, 2408, 2410, 2412, 2414, 2416, 2418, 2420, 2422, 2424, 2426, 2428, 2430, 2432, 2434, 2436, 2438, 2440, 2442, 2444, 2446, 2448, 2450, 2452, 2454, 2456, 2458, 2460, 2462, 2464, 2466, 2468, 2470, 2472, 2474, 2476, 2478, 2480, 2482, 2484, 2486, 2488, 2490, 2492, 2494, 2496, 2498, 2500, 2502, 2504, 2506, 2508, 2510, 2512, 2514, 2516, 2518, 2520, 2522, 2524, 2526, 2528, 2530, 2532, 2534, 2536, 2538, 2540, 2542, 2544, 2546, 2548, 2550, 2552, 2554, 2556, 2558, 2560, 2562, 2564, 2566, 2568, 2570, 2572, 2574, 2576, 2578, 2580, 2582, 2584, 2586, 2588, 2590, 2592, 2594, 2596, 2598, 2600, 2602, 2604, 2606, 2608, 2610, 2612, 2614, 2616, 2618, 2620, 2622, 2624, 2626, 2628, 2630, 2632, 2634, 2636, 2638, 2640, 2642, 2644, 2646, 2648, 2650, 2652, 2654, 2656, 2658, 2660, 2662, 2664, 2666, 2668, 2670, 2672, 2674, 2676, 2678, 2680, 2682, 2684, 2686, 2688, 2690, 2692, 2694, 2696, 2698, 2700, 2702, 2704, 2706, 2708, 2710, 2712, 2714, 2716, 2718, 2720, 2722, 2724, 2726, 2728, 2730, 2732, 2734, 2736, 2738, 2740, 2742, 2744, 2746, 2748, 2750, 2752, 2754, 2756, 2758, 2760, 2762, 2764, 2766, 2768, 2770, 2772, 2774, 2776, 2778, 2780, 2782, 2784, 2786, 2788, 2790, 2792, 2794, 2796, 2798, 2800, 2802, 2804, 2806, 2808, 2810, 2812, 2814, 2816, 2818, 2820, 2822, 2824, 2826, 2828, 2830, 2832, 2834, 2836, 2838, 2840, 2842, 2844, 2846, 2848, 2850, 2852, 2854, 2856, 2858, 2860, 2862, 2864, 2866, 2868, 2870, 2872, 2874, 2876, 2878, 2880, 2882, 2884, 2886, 2888, 2890, 2892, 2894, 2896, 2898, 2900, 2902, 2904, 2906, 2908, 2910, 2912, 2914, 2916, 2918, 2920, 2922, 2924, 2926, 2928, 2930, 2932, 2934, 2936, 2938, 2940, 2942, 2944, 2946, 2948, 2950, 2952, 2954, 2956, 2958, 2960, 2962, 2964, 2966, 2968, 2970, 2972, 2974, 2976, 2978, 2980, 2982, 2984, 2986, 2988, 2990, 2992, 2994, 2996, 2998, 3000, 3002, 3004, 3006, 3008, 3010, 3012, 3014, 3016, 3018, 3020, 3022, 3024, 3026, 3028, 3030, 3032, 3034, 3036, 3038, 3040, 3042, 3044, 3046, 3048, 3050, 3052, 3054, 3056, 3058, 3060, 3062, 3064, 3066, 3068, 3070, 3072, 3074, 3076, 3078, 3080, 3082, 3084, 3086, 3088, 3090, 3092, 3094, 3096, 3098, 3100, 3102, 3104, 3106, 3108, 3110, 3112, 3114, 3116, 3118, 3120, 3122, 3124, 3126, 3128, 3130, 3132, 3134, 3136, 3138, 3140, 3142, 3144, 3146, 3148, 3150, 3152, 3154, 3156, 3158, 3160, 3162, 3164, 3166, 3168, 3170, 3172, 3174, 3176, 3178, 3180, 3182, 3184, 3186, 3188, 3190, 3192, 3194, 3196, 3198, 3200, 3202, 3204, 3206, 3208, 3210, 3212, 3214, 3216, 3218, 3220, 3222, 3224, 3226, 3228, 3230, 3232, 3234, 3236, 3238, 3240, 3242, 3244, 3246, 3248, 3250, 3252, 3254, 3256, 3258, 3260, 3262, 3264, 3266, 3268, 3270, 3272, 3274, 3276, 3278, 3280, 3282, 3284, 3286, 3288, 3290, 3292, 3294, 3296, 3298, 3300, 3302, 3304, 3306, 3308, 3310, 3312, 3314, 3316, 3318, 3320, 3322, 3324, 3326, 3328, 3330, 3332, 3334, 3336, 3338, 3340, 3342, 3344, 3346, 3348, 3350, 3352, 3354, 3356, 33

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DETAILS

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HUNT CONSTRUCTION GROUP, INC
INVOICE NO. 1287-10

FEE CALCULATION

Total Completed & Stored to Date Less CM Fee	\$60,652,872.08	(1)
Less Ellerbe Design Fees	\$7,801,497.00	
Less CCE Fee	\$8,839,018.00	
Total Cost of Work to Date	<u>\$44,012,357.08</u>	

Total Adjusted GMP	\$479,365,733.00
Less Design Builders Fee	\$18,233,606.00
Less Ellerbe Design Fees	\$13,595,198.00
Less CCE Fee	\$8,839,018.00
Total Adjusted Contract Amount	<u>\$438,697,911.00</u>

Percent Complete	10.03%
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DESIGN BUILD FEE	\$ 18,200,000.00
Percent Complete	10.03%

Fee Earned	\$ 1,825,914.55
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Construction Phase Fee Earned	\$1,825,914.55
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Less Fee Earned Previously	<u>\$1,573,154.98</u>
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Fee for September 2010	<u>\$ 252,759.57</u>
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Total Fee Earned to Date	\$ 1,825,914.55
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Less Fee Paid To Date	<u>\$1,573,154.98</u>
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Fee Due This Month	\$ 252,759.57
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(1) Amount equals AIA 703 Grand Total Column G minus CM Fee to date from AIA 703 Column G

LIEN WAIVER

MECHANIC'S LIEN WAIVER

		1287-009 Arena
Contractor:	Hunt Construction Group, Inc	Date: 11/1/10
Trade:	Design / Builder	Period Ending: 10/31/10
Project:	The Barclays Center Project	Contract Price: \$475,755,507.00
		Net Extras & Deductions: (\$5,228,792.00)
Site:	600 Atlantic Avenue	Adjusted Contract Price: \$470,526,715.00
	Kings County, Block	Amount Paid to Date: \$ 50,321,630.04
		Amount of Current Payment: \$ 6,224,937.55

STATE OF NEW YORK)
 ss.
COUNTY OF)

THE UNDERSIGNED, as authorized representative of Contractor and on behalf of the Contractor, (1) acknowledges receipt of the amount set forth above as payments received to date, (2) to the extent of such payments, and the amount of the current payment set forth above, waives and releases any claim which it may now or hereafter have upon the land and improvements described above, (3) that the amount of payments received to the date of this waiver, plus the amount of the current payment, represents the current amount due in accordance with Contractor's Agreement for work completed, and (4) warrants that it has not and will not assign any claims for payment or right to perfect a lien against such land and improvements and warrants that it has the right to execute this waiver and release. The Contractor represents that the adjusted Contract Price set forth above is inclusive of all additional work performed or additional costs incurred under the Agreement as of the date of this Lien Waiver.

In consideration and to the extent of the amounts and sums previously received and the Current Payment, Contractor hereby waives, releases and relinquishes any and all claims, rights or causes of action whatsoever, in equity or law, arising out of, through or under the above mentioned Agreement and the performance of Work pursuant thereto, up to and including the date of this Lien Waiver.

THE UNDERSIGNED Contractor further warrants that, to the extent of payments received through last month's Application for Payment: (1) all workmen employed by it or its subcontractors on this Project have been fully paid, (2) all materialmen from whom the undersigned or its subcontractors purchased materials used in the Project have been paid for materials delivered, and (3) none of such workmen and materialmen has any claim or demand or right of lien against the land and improvements described above. In addition, the undersigned stipulates that he is an authorized officer with full power to execute this Lien Waiver on Contractor's behalf.

THE UNDERSIGNED agrees that the Owner of the Project, and any Lender, title insurer, or other entity may rely upon this Lien Waiver.

WITNESS the signature and seal of the undersigned as of this 3th day of November, 2010.

Hunt Construction Group, Inc

By: _____

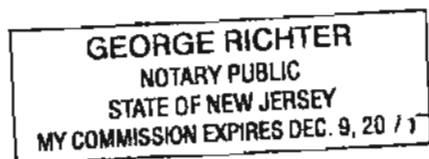
Name: H. Mark Gladden

Title: Project Executive

Sworn to before me this

05 day of Nov, 2010.

George Richter
Notary Public



APPLICATION AND CERTIFICATE FOR PAYMENT

TO (Owner): Brooklyn Events Center LLC
c/o Forest City Ratner Companies
1 Metrotech Center
Brooklyn, NY 11201

Project: BARCLAYS CENTER
at ATLANTIC YARDS
Brooklyn, NY

APPLICATION # 003-1878
APPLICATION DATE 10/27/10
PERIOD TO: 10/31/10
PROJECT NO: XXXX

Distribution to:
OWNER ☒
ARCHITECT ☐
CONTRACTOR ☐
OWNER'S REP ☐

FROM (CONTRACTOR):
John Civetta & Sons, Inc.
1123 Bronx River Avenue
Bronx, NY 10472

VA (ARCHITECT):

CONTRACT FOR: General Contractor

CONTRACT DATE:

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for Payment, as shown below, in connection with the Contract.
Continuation Sheet is attached.

CHANGE ORDER SUMMARY			
Change Orders approved in previous months by Owner		ADDITIONS	DEDUCTIONS
TOTAL		400,000.00	
Approved this Month		400,000.00	
Number	Date Approved		
2	10/27/2010	1,425,000.00	0.00
TOTALS		1,825,000.00	0.00
Net change by Change Orders		1,825,000.00	

1. ORIGINAL CONTRACT SUM \$ 50,561,000
2. Net change by Change Orders \$ 1,825,000
3. CONTRACT SUM TO DATE (Line 1+2) \$ 52,406,000
4. TOTAL COMPLETED & STORED TO DATE (Column H on FC Summary) \$ 6,043,747
5. RETAINAGE:
a. 10 % of Completed Work \$ 573,800.00
b. 10 % of Stored Material (Column G on FC Summary) 0.00

Total Retainage (Line 5a + 5b or Total in Column I of FC Summary) \$ 573,800

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued, and payments received from the Owner, and that current payment shown herein is now due.

TOTAL EARNED LESS RETAINAGE (Line 4 less Line 5 Total) \$ 5,469,947

LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 2,931,047

CURRENT PAYMENT DUE \$ 2,538,900

BALANCE TO FINISH, PLUS RETAINAGE (Line 3 less Line 6) \$ 48,938,053

CONTRACTOR: John Civetta & Sons, Inc.

State of: New York

Subscribed and sworn to before me this

County of: New York

Notary Public: *Stefanie Gatti*
My Commission expires
October 27, 2010 STEFANIE GATTI
Notary Public, State of New York
No. 02048222310
Qualified in New York County
Commission Expires May 24, 2014

By: *John Civetta* 10/27/10
Authorized Signature SECRETARY DATE

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$
(Attach explanation if amount certified differs from the amount applied for.)

ARCHITECT: *Stefanie Gatti*

By: *Stefanie Gatti* Date: 11/09/2010
This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

DETAIL

AMA Document 0002, APPLICATION AND CERTIFICATE FOR PAYMENT, containing Contractor's signed Certification is attached.

In Subsequent Notes, requests are listed to the nearest dollar.

User Columns (in Circled) were visible through the film from every copy.

Author's Number:	000-1876
Appraisal Date:	03-18/75
Ts.	BCS/10
Project No.	none

FL-800	FERC CONTRACT (IF APPLICABLE)	DESCRIPTION OF WORK	ORIGINAL CONTRACT SUB	APPROVED CHANGE ORDERS	ADJUSTED CONTRACT VALUE (\$K)	PREVIOUS APPLICATION	CURRENT APPLICATION	STORED MATERIALS USED IN P & S	TOTAL COMPLETED AND STORED TO DATE	RETRIEVAL TO DATE (P & S)	TOTAL PAIDABLE (\$K)	% COMP	LESS PREVIOUS CUMULATIVE PAIDABLE	NET PAYMENT DUE THIS APPLICATION (\$K)	BALANCE TO COMP. INC. RETRIEVAL (\$K)	RETRIEVAL FROM PREVIOUS APPLICATION	RETRIEVAL THIS APPLICATION (\$K)	RETRIEVAL TOTAL (\$K)
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
01000	01000	01000	01000	0.00	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00	0.0	

PC-BEAR	PC-CD	PC-CD CODE (IF APPLICABLE)	DESCRIPTION OF WORK	ORIGINAL CONTRACT SUM	APPROVED CHANG ORDERS	ADJUSTED CONTRACT VALUE (a+b)	PREVIOUS APPLICATION DATE	CURRENT APPLICATION DATE	STORAGE DATE	TOTAL COMPLETED TO DATE SO DATE	RECEIVED TO DATE (c+d)	% COMP (e/f)	LESS PREVIOUS PAYMENTS (g-h)	NET PAYMENT DUE THIS APPLICATION (i-j)	BALANCE TO COMP. INCL. RETENTION (k-l)	DATE PAID (m-n)	DATE PAID (o-p)
FC-001	FC-001			490,000.00	490,000.00	490,000.00				303,747.00	0.00	74%	303,747.00	0.00	184,253.00		
FC-002	FC-002			1,475,000.00	1,475,000.00	1,475,000.00	0.00	712,500.00	0.00	717,500.00	71,250.00	56%	841,250.00	841,250.00	733,750.00		

FORM COST CODE #-APPLICABLE	TIME CODE	DESCRIPTION OF WORK	ORIGINAL CONTRACT AMOUNT	APPROVED CHANGE ORDERS	ADJUSTED CONTRACT LINE (\$A+B)	PREVIOUS APPLICATION	CURRENT APPLICATION	6 FIGURE MATERIALS (Indicate 0 or 8)	TOTAL COMPLETED AND STORED TO DATE	RETENTION TO DATE (\$ and %)	TOTAL PAYABLE TO DATE (\$A+C)	% COMP.	LESS PREVIOUS COMPLETION FOR PAYMENT	NET PAYMENT DUE THIS APPLICATION (\$A)	BALANCE TO COMP. INCL. RETENTION (\$A-B)
181000		PHONES	73,200.00		25,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	25,000.00
181000		PHONES	77,000.00		77,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	77,000.00
181000		PHONES	22,000.00		22,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	22,000.00
181000		PHONES	77,000.00		77,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	77,000.00
181000		PHONES	87,000.00		87,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	87,000.00
181000		PHONES	11,000.00		11,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	11,000.00
181000		PHONES	30,000.00		30,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	30,000.00
181000		PHONES	8,000.00		8,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	8,000.00
181000		PHONES	165,000.00		165,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	165,000.00
181000		PHONES	500,000.00		500,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	500,000.00
181000		PHONES	14,000.00		14,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	14,000.00
181000		PHONES	551,000.00		551,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	551,000.00
181000		PHONES	30,000.00		30,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	30,000.00
181000		PHONES	70,000.00		70,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	70,000.00
181000		PHONES	73,000.00		73,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	73,000.00
181000		PHONES	33,000.00		33,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	33,000.00
181000		PHONES	73,000.00		73,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	73,000.00
181000		PHONES	55,000.00		55,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	55,000.00
181000		PHONES	15,000.00		15,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	15,000.00
181000		PHONES	17,000.00		17,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	17,000.00
181000		PHONES	64,000.00		64,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	64,000.00
181000		PHONES	84,000.00		84,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	84,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PHONES	7,000.00		7,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	7,000.00
181000		PH													

CHANGE ORDERS - Vent Work

[illegible]

CHANGE ORDERS - Fare Control Area

[illegible]

PC-REF	FORC CODE (IF APPLICABLE)	TRAIL CODE (TR)	DESCRIPTION OF WORK	ORIGINAL CONTRACT SUM	APPROVED CHANGE ORDERS	ADJUSTED CONTRACT VALUE (B-B)	PREVIOUS APPLICATION	CURRENT APPLICATION	STORABLE MATERIALS (F in B or F)	TOTAL COMPLETED AND STORABLE TO DATE	RETENTION TO DATE (F in F)	TOTAL PAYABLE TO DATE (D-A)	% COMP (H)	LESS PREVIOUS PAYMENTS	NET PAYMENT DUE THIS APPLICATION (G-A)	BALANCE TO COMP. INCL. RETENTION (C-A)	RETENTION TO DATE
PC-001																	
PC-002																	
PC-003																	
TOTAL CHANGE ORDERS																	

CHANGE ORDERS - BMT Tunnel Restoration Work

PC-REF	FORC CODE (IF APPLICABLE)	TRAIL CODE (TR)	DESCRIPTION OF WORK	ORIGINAL CONTRACT SUM	APPROVED CHANGE ORDERS	ADJUSTED CONTRACT VALUE (B-B)	PREVIOUS APPLICATION	CURRENT APPLICATION	STORABLE MATERIALS (F in B or F)	TOTAL COMPLETED AND STORABLE TO DATE	RETENTION TO DATE (F in F)	TOTAL PAYABLE TO DATE (D-A)	% COMP (H)	LESS PREVIOUS PAYMENTS	NET PAYMENT DUE THIS APPLICATION (G-A)	BALANCE TO COMP. INCL. RETENTION (C-A)	RETENTION TO DATE
PC-001																	
PC-002																	
PC-003																	
TOTAL CHANGE ORDERS																	

CHANGE ORDERS - IRT Tunnel Restoration Work

PC-REF	FORC CODE (IF APPLICABLE)	TRAIL CODE (TR)	DESCRIPTION OF WORK	ORIGINAL CONTRACT SUM	APPROVED CHANGE ORDERS	ADJUSTED CONTRACT VALUE (B-B)	PREVIOUS APPLICATION	CURRENT APPLICATION	STORABLE MATERIALS (F in B or F)	TOTAL COMPLETED AND STORABLE TO DATE	RETENTION TO DATE (F in F)	TOTAL PAYABLE TO DATE (D-A)	% COMP (H)	LESS PREVIOUS PAYMENTS	NET PAYMENT DUE THIS APPLICATION (G-A)	BALANCE TO COMP. INCL. RETENTION (C-A)	RETENTION TO DATE
PC-001																	
PC-002																	
PC-003																	
TOTAL CHANGE ORDERS																	
TOTAL CONTRACT per COTY DUE TO DATE				44,331,000.00	1,054,000.00	45,385,000.00	3,252,072.00	2,811,880.00	0.00	3,252,072.00	0.00	3,252,072.00	17%	2,811,880.00	2,811,880.00	42,573,120.00	473,880.00

Contractor:	John Civetta & Sons, Inc.	Date:	\$10/27/2010
Trade:	General Construction	Period Ending:	\$10/31/2010
Project:	Atlantic Yards – Transit Improvements	Contract Price:	\$50,581,000.00
Owner:	Atlantic Rail Yards, LLC	Net Extras & Deductions:	\$182,500.00
Site:	Kings County Tax Blocks 1118, 1119 and 1127, and the beds of 5 th Avenue, between Flatbush Avenue and Atlantic Avenue, and Pacific Street, between Flatbush Avenue and 6 th Avenue.	Adjusted Contract Price:	\$52,406,000
		Amount Paid to Date:	\$763,830.00
		Amount of Current Payment:	\$2,538,900.00

THE UNDERSIGNED, as authorized representative of Contractor, (1) acknowledges receipt of payments equal to the sum described above as "Amount Paid to Date", (2) to the extent of such payments, and the sum set forth above as the "Amount of Current Payment", waives and releases any claim which it may now or hereafter have upon the land and improvements located at the "Site" described above, (3) that the "Amount Paid to Date", plus the "Amount of Current Payment", represents the current amount due in accordance with Contractor's Agreement for work completed, and (4) warrants that it has not and will not assign any claims for payment or right to perfect a lien against such land and improvements and warrants that it has the right to execute this waiver and release. The Contractor represents that the adjusted Contract Price set forth above is inclusive of all additional work performed or additional costs incurred under the Agreement as of the date of this Lien Waiver.

THE UNDERSIGNED Contractor further warrants that (1) all workmen employed by it or its subcontractors on this Project have been fully paid to the date hereof, (2) all materialmen from whom the undersigned or its subcontractors purchased materials used in the Project have been paid for materials delivered on or prior to the date hereof, (3) none of such workmen and materialmen has any claim or demand or right of lien against the land and improvements described above, and (4) stipulates that he is an authorized officer with full power to execute this Lien Waiver.

WITNESS the signature and seal of the undersigned as of this 5th day of November, 2010.

By: [Signature]
Name: John Civetta Jr.
Title: Secretary

Sharanis Pathu
Notary Public

STEFANIE GATTI
Notary Public, State of New York
No. 02GA00000310
Qualified in New York County
Commission Expires May 24, 2014

REQUISITION FOR PAYMENT

TO: The Bank of New York Mellon, a New York banking corporation, as Bond Trustee under the PILOT Indenture described below (the "**Bond Trustee**").

FROM: Merritt & Harris ("**Construction Monitor**").

RE: Master PILOT Indenture of Trust, between Brooklyn Arena Local Development Corporation (the "Agency") and the Bond Trustee, dated as of December 1, 2009 (the "**PILOT Indenture**"), with respect to the financing of a project (the "**Project**") as defined in the PILOT Indenture.

REQUISITION NO.: 7

AMOUNT OF DRAW REQUESTED: \$ 12,057,968.95

DATE: November 19, 2010.

This Requisition for Payment (this "**Requisition**") is submitted by the Construction Monitor to the Bond Trustee pursuant to the requirements of Section 4.02 and Section 5.02(c) of the PILOT Indenture in order to induce the Bond Trustee to approve the requested disbursement of funds (a "**Bond Proceeds Draw**") from the Senior PILOT Bonds Construction and Acquisition Account of the PILOT Bonds Project Fund established under the PILOT Indenture and pursuant to the requirements of Section 2.13 of the First Supplemental PILOT Indenture in order to induce the Bond Trustee to approve the requested disbursement of funds (a "**Additional Rent Draw**") from the Series 2009 Additional Rent Account of the PILOT Bonds Project Fund established under the First Supplemental PILOT Indenture. All capitalized terms used herein which are not otherwise specifically defined shall have the same meanings herein as in the PILOT Indenture and the First Supplemental PILOT Indenture.

(a) The Construction Monitor hereby requests that the Bond Trustee approve a Draw for \$ 12,057,968.95. \$ 12,057,968.95 of the Draw will be an Additional Rent Draw and \$ 0.00 of the Draw will be a Bond Proceeds Draw. Details of the requested Draw are set forth on Exhibit A attached hereto.

(b) The Draw of \$ 12,057,968.95 requested hereby, when added to all prior Draws in the aggregate amount of \$ 58,464,373.27, will result in aggregate Draws of \$ 70,522,342.22. The Additional Rent Draw of \$ 12,057,968.95 requested hereby, when added to all prior Additional Rent Draws in the aggregate amount of \$ 58,464,373.27, will result in aggregate Additional Rent Draws of \$ 58,464,373.27. The Bond Proceeds Draw of \$ 0.00 requested hereby, when added to all prior Bond Proceeds Draws in the aggregate amount of \$ 0.00, will result in aggregate Bond Proceeds Draws of \$ 0.00.

(c) The Construction Monitor hereby certifies that:

(i) Each of the Construction Agreements, or substitute construction agreements (including, but not limited to, the Guaranty to the Arena Lease Agreement (the "Guaranty")) to the extent the Guarantor is performing Guaranteed Work pursuant to the Guaranty, is in full force and effect on the date hereof and have not been modified or amended, except as permitted by the terms thereof. Except for notices, if any, relating to matters which have been cured or waived, or except as may be stated on Exhibit B attached hereto, the Construction Monitor has no knowledge of receipt by the Company nor has the Construction Monitor received any notice of default from a Contractor under the Construction Agreements or such substitute construction agreement.

(ii) Except as may be stated on Exhibit B attached hereto, construction of the Project has been performed to date substantially in accordance with the requirements of the Construction Agreements or substitute construction agreements (including, but not limited to, the Guaranty).

(iii) Except as may be stated on Exhibit C attached hereto, all permits required to construct the Project at this stage of construction have been issued and are in full force and effect, and the Construction Monitor has no notice or knowledge as of the date hereof of any actions pending to revoke any of such permits.

(iv) This Requisition is for costs that constitute Project Costs and that have not been the basis of any prior Requisition for Payment from the PILOT Bonds Project Fund, including without limitation the Series 2009 Additional Rent Account therein. This Requisition contains no items representing payment on account of any amounts not yet required or otherwise not permitted to be paid as of the date hereof.

(v) To the best of the Construction Monitor's knowledge, except as may be stated in Exhibit D attached hereto, (a) construction of the Project is proceeding on Schedule and (b) Substantial Completion of the Project will occur by the Scheduled Completion Date.

(vi) To the best of the Construction Monitor's knowledge, the Construction Monitor has no reason to believe that the funds needed to achieve Substantial Completion of the Project will exceed the amounts available under the PILOT Indenture.

(vii) To the best of the Construction Monitor's knowledge, the Construction Monitor has no reason to believe that the funds needed to achieve Substantial Completion of the Infrastructure Improvements will exceed the amounts available under the Trust Agreement.

(viii) The proceeds of all prior Draws have been expended solely for the purposes for which they were requisitioned.

(ix) No event or discovery has occurred which would give rise to the right of the Company to terminate the Lease Agreement in accordance with the provisions of

Section 16.2(a) thereof and no Hazardous Materials notice has been delivered in accordance with such Section.

(x) The items of cost set forth on Exhibit A attached hereto are correct and proper under Section 5.02(c) of this Master PILOT Indenture and each such item has been properly paid or incurred as an item of Project Cost.

(xi) Except as otherwise permitted in the Tax Certificate, no item of cost set forth on Exhibit A attached hereto was incurred or paid prior to NA.

(xii) The payees and amounts stated in Exhibit A attached hereto are true and correct and each item of cost so stated is due and owing.

(xiii) It has no knowledge of any vendor's lien, mechanic's lien or security interest which should be satisfied or discharged before the payment herein requested is made or which will not be discharged by such payment.

(xiv) Each item of cost set forth in Exhibit A attached hereto is consistent in all material respects with the Tax Certificate.

(xv) To the extent a payment herein requested is a reimbursement to the Company for costs or expenses of the Company incurred by reason of work performed or supervised by officers or employees of the Company, such officers or employees were specifically employed for such purpose and the amount to be paid does not exceed the actual cost thereof to the Company and such costs or expenses will be treated by the Company on its books as a capital expenditure in conformity with generally accepted accounting principles applied on a consistent basis.

(xx) Each item of cost for which payment is herein requested is chargeable to the capital account of the Project for Federal income tax purposes, or would be so chargeable either with an election by the Company or but for the election of the Company to deduct the amount of such item.

(xxi) (A) No Default or Event of Default has occurred and is continuing under the Bond Documents or the Lease Documents nor any condition, event or act which, with notice or lapse of time or both would constitute such a Default or Event of Default or (B) the Guarantor is performing Guaranteed Work pursuant to the Guaranty.

(xxii) Each condition precedent to the PILOT Bond Trustee's obligation to approve the requested Draw, including all applicable conditions in Section 5.02(c) of the PILOT Indenture and Section 2.13 of the First Supplemental, has been satisfied.

(xxiii) There have been no material Change Orders other than those permitted by the Construction Management Agreement.

(xxiv) Attached is a true and complete copy of the approved Project Budget. Moneys and/or Additional Rent Account Credit Facilities on deposit in the PILOT

Bonds Project Fund, including the Series 2009 Additional Rent Account therein, are sufficient to pay the amounts set forth in the approved Project Budget attached as **Exhibit E** hereto.

(xxv) This Requisition constitutes the representation and warranty that the information set forth in this Requisition is true, accurate and complete in all material respects.

(xxvi) The Construction Monitor has been provided with and approved (a) a complete schedule of bills or invoices supporting such requisition (stamped "paid" if reimbursement is to be made to the Company) or other evidence reasonably satisfactory to the PILOT Bond Trustee including evidence that the bill, invoice or other evidence was not incurred or paid on a date prior to NA, 2009 except as otherwise provided by the Tax Certificate and (b) a partial waiver of lien from any contractor which is being paid from any disbursement.

This Requisition and the accompanying supporting documentation are submitted to the Bond Trustee for the purpose of inducing the PILOT Bond Trustee to approve the Draw, and the Construction Monitor intends that the PILOT Bond Trustee shall be entitled to rely upon each of the same as being true, accurate and complete in all material respects.


(d) If this Requisition is approved for payment and all other conditions precedent to the PILOT Bond Trustee's obligation to make the Draw are satisfied, please disburse the Draw on _____ 20__, as follows:

(i) **\$ 12,057,968.95** by wire transfer to:

Bank Name:	JPMorgan Chase Bank
ABA #	021000021
Account Name:	Brooklyn Events Center, LLC
Account Number:	837 489 632

IN WITNESS WHEREOF, the Construction Monitor has caused this Requisition to be
duly executed as of Nov. 24, 2010.

MERRITT & HARRIS, INC.
As Construction Monitor

By 
Name: JAMES G. COCKINOS, AIA
Title: SENIOR ASSOCIATE

ACKNOWLEDGED BY:

THE BANK OF NEW YORK MELLON

By _____
Name: _____
Title: _____

BROOKLYN EVENTS CENTER, LLC


By 
Name: _____
Title: _____

Exhibit A to Requisition for Payment

Details of the requested Draw:

SEE ATTACHED

Exhibit B to Requisition for Payment

Description of notices from the Contractor: **None**

Description of variances:

Exhibit C to Requisition for Payment

Description of actions pending to revoke permits: **None**

Exhibit D to Requisition for Payment

Description of construction delays and/or cost overruns: **None**

Copy of Approved Budget **Exhibit E to Requisition for Payment***

SEE ATTACHED

SCHEDULE A TO REQUISITION NO. 7

Amount

Payee (with address)

Purpose

Receipt is hereby acknowledged of a payment in the amount of \$ 58,464,373.27 in connection with the submission of the attached Requisition.

BROOKLYN EVENTS CENTER LLC]

By 

Name:

Title:

Date: _____

OWNER CHANGE ORDER SUMMARY

		Total Previous			
		Change Orders			
Original Contract Value less CCE	Budget Transfer (Low Voltage Scope from Division 17 to Division 18)	Change Order Value	Cumulative Total	As Budgeted on OPA	
1	Banker Steel OCIP Deduct	\$ -	\$ 475,755,507.00	\$ -	
2	Budget Transfer	\$ (895,700.00)	\$ 474,859,807.00	\$ (895,700.00)	
3	Laquila OCIP Deduct SCO #1	\$ (895,700.00)	\$ 473,964,107.00	\$ -	
4	Almer OCIP Deduct	\$ (2,666,621.00)	\$ 471,297,486.00	\$ (1,770,921.00)	
5	Design - On Grade Bus Ramp	\$ (2,886,621.00)	\$ 468,410,865.00	\$ (220,000.00)	
6	Design - Wind/Falling Ice	\$ (2,829,305.00)	\$ 465,581,560.00	\$ 57,316.00	
7	Design - Sight line Study for Hockey	\$ (2,858,805.00)	\$ 462,722,755.00	\$ (29,500.00)	
8	United Hoist - Upgrade Fence	\$ (2,855,877.00)	\$ 459,866,878.00	\$ 2,928.00	
9	United Hoist - Fence @ Lot 21 Demo	\$ (2,605,883.00)	\$ 457,261,000.00	\$ 249,994.00	
10	Reassign Structural Precast to Banker	\$ (2,379,511.00)	\$ 454,881,489.00	\$ 226,372.00	1287-02
11	United Hoist Ph 2 Upgrade	\$ (2,379,511.00)	\$ 452,501,978.00	\$ -	
12	Laquila - Waste Disposal SCO #2	\$ (1,824,731.00)	\$ 450,677,247.00	\$ 554,780.00	48K to Demo
13	Otis OCIP Deduct	\$ 5,922,219.00	\$ 456,601,466.00	\$ 7,746,950.00	1287-03
14	ASI OCIP Deduct	\$ 5,869,057.00	\$ 462,470,523.00	\$ (53,162.00)	
15	Separate CCE and GMP	\$ 4,802,957.00	\$ 467,273,480.00	\$ (1,066,100.00)	
16	H Mak Inc OCIP	\$ 4,802,957.00	\$ 472,076,437.00	\$ -	
17	American Stair OCIP	\$ 4,649,757.00	\$ 476,726,194.00	\$ (153,200.00)	
18	GC's & Fee to Hunt for Fence Upgrade	\$ 4,628,841.00	\$ 481,355,035.00	\$ (20,916.00)	
19	Addition OCO 12	\$ 4,680,759.00	\$ 486,035,794.00	\$ 51,918.00	\$4,492 to Demo
20	Con Ed Network Room Relocate	\$ 4,755,759.00	\$ 490,791,553.00	\$ 75,000.00	
21	Reconciliation of previous OCO 1 thru 20	\$ 4,755,759.00	\$ 495,547,312.00	\$ -	
22	Super Haz Material Trucking	\$ 4,755,759.00	\$ 500,303,071.00	\$ 323,255.00	1287-03
23	Budget Transfer Façade Allowance to ASI for Signage	\$ 5,079,014.00	\$ 505,382,085.00	\$ -	
24	For Early Payment to ASI	\$ 5,079,014.00	\$ 510,461,099.00	\$ (435,000.00)	
25	United Hoist Ph 2 OCIP	\$ 4,844,014.00	\$ 515,305,113.00	\$ (131,000.00)	(\$5,240) to Demo
26	OCIP Deduct EJ/Ermo	\$ 4,513,014.00	\$ 519,818,127.00	\$ (455,625.00)	
27	JE Thompson OCIP Deduct	\$ 4,057,389.00	\$ 523,875,516.00	\$ (5,000.00)	
28	Staging Concept OCIP Deduct	\$ 4,052,389.00	\$ 527,927,905.00	\$ (79,888.00)	
29	Site Security COW-GC transfer	\$ 3,972,501.00	\$ 531,900,406.00	\$ -	
30	Commodore OCIP Deduct	\$ 3,972,501.00	\$ 535,872,907.00	\$ (279,000.00)	
31					
32					
33					
34					
35	Partial September Reconciliation	\$ -	\$ -	\$ -	
		\$ 4,644,014.00		\$ 479,449,008.00	

Change Order

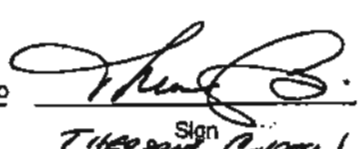

Ownership: Atlantic Rail Yards, LLC
Change Order No: 2000-00001878-0001
To: John Civetta and Sons, Inc.
1123 Bronx River Avenue
Bronx, NY 10472
Title: Civetta- Payment and Performance Bond

Description: The purpose of this Change Order is to reimburse Contractor for payment and performance bonds procured by Contractor and its Subcontractors under Article 12 of the Agreement, as modified herein, and any sums not actually expended shall be credited to Owner. Article 12 shall be modified to include the following sentences at the end of the paragraph: "Contractor shall, if required by its surety as a condition of the foregoing bonds, require payment and performance bonds from each of its first tier Subcontractors, with penalty amounts equal to the subcontract price, and Owner named as an additional obligee. The cost of such Subcontractor payment and performance bonds shall be reimbursed at cost (without any overhead, profit or other mark-up), provided that Contractor furnishes its Subcontractor's surety's original invoices and proof of payment

When paid by the Owner the compensation specified in this Change Order shall constitute full payment for additional work covered thereby and for any delay, disruption, cost, or expense occasioned by reason of such change and shall release Owner from any further liability. All other terms and conditions of the contract are unchanged. This document constitutes Owner's direction to Vendor to proceed.

	Change Order Total Amount:	\$400,000.00
The Original Contract Amount		\$50,581,000.00
Previously Approved Changes		\$0.00
Contract Sum prior to this Change Order		\$50,581,000.00
The Amount of this Change Order		\$400,000.00
Total		\$50,981,000.00

Signature:

Accepted:	John Civetta and Sons, Inc.		
By:	John Civetta and Sons, Inc. Co		10/12/10
	Print	Sign	Date
		THOMAS CIVETTA	
Accepted:	Atlantic Rail Yards, LLC		
By:	GREGORY LOWE Tom Bonaduso		10/12/10
	Print	Sign	Date
Accepted:			
By:			
	Print	Sign	Date

THE AMERICAN INSTITUTE OF ARCHITECTS



Bond No. 0132185

AIA Document A312

Performance Bond

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR:

John Civetta & Sons, Inc.
1123 Bronx River Avenue
Bronx, NY 10472

SURETY:

Berkley Regional Insurance Company
60 East 42nd St., Ste #1524
New York, NY 10165

OWNER:

Atlantic Rail Yards, LLC c/o
Forest City Ratner Companies LLC
One MetroTech Center, Brooklyn, NY 11201

CONSTRUCTION CONTRACT

Date: July 6th, 2010

Amount: Fifty Million Five Hundred Eighty One Thousand and no/100ths ———(\$50,581,000.00)

Description (Name and Location): Brooklyn Arena/Atlantic Yards – NYC Transit Authority Subway Entrance and Connection Work

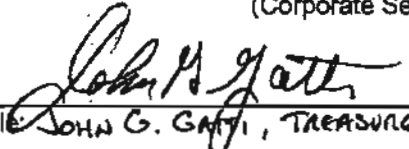
BOND

Date: August 19th, 2010

Amount: Fifty Million Five Hundred Eighty One Thousand and no/100ths ———(\$50,581,000.00)

Modifications to this Bond: See Page 3

CONTRACTOR John Civetta & Sons, Inc.
Company: (Corporate Seal)

Signature: 
Name and Title: JOHN G. CIVETTA, TREASURER

SURETY Berkley Regional Insurance
Company:

Signature: 
Name and Title: Bruno J. Maiolo, Attorney-in-Fact

(Any additional signatures appear on page 3)

(FOR INFORMATION ONLY - Name, Address and Telephone)

AGENT or BROKER:
Birch Brook Agency Inc.
P.O. Box 298
Croton Falls, NY. 10519
845-279-6600

OWNER'S REPRESENTATIVE (Architect, Engineer or
other party):

1 The Contractor and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.

2 If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except to participate in conferences as provided in Subparagraph 3.1.

3 If there is no Owner Default, the Surety's obligation under this Bond shall arise after:

3.1 The Owner has notified the Contractor and the Surety at its address described in Paragraph 10 below that the Owner is considering declaring a Contractor Default and has requested and attempted to arrange a conference with the Contractor and the Surety to be held not later than fifteen days after receipt of such notice to discuss methods of performing the Construction Contract. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default; and

3.2 The Owner has declared a Contractor Default and formally terminated the Contractor's right to complete the contract. Such Contractor Default shall not be declared earlier than twenty days after the Contractor and the Surety have received notice as provided in Subparagraph 3.1; and

3.3 The Owner has agreed to pay the Balance of the Contract Price to the Surety in accordance with the terms of the Construction Contract or to a contractor selected to perform the Construction Contract in accordance with the terms of the contract with the Owner.

4 When the Owner has satisfied the conditions of Paragraph 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

4.1 Arrange for the Contractor, with consent of the Owner, to perform and complete the Construction Contract; or

4.2 Undertake to perform and complete the Construction Contract itself, through its agents or through independent contractors; or

4.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and the contractor selected with the Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Paragraph 6 in excess of the Balance of the Contract Price incurred by the Owner resulting from the Contractor's default; or

4.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:

.1 After investigation, determine the amount for

which it may be liable to the Owner and, as soon as practicable after the amount is determined, tender payment therefor to the Owner; or

.2 Deny liability in whole or in part and notify the Owner citing reasons therefor.

5 If the Surety does not proceed as provided in Paragraph 4 with reasonable promptness, the Surety shall be deemed to be in default on this Bond fifteen days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the surety proceeds as provided in Subparagraph 4.4, and the Owner refuses the payment tendered or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

6 After the Owner has terminated the Contractor's right to complete the Construction Contract, and if the Surety elects to act under Subparagraph 4.1, 4.2, or 4.3 above, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. To the limit of the amount of this Bond, but subject to commitment by the Owner of the Balance of the Contract Price to mitigation of costs and damages on the Construction Contract, the Surety is obligated without duplication for:

6.1 The responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;

6.2 Additional legal, design professional and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Paragraph 4; and

6.3 Liquidated damages, or if not liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.

7 The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators or successors.

8 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

9 Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

10 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page.

11 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

12 DEFINITIONS

12.1 Balance of the Contract Price: The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made, including allowance to the Contractor of any amounts received or to be received

by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

12.2 Construction Contract: The agreement between the Owner and the Contractor identified on the signature page, including all Contract Documents and changes thereto.

12.3 Contractor Default: Failure of the Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Construction Contract.

12.4 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

MODIFICATIONS TO THIS BOND ARE AS FOLLOWS:

See attached Multiple Obligee Rider

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL
Company:

(Corporate Seal)

SURETY
Company:

(Corporate Seal)

Signature: _____
Name and Title: _____
Address: _____

Signature: _____
Name and Title: _____
Address: _____

BERKLEY REGIONAL INSURANCE COMPANY

MULTIPLE OBLIGEE RIDER

TO BE ATTACHED TO AND FORM PART OF BOND NO. 0132185

Issued by BERKLEY REGIONAL INSURANCE COMPANY
a corporation, as Surety, on the 19th day of August A.D., 2010
on behalf of John Civetta & Sons, Inc., as Principal
in favor of Atlantic Rail Yards, LLC c/o Forest City Ratner Companies LLC, as obligee

WHEREAS, upon the written request of the Principal and Obligee the attached bond(s) is (are) hereby amended to add New York City Transit Authority and Brooklyn Arena Local Development Corp c/o Urban Development Corp d/b/a Empire State Development Corp. as additional Obligees.

It is hereby understood and agreed that the above described bond(s) is (are) hereby amended to include the following:

Notwithstanding anything contained herein to the contrary, there shall be no liability on the part of the Principal or Surety under this bond to the Obligees, or any of them, unless the Obligees, or any of them, shall make payments to the Principal, or to the Surety in case it arranges for completion of the Contract upon default of the Principal, strictly in accordance with the terms of said Contract as to payments, and shall perform all the other obligations required to be performed under said Contract at the time and in the manner herein set forth.

In no event shall the liability of the Principal and the Surety to the Obligees, or any of them, in the aggregate, exceed the penal sum stated in the attached bond.

IT IS FURTHER UNDERSTOOD AND AGREED that nothing herein contained shall be held to change, alter or vary the terms of the above-described bond(s) except as hereinbefore set forth.

Signed, sealed and dated the 19th day of August A.D., 2010

John Civetta & Sons, Inc.

(Principal)

By: 

JOHN G. GATTI, Treasurer

Berkley Regional Insurance Company

By: 

Bruno J. Majolo Attorney-in-Fact

STATE OF NEW YORK NOTARIAL ACKNOWLEDGMENT

STATE OF NEW YORK }
 } ss.:
 COUNTY OF New York }

On the 19th day of August in the year 2010 before me, the undersigned, a Notary Public in and for said State, personally appeared John G. Gatti, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

MARY ROMANO
 Notary Public, State of New York
 No. 24-4943087
 Qualified in Kings County
 Commission Expires Oct. 17, 2012

Mary Romano
 Notary Public

STATE OF NEW YORK }
 } ss.:
 COUNTY OF _____ }

On the _____ day of _____ in the year _____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

 Notary Public

STATE OF NEW YORK }
 } ss.:
 COUNTY OF New York }

On the 19th day of August in the year 2010 before me, the undersigned, a Notary Public in and for said State, personally appeared Bruno J Maiolo, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

MARY ROMANO
 Notary Public, State of New York
 No. 24-4943087
 Qualified in Kings County
 Commission Expires Oct. 17, 2012

Mary Romano
 Notary Public

*** NETS ARENA ***



PROJECT NO.	23-041A
START DATE	3/15/2010
COMPLETION	2/28/2013
HARD COST	598,529.8
1ST S.O. DATE	5/14/2010
PROJECT DAYS	1081
PROJECT MOS.	36
PROJECT MGR.	James G.

Prepared by Merritt & Harris, Inc. Information Management Center

—●— PROJECTED —○— ACTUAL

[illegible]



1. Interior footing formwork and reinforcing



2. Walers and steel bracing along Flatbush Avenue



3. Retention tank concrete wall



4. Formwork and reinforcing at foundation wall along Flatbush Avenue



5. Soil berm along retaining wall



6. Reinforcing for grade beam concrete pour



7. Excavated area at Transit Connection



8. Test pile at Transit Connection