

BRONX PARKING DEVELOPMENT COMPANY, LLC

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2015

AND

INDEPENDENT AUDITORS' REPORT

BRONX PARKING DEVELOPMENT COMPANY, LLC

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INDEPENDENT AUDITORS' REPORT

To the Board of Managers
Bronx Parking Development Company, LLC

We have audited the accompanying financial statements of Bronx Parking Development Company, LLC, which comprise the balance sheet as of December 31, 2015, and the related statements of operations and changes in member's deficiency and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

(Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

We did not determine if the carrying value of the Company's long-lived assets is less than their fair value because management was not able to provide us with its impairment analysis as discussed in Note 3. We were unable to obtain sufficient appropriate audit evidence about whether the Company's long-lived assets are impaired by other auditing procedures.

Qualified Opinion

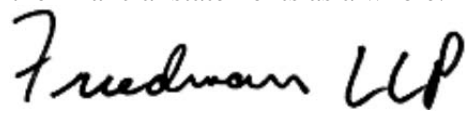
In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Bronx Parking Development Company, LLC as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Uncertainty Regarding Going Concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company incurred a significant net loss during 2015 and has a significant member's deficiency at December 31, 2015. In addition, the Company is in default of its bond indenture and is under a forbearance agreement which currently expires on December 31, 2016. These conditions, as well as the Company's inability to maintain required cash reserves, raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on page 17 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinion paragraph, the information is fairly stated in all material aspects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Friedman LLP". The signature is written in a cursive, flowing style.

June 6, 2016

BRONX PARKING DEVELOPMENT COMPANY, LLC

BALANCE SHEET

DECEMBER 31, 2015

ASSETS

Property and equipment	
Leasehold improvements	\$ 314,883,603
Equipment	109,567
Less - Accumulated depreciation	(45,032,208)
Total property and equipment	269,960,962
 Cash	487,676
Restricted cash - customer security deposit	25,003
Cash held by trustee	7,581,861
Deferred financing costs, net of amortization of \$1,651,665	4,138,574
Prepaid expenses	470,075
Accounts receivable	30,352
Other receivables	5,674
Security deposits	47,733
Other assets	26,473
	<hr/>
	\$ 282,774,383

LIABILITIES AND MEMBER'S DEFICIENCY

Liabilities

Bonds payable, net of unamortized discount of \$11,113,152	\$ 226,521,848
Rent payable	27,290,785
Obligation for payments in lieu of taxes ("PILOT")	32,591,864
Interest payable - bonds	26,591,466
Interest payable - rent	6,733,987
Interest payable - PILOT	7,068,699
Accounts payable and accrued expenses	530,407
Customers' security deposits	225,003
	<hr/>
	327,554,059

Member's deficiency	(44,779,676)
	<hr/>
	\$ 282,774,383

See notes to financial statements.

BRONX PARKING DEVELOPMENT COMPANY, LLC

STATEMENT OF OPERATIONS AND CHANGES IN MEMBER'S DEFICIENCY

YEAR ENDED DECEMBER 31, 2015

Revenues	
Parking revenues	\$ 10,850,236
Other revenues	106,213
Total revenues	10,956,449
Expenses	
Parking operating expenses	3,513,703
Corporate administration expenses	1,968,979
Restructuring costs	1,140,222
Non-operating expenses	121,819
Total expenses	6,744,723
Income before other income and other expenses	4,211,726
Other income	
Interest income	21,249
Income before other expenses	4,232,975
Other expenses	
Rent expense	3,592,724
PILOT	5,728,835
Interest expense - bonds	13,794,756
Interest expense - rent	1,602,630
Interest expense - PILOT	1,946,493
Amortization of leasehold improvements	8,076,735
Amortization of deferred financing costs	669,634
Total other expenses	35,411,807
Net loss	(31,178,832)
Member's deficiency, beginning of year	(13,600,844)
Member's deficiency, end of year	\$(44,779,676)

See notes to financial statements.

BRONX PARKING DEVELOPMENT COMPANY, LLC

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2015

Cash flows from operating activities

Net loss	\$ (31,178,832)
Adjustments to reconcile net loss to net cash used in operating activities	
Amortization of leasehold improvements	8,076,735
Amortization of deferred financing costs	669,634
Changes in assets and liabilities	
Prepaid expenses	(9,908)
Accounts receivable	59,420
Other receivables	245,032
Security deposits	36,637
Rent payable	3,592,724
Obligation for PILOT	5,728,836
Interest payable - bonds	8,765,515
Interest payable - rent	1,602,629
Interest payable - PILOT	1,946,493
Accounts payable and accrued expenses	193,094
Net cash used in operating activities	(271,991)

Cash flows from investing activities

Purchase of property and equipment	(233,093)
Decrease in cash held by trustee	780,345
Net cash provided by investing activities	547,252

Net increase in cash	275,261
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Cash, beginning of year	212,415
Cash, end of year	\$ 487,676

Supplemental cash flow disclosures

Interest paid	\$ 5,029,242
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See notes to financial statements.

BRONX PARKING DEVELOPMENT COMPANY, LLC

NOTES TO FINANCIAL STATEMENTS

1 - ORGANIZATION AND GENERAL

Bronx Parking Development Company, LLC (“BPDC” or the “Company”) is a New York limited liability company that was organized on March 1, 2007. The Company’s sole member, Community Initiatives Development Corporation (“CIDC”), is a not-for-profit corporation and charitable organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

BPDC is operated under the general supervision and control of a Board of Managers, including designees appointed by the New York City Economic Development Corporation (the “EDC”), the New York City Department of Parks and Recreation and the Bronx Overall Economic Development Corporation. To approve any matter, the Operating Agreement of BPDC provides that the affirmative vote of a majority of the Board of Managers is required and that one such affirmative vote must be from the designee to the Board of Managers of the New York City Department of Parks and Recreation.

The Company was formed as a disregarded, single-purpose, single-asset entity by CIDC with respect to the leasing, constructing, renovation, maintenance and operation of parking lots, and parking garages and facilities related thereto located or to be located in the vicinity of Yankee Stadium in Bronx, New York (the “Parking Facilities”) to increase the availability of parking, thereby lessening the burdens of local government in Bronx, New York, to provide such services and to conduct business for any lawful purpose as allowed under the New York Limited Liability Company Act. The Company has no assets other than its interest in the Yankee Stadium Parking System (the “YSPS”) and certain related assets. Neither the Company nor CIDC will make any equity contribution to the costs of the enhancement of or the improvements to the YSPS.

BPDC entered into a lease, dated December 1, 2007, with the City of New York (the “City”) and the EDC for the use of the land on which the Parking Facilities are located. BPDC developed and, in 2010, placed into service the Parking Facilities with an aggregate capacity of 9,169 vehicles.

2 - GOING CONCERN

The Company’s liabilities exceed its assets at December 31, 2015 by approximately \$44.8 million, and the Company has incurred a net loss of approximately \$31.2 million during 2015. In addition, the Company is in default under various provisions of the Indenture and Installment Sale Agreement governing the Bonds. On December 13, 2013, the Company entered into a long-term forbearance agreement relating to the Company’s senior indebtedness, pursuant to which the creditors had originally agreed to forbear until December 15, 2015 from taking any action as a result of such existing defaults, and the parties had agreed to endeavor to restructure the

BRONX PARKING DEVELOPMENT COMPANY, LLC

NOTES TO FINANCIAL STATEMENTS

2 - GOING CONCERN (Continued)

Company's long-term indebtedness. The forbearance agreement has been extended to December 31, 2016. The ability of the Company to continue as a going concern following the expiration or termination of this or any successor forbearance agreement is dependent on its ability to increase operating cash flow or restructure its obligations in order to meet required debt service obligations. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

Cash

Cash balances in banks are insured by the Federal Deposit Insurance Corporation subject to certain limitations.

Taxes Collected from Customers

The Company collects sales and other taxes from customers and remits the entire amount to the appropriate regulatory authorities. The Company's accounting policy is to exclude such taxes from revenues and expenses.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect. Accounts are considered past due or delinquent based on contractual terms and how recently payments have been received. An allowance for doubtful accounts is recorded based on a combination of historical experience, aging analysis and information on specific accounts. Account balances are written off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Management has determined that no allowance is required for accounts receivable at December 31, 2015.

BRONX PARKING DEVELOPMENT COMPANY, LLC

NOTES TO FINANCIAL STATEMENTS

3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are recorded at cost. Costs incurred for major renewals and renovations that extend the useful life of the related property and equipment are capitalized. Costs for maintenance and repairs are charged to operations when incurred.

Amortization of the leasehold improvements is provided for on a straight-line basis over 39 years, the estimated useful life of the asset, which is shorter than the lease term of 50 years.

Depreciation on equipment is provided for on a straight-line basis over the estimated useful life of five years.

Deferred Financing Costs

Fees and costs incurred in connection with the issuance of the bonds discussed in Note 5 are deferred and amortized.

Financing costs and original issue discounts are amortized using the straight-line method over the terms of the underlying bonds, which range from 118 to 466 months.

For the year ended December 31, 2015, the Company recognized amortization expense in the amount of \$669,634.

Advertising Costs

Advertising costs are expensed as incurred. Such costs totaled approximately \$5,000 in 2015.

Long-Lived Assets

The Company reviews the carrying value of its long-lived assets in relation to historical results, as well as management's best estimate of future trends, events and the overall business climate, when indications of impairment arise. Due to the forbearance agreement discussed in Note 2, and ongoing negotiations to restructure the Company's debt, management has not been able to reliably project probable future cash flows. Therefore, as of December 31, 2015, it was not practicable to estimate the fair value of the Company's long-lived assets to determine if they are impaired. Management has determined that reliable quantitative information will not be available until the terms of the bonds are restructured.

BRONX PARKING DEVELOPMENT COMPANY, LLC

NOTES TO FINANCIAL STATEMENTS

3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

The Company follows the GAAP guidance on “Fair Value Measurements and Disclosures” for financial assets and liabilities, which defines fair value, provides guidance for measuring fair value and requires certain disclosures. The guidance discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). A fair value hierarchy is provided that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

- Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs that reflect the Company’s own assumptions.

Fair Value of Financial Instruments

GAAP requires certain entities to disclose the fair value of specified financial instruments for which it is practicable to estimate those values. The carrying values of certain assets and liabilities approximate their fair values due to their short-term nature. It was not practicable to determine the fair value of the Company’s bonds payable as there are no quoted market prices of similar products and management has not developed a valuation model necessary to make such estimates (see Note 5).

Income Taxes

The Company is not a taxpaying entity for income tax purposes and, accordingly, no provision has been made for income taxes. The Company’s income or loss is reportable on CIDC’s income tax returns.

CIDC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the tax-exempt purpose may be subject to taxation as unrelated business income.

Subsequent Events

These financial statements were approved by management and available for issuance on June 6, 2016. Management has evaluated subsequent events through this date.

BRONX PARKING DEVELOPMENT COMPANY, LLC

NOTES TO FINANCIAL STATEMENTS

4 - INDENTURE OF TRUST

The New York City Industrial Development Agency (the “Agency”) and The Bank of New York, as trustee, executed an Indenture of Trust (the “Indenture”) dated as of December 1, 2007 regarding and related to the bonds discussed in Note 5. In April 2011, The Bank of New York resigned as trustee and US Bank, NA (the “Trustee”) became the successor trustee under the Indenture.

Bonds in the aggregate principal amount of \$237,635,000 have been issued under and secured by the Indenture, pursuant to which the Agency has established and created special trust funds, accounts and subaccounts.

All funds and accounts created in accordance with the Indenture are required to be held by the Trustee. All moneys and investments deposited with the Trustee are held in trust and applied only in accordance with the Indenture. Under the forbearance agreement, all funds have been consolidated into a “Bond Fund”; the balance at December 31, 2015 was \$7,579,497.

Debt Service Reserve Fund Requirement

The Indenture requires a Debt Service Reserve Fund (the “Debt Reserve”) equal to the lesser of 10% of the net proceeds of the outstanding bonds, 100% of the greatest amount required in the then current or any future calendar year to pay the sum of the scheduled principal and interest payable on the outstanding bonds, or 125% of the average annual amount required in the then current or any future calendar year to pay the sum of scheduled principal and interest payable on the outstanding bonds.

On December 1, 2007, the Trustee deposited an amount equal to the debt service reserve requirement into the Debt Reserve. If insufficient cash is available in the sub-accounts, as defined in the Indenture, to make the respective payments, the Trustee shall transfer funds from the Debt Reserve, to the extent necessary to make up the deficiencies therein.

As of December 31, 2015, the required amount in the Debt Reserve was \$16,590,919. As of December 31, 2015, this account was unfunded.

Operations Reserve Fund Requirement

The Indenture requires an operations reserve fund equal to 25% of the operations and maintenance expenses budgeted for the year. Based on the budgeted operations and maintenance expenses for the year ended December 31, 2015, the required amount was \$837,000. As of December 31, 2015, this account was partially funded with a balance of \$416,033.

BRONX PARKING DEVELOPMENT COMPANY, LLC

NOTES TO FINANCIAL STATEMENTS

4 - INDENTURE OF TRUST (Continued)

Renewal and Replacement Fund Requirement

The Indenture requires a renewal and replacement fund equal to the amount as set forth in the Indenture, \$112,450 as of December 31, 2015, or such greater amount as set by an authorized representative of BPDC and filed with the Trustee. The Trustee shall apply moneys held in the renewal and replacement fund at the direction of an authorized representative of BPDC. As of December 31, 2015, this account was unfunded.

The following amounts are held with the Trustee at December 31, 2015:

Current revenue account	\$ 2,364
Bond Fund	7,579,497
Total	<u>\$ 7,581,861</u>

5 - BONDS PAYABLE

According to the Indenture, bonds totaling \$237,635,000 were issued on December 1, 2007 (the "Bonds"). The Bonds mature and bear interest on the basis of a 360-day year of twelve 30-day months as follows:

Maturity Date October 1,	Principal Amount	Interest Rate
2017	\$ 8,825,000	5.625%
2027	41,760,000	5.750%
2037	73,630,000	5.750%
2046	113,420,000	5.875%
	<u>237,635,000</u>	
Unamortized discount	(11,113,152)	
Total	<u>\$ 226,521,848</u>	

Interest is payable on the Bonds on April 1 and October 1 (each an "Interest Payment Date") of each year. The Bonds were issued in fully registered form, without coupons, in denominations of \$100,000 or integral multiples of \$5,000 in excess thereof. Principal and premium, if any, and interest on the Bonds is payable through the Trustee, who is the bond registrar and paying agent.

BRONX PARKING DEVELOPMENT COMPANY, LLC

NOTES TO FINANCIAL STATEMENTS

5 - BONDS PAYABLE (Continued)

The Bonds are registered to Cede & Co., as nominee for The Depository Trust Company (the “DTC”). Payments of principal, sinking fund installments, the redemption price, if applicable, and interest on the Bonds are made by the Trustee to Cede & Co., and not directly to the beneficial owners of the Bonds.

The Bonds are subject to redemption, on or after October 1, 2017, in whole at any time or in part on any Interest Payment Date (if in part, in the minimum principal amount of \$100,000 and in integral multiples of \$5,000) at the option of the Agency after notice by BPDC of its intention to make a prepayment, at the redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed) set forth below, plus accrued interest to the redemption date:

<u>Redemption Dates (both dates inclusive)</u>	<u>Redemption Prices</u>
October 1, 2017 through September 30, 2018	102%
October 1, 2018 through September 30, 2019	101%
October 1, 2019 and thereafter	100%

The Bonds are subject to mandatory redemption by the Agency prior to maturity, at a redemption price equal to the principal amount, together with accrued interest to the date of redemption, from sinking fund installments. No principal installments were made during the two years ended December 31, 2015. The minimum overdue and future sinking fund installments of principal for the bond maturing in October 2017 are as follows:

<u>As of October 1,</u>	
2013	\$ 1,200,000
2014	1,725,000
2015	1,850,000
2016	1,990,000
2017	2,060,000
	<u>\$ 8,825,000</u>

The minimum future sinking fund installments of principal for the bond maturing in October 2027 are as follows:

<u>As of October 1,</u>	
2018	\$ 2,950,000
Thereafter	38,810,000
	<u>\$ 41,760,000</u>

BRONX PARKING DEVELOPMENT COMPANY, LLC

NOTES TO FINANCIAL STATEMENTS

5 - BONDS PAYABLE (Continued)

The sinking fund installments of principal for the bonds maturing in October 2037 and 2046 commence in 2028 and 2038, respectively.

The Bonds shall be redeemed at any time in whole or in part by lot prior to maturity in the event and to the extent that excess proceeds remain, as defined in the Indenture.

BPDC entered into a forbearance agreement with consenting bondholders on December 13, 2013. This agreement established a forbearance period from December 13, 2013 through December 15, 2015. The forbearance agreement has been extended to December 31, 2016. During the forbearance period and while the negotiations are ongoing, BPDC will continue to operate while a restructuring of the bond liabilities is negotiated with representatives of the bondholders. The forbearance agreement provides for the payment of fees and costs incurred by the Trustee, including the fees and costs of counsel and consultants necessary to protect and further the interest of bondholders. In the event that excess cash flow is available, partial payments of interest may be paid to bondholders in accordance with the terms of the forbearance agreement.

During the year ended December 31, 2015, interest of \$5,029,242 was paid to the bondholders pursuant to the terms of the forbearance agreement.

6 - GROUND LEASE

On December 1, 2007, a ground lease was executed between the City and the EDC. The Parking Facilities, including the respective sites thereof, and certain other related property are owned or controlled by the City and have been leased by the City to the EDC pursuant to the lease.

On December 1, 2007, the EDC and BPDC executed an assignment and assumption of lease (the "Assignment"). Under the Assignment, the EDC assigned, transferred and set over to BPDC all of EDC's right, title and interest in the lease, except for certain matters as identified in the Assignment. BPDC assumed the lease from December 1, 2007 and agreed to perform and observe all of the covenants and conditions of the lease and to make all of the representations and warranties under the lease. The City has consented to the Assignment of the lease by the EDC to BPDC.

The lease term commenced on December 13, 2007 and expires on December 12, 2057. The lease provides for up to five optional ten-year renewal terms. Pursuant to the lease, the City may not terminate the lease while the Bonds remain outstanding.

BRONX PARKING DEVELOPMENT COMPANY, LLC

NOTES TO FINANCIAL STATEMENTS

6 - GROUND LEASE (Continued)

Commencing December 1, 2007, BPDC shall pay the City, subject to escalation as provided in the lease, an annual rent of \$3,200,000, which is payable in twelve equal monthly installments. The rent will increase each year based on changes to the predetermined price index as defined in the lease.

The lease also provides for payments in lieu of taxes ("PILOT"). PILOT is an annual amount payable on December 13, 2007 and thereafter in two equal installments on July 1 and January 1. During the term of the lease, the PILOT shall be in an amount equal to taxes on the premises and subject to such exemptions and abatements from taxes for which the land and buildings may qualify under the City's Industrial and Commercial Incentive Program ("ICIP"), or other applicable tax exemption and abatement programs. Pursuant to the lease, the City agrees that BPDC will be entitled to apply for and qualify for ICIP, notwithstanding the exemption of the premises from real estate taxes.

Rent and PILOT payments for any year will be subordinate to the debt service payments and operating expenses of BPDC, as defined in the lease, unless the coverage ratio, as defined in the lease, is met in the previous year.

BPDC is required to pay interest on rent and PILOT amounts that are unpaid when due at an annual rate of 6.25% from the due date thereof until paid in accordance with the terms of the ground lease.

BPDC has not made any payments due under the ground lease and is accruing interest on the unpaid amounts.

All payments made by BPDC to the City shall be applied first to the unpaid PILOT, second to accrued interest on PILOT, third to rent and fourth to accrued interest on rent.

7 - ACCRUED INTEREST PAYABLE

Interest payable on the Bonds as of December 31, 2015 of \$26,591,466 represents interest accrued on the Bonds, including amounts past due.

Interest payable on rent and interest payable on PILOT as of December 31, 2015 of \$6,733,987 and \$7,068,699, respectively, represents interest accrued on unpaid rent and PILOT obligations, compounded periodically.

BRONX PARKING DEVELOPMENT COMPANY, LLC

NOTES TO FINANCIAL STATEMENTS

7 - ACCRUED INTEREST PAYABLE (Continued)

Interest expense on the Bonds, rent and the PILOT payable for the year ended December 31, 2015 was \$13,794,756, \$1,602,630 and \$1,946,493, respectively.

PILOT and ground rent and interest accrued on either amount are not due and payable, pursuant to the ground lease, until the revenues generated by BPDC's operations are sufficient to cover at least 115% of current debt service.

8 - MANAGEMENT AGREEMENT

BPDC has a management agreement with Quik Park Isabel LLC ("Quik Park") to operate the Parking Facilities. Pursuant to this agreement, Quik Park is paid a management fee of \$175,000 a year. For the year ended December 31, 2015, the management fee totaled \$175,000. The agreement, which originally expired on December 31, 2015, has been extended to December 31, 2016.

9 - CONCENTRATION OF CREDIT RISK

The tax-exempt status of the Bonds is based on the continued compliance by the Agency, BPDC and CIDC with certain covenants contained in the Indenture, the Installment Sale Agreement and the Tax Regulatory Agreement and certain other documents executed by the Agency, BPDC and CIDC.

These covenants are aimed at satisfying applicable requirements of the Internal Revenue Code and relate generally to the use by BPDC of the proceeds of the Bonds, maintenance of the status of CIDC as an organization meeting the requirements of Section 501(c)(3) of the Internal Revenue Code, arbitrage limitation, rebate of certain excess investment earnings to the federal government and restrictions on the amount of issuance costs financed with the proceeds of the Bonds. Failure to comply with such covenants could cause interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance of the Bonds.

The Company's only revenue-producing assets, the Parking Facilities, are located in Bronx, New York and are dependent upon events occurring at Yankee Stadium, as well as the economy of the New York metropolitan area.

BRONX PARKING DEVELOPMENT COMPANY, LLC

NOTES TO FINANCIAL STATEMENTS

10 - CONTINGENCIES

The Company is involved in litigation arising in the normal course of business, the outcome of which is not expected to have a material adverse effect on the Company.

SUPPLEMENTARY INFORMATION

BRONX PARKING DEVELOPMENT COMPANY, LLC

**SCHEDULES OF PARKING OPERATING AND
CORPORATE ADMINISTRATION EXPENSES**

YEAR ENDED DECEMBER 31, 2015

Parking Operating Expenses

Payroll and related costs	\$1,481,235
Office salaries	363,336
Utilities	365,253
Supplies and miscellaneous	125,661
Repairs and maintenance	271,880
Equipment contracts	486,823
Operator management fees	175,000
IT maintenance	65,331
Security	179,184
	<hr/>
	\$3,513,703

Corporate Administration Expenses

Payroll and related costs	\$ 284,488
General and administrative	80,619
Telephone	49,377
Bank and credit card fees	319,120
Advertising	5,121
Insurance	581,616
Management services	224,363
Financial advisor	184,912
Professional fees	239,363
	<hr/>
	\$1,968,979

See Independent Auditors' Report.