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CITY OF BROCKTON

MASSACHUSETTS

FINANCE DEPARTMENT

John A. Condon
Chief Financial Officer

City Hall
45 School St.
Brockton, MA 02301
508-580-7165
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November 22, 2005

Ms. Mary Waldron, President
Brockton 21st Century Corporation
60 School Street - 1st Floor
Brockton, MA 02301

Dear Mary:

I am writing regarding payments due to the City of Brockton. Also, I have enclosed a copy of my response to your auditors regarding the loan amount as of 10/31/05.

You will note that according to the provisions of the Amended and Restated Loan and Security Agreement (the Agreement) between the city and the corporation, the corporation on December 20, 2005 will owe to the city a loan repayment of \$552,935. This sum is comprised of \$50,758 in principal and \$502,177 in interest. A copy of the loan repayment schedule is enclosed. In addition, the corporation, by the terms of the lease agreement of January 31, 2002 between the city and the corporation, will owe a land lease payment of \$10.00 on January 31, 2006.

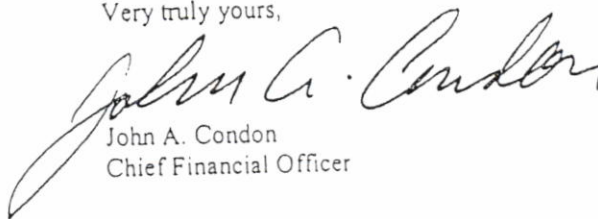
You may recall that the Loan Agreement provides that 100% of all of the corporation's revenues pursuant to the Stadium Agreement, plus 95% of all of the Corporation's revenues pursuant to the Conference Center Agreement, so-called project revenues as defined in the Loan Agreement, must be applied first to satisfy the needs of the loan repayment. If a surplus exists to this requirement, the Agreement provides for other payments according to a descending order of priorities.

However, if the corporation is unable to meet the full value of the scheduled loan repayment, the Agreement provides that all or a portion of the amount unpaid will be "treated as having been paid" up to the amount of the so-called "Available Hotel/Motel Tax Receipts" of the prior year. The "Available Hotel/Motel Tax Receipt" is a defined term in the Agreement. For FY2005, the city received \$323,532 in hotel/motel tax. A copy of the city's records is attached. At 90%, the amount of the "Available Hotel/Motel Tax Receipts" for any potential deficiency in the 12/20/05 loan repayment is \$291,179.

Please remember that this calculation is applied only in the event that the corporation's receipts from the Rox are insufficient to satisfy the loan repayment due. Also, the lease payment of \$10.00 should be paid by the corporation funds other than those derived from Rox project revenues.

If you have any questions, please call my office.

Very truly yours,


John A. Condon
Chief Financial Officer

JAC/amw

[21 Century Loan 11_21_05]

- XC: James Holmgren, CPA
- ✓ John T. Yunits, Jr., Mayor, w/o enclosures
- Aldo Petronio, City Auditor, w/o enclosures
- James Martelli, Jr., Treasurer/Tax Collector, w/o enclosures