

**MINUTES OF THE EAST RUTHERFORD
MAYOR & COUNCIL
SPECIAL MEETING HELD ON
SEPTEMBER 3, 2015**

SPECIAL MEETING WAS CALLED TO ORDER BY MAYOR CASSELLA AT 6:10PM. FLAG SALUTE WAS HELD AND THE FOLLOWING OPEN PUBLIC MEETING STATEMENT WAS READ:

This meeting is a Special Meeting of the Mayor and Council of the Borough of East Rutherford and is called pursuant to the provisions of the Open Public Meetings Law. This meeting was transmitted to the three newspapers listed below on August 20, 2015, posted on the bulletin board at the Municipal Building and has remained continuously posted as the required notices under the Statute. In addition, a copy of this notice is and has been available to the public and is on file in the office of the Municipal Clerk.

The Herald News

The Record

The Bergenite

ROLL CALL:

Councilmember	Present	Absent
Brizzi	X	
Homaychak	X	
Lahullier	X	
Perry	X	
Stallone	X	
Ravettine	X	

Also present were Borough Clerk Danielle Lorenc and Attorney Richard Allen

Mayor Cassella submitted Bond Ordinance 2015-21 for a 2nd reading and adoption:

BOND ORDINANCE 2015-21

BOND ORDINANCE PROVIDING FOR THE PURCHASE OF REAL PROPERTY AND THE DEMOLITION AND THE REMOVAL OF BUILDINGS AND STRUCTURES BY THE BOROUGH OF EAST RUTHERFORD, REAPPROPRIATING \$245,672.50 PROCEEDS OF OBLIGATIONS NOT NEEDED FOR THEIR ORIGINAL PURPOSE THEREFOR, APPROPRIATING \$150,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$142,500 BONDS OR NOTES OF THE BOROUGH TO FINANCE PART OF THE COST THEREOF

Mayor Cassella asked for a motion to open the citizen's hearing on Bond Ordinance 2015-21:

Moved: Councilman Brizzi
Second: Councilman Homyachak
Roll Call: All Ayes

Mayor Cassella asked if any citizen wished to be heard on Bond Ordinance 2015-21. No response.

Mayor Cassella asked for a motion to close the citizen's hearing on Bond Ordinance 2015-21:

Moved: Councilman Brizzi
Second: Councilman Homyachak
Roll Call: All Ayes

Mayor Cassella asked for a motion on the adoption of Bond Ordinance 2015-21:

Moved: Councilman Ravettine
Second: Councilman Brizzi
Roll Call: All Ayes

Mayor Cassella submitted Bond Ordinance 2015-22 for a 2nd reading and adoption:

BOND ORDINANCE 2015-22

BOND ORDINANCE PROVIDING FOR SEWER SYSTEM UPGRADES BY THE BOROUGH OF EAST RUTHERFORD, APPROPRIATING \$1,000,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$950,000 BONDS OR NOTES OF THE BOROUGH TO FINANCE PART OF THE COST THEREOF

Mayor Cassella asked for a motion to open the citizen's hearing on Bond Ordinance 2015-22:

Moved: Councilman Ravettine
Second: Councilman Homyachak
Roll Call: All Ayes

Mayor Cassella asked if any citizen wished to be heard on Bond Ordinance 2015-22. No response.

Mayor Cassella asked for a motion to close the citizen's hearing on Bond Ordinance 2015-22:

Moved: Councilman Brizzi
Second: Councilman Homaychak
Roll Call: All Ayes

Mayor Cassella asked for a motion on the adoption of Bond Ordinance 2015-22:

Moved: Councilman Homaychak
Second: Councilman Perry
Roll Call: All Ayes

Mayor Cassella asked for a motion to adjourn into Executive Session at 6:15PM:

EXECUTIVE SESSION RESOLUTION

WHEREAS, the "Open Public Meetings Act" requires that a public body adopt a resolution at an open meeting before going into Closed Session to discuss a matter which excludes the public as permitted under Section 7b;

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Council will hold a closed meeting at 6:15 p.m. on Thursday, September 3, 2015 in Borough Hall to discuss the following matters:

1. Personnel
2. Litigation
3. Contract Negotiations

WHEREAS, minutes will be kept and once the matter involving the confidentiality of the above no longer requires that confidentiality, then the minutes can be made public.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the Borough of East Rutherford that the public be excluded from this portion of the meeting.

Moved: Councilman Lahullier
Second: Councilman Stallone
Roll Call: All Ayes

EXECUTIVE SESSION

Mayor Cassella asked for a motion to adjourn the Executive Session at 9:27PM and reopen the public meeting:

Moved: Councilman Brizzi
Second: Councilman Lahullier
Roll Call: All Ayes

Mayor Cassella asked for a motion to open the meeting to the citizens for comments or questions:

Moved: Councilman Hodaychak
Second: Councilman Lahullier
Roll Call: All Ayes

John Zoller (Lincoln Place) asked the following:

- there was an 800 page document that the Council received tonight and asked if it was read
- was the Council able to fill in the blanks on the bond ordinance
- asked if the bonds were taxable or non-taxable
- is the insurance in place

Attorney Allen stated the borough's insurance advisors have said we cannot produce the policy until they have reviewed the bond documents. It is premature to have a policy now. The deal doesn't happen if the borough does not have a policy.

John Zoller continued with the following questions:

- how much money is American Dream putting up
- has the 5.2 million been settled
- American Dream has been dragging their feet for 2 ½ years so why are we rushing this
- American Dream has a history of backing out of deals

Mayor Cassella asked for a motion to close the meeting to the citizens for comments or questions:

Moved: Councilman Brizzi
Second: Councilman Stallone
Roll Call: All Ayes

Mayor Cassella submitted Ordinance 2015-25 for a 1st reading and introduction:

ORDINANCE NO. 2015-25

AN ORDINANCE TO AMEND AND SUPPLEMENT CHAPTER 228 OF THE CODE OF THE BOROUGH OF EAST RUTHERFORD TO PREVENT THE UNLAWFUL ENROLLMENT OF SCHOOL CHILDREN IN THE EAST RUTHERFORD PUBLIC SCHOOL DISTRICT AND IN THE CARLSTADT EAST RUTHERFORD REGIONAL HIGH SCHOOL DISTRICT AND TO PROVIDE PENALTIES THEREFORE.

Moved: Councilman Ravettine
Second: Councilman Brizzi
Roll Call: All Ayes

Mayor Cassella submitted Ordinance 2015-26 for a 1st reading and introduction:

ORDINANCE NO. 2015-26

AN ORDINANCE AUTHORIZING THE PURCHASE OF REAL PROPERTY IN THE BOROUGH OF EAST RUTHERFORD, COUNTY OF BERGEN AND STATE OF NEW JERSEY KNOWN AND DESIGNATED AS TAX BLOCK 63, LOT 21 ON THE TAX MAP OF THE BOROUGH OF EAST RUTHERFORD AND COMMONLY KNOWN AS 116 UHLAND STREET.

Moved: Councilman Ravettine
Second: Councilman Brizzi
Roll Call: All Ayes

Mayor Cassella submitted Resolution #112 for approval:

Councilman Lahullier stated that the document was gone through page by page. There were changes made to page 9 section 7A. He made a motion to approve Resolution #112 along with the 9/2/2015 SPB Draft as provided by our Special Counsel

**BOROUGH OF EAST RUTHERFORD
RESOLUTION #112 - 2015**

**A RESOLUTION AUTHORIZING THE MAYOR AND BOROUGH
CLERK TO ENTER INTO AN AMENDED SETTLEMENT
AGREEMENT WITH THE NEW JERSEY SPORTS AND
EXPOSITION AUTHORITY TO FACILITATE THE AMERICAN
DREAM PROJECT.**

WHEREAS, New Jersey Sports and Exposition Authority (“the Sports Authority”) owns fee title to certain real property located in the Borough and commonly known as the “**Meadowlands Sports Complex**” or “**Sports Complex**”; and

WHEREAS, in furtherance of the Sports Authority’s mission under *N.J.S.A.* 5:10-6, and in the exercise of its statutory powers, the Sports Authority determined to improve certain land within the Meadowlands Sports Complex and entered into that certain Redevelopment Agreement dated December 3, 2003, as amended October 5, 2004, March 15, 2005, May 23, 2005, June 30, 2005, and February 4, 2015 (as may be further amended, supplemented or otherwise modified from time to time, collectively, the “**Redevelopment Agreement**”), pursuant to which Meadowlands Mills/Mack-Cali Limited Partnership (the “**Prior Developer**”) was granted the right, among other things, to develop and build that certain mixed-use project as more fully described in the Redevelopment Agreement (the “**Original Project Site**” or the “**Meadowlands Xanadu Property**”); and

WHEREAS, Ameream, LLC, a Delaware limited liability company (the “**Developer**”) and its affiliates acquired all of the rights, title and interest under the Redevelopment Agreement and the ERC Ground Lease pursuant to agreements dated July 31, 2013 and August 1, 2013 respectively and with respect to the ERC Site and the ERC Component; and

WHEREAS, to maximize the development potential of the ERC Component, the Authority has acquired a 21+/- acre parcel of land adjacent to the ERC Site, identified on the official tax map of the Borough as Block 107.02, Lots 3 and B01 (the “**AP/WP Site**”, and together with the ERC Site, the “**American Dream Site**”; the AP/WP Site together with the Original Project Site, as may be amended, supplemented or otherwise modified from time to time collectively, the “**Project Site**”); and

WHEREAS, the Sports Authority, the Developer, and the other parties thereto have entered into that certain Fifth Amendment to Redevelopment Agreement and a Third Amendment to the ERC Ground Lease each dated February 4, 2015 to (among other things), add the AP/WP Site to the Original Project Site and to add the construction of an indoor amusement park and indoor water park upon the AP/WP Site as an additional component of the Original Project (the “**AP/WP Component**”) as such Component may be modified, amended, supplemented or expanded from time to time; and

WHEREAS, the Developer intends to develop, finance, construct and operate on the American Dream Site, the ERC Component, the AP/WP Component and a connector facility connecting and integrating the AP/WP Site with the ERC Site and containing the uses compatible with the ERC Component and the AP/WP Component (the ERC Component and the AP/WP Component together with the connector facility are referred to herein as the **"American Dream Project"** or the **"Project"**); and

WHEREAS, the Sports Authority Law provides an exemption for projects and property of the Sports Authority from all taxes and special assessments of the State of New Jersey or any political subdivision thereof, and the Parties agree that the Project is a project of the Sports Authority pursuant to *N.J.S.A.* 5:10-2 and 6(a)(1), (4) and (7), and, as such, is exempt from all taxes and special assessments of the Borough pursuant to *N.J.S.A.* 5:10-18; and

WHEREAS, notwithstanding the exemption of the Project from taxes and special assessments, the Sports Authority is required, pursuant to *N.J.S.A.* 5:10-18(b) and (c), to make payments-in-lieu of property taxes (**"PILOTs"**) and empowered to make additional amounts to the Borough with respect to the Project and the Project Site; and

WHEREAS, pursuant to Section 18 of the Sports Authority Law, the Sports Authority entered into a Settlement Agreement with the Borough dated January 1, 1990 (the **"Original Settlement Agreement"**), as amended by the First Addendum to the Settlement Agreement dated January 28, 1997 (the **"First Addendum"**), as amended by the Second Addendum to Settlement Agreement dated October 5, 2004 (the **"Second Addendum"**), as further amended by the Third Addendum to the Settlement Agreement dated October 21, 2013 (the **"Third Addendum,"** together with the Original Settlement Agreement, the First Addendum, and the Second Addendum, the **"Settlement Agreement"**) executed in accordance with the Sports Authority Law; and

WHEREAS, in addition to the payments in lieu of taxes that the Sports Authority was required to pay under the First Addendum, the Second Addendum required that the Sports Authority make certain additional payments in lieu of taxes to the Borough referred to herein as the **"Meadowlands Xanadu PILOT Payments"**; and

WHEREAS, any payments to be made by the Sports Authority to the Borough with respect to the Meadowlands Xanadu PILOT Payments was predicated on the successful development of the ERC Component, and were to have commenced on the date the ERC Component opened to the general public for general commercial use; and

WHEREAS, the Second Addendum provides that the Borough shall provide the Original Project with those services that are customarily provided by (or on behalf of) the Borough to non-residential properties in connection with the Original Project, together with the additional services set forth on Schedule B to the Second Addendum; and

WHEREAS, the Borough anticipates issuing Redevelopment Area Bonds (the “**RABs**”), in an amount not to exceed \$675,000,000 under the provisions of the *Redevelopment Area Bond Financing Law*, as amended and supplemented, *N.J.S.A. 40A:12A-64 et seq.* (the “**RAB Law**”) to assist the Developer in financing the construction of the American Dream Project; and

WHEREAS, the Developer has (i) committed its equity; and (ii) obtained (a) approval from the New Jersey Economic Development Authority (“**NJEDA**”) to securitize an Economic Redevelopment and Growth Grant as part of the capital expected to be used by the Developer to finance the construction of the American Dream Project (the “**ERGG**”) and (b) construction and mezzanine financing commitments through financial institution lenders (all of which, together with the RABs, comprise the “**Developer Capital Structure**”); and

WHEREAS, the Borough and the Sports Authority desire to enter into this Fourth Addendum (the “Fourth Addendum”) to further amend the Settlement Agreement to, among other things, provide for amended payments in lieu of taxes to the Borough, remove an obligation of the Borough to provide services to the American Dream Project and to otherwise be consistent with the Financial Agreements and the Project Development Agreement.

NOW, THEREFORE, BE IT RESOLVED that (i) the form of the Fourth Addendum is approved in substantially the form attached hereto, and (ii) the Mayor and Borough Clerk, on behalf of the Borough, are hereby authorized to execute and deliver the Fourth Addendum substantially in the form attached hereto; provided, that prior to such execution and delivery Exhibit A and Schedules A and B in true and accurate form are attached thereto.

I hereby certify that the foregoing is a true copy of the resolution passed by the Mayor and Council at the meeting held on the 3rd day of September, 2015.

Danielle Lorenc, RMC

Councilmember	Moved	Second	Aye	Nay	Abstain	Absent
Brizzi			X			
Homaychak		X	X			
Lahullier	X		X			
Perry			X			
Stallone			X			
Ravettine			X			

FOURTH ADDENDUM TO SETTLEMENT AGREEMENT

This **FOURTH ADDENDUM TO SETTLEMENT AGREEMENT** ("**Fourth Addendum**") is entered into as of [_____, 2015] by and between the **NEW JERSEY SPORTS AND EXPOSITION AUTHORITY**, a public body corporate and politic of the State of New Jersey with corporate succession (the "**Authority**" or "**Sports Authority**"), and the **BOROUGH OF EAST RUTHERFORD**, a municipal body corporate and politic (the "**Borough**" together with the Authority, the "**Parties**").

WHEREAS, pursuant to Public Law 1971, Chapter 137, codified at *N.J.S.A.* 5:10-1 *et seq.*, as thereafter amended and modified, the New Jersey Sports and Exposition Authority Law (the "**Sports Authority Law**"), the Legislature of the State of New Jersey established the Sports Authority to, inter alia, promote athletic contests, spectator sporting events, trade shows and other expositions and to carry out projects as set forth in the Sports Authority Law, including but not limited to the undertaking of projects as described herein; and

WHEREAS, the Sports Authority owns fee title to certain real property located in the Borough and commonly known as the "**Meadowlands Sports Complex**" or "**Sports Complex**"; and

WHEREAS, in furtherance of the Sports Authority's mission under *N.J.S.A.* 5:10-6, and in the exercise of its statutory powers, the Sports Authority determined to improve certain land within the Meadowlands Sports Complex and entered into that certain Redevelopment Agreement dated December 3, 2003, as amended October 5, 2004, March 15, 2005, May 23, 2005, June 30, 2005 and February 4, 2015 (as may be further amended, supplemented or otherwise modified from time to time, collectively, the "**Redevelopment Agreement**"), pursuant to which Meadowlands Mills/Mack-Cali Limited Partnership (the "**Prior Developer**") and its assigns were granted the right, among other things, to develop and build that certain mixed-use project as more fully described in the Redevelopment Agreement (the "**Original Project Site**" or the "**Meadowlands Xanadu Property**"); and

WHEREAS, the Redevelopment Agreement originally contemplated the construction of the following components (as each component may be further amended, supplemented or otherwise modified from time to time, each a "**Component**" and collectively the "**Original Project**" or the "**Meadowlands Xanadu Redevelopment**") upon the Original Project Site: (a) approximately 2.7 million square feet of entertainment, recreation and retail facilities (the "**ERC Component**"), (b) approximately 1.76 million square feet of office space (divided into A-B office space and C-D office space) (collectively the "**Office Components**"), (c) approximately 500,000 square feet of hotel space (the "**Hotel Component**"), (d) a facility for the staging of minor league baseball games (the "**Baseball Component**," and together with the Office Components and the Hotel Component, the "**Ancillary Components**") and (e) approximately 12,500 parking spaces and certain on and off-site improvements to the traffic and transportation infrastructure servicing the Original Project Site (the "**Infrastructure Component**"); and

WHEREAS, pursuant to the Redevelopment Agreement, areas of the Original Project Site, corresponding to each said Component were separately leased by the Sports Authority as follows: (i) the ERC Component to the ERC Meadowlands Mills/Mack-Cali Limited Partnership pursuant to that certain ERC Ground Lease dated June 30, 2005, as amended on March 30, 2007, and December 27, 2007 (as the same may be further amended, supplemented or otherwise modified from time to time, the **"ERC Ground Lease"**); (ii) the A-B portion of the Office Components to A-B Office Meadowlands Mack-Cali/Mills Limited Partnership pursuant to that certain A-B Office Ground Lease, dated June 30, 2005, as amended December 27, 2007 (as the same may be further amended, supplemented or otherwise modified from time to time, the **"AB Office Ground Lease"**); (iii) the C-D portion of the Office Components to C-D Office Meadowlands Mack-Cali/Mills Limited Partnership pursuant to that certain C-D Office Ground Lease dated June 30, 2005, as amended on December 27, 2007 (as the same may be further amended, supplemented or otherwise modified from time to time, the **"CD Office Ground Lease"**); (iv) the Hotel Component to Hotel Meadowlands Mack-Cali/Mills Limited Partnership pursuant to that certain Hotel Ground Lease dated June 30, 2005, as amended on December 27, 2007 (as the same may be further amended, supplemented or otherwise modified from time to time, the **"Hotel Ground Lease"**); and (v) the Baseball Component to Baseball Meadowlands Mills/Mack-Cali Limited Partnership pursuant to that certain Baseball Ground Lease dated June 30, 2005, as amended December 27, 2007 (as the same may be further amended, supplemented or otherwise modified from time to time, the **"Baseball Ground Lease"** and together with the AB Office Ground Lease, the CD Office Ground Lease, and the Hotel Ground Lease, collectively the **"Ancillary Ground Leases,"** and the tenants thereunder from time to time, collectively the **"Ancillary Ground Tenants"**); and

WHEREAS, in accordance with the ERC Ground Lease, the Prior Developer was empowered to construct the ERC Component upon a portion of the Original Project Site consisting of approximately 69 +/- acres of land, identified on the official tax maps of the Borough as Block 107.02, Lot 1.01 (the **"ERC Site"**); and

WHEREAS, Ameream, LLC, a Delaware limited liability company (the **"Developer"**) acquired all of the rights, title and interest under the Redevelopment Agreement and the ERC Ground Lease pursuant to an agreement dated July 31, 2013 with respect to the ERC Site and the ERC Component, and affiliates of the Developer have acquired all rights, title and interest under the Redevelopment Agreement and the Ancillary Ground Leases with respect to the Ancillary Components pursuant to an agreement dated August 1, 2013; and

WHEREAS, to maximize the development potential of the ERC Component, the Authority has acquired a 21+/- acre parcel of land adjacent to the ERC Site, identified on the official tax map of the Borough as Block 107.02, Lots 3 and B01, and as more particularly described in **Exhibit A** attached hereto, for development consistent with the Sports Authority Law (the **"AP/WP Site"**, and together with the ERC Site, the **"American Dream Site"**; the AP/WP Site together with the Original Project Site, as may be amended, supplemented or otherwise modified from time to time collectively, the **"Project Site"**); and

WHEREAS, the Sports Authority, the Developer, and the other parties thereto have entered into that certain Fifth Amendment to Redevelopment Agreement dated February 4, 2015 to, (among other things), add the AP/WP Site to the Original Project Site and to add the

construction of an indoor amusement park and indoor water park upon the AP/WP Site as an additional component of the Original Project (the “**AP/WP Component**”) as such Component may be modified, amended, supplemented or expanded from time to time; and

WHEREAS, the Sports Authority and the Developer have entered into that certain Third Amendment to ERC Ground Lease dated February 4, 2015, whereby the ERC Ground Lease has been amended to incorporate the AP/WP Site as part of the ERC Site and the AP/WP Component is governed by the provisions of the ERC Ground Lease; and

WHEREAS, the Developer intends to develop, finance, construct and operate on the American Dream Site, the ERC Component, the AP/WP Component and a connector facility connecting and integrating the AP/WP Site with the ERC Site and containing the uses compatible with the ERC Component and the AP/WP Component (the ERC Component and the AP/WP Component together with the connector facility are referred to herein as the “**American Dream Project**”, and the American Dream Project, together with the Infrastructure Component, and the remainder of the Original Project, as the components thereof may be further modified, amended, supplemented or expanded from time to time, are collectively referred to herein as the “**Project**”); and

WHEREAS, the Sports Authority Law provides an exemption for projects and property of the Sports Authority from all taxes and special assessments of the State of New Jersey or any political subdivision thereof, and the Parties agree that the Project and the Project Site (consisting of the AP/WP Component, the ERC Component, the Ancillary Component, and the Infrastructure Component) are projects of the Sports Authority pursuant to *N.J.S.A. 5:10-2* and 6(a)(1), (4) and (7), and, as such, are exempt from all taxes and special assessments of the Borough pursuant to *N.J.S.A. 5:10-18*; and

WHEREAS, notwithstanding the exemption of the Project and Project Site from taxes and special assessments, the Sports Authority is authorized and empowered, pursuant to *N.J.S.A. 5:10-18(b)* and (c), to make payments-in-lieu of property taxes (“**PILOTs**”) and additional amounts to the Borough with respect to the Project and the Project Site; and

WHEREAS, pursuant to Section 18 of the Sports Authority Law, the Sports Authority entered into a Settlement Agreement with the Borough dated January 1, 1990 (the “**Original Settlement Agreement**”), as amended by the First Addendum to the Settlement Agreement dated January 28, 1997 (the “**First Addendum**”), as amended by the Second Addendum to Settlement Agreement dated October 5, 2004 (the “**Second Addendum**”), as further amended by the Third Addendum to the Settlement Agreement dated October 21, 2013 (the “**Third Addendum**,” together with the Original Settlement Agreement, the First Addendum, and the Second Addendum, the “**Settlement Agreement**”) executed in accordance with the Sports Authority Law; and

WHEREAS, the obligations of the Sports Authority under the Second Addendum were intended to, in part, offset the impact of the Original Project and are solely the obligations of the Sports Authority and are not a lien, charge or imposition on the Original Project Site or the Original Project; and

WHEREAS, in addition to the payments in lieu of taxes that the Sports Authority was required to pay under the First Addendum, the Second Addendum required that the Sports Authority make certain additional payments in lieu of taxes to the Borough referred to herein as the “**Meadowlands Xanadu PILOT Payments**”; and

WHEREAS, any payments to be made by the Sports Authority to the Borough with respect to the Meadowlands Xanadu PILOT Payments was predicated on the successful development of the ERC Component, and were to have commenced on the date the ERC Component opened to the general public for general commercial use; and

WHEREAS, the Second Addendum provides that the Borough shall provide the Original Project with those services that are customarily provided by (or on behalf of) the Borough to non-residential properties in connection with the Original Project, together with the additional services set forth on Schedule B to the Second Addendum; and

WHEREAS, (a) the Developer has agreed to enter into and the Borough has authorized on July 21, 2015 that certain Financial Agreement by and among the Sports Authority, the Borough and the Developer pursuant to the terms of which the Developer will make payments in lieu of taxes with respect to the American Dream Site (the “**American Dream PILOTs**”) to the Borough (the “**American Dream Financial Agreement**”); and (b) each of the Ancillary Ground Tenants has agreed to enter into and the Borough has authorized on August 18, 2015 financial agreements by and among the Sports Authority, the Borough and each of the Ancillary Ground Tenants (the “**Ancillary Parcels Financial Agreements**” and together with the American Dream Financial Agreement, collectively the “**Financial Agreements**”) pursuant to the terms of which the Ancillary Ground Tenants will make Fixed PILOTs (as such term is defined therein) in respect of their respective Components (the “**Ancillary Parcel PILOT Payments**”); and

WHEREAS, (a) the Sports Authority’s obligation to make payments in lieu of taxes as calculated in Section 4 of the Fourth Addendum to Settlement Agreement and defined as the “**Sports Authority’s Payment In Lieu of Taxes**,” (b) the Developer’s obligation to make the American Dream PILOTs to the Borough pursuant to the American Dream Financial Agreement; and (c) each Ancillary Ground Tenant’s obligation to make Fixed PILOTs to the Borough pursuant to their respective Ancillary Parcel Financial Agreement; and (d) the Sports Authority agreement to make the Revised Meadowlands Xanadu PILOT Payments in the event that any Ancillary Ground Tenant fails to make an installment or portion thereof of Fixed PILOTs pursuant to the applicable Ancillary Parcel Financial Agreement, are together in lieu of: (x) the Authority’s obligations to make any other payments in lieu of taxes under the Settlement Agreement, including the Second Addendum, with respect to the Project and the Project Site and (y) any and all obligations of the Developer or each Ancillary Ground Tenant to make any other payments in lieu of taxes with respect to the Project or the Project Site other than the payments identified in the Financial Agreements, the amended and restated sewer agreements entered into with the Borough (the “**Sewer Agreements**”), and the Project Development Agreement by and among the Sports Authority, the Borough and the Developer authorized by resolution of the Borough on September 3, 2015 (the “**Project Development Agreement**”); and

WHEREAS, any obligations of the Sports Authority to make payments in lieu of taxes relating to the Project and the obligations of the Developer, and the Ancillary Ground Tenants to make payments in lieu of taxes to the Borough under any other agreement, thereunder or otherwise (other than as provided in the immediately preceding recital hereof), shall be terminated and be of no further force and effect upon the effective date of this Agreement and shall be in lieu of and full satisfaction of *N.J.S.A. 5:10-18*; and

WHEREAS, contemporaneously with the execution of the Financial Agreements and the Project Development Agreement, the Borough and the Sports Authority desire to enter into this Fourth Addendum to further amend the Settlement Agreement to, among other things, be consistent with the Financial Agreements and the Project Development Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. All capitalized terms not otherwise defined in this Fourth Addendum shall have the meanings ascribed thereto in the Recitals. All exhibits and schedules referred to in the Agreement (as defined in Section 2 hereof) or this Fourth Addendum and attached thereto or hereto are incorporated by reference and made part hereof as set forth at length herein. In the event of any inconsistency between the terms of this Agreement and any agreement incorporated herein by reference, the terms of such agreement incorporated by reference shall control.
2. The Borough and the Authority hereby approve, confirm, ratify and adopt by reference the terms of the Original Settlement Agreement, the First Addendum, the Second Addendum and the Third Addendum except as hereinafter addressed, considered and amended. The Original Settlement Agreement, as amended by the First Addendum, Second Addendum and Third Addendum, and further amended by this Fourth Addendum, is referred to herein as the "**Agreement**".
3. The AP/WP Site described in Exhibit A attached hereto, and made a part hereof, is hereby added to, included as part of and incorporated into the area within the present boundaries of the Sports Authority and subject to the provisions of the Agreement for all purposes.
4. Section 2 of the Second Addendum is hereby replaced in its entirety to read as follows:

"Article III(A)(2)(third revision)"

- a. The Sport Authority's Payment in Lieu of Taxes (the "**Sports Authority's Payment In Lieu of Taxes**"), for the calendar year beginning January 1, 2016 and for each calendar year thereafter, shall be a flat 21% of the sum of (x) the "total tax levy for the Borough" for the then-current calendar year, (y) the Borough PILOT share of the American Dream PILOTs (as set forth in Schedule A, annexed hereto, the "**Borough PILOT Share**") and (z) the amount of the revised Meadowlands Xanadu

PILOT Payments whether such payments are paid by the Sports Authority hereunder or by the Ancillary Ground Tenants pursuant to the Ancillary Parcels Financial Agreements (as set forth in **Schedule B**, annexed hereto, the **“Revised Meadowlands Xanadu PILOT Payments”**). The Parties acknowledge and agree that the amount of Revised Meadowlands Xanadu PILOT Payments for any year set forth in Schedule B may increase as provided in the Ancillary Parcel Financial Agreement relating to the Baseball Component. For clarity and avoidance of doubt, by example, the calculation of the provisions of clause (a) in this paragraph shall be as follows:

x. Total tax levy for the Borough as found in the Abstract of Ratables for the County of Bergen under section D entitled “Total Tax Levy on Which Rate is Computed”	For illustration, say the 2017 total tax levy is equal to \$30,000,000.
y. Plus the Borough PILOT Share	For illustration, say the 2017 payment is \$2,000,000
z. Revised Meadowlands Xanadu PILOT Payments/Fixed PILOTs	For illustration, say the 2017 payment is \$2,000,000
Sum	\$34,000,000
Sports Authority’s Payment In Lieu of Tax equals (Sum Multiplied by 21% equals)	\$7,140,000

- b. The Borough and the Sports Authority hereby approve, confirm, ratify, adopt and acknowledge that, this payment fulfills the Sports Authority’s entire obligation to the Borough with respect to the Project and other property currently owned by the Authority in accordance with the terms of N.J.S.A. 5:10-18, except with respect to (i) the payments required in e. below, (ii) sewer fees and any and all other charges relating to sewerage disposal which shall be governed by the Original Settlement Agreement and the First Addendum (as to the Sports Complex excluding the Project and the Project Site), and (iii) such other amounts that constitute obligations of the Authority under the Settlement Agreement as amended by this Fourth Addendum.
- c. For purposes of calculation of the Sports Authority's Payment In Lieu of Taxes in accordance with this Fourth Addendum, the term “total tax levy for the Borough” is that figure which appears in the Abstract of Ratables for the County of Bergen on a yearly basis under Section 12-D entitled Total Levy On Which Tax Rate Is Computed. In no event shall the amount of the “total tax levy for the Borough” include (i) the value of any land or improvements within the Sports complex site, including, but not limited to, the Project Site, (ii) any payments of the Sports Authority’s Payment in Lieu of Taxes, or (iii) payments under the Financial Agreements, the Sewer Agreement or the Project Development Agreement.
- d. For each calendar year beginning with 2016, the Sports Authority will, on account of

the Sports Authority's Payment in Lieu of Taxes, make payments on February 1, May 1, August 1 and November 1 of such year, it being understood that, until the total tax levy for the Borough for the calendar year has finally been determined, the Sports Authority's quarterly payments on account of the Sports Authority's Payment In Lieu of Taxes for the calendar year in question shall be equal to one-quarter of the Sports Authority's Payment In Lieu of Taxes for the preceding calendar year and that, after the Borough's total tax levy for the calendar year in question has been finally determined, the Sports Authority's quarterly payments on account of the Sports Authority's Payment in Lieu of Taxes for the calendar year in question shall be adjusted so as to pro-rate over the remaining quarters the balance due on account of the Sports Authority's Payment in Lieu of Taxes for the calendar year in question. In the event that any quarterly payment is not hereafter made in a timely manner, interest calculated at the then prevailing statutory rate and in the manner calculated for delinquent taxpayers of the Borough shall be added to the payment from its due date until the date it is paid.

- e. In addition to the payment by the Sports Authority of the Sports Authority's Payment In Lieu of Taxes, the Sports Authority agrees to make the Revised Meadowlands Xanadu PILOT Payments in the event, and to the extent, that any Ancillary Ground Tenant fails to make an installment or portion thereof of Fixed PILOT pursuant to the applicable Ancillary Parcel Financial Agreement. The obligation of the Sports Authority to make the Revised Meadowlands Xanadu Payments to the Borough as aforesaid shall be absolute and unconditional without set-off and shall be paid to the Borough within 10 calendar days upon ten days' notice from the Borough (the "**Sports Authority Fixed PILOT Payment Date**"). The Borough shall have no obligation to enforce any remedies for non-payment of an installment or portion thereof of Fixed PILOT by an Ancillary Ground under the applicable Ancillary Parcels Financial Agreement as a condition of payment by the Sports Authority as aforesaid; provided however, that the Sports Authority shall have no obligation to pay any installment or portion thereof of the Revised Meadowlands Xanadu PILOT payments if: (i) prior to the Sports Authority Fixed PILOT Payment Date, the Borough notifies the Sports Authority that the Borough has received payment (and the amount thereof) from the Ancillary Ground Tenant under the applicable Ancillary Parcel Financial Agreement; or (ii) any Revised Meadowlands Xanadu PILOT Payment is reduced pursuant to the first sentence of Section 23 of the Second Addendum, as amended by Section 16 hereof. If the Borough receives payment of any installment or portion thereof of Revised Meadowlands Xanadu Payments from the Sports Authority, the Sports Authority shall be authorized to exercise all of the Borough's rights under the applicable Ancillary Parcel Financial Agreement against any Ancillary Ground Tenant that fails to pay an installment or portion thereof of Fixed PILOT.

End of "Article III(A)(2)(third revision)

- 5. (a) Without limiting paragraph 4 above and for the avoidance of doubt, (i) the Borough acknowledges and agrees that no Meadowlands Xanadu PILOT Payments shall ever be

due and payable from the Sports Authority to the Borough as contemplated by the Second Addendum or otherwise; and (ii) the Sports Authority hereby acknowledges and agrees that it remains obligated under the Agreement to pay the Sports Authority's Payment in Lieu of Taxes as required by paragraph 4 of this Fourth Addendum and all sewer fees and any and all other charges relating to sewerage disposal as provided in the Original Settlement Agreement and the First Addendum (as to the Sports Complex excluding the Project and the Project Site), and the Revised Meadowlands Xanadu PILOT Payments in the event that any Ancillary Ground Tenant fails to make an installment or portion of the Fixed PILOT pursuant to the applicable Ancillary Parcel Financial Agreement. The Borough hereby approves, confirms, ratifies, adopts and acknowledges that the payments made by the Developer of the American Dream PILOT under the American Dream Financial Agreement and the payments made by each of the Ancillary Ground Tenants of the Fixed PILOT under each of the Ancillary Parcels Financial Agreements, together with the payments to be made by the Sports Authority pursuant to the terms of Section 2 of the Second Addendum to Settlement Agreement, as amended herein, replace in their entirety: (i) the Sports Authority's obligations to the Borough with respect to the Project and the Project Site and (ii) the Developer's or Ancillary Ground Tenants' obligations to make any other payments in lieu of taxes with respect to the Project or Project Site other than the payments identified in the Financial Agreements, the Sewer Agreement and the Project Development Agreement; and that such payments to be made by the Developer and the Sports Authority shall be in lieu of and full satisfaction of all taxes, special assessments and/or other payment to be made under *N.J.S.A. 5:10-18*; and that any other obligations of the Sports Authority to make payments in lieu of taxes relating to the Project or Project Site and the obligations of the Developer and the Ancillary Ground Tenants to make payments in lieu of taxes under any other agreement, thereunder or otherwise, shall be terminated and be of no further force and effect.

(b) In the event that the Borough attempts to collect taxes from the Sports Authority relating to the Project or the Project Site (other than the Revised Meadowlands Xanadu PILOT Payments in the event that any Ancillary Ground Tenant fails to make an installment or any portion of the Fixed PILOT) for failure to make the Fixed PILOTs pursuant to such Ancillary Parcel Financial Agreement), or attempts to impose a municipal lien on the Sports Authority's fee estate in the Project Site, then any and/or all future payment obligations of the Sports Authority prescribed in this Settlement Agreement shall be immediately suspended and the Borough shall not be entitled to receive the payments under the Financial Agreements with respect to the "Borough PILOT Share" (as such term is defined therein) or the Ancillary Parcel PILOT Payments, unless and until the prior lien is removed and any related action is terminated; provided however, that nothing herein shall preclude the Borough from exercising any and all of its rights to enforce any liens against the Leasehold Improvements located on the Project Site securing the American Dream PILOTs and the Ancillary Parcel PILOT Payments under the respective Financial Agreements.

6. Schedule A to the Second Addendum shall be deleted in its entirety and replaced with Schedule A to this Fourth Addendum. Section 3 of the Second Addendum shall be deleted and replaced in its entirety to read as follows:

“In the event that an Ancillary Ground Tenant fails to make an installment or portion of the Fixed PILOT pursuant to the applicable Ancillary Parcel Financial Agreement, the Authority will, as provided in paragraph (e) of Section 4 hereof, pay to the Borough, in quarterly installments in arrears, the amount of the Revised Meadowlands Xanadu PILOT Payment or any portion thereof not paid by an Ancillary Ground Tenant. For the avoidance of doubt, the amount of such payments (if any) shall be in addition to the amount of the Sports Authority’s Payment in Lieu of Taxes set forth in Article III(A)(2) of the Original Settlement Agreement (as amended by the First Addendum, the Second Addendum and this Fourth Addendum).”

7. Section 5 of the Second Addendum shall be amended as follows:

(a) The first sentence is replaced in its entirety to read as follows:

“It is expressly understood and agreed by the Parties that the Borough is authorized to levy or impose the hotel occupancy tax on hotels constructed in the Meadowlands Sports Complex in the maximum amount authorized by law provided that the Borough shall be authorized to levy or impose a hotel occupancy tax on hotels constructed on the Ancillary Parcels in accordance with and subject to the terms and conditions set forth in that certain Project Development Agreement, as amended, by and among the Borough, the Developer and the Sports Authority authorized by the Borough by resolution adopted September 3, 2015.”

(b) The second and third sentences of Section 5 of the Second Addendum is replaced in its entirety to read as follows:

“The Borough further represents and warrants that the Sports Authority’s Payment in Lieu of Taxes and, to the extent not paid for by the Ancillary Ground Tenant, the Revised Meadowlands Xanadu PILOT Payments are the obligations of the Sports Authority and shall not be a lien, charge or imposition on all or any portion of the Project Site or any improvements thereon, including without limitation, the Project. The parties agree that for purposes of real estate tax collection relating to the American Dream Project, or payments-in-lieu thereof, the Borough shall look solely to the American Dream Financial Agreement and the Authority shall have no obligation whatsoever for real estate taxes or payments in lieu of taxes for the American Dream Site and/or the American Dream Project.”

8. The provisions of the first full paragraph on Page 8 of the First Addendum, relating to the imposition of a real estate assessment and tax and sewerage service charges, shall not apply to the Project Site and shall be of no further force and effect with respect thereto as of the date hereof but the inapplicability of such paragraph shall not negate or alter: (i) any provision of this Agreement obligating the Sports Authority to pay sewer fees and other charges related to sewage disposal or the cost of constructing additional sewer lines or appurtenances or extending the pump station or the Borough’s rights with respect to property owned by the Sports Authority in the Borough that is not included within the Project; or (ii) any provision of the Agreement, the Project Development Agreement or

the Sewer Agreement obligating the Sports Authority to pay sewer fees, other charges related to sewage disposal, and certain PILOT payments in accordance with the terms and conditions of such agreements.

9. Section 7 of the Second Addendum shall be deleted and replaced in its entirety to read as follows:

“The Borough shall not be obligated to provide or cause to be provided municipal services, including without limitation, police fire or emergency medical services in and to the Project and the Borough shall have no responsibilities or obligations, financial or otherwise, with respect thereto.”

10. Section 8 of the Second Addendum and Schedule B to the Second Addendum, relating to the provision of certain services by the Borough and/or the Authority as the case may be, are hereby deleted in their entirety and shall have no full force and effect as of the date hereof.

11. Pursuant to Section 12 of the Second Addendum, the Borough appointed the Borough Attorney as the Borough Representative, the Developer and the Ancillary Ground Tenants appointed Joseph Calascibetta as the Developer Representative and the Authority appointed Ralph J. Marra, Jr. as the Authority Representative.

12. Section 16 of the Second Addendum is hereby replaced in its entirety to read as follows:

“The Borough acknowledges that the Developer, the Ancillary Ground Tenants and the Authority may finance the costs incurred in connection with the construction of the Project with the proceeds of public financing. The Borough shall diligently cooperate, to the extent permitted by law, to facilitate public financing for the Project in accordance with the Developer’s construction schedule with respect thereto; provided that nothing in this paragraph shall obligate the Borough to cooperate if such public financing shall be a debt, liability or obligation of the Borough or creates or constitutes a pledge of the full faith and credit or a charge against the real property of the Borough.”

13. Upon the request of the Authority, this Fourth Addendum may be recorded with the County Clerk of Bergen County, New Jersey and the provisions hereof shall run with the land relating to the Sports Complex (including the Project Site) and shall be binding upon and shall inure to the benefit of beneficiaries, successors and assigns of the parties hereto, the Developer and each Ancillary Ground Tenant and their respective successors and assigns.

14. The Developer and each Ancillary Ground Tenant shall each be an intended third-party beneficiary under the Second Addendum and this Fourth Addendum (and not the Original Settlement Agreement, the First Addendum, the Third Addendum or any future addendum), and the provisions hereof shall operate and inure to the use and benefit of the Developer and each Ancillary Ground Tenant and their respective successors and assigns. The Developer and each Ancillary Ground Tenant may act directly with the Authority and/or the Borough, as

the case may be, with respect to their rights granted hereunder. The Authority and the Borough each covenant to diligently cooperate with any third-party beneficiary in connection with any reasonable request by such third-party beneficiary with respect to the rights granted hereunder. The Sports Authority covenants and warrants to the Borough that it shall not amend, alter or revise any provision of the Redevelopment Agreement, the ERC Ground Lease or any of the Ancillary Ground Leases in a manner that: (i) alters or changes the obligation of the Developer to make the American Dream PILOTS or the Ancillary Parcel PILOT Payments to the Borough under the American Dream Financial Agreement or any of the Ancillary Parcel Financial Agreements; or (ii) that alters or changes the Borough's rights to enforce the collection of the American Dream PILOTS or the Ancillary Parcel PILOT Payments under such agreements; provided, however, that nothing herein shall preclude the Sports Authority from terminating the Ground Lease or any Ancillary Ground Lease according to their respective terms.

15. The Agreement may be amended from time to time by, and only by, a written agreement signed by the parties hereto. In the event that any such amendment shall adversely affect any of the rights of a third-party beneficiary (including without limitation, the Developer or any Ancillary Ground Tenant) under the Second Addendum or this Fourth Addendum, such amendment shall not be effective unless and until such amendment is approved in writing by the third-party beneficiary.
16. Section 23 of the Second Addendum is hereby deleted in its entirety and replaced with the following:

“In the event that one or more of the Ancillary Parcel Ground Leases are terminated, the Revised Meadowlands Xanadu PILOT Payment shall be reduced by a percentage equal to that percentage of the total Ancillary Parcel PILOT Payments that was to be paid by the applicable Ancillary Ground Tenant pursuant to the terms of such Ancillary Ground Tenant's Ancillary Parcel Financial Agreement. In the event that ERC Ground Lease is terminated and the American Dream Project continues to be operated for the same or similar purposes for which the American Dream Project was operated prior to such termination, the Sports Authority and the Borough shall negotiate in good faith such revisions to this Agreement as are necessary to compensate the Borough for the loss of the American Dream PILOTs (the “**Replacement PILOT**”) and the Sports Authority Payment in lieu of Taxes shall be computed as provided in Section 2 of the Second Addendum to Settlement Agreement, as amended herein, except that for purposes of computation, the amount of the “Replacement PILOT” payable in each year shall be used instead of the American Dream PILOT for purposes of such computation.”
17. Except to the extent superseded by Federal law, the Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey.
18. This Fourth Addendum may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document.
19. The other terms of the Original Settlement Agreement, First Addendum, Second

Addendum and the Third Addendum that are not specifically amended by the terms herein shall remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

DRAFT

IN WITNESS WHEREOF the undersigned have executed this Fourth Addendum as of the date and year first above written.

NEW JERSEY SPORTS AND
EXPOSITION AUTHORITY

By: _____

BOROUGH OF EAST RUTHERFORD

By: _____

DRAFT

ACKNOWLEDGEMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

The foregoing instrument was acknowledged before me this _____ day of _____, by [_____] the [_____] of the New Jersey Sports and Exposition Authority, a public body corporate and politic with corporate succession, who executed this instrument on behalf of the Authority.

Notary Public

Commission Expiration: _____

STATE OF NEW JERSEY

COUNTY OF BERGEN

The foregoing instrument was acknowledged before me this _____ day of _____, by [_____] the [_____] of the Borough of East Rutherford, a municipality of the State of New Jersey, who executed this instrument on behalf of the Borough.

Notary Public

Commission Expiration: _____

EXHIBIT A
AP/WP SITE

DRAFT

531286

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Addendum - American Dream.docx

SCHEDULE A
BOROUGH PILOT SHARE PAYMENTS

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Addendum - American Dream.docx

SCHEDULE B
REVISED MEADOWLANDS XANADU PILOT PAYMENTS

DRAFT

Mayor Cassella submitted Resolution #113 for approval:

Councilman Stallone thanked Councilman Lahullier for a great job with locking in the hotel tax. Councilman Brizzi commended Attorney Bond for a great job.

Councilman Lahullier made a motion to approve Resolution #113 along with the 9/3/2015 SPB Draft as provided by our Special Counsel:

BOROUGH OF EAST RUTHERFORD
Resolution #113 - 2015

**A RESOLUTION AUTHORIZING THE MAYOR AND BOROUGH
CLERK TO ENTER INTO A PROJECT DEVELOPMENT
AGREEMENT WITH THE NEW JERSEY SPORTS AND
EXPOSITION AUTHORITY AND AMEREAM, LLC TO
FACILITATE THE AMERICAN DREAM PROJECT.**

WHEREAS, New Jersey Sports and Exposition Authority (“the Sports Authority”) owns fee title to certain real property located in the Borough and commonly known as the “**Meadowlands Sports Complex**” or “**Sports Complex**”; and

WHEREAS, in furtherance of the Sports Authority’s mission under *N.J.S.A.* 5:10-6, and in the exercise of its statutory powers, the Sports Authority determined to improve certain land within the Meadowlands Sports Complex and entered into that certain Redevelopment Agreement dated December 3, 2003, as amended October 5, 2004, March 15, 2005, May 23, 2005, June 30, 2005, and February 4, 2015 (as may be further amended, supplemented or otherwise modified from time to time, collectively, the “**Redevelopment Agreement**”), pursuant to which Meadowlands Mills/Mack-Cali Limited Partnership (the “**Prior Developer**”) was granted the right, among other things, to develop and build that certain mixed-use project as more fully described in the Redevelopment Agreement (the “**Original Project Site**” or the “**Meadowlands Xanadu Property**”); and

WHEREAS, Ameream, LLC, a Delaware limited liability company (the “**Developer**”) and its affiliates acquired all of the rights, title and interest under the Redevelopment Agreement and the ERC Ground Lease pursuant to agreements dated July 31, 2013 and August 1, 2013 respectively and with respect to the ERC Site and the ERC Component; and

WHEREAS, to maximize the development potential of the ERC Component, the Authority has acquired a 21+/- acre parcel of land adjacent to the ERC Site, identified on the official tax map of the Borough as Block 107.02, Lots 3 and B01 (the “**AP/WP Site**”, and together with the ERC Site, the “**American Dream Site**”; the AP/WP Site together with the Original Project Site, as may be amended, supplemented or otherwise modified from time to time collectively, the “**Project Site**”); and

WHEREAS, the Sports Authority, the Developer, and the other parties thereto have entered into that certain Fifth Amendment to Redevelopment Agreement and a Third Amendment to the ERC Ground Lease each dated February 4, 2015 to, (among other things), add the AP/WP Site to the Original Project Site and to add the construction of an indoor amusement park and indoor water park upon the AP/WP Site as an additional component of the Original Project (the “**AP/WP Component**”) as such Component may be modified, amended, supplemented or expanded from time to time; and

WHEREAS, the Developer intends to develop, finance, construct and operate on the American Dream Site, the ERC Component, the AP/WP Component and a connector facility connecting and integrating the AP/WP Site with the ERC Site and containing the uses compatible with the ERC Component and the AP/WP Component (the ERC Component and the AP/WP Component together with the connector facility are referred to herein as the “**American Dream Project**” or the “**Project**”); and

WHEREAS, the Sports Authority Law provides an exemption for projects and property of the Sports Authority from all taxes and special assessments of the State of New Jersey or any political subdivision thereof, and the Parties agree that the Project is a project of the Sports Authority pursuant to *N.J.S.A. 5:10-2* and 6(a)(1), (4) and (7), and, as such, is exempt from all taxes and special assessments of the Borough pursuant to *N.J.S.A. 5:10-18*; and

WHEREAS, notwithstanding the exemption of the Project from taxes and special assessments, the Sports Authority is required to make payments-in-lieu of property taxes (“**PILOTs**”) and empowered to make additional amounts to the Borough with respect to the Project and the Project Site; and

WHEREAS, pursuant to Section 18 of the Sports Authority Law, the Sports Authority entered into a Settlement Agreement with the Borough dated January 1, 1990 (the “**Original Settlement Agreement**”), as amended by the First Addendum to the Settlement Agreement dated January 28, 1997 (the “**First Addendum**”), as amended by the Second Addendum to Settlement Agreement dated October 5, 2004 (the “**Second Addendum**”), as further amended by the Third Addendum to the Settlement Agreement dated October 21, 2013 (the “**Third Addendum**,” together with the Original Settlement Agreement, the First Addendum, and the Second Addendum, the “**Settlement Agreement**”) executed in accordance with the Sports Authority Law; and

WHEREAS, in addition to the payments in lieu of taxes that the Sports Authority was required to pay under the First Addendum, the Second Addendum required that the Sports Authority make certain additional payments in lieu of taxes to the Borough referred to herein as the “**Meadowlands Xanadu PILOT Payments**”; and

WHEREAS, any payments to be made by the Sports Authority to the Borough with respect to the Meadowlands Xanadu PILOT Payments was predicated on the successful development of the ERC Component, and were to have commenced on the date the ERC Component opened to the general public for general commercial use; and

WHEREAS, the Second Addendum provides that the Borough shall provide the Original Project with those services that are customarily provided by (or on behalf of) the Borough to non-residential properties in connection with the Original Project, together with the additional services set forth on Schedule B to the Second Addendum; and

WHEREAS, the Borough anticipates issuing Redevelopment Area Bonds (the “**RABs**”), in an amount not to exceed \$675,000,000 under the provisions of the *Redevelopment Area Bond Financing Law*, as amended and supplemented, *N.J.S.A. 40A:12A-64 et seq.* (the “**RAB Law**”) to assist the Developer in financing the construction of the American Dream Project; and

WHEREAS, the Developer has (i) committed its equity; and (ii) obtained (a) approval from the New Jersey Economic Development Authority (“**NJEDA**”) to securitize an Economic Redevelopment and Growth Grant as part of the capital expected to be used by the Developer to finance the construction of the American Dream Project (the “**ERGG**”) and (b) construction and mezzanine financing commitments through financial institution lenders (all of which, together with the RABs, comprise the “**Developer Capital Structure**”); and

WHEREAS, the Borough and the Developer and the Sports Authority now desire to enter into an Agreement to, among other things, (i) set forth the various agreements relating to the Project that the Parties hereto will execute and deliver (or, in the case of the Developer, will cause affiliates of the Developer to execute and deliver) prior to or simultaneously with the issuance of the RABs setting forth the obligations and responsibilities of the parties thereto with respect to the Project; (ii) acknowledge the termination of the Sports Authority’s obligation to make any Meadowland Xanadu PILOT Payments in respect of the American Dream Project and the American Dream Site other than as set forth in the Fourth Addendum; (iii) acknowledge the termination of the obligations of the Developer and the Ancillary Ground Tenants to make any payments in lieu of taxes or other payments to the Borough with respect to the Project other than the payments required to be made under the Financial Agreements, the Sewer Agreement and this Agreement; (iv) provide for the terms and conditions pursuant to which the Developer will make certain other payments to the Borough; (v) acknowledge that the Ancillary Ground Tenants will be liable for the Ancillary PILOTs to the Borough; (vi) acknowledge that the Sports Authority has agreed to make the Revised Meadowlands Xanadu PILOT Payments in the event that any Ancillary Ground Tenant fails to make an installment or portion thereof of Fixed PILOTs pursuant to the applicable Ancillary Parcel Financial , and (vii) determine other business matters and obligations of the Developer with respect to the development of the Project,

NOW, THEREFORE, BE IT RESOLVED that (i) the form of Project Development Agreement is approved in substantially the form attached hereto, and (ii) the Mayor and Borough Clerk, on behalf of the Borough, are hereby authorized to execute and deliver the Project Development Agreement substantially in the form attached hereto; provided, that prior to such execution and delivery Exhibit A and Schedules A and B in true and accurate form are attached thereto.

I hereby certify that the foregoing is a true copy of the resolution passed by the Mayor and Council at the meeting held on the 3rd day of September, 2015.

Danielle Lorenc, RMC

Councilmember	Moved	Second	Aye	Nay	Abstain	Absent
Brizzi			X			
Homaychak		X	X			
Lahullier	X		X			
Perry			X			
Stallone			X			
Ravettine			X			

PROJECT DEVELOPMENT AGREEMENT

This **PROJECT DEVELOPMENT AGREEMENT** ("**Agreement**") is entered into as of [_____, 2015] by and among the **BOROUGH OF EAST RUTHERFORD**, a municipal body corporate and politic (the "**Borough**"), **AMEREAM LLC**, a Delaware limited liability company (the "**Developer**"), and the **NEW JERSEY SPORTS AND EXPOSITION AUTHORITY**, a public body corporate and politic of the State of New Jersey with corporate succession (the "**Authority**" or "**Sports Authority**", together with the Borough and the Developer, the "**Parties**").

WHEREAS, pursuant to Public Law 1971, Chapter 137, codified at *N.J.S.A. 5:10-1 et seq.*, as thereafter amended and modified, the New Jersey Sports and Exposition Authority Law (the "**Sports Authority Law**"), the Legislature of the State of New Jersey established the Sports Authority to, inter alia, promote athletic contests, spectator sporting events, trade shows and other expositions and to carry out projects as set forth in the Sports Authority Law, including but not limited to the undertaking of projects as described herein; and

WHEREAS, the Sports Authority owns fee title to certain real property located in the Borough of East Rutherford, County of Bergen, State of New Jersey and commonly known as the "**Meadowlands Sports Complex**"; and

WHEREAS, in furtherance of the Sports Authority's mission under *N.J.S.A. 5:10-6*, and in the exercise of its statutory powers, the Sports Authority determined to improve certain land within the Meadowlands Sports Complex and entered into that certain Redevelopment Agreement dated December 3, 2003, as amended October 5, 2004, March 15, 2005, May 23, 2005, June 30, 2005, and February 4, 2015 (as may be further amended, supplemented or otherwise modified from time to time, collectively, the "**Redevelopment Agreement**"), pursuant to which Meadowlands Mills/Mack-Cali Limited Partnership was granted the right, among other things, to develop and build that certain mixed-use project on land (the "**Original Project Site**") more particularly described in the Redevelopment Agreement; and

WHEREAS, the Redevelopment Agreement originally contemplated the construction of the following components (as same may be further amended, supplemented or otherwise modified from time to time, each a "**Component**" and collectively the "**Original Project**") upon the Original Project Site: (a) approximately 2.7 million square feet of entertainment, recreation and retail facilities as the same may be further amended, supplemented or otherwise modified from time to time (the "**ERC Component**"), (b) approximately 1.76 million square feet of office space (divided into A-B office space and C-D office space) (collectively the "**Office Components**"), (c) approximately 500,000 square feet of hotel space (the "**Hotel Component**"), (d) a facility for the staging of minor league baseball games (the "**Baseball Component**," together with the Office Components and the Hotel Component, the "**Ancillary Components**"), and (e) approximately 12,500 parking spaces and certain on and off-site improvements to the traffic and transportation infrastructure servicing the Original Project Site (the "**Infrastructure Component**"); and

WHEREAS, pursuant to the Redevelopment Agreement, areas of the Original Project Site, corresponding to each said Component were separately leased by the Sports Authority as follows: (i)

the ERC Component to ERC Meadowlands Mills/Mack-Cali Limited Partnership (the “**Original Ground Tenant**”) pursuant to that certain ERC Ground Lease dated June 30, 2005, as amended on March 30, 2007, December 27, 2007, February 4, 2015 and [____], 2015 (as the same may be further amended, supplemented or otherwise modified from time to time, the “**ERC Ground Lease**”); (ii) the A-B portion of the Office Components to A-B Office Meadowlands Mack-Cali/Mills Limited Partnership pursuant to that certain A-B Office Ground Lease, dated June 30, 2005, as amended December 27, 2007 (as the same may be further amended, supplemented or otherwise modified from time to time, the “**AB Office Ground Lease**”); (iii) the C-D portion of the Office Components to C-D Office Meadowlands Mack-Cali/Mills Limited Partnership pursuant to that certain C-D Office Ground Lease dated June 30, 2005, as amended on December 27, 2007 (as the same may be further amended, supplemented or otherwise modified from time to time, the “**CD Office Ground Lease**”); (iv) the Hotel Component to Hotel Meadowlands Mack-Cali/Mills Limited Partnership pursuant to that certain Hotel Ground Lease dated June 30, 2005, as amended on December 27, 2007 (as the same may be further amended, supplemented or otherwise modified from time to time, the “**Hotel Ground Lease**”); and (v) the Baseball Component to Baseball Meadowlands Mills/Mack-Cali Limited Partnership pursuant to that certain Baseball Ground Lease dated June 30, 2005, as amended December 27, 2007 (as the same may be further amended, supplemented or otherwise modified from time to time, the “**Baseball Ground Lease**” and together with the AB Office Ground Lease, the CD Office Ground Lease, and the Hotel Ground Lease, the “**Ancillary Ground Leases**,” and the tenants thereunder from time to time, collectively the “**Ancillary Ground Tenants**”); and

WHEREAS, in accordance with the ERC Ground Lease, Original Ground Tenant was empowered to construct the ERC Component upon a portion of the Original Project Site consisting of approximately 69 +/- acres of land, identified on the official tax maps of the Borough as Block 107.02, Lot 1.01 (the “**ERC Site**”); and

WHEREAS, the Developer has acquired all of the rights, title and interest under the Redevelopment Agreement and the ERC Ground Lease with respect to the ERC Site and the ERC Component, pursuant to an agreement dated July 31, 2013, and affiliates of the Developer have acquired all rights, title and interest under the Redevelopment Agreement and the Ancillary Ground Leases with respect to the Ancillary Components pursuant to an agreement dated August 1, 2013; and

WHEREAS, to maximize the development potential of the ERC Component and the Ancillary Components, the Sports Authority has acquired a 21+/- acre parcel of land adjacent to the ERC Site, identified on the official tax maps of the Borough as Block 107.02, Lot 3 and Lot B01, for development consistent with the Sports Authority Law (the “**AP/WP Site**,” and together with the ERC Site, the “**American Dream Site**”; the AP/WP Site together with the Original Project Site, as may be amended, supplemented or otherwise modified from time to time, the “**Project Site**”) for the development and construction, consistent with the Sports Authority Law, of an indoor amusement park and indoor water park and the construction of a connector facility for the connection and integration thereof with the ERC Component (the “**AP/WP Component**”) as the same may be further amended, supplemented or otherwise modified from time to time; and

WHEREAS, the Redevelopment Agreement has been amended to, among other things, add the AP/WP Site to the Original Project Site and to add the construction of the AP/WP Component thereon as an additional component of the Original Project (the ERC Component and the AP/WP Component together with the connector facility are referred to herein as the **"American Dream Project"**, and the American Dream Project, together with Infrastructure Component and the remainder of the Original Project, as may be amended, supplemented or otherwise modified from time to time are hereinafter referred to as the **"Project"**) and the ERC Ground Lease has been amended empowering the Developer to, and the Developer intends to, develop, finance, construct and operate the AP/WP Component and the ERC Component; and

WHEREAS, the Sports Authority Law provides an exemption for projects and property of the Sports Authority from all taxes and special assessments of the State of New Jersey or any political subdivision thereof, and the Parties agree that the Project and the Project Site (including without limitation, the ERC Component, AP/WP Component and the Ancillary Components) are projects of the Sports Authority pursuant to *N.J.S.A. 5:10-2* and 6(a)(1), (4) and (7), and, as such, are exempt from all taxes and special assessments of the Borough pursuant to *N.J.S.A. 5:10-18*; and

WHEREAS, notwithstanding the exemption of the Project and the Project Site from taxes and special assessments, the Sports Authority is authorized and empowered, pursuant to *N.J.S.A. 5:10-18(b)* and (c), to make payments in lieu of property taxes and additional amounts to the Borough with respect to the Project and the Project Site; and

WHEREAS, pursuant to Section 18 of the Sports Authority Law, the Sports Authority entered into a Settlement Agreement with the Borough dated January 1, 1990 (the **"Original Settlement Agreement"**), as amended by the First Addendum to the Settlement Agreement dated January 28, 1997 (the **"First Addendum"**), as amended by the Second Addendum to Settlement Agreement dated October 5, 2004 (the **"Second Addendum"**), as amended by the Third Addendum to the Settlement Agreement dated October 21, 2013 (the **"Third Addendum"**), as amended by the Fourth Addendum to the Settlement Agreement dated [_____, 2015] (the **"Fourth Addendum,"** collectively as may be further amended, supplemented or otherwise modified from time to time, the **"Settlement Agreement"**) executed in accordance with the Sports Authority Law; and

WHEREAS, the obligations of the Sports Authority under the Second Addendum were intended to offset the impacts of the Original Project and were solely the obligations of the Sports Authority and were not a lien, charge or imposition on the Original Project Site or the Original Project; and

WHEREAS, in addition to the payments in lieu of taxes that the Sports Authority was required to pay under the First Addendum, the Second Addendum required that the Sports Authority make certain additional payments in lieu of taxes to the Borough referred to herein as the **"Meadowlands Xanadu PILOT Payments"**; and

WHEREAS, any payments to be made by the Sports Authority to the Borough with respect to the Meadowlands Xanadu PILOT Payments was predicated on the successful

development of the ERC Component, and were to have commenced on the date the ERC Component opened to the general public for general commercial use; and

WHEREAS, (a) the Developer has agreed to enter into and the Borough has authorized on July 21, 2015 that certain Financial Agreement by and among the Sports Authority, the Borough and the Developer pursuant to the terms of which the Developer will make payments in lieu of taxes with respect to the American Dream Site (the “**American Dream PILOTs**”) to the Borough (the “**American Dream Financial Agreement**”); and (b) each of the Ancillary Ground Tenants have agreed to enter into and the Borough has authorized on August 18, 2015 financial agreements by and among the Sports Authority, the Borough and each Ancillary Ground Tenant (the “**Ancillary Parcel Financial Agreements**” and together with the American Dream Financial Agreement, collectively the “**Financial Agreements**”) pursuant to the terms of which the Ancillary Ground Tenants will make the Fixed PILOTs (as such term is defined in such Ancillary Parcel Financial Agreements (the “**Ancillary Parcel PILOTs**”); and

WHEREAS, (a) the Sports Authority’s obligation to make payments in lieu of taxes as calculated in Section 4 of the Fourth Addendum to the Settlement Agreement, defined as the “**Sports Authority’s Payment In Lieu of Taxes**,” (b) the Developer’s obligation to make the American Dream PILOT payments to the Borough pursuant to the American Dream Financial Agreement; (c) each Ancillary Ground Tenant’s obligation to make Fixed PILOT payments to the Borough pursuant to their respective Ancillary Parcel Financial Agreement; and (d) the Sports Authority’s agreement to make the revised Meadowlands Xanadu PILOT Payments attached as Schedule B to the Fourth Addendum (the “**Revised Meadowlands Xanadu PILOT Payments**”) in the event that any Ancillary Ground Tenant fails to make an installment or portion of the Fixed PILOTs pursuant to the applicable Ancillary Parcel Financial Agreement, are together in lieu of: (x) the Authority’s obligations to make any other] payments in lieu of taxes under the Settlement Agreement, including the Second Addendum, with respect to the Project and the Project Site and (y) any and all obligations of the Developer or each Ancillary Ground Tenant to make any other payments in lieu of taxes with respect to the Project or the Project Site other than the payments identified in the Financial Agreements, the amended and restated sewer agreement entered into with the Borough (the “**Sewer Agreement**”), and this Project Development Agreement by and among the Sports Authority, the Borough and the Developer (the “**Project Development Agreement**”); and

WHEREAS, any obligations of the Sports Authority to make payments in lieu of taxes relating to the Project and the obligations of the Developer and the Ancillary Ground Tenants to make payments in lieu of taxes to the Borough under any other agreement, thereunder or otherwise (other than as provided in the immediately preceding recital hereof), shall be terminated and be of no further force and effect upon the effective date of this Agreement and shall be in lieu of and full satisfaction of *N.J.S.A. 5:10-18*; and

WHEREAS, pursuant to the American Dream Financial Agreement the Borough anticipates issuing Redevelopment Area Bonds (the “**RABs**”), in an amount not to exceed \$675,000,000 under the provisions of the *Redevelopment Area Bond Financing Law*, as amended and supplemented, *N.J.S.A. 40A:12A-64 et seq.* (the “**RAB Law**”) to assist the Developer in financing a portion of the costs of the construction of the American Dream Project; and

WHEREAS, when and if issued, the RABs may be sold to a Qualified Purchaser (as defined herein); and

WHEREAS, a portion of the American Dream PILOTs are expected to provide the sole source of revenues for the repayment of the RABs; and

WHEREAS, the Developer has (i) committed its equity in the amount of at least \$200,000,000; and (ii) obtained (a) approval from the New Jersey Economic Development Authority ("NJEDA") to securitize an Economic Redevelopment and Growth Grant as part of the capital to be applied by the Developer to finance a portion of the costs of the construction of the American Dream Project (the "**ERGG**") and (b) construction and mezzanine financing commitments in writing from lenders which are regulated financial institutions, including banks, insurance companies, private equity funds, hedge funds and pension funds, in connection with the initial financing of the American Dream Project (all of which, together with the RABs, comprise the "**Developer Capital Structure**"); and

WHEREAS, the Borough and the Developer and the Sports Authority now desire to enter into this Agreement with the Borough to, among other things, (i) set forth the Project Agreements (as defined herein) that the Parties hereto will execute and deliver (or, in the case of the Developer, will cause affiliates of the Developer to execute and deliver) prior to or simultaneously with the issuance of the RABs setting forth the obligations and responsibilities of the parties thereto with respect to the Project; (ii) acknowledge the termination of the Sports Authority's obligation to make any Meadowland Xanadu PILOT Payments in respect of the American Dream Project and the American Dream Site other than payments required to be made in Section 4 of the Fourth Addendum to the Settlement Agreement, including the Revised Meadowland Xanadu PILOT Payments; (iii) acknowledge the termination of the obligations of the Developer and the Ancillary Ground Tenants to make any payments in lieu of taxes or other payments to the Borough with respect to the Project other than the payments required to be made under the Financial Agreements, the Sewer Agreement and this Agreement; (iv) provide for the terms and conditions pursuant to which the Developer will make certain other payments to the Borough; (v) acknowledge that the Ancillary Ground Tenants will be liable for the Ancillary PILOTs to the Borough; (vi) acknowledge that the Sports Authority has agreed to make the Revised Meadowlands Xanadu PILOT Payments to the Borough in the event that any Ancillary Ground Tenant fails to make an installment or portion of the Fixed PILOT payments pursuant to the applicable Ancillary Parcel Financial Agreement, and (vii) determine other business matters and obligations of the Developer and the Sports Authority with respect to the development, financing and operation of the Project,

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby agree as follows:

1. **DEFINITIONS; INCORPORATION BY REFERENCE.** All capitalized terms not otherwise defined in this Agreement shall have the meanings ascribed thereto in the Recitals

and all exhibits and schedules referred to in this Agreement and attached hereto are incorporated by reference and made part hereof as if set forth at length herein.

2. OBLIGATIONS OF SPORTS AUTHORITY AND DEVELOPER TO MAKE CERTAIN PAYMENTS. The Parties hereby agree as follows:

(a) (i) The obligation of the Sports Authority under the Settlement Agreement to make the Sports Authority Payment In Lieu of Taxes shall be as calculated in Section 4 of the Fourth Addendum to the Settlement Agreement, and paid to the Borough; (ii) the obligation of the Developer to make the American Dream PILOTs to the Borough pursuant to the American Dream Financial Agreement is in lieu of (a) the Sports Authority's obligation to make any payments in lieu of taxes under the Settlement Agreement, including the Second Addendum, with respect to the American Dream Project and American Dream Site other than payments required to be made in Section 4 of the Fourth Addendum to the Settlement Agreement, and (b) any and all obligations of the Developer to make any other PILOT payment to the Borough with respect to the American Dream Project other than the payments identified in the American Dream Financial Agreement, the Sewer Agreement and this Agreement.

(b) (i) The obligations of the Ancillary Ground Tenants to make the Ancillary Parcel PILOTs payments to the Borough set forth in their respective Ancillary Parcel Financial Agreements; and (ii) the obligations of the Sports Authority to make the Revised Meadowlands Xanadu PILOT Payments to the Borough with respect to the Ancillary Components in the event that an Ancillary Ground Tenant fails to make an installment or portion of the Fixed PILOTs pursuant to the applicable Ancillary Parcel Financial Agreement, together are in lieu of any and all obligations of the Sports Authority and the Ancillary Ground Tenants to make any other payments to the Borough with respect to the Project other than the payments identified in each Ancillary Parcel Financial Agreement and this Agreement (in the case of the Developer) and in the Settlement Agreement (in the case of the Sports Authority).

(c) Any other obligations of the Sports Authority to make payments in lieu of taxes relating to the Project and any other obligations of the Developer and the Ancillary Ground Tenants to make payments in lieu of taxes under any other agreement, thereunder or otherwise, shall be terminated and be of no further force and effect upon the effective date of this Agreement and shall be in lieu of and full satisfaction of *N.J.S.A. 5:10-18*.

3. PROJECT AGREEMENTS; ADDITIONAL CONDITIONS.

(a) Prior to, or contemporaneous with, the issuance of the RABs, there shall be executed and delivered by the respective Parties thereto the following agreements, which agreements are in a form and substance acceptable to the Parties, and which are attached hereto as **Exhibits** as follows (which agreements, together with this Agreement and the Bond Purchase Agreement (referred to below), shall constitute the "**Project Agreements**"):

- i. The Settlement Agreement, including the Fourth Addendum (attached hereto as Exhibit A);

- ii. The American Dream Financial Agreement (attached hereto as Exhibit B);
- iii. The Ancillary Parcel Financial Agreements (attached hereto as Exhibit C-1 through C-4, inclusive); and
- iv. The Amended and Restated Sewer Agreement (attached hereto as Exhibit D).
- v. The Pilot Assignment Agreement (attached hereto as Exhibit E) and
- vi. The Disbursement Agreement (attached hereto as Exhibit F).

The Bond Purchase Agreement shall be in such form as shall be approved by the Mayor pursuant to the Bond Resolution.

The Parties' obligations under each of the foregoing Project Agreements shall be as set forth in each such Project Agreement and nothing in this Agreement shall be deemed to alter or amend the provisions of such Project Agreement or the obligations of any of the parties thereto. This Agreement shall not affect or modify the obligations of the parties under the Financial Agreements, the Amended and Restated Sewer Agreement, and the Settlement Agreement as amended by the Fourth Addendum.

(b) No RABs shall be issued notwithstanding the satisfaction of other conditions by the Parties in the Financial Agreement, the Sewer Agreement or this Agreement, except in accordance with Section 22 hereof.

4. PILOTS FOR ANCILLARY COMPONENTS.

(a) The Developer hereby agrees to cause the Ancillary Ground Tenants, to execute and deliver their respective Ancillary Parcel Financial Agreement in the forms attached hereto as **Exhibits D-1** through **D-4**, inclusive, prior to the issuance and delivery of the RABs. The amount of the Ancillary Parcel PILOTS payable with respect to each of the Ancillary Components under each such Ancillary Parcel Financial Agreement and the terms upon which Ancillary Parcel PILOTS shall be paid are set forth in Exhibit E in each respective Ancillary Parcel Financial Agreement.

(b) It is the intention of the Parties that each Ancillary Parcel Financial Agreement, when recorded, will constitute a lien against the leasehold estate and any improvements located on the Ancillary Component to which the Ancillary Parcel Financial Agreement relates, in accordance with the terms of each Ancillary Parcel Financial Agreement. Upon the failure of any Ancillary Parcel Ground Tenant to make Fixed PILOTS under its respective Ancillary Parcel Financial Agreement and the failure of the Sports Authority to make payments pursuant to the terms of the Settlement Agreement (if not cured by an applicable Ancillary Ground Tenant) then the Borough shall, except as otherwise may be provided in an Amended Ancillary Parcel Financial Agreement (as hereinafter defined), have the right to enforce its rights against such Ancillary Ground Tenant in accordance with the provisions of such Ancillary Parcel Financial

Agreements, or against the Sports Authority under the Settlement Agreement as amended therein.

(c) It is also the intention of the Parties that the Sports Authority will make the Revised Meadowlands Xanadu PILOT Payments to the Borough for the Ancillary Components in the event an Ancillary Ground Tenant fails to make an installment or portion of the Fixed PILOTs pursuant to the applicable Ancillary Parcel Financial Agreement for failure to make the Fixed PILOT payments, and with respect to the Baseball Component only, the Additional Fixed PILOT payment.

(d) The Fixed PILOTs and Additional Fixed PILOTs (with respect to the Baseball Component only) paid by each of the Ancillary Ground Tenants, shall constitute grants to the Borough and shall not be included in the general funds of the Borough, nor shall they be subject to any laws regarding the receipt, deposit, investment or appropriation of public funds and shall retain such status notwithstanding enforcement of the payment by the Borough. The grants constituting Fixed PILOTs and Additional Fixed PILOTs shall be used by the Borough (as determined by the Borough in its sole discretion) for any public purpose of the Borough. Nothing contained herein shall create any obligation (financial or otherwise) on the part of the Developer or any of the Ancillary Ground Tenants to assure that the Fixed PILOTs or Additional Fixed PILOTs (with respect to the Baseball Component only) specified in this Section 4 and when received by the Borough, will satisfy the accounting, tax or budget treatment referenced or contemplated herein or as interpreted by any other governmental or regulatory body.

5. ESCROW ACCOUNT FOR COSTS AND EXPENSES.

(a) The Developer hereby agrees to establish an escrow account separate and apart from all other funds or accounts established in connection with the issuance of the RABs (including the funds and accounts established under a resolution or indenture of trust pursuant to which the RABs are issued) to be designated as the **"Borough of East Rutherford Cost and Expense Escrow Account"** (the **"Escrow Account"**) to be available in accordance with the procedures set forth herein and therein to pay costs and expenses of the Borough relating to the RAB transaction. As of the date of closing of the RABs, the Developer shall make an initial deposit in the amount of \$200,000 which can be made, in the sole discretion of the Developer, from either the proceeds of the RABs, or other available moneys (**"Escrow Requirement"**). The Escrow Account shall be held by a bank, trust company or other financial institution satisfying the requirements for a trustee for the RABs selected by the Borough in consultation with the Developer (the **"Escrow Agent"**). Nothing contained herein shall prevent the Bond Trustee for the RABs from also serving as Escrow Agent for the Escrow Account.

(b) The moneys on deposit in the Escrow Account shall be used to pay only Borough's actual reasonable out-of-pocket costs and expenses directly related to the Borough's responsibilities as issuer of the RABs, (**"Compliance Costs"**) including, but not limited to, continuing disclosure, tax compliance, if any, responding to governmental or administrative regulatory inquiries, investigations and audits, and financial auditing costs and expenses (but only to the extent that there are demonstrable incremental audit costs resulting from the RAB

transaction (the “**Compliance Services**”) or any costs incurred by the Borough for which the Borough has not been reimbursed by the Developer in accordance with the provisions of Section 13 of this Agreement (the “**Indemnification Costs**”) or any costs for Public Safety Services (defined in section 8(a) below) (the “**Public Safety Costs**”) for which the Borough is entitled to reimbursement pursuant to Section 8(b) hereof. Paragraphs (c) and (d) of this Section 5 shall not apply to Indemnification Costs for which the Developer shall be directly liable to the Borough pursuant to Section 13 of this Agreement.

(c) For any Compliance Cost for which the estimated cost is less than \$35,000 or any Public Safety Cost, the Borough shall provide the Developer with notice of the person or firm providing the Compliance Services or Public Safety Services and the estimated Compliance Cost or Public Safety Cost. With respect to any such Compliance Cost or Public Safety Cost, the Borough is authorized to direct the Escrow Agent to reimburse the Borough for the Compliance Cost or Public Safety Cost provided that such direction is accompanied by: (i) the actual bills (approved by the Borough) for the approved cost; and (ii) documentation showing that a copy of the information described in clause (c)(i) has been provided to the Developer’s representative not less than ten (10) business days prior to submitting it to the Escrow Agent.

(d) Prior to incurring any Compliance Cost for which the estimated cost is equal to or greater than \$35,000, the Borough will notify the Developer in advance of the scope of Compliance Services required. In the Borough’s reasonable judgment, the Borough may, but is not required to, submit to the Developer’s representative with at least two (2) proposals from qualified respondents, and will select the lowest cost proposal unless the Borough finds that it is in its best interest (based on a commercially reasonable analysis of the responsiveness and unique qualifications of the preferred respondent) for selecting the higher cost proposal. Payments for sole source or specialized or professional Compliance Services are not subject to the provisions of the preceding sentence. If proposals are requested from qualified respondents as aforesaid, and if the Developer’s representative shall not object to the scope of work for the Compliance Services or the estimated Compliance Cost within ten (10) business days of receipt of notice from the Borough (which notice must refer to this Agreement and the deemed approval provided in this subsection), then the scope of work for the Compliance Services and the estimated Compliance Cost shall be deemed approved. If the Developer’s representative shall object to the scope of work for the Compliance Services or the estimated Compliance Cost, then the dispute shall be resolved in accordance with the dispute resolution procedure set forth in **Exhibit F**. Prior to the withdrawal, the Borough must provide actual bills (approved by the Borough) for all approved or deemed approved costs.

(e) When Compliance Services or Public Safety Services have been rendered, the Borough will provide the Developer representative with billing and expense information, provided that the Borough need not disclose any portion of that information that falls within an evidentiary privilege against disclosure to the Developer. If the Developer objects to an expenditure within 30 days of the funds being expended, the Developer shall notify the Borough in writing of its objection to that expenditure. If the Borough and the Developer cannot agree with respect to the disputed expenditures, the matter will proceed to a dispute resolution process set forth in **Exhibit F**. If the Developer’s objection is sustained, then the amount of the successfully challenged expenditure (in lieu of a cash reimbursement by the Borough) will be

deemed to be credited to the Escrow Account, such that the escrow balance will be deemed increased by the amount of the successfully challenged expenditures and such amount shall be available to pay for the Compliance Services or Public Safety Services as though such credit amount has been deposited in cash by the Borough. The costs and expense for the next Compliance Services or Public safety Services billed by the Borough shall be debited and applied against the amounts most recently credited to the Escrow Account as a result of the Developer's successful challenge of the expenditures. After the RABs are paid in full, the balance in the Escrow Account, subject to invoices for Compliance Services and Public Safety Services for which the Borough is entitled to be reimbursed under this Agreement, will be returned to the Developer and any credit amount described above from a successfully challenged expenditure, will be paid by the Borough to the Developer.

(f) If on December 31 on each of any year this Agreement is in force and effect, following the initial \$200,000 deposit, the Escrow Account is depleted below the Escrow Requirement, upon 10 days' notice by the Borough, the Developer will replenish the Escrow Account in an amount of the Deficiency Amount (defined below) to fund the Escrow Requirement in full. Should the Developer fail to cause the Ancillary Ground Tenants (after taking into account any credits pursuant to subparagraph (e) of this Section 5) to replenish the Escrow Requirement (such shortfall between the Escrow Requirement and the amount on deposit in the Escrow Account as of the date of the Borough's notification, being the "**Deficiency Amount**"), then the "Deficiency Amount" shall constitute a payment default hereunder. The Borough shall further have the right to exercise enforcement rights with respect to such payment default under the terms of the this Agreement in the same manner as it shall enforce a failure to pay any other amount due and payable under this Agreement.

(g) In the event that Borough's Compliance Costs, Indemnification Costs or Public Safety Costs in any year exceed the amount on deposit in the Escrow Account above the \$200,000, then the Developer shall have an obligation to pay such excess and indemnify and hold harmless the Borough for such costs and expenses. Any such amounts paid or to be paid by the Developer in excess of the amounts required by this Agreement to be in the Escrow Account shall not be treated as or secured in the manner as the Ancillary Parcels PILOTs.

(h) The sole obligors for the Ancillary Parcel PILOTs shall be the Ancillary Ground Tenants in the amounts and/or payment percentages set forth in their respective Ancillary Parcel Financial Agreement (which obligation is separate and distinct from and not in lieu of, the obligation of the Sports Authority to pay the Revised Meadowland Xanadu PILOT Payments as provided in Section 4 of the Fourth Addendum to the Settlement Agreement). The sole obligor for the Compliance Costs, Public Safety Costs and Indemnification Costs in any year in excess of \$200,000 referred to in subparagraph (g) above shall be the Developer.

(i) The Borough will use commercially reasonable efforts to minimize the Compliance Costs, Public Safety Costs and Indemnification Cost, including, but not limited to, entering into shared service arrangements with public entities with material responsibilities in connection with the Project when deemed appropriate by the Borough.

6. **DEVELOPMENT OF BASEBALL COMPONENT.** The Developer and the Borough hereby agree that the Ancillary Parcel PILOTS paid pursuant to the Baseball Component's Financial Agreement may increase in the event that the Baseball Component is developed as other than a stadium or a parking facility. If the Baseball Component is developed as other than a stadium or a parking facility, the Borough and the Developer shall increase the Fixed PILOTS allocable to the Baseball Component, provided however, that any increase in such Fixed PILOTS shall not exceed \$50,000 in the year such increase commences, escalated by 2% annually thereafter. If the parties hereto cannot agree on the amount of the increase, such dispute shall be subject to the dispute resolution procedures attached hereto as Exhibit F. In the event that the Fixed PILOTS allocable to the Baseball Component are increased, Schedule A to this Agreement shall be revised to reflect any such increase and future escalation shall be computed based upon such increased amount. The amount of the Revised Meadowlands Xanadu PILOT Payments allocable to the Baseball Component under the Settlement Agreement shall be similarly increased.

7. **ANCILLARY PARCELS FUTURE DEVELOPMENT.** (a) Upon request of the Developer or any Ancillary Ground Tenant with respect to the financing of the future development of any Ancillary Components, the Borough shall enter into an amended financial agreement providing for additional payments in lieu of taxes with respect to such Ancillary Component (an "**Amended Ancillary Parcels Financial Agreements**") with the applicable Ancillary Ground Tenant. The terms of such Amended Ancillary Parcel Financial Agreement will set forth among other things the method of calculating the payments due, the expected dates of payment and the term of the agreement. Any increase in the payments in lieu of taxes over the Fixed PILOTS required to be made under each such Amended Ancillary Parcel Financial Agreement (the "**Supplemental PILOTS**") may, at the request of the Developer, be pledged and assigned to secure one or more series of RABs issued pursuant to the RAB Law to provide for the development of the related Ancillary Component. The Borough shall not be entitled to receive any portion of the Supplemental PILOTS. Except as otherwise specifically provided in such Amended Ancillary Parcel Financial Agreement, each applicable Amended Ancillary Parcel Financial Agreement shall provide for the continued payment of the Fixed PILOTS and Additional Fixed PILOTS (with respect to the Baseball Component only) prior to the application of the Supplemental PILOTS to the payment of debt service on the RABs secured under the Amended Ancillary Financial Agreement or to pay project costs referred to therein.

(b) The Borough acknowledges that the Ancillary Ground Tenants are agreeing to make the Fixed PILOTS under the Ancillary Parcels Financial Agreements in reliance upon the Borough's further cooperation set forth in Section 11.09 of each of the Ancillary Parcel Financial Agreements to facilitate, to the extent permitted by law, the issuance of RABs to finance development on such Ancillary Components on the terms specified above, and that the Borough's pledged cooperation as set forth herein is a material inducement to enter into this Agreement and to the commitment to make the payments pursuant hereto, including the Fixed PILOTS; provided that nothing herein or therein shall obligate the Borough (i) to issue any RABs to finance the costs of such future development; (ii) to cooperate if such public financing shall be debt, liability or obligation of the Borough or creates or constitutes a pledge of the full faith and credit of the Borough or a charge upon the real property of the Borough or (iii) to participate in any transaction that would reduce the amount of Fixed PILOTS or Additional Fixed PILOTS required to be paid to the Borough.

(c) It is the intention of the Parties that upon execution of any Amended Ancillary Parcel Financial Agreement, the payment obligations of the Ancillary Ground Tenant of the applicable Ancillary Parcel Financial Agreement, will not alter the obligations of the Sports Authority to make the Revised Meadowlands Xanadu PILOT Payments to the Borough for the relevant Ancillary Component as set forth in Section 4 of the Fourth Addendum to the Settlement Agreement, which payment is required to be made by the Sports Authority only in the event that an Ancillary Ground Tenant fails to make an installment or any portion of the Fixed PILOT pursuant to the applicable Ancillary Parcel Financial Agreement, and with respect to the Baseball Component only, the Additional Fixed PILOT payment.

8. **MUNICIPAL SERVICES.** (a) The Borough shall not be obligated to provide any municipal services to the Project. For clarity, the Parties acknowledge that except for sewer connection and treatment services as set forth in the Amended and Restated Sewer Agreement the Borough shall have no obligation to provide municipal services to the Project whatsoever, including without limitation, any police, fire, emergency medical or other public safety services ("**Public Safety Services**"), to, for or in any connection with the Project and that Developer and the Sports Authority shall make all necessary arrangements with other public or private agencies to provide such services to the Project.

(b) Notwithstanding subsection (a) of this Section 8, should the Borough provide Public Safety Services to the Project upon the request of Developer or the Sports Authority (or anyone acting under the authority of either), then Developer and its successors and assignees shall reimburse the Borough for any and all reasonable costs directly or indirectly incurred as a result of the Borough's provision of such Public Safety Services.

(c) Notwithstanding subsection (a) of this Section 8, should the Borough provide Public Safety Services to the Project in the exercise of the Borough's governmental function under circumstances and the provision of such Public Safety Services give rise to the right of the Borough to be reimbursed for the costs of such services, then the Developer shall cooperate with the Borough to obtain reimbursement for the Borough for any and all reasonable costs directly or indirectly incurred as a result of the Borough's provision of such Public Safety Services.

(d) As used in this Section 8, the term "reasonable costs" shall include the cost to the Borough of its employees providing such services (including salary, pension, benefits and employment related taxes and charges) and an allowance for the use of Borough equipment.

(e) In order to establish an orderly process for the relationship between the Project and the Borough, the Borough and the Developer shall periodically meet to review the needs of that relationship. Without limiting the general effect of this Subsection (e), Developer shall work with the Borough and other local, state and federal law enforcement and emergency service agencies to prepare and revise an emergency operations plan for the Project consistent with the provisions of this Agreement. Developer shall provide that plan to the Borough for its review and comment prior to its adoption or revision, but no less frequently than annually.

(f) For clarity, the term "Project" as used in this Section 8 includes the Ancillary Parcels.

9. **HOTEL TAX.** (a) Notwithstanding anything contained herein or in the Settlement Agreement to the contrary, the Parties agree that following the execution of this Agreement and the adoption of the Fourth Addendum, the Borough shall have the right to impose, charge and collect up to a three percent (3%) hotel occupancy tax (subject to and limited by the maximum hotel occupancy tax rate permitted under applicable law and hereunder) (the "**Hotel Tax**") with respect to each hotel constructed within the Meadowlands Sports Complex; provided that with respect to each hotel situated on an Ancillary Component, the Borough's right to impose the Hotel Tax shall be subject to the right of the Ancillary Parcel Tenant to require that up to the first 1.5% of the Hotel Tax levied and collected by the Borough (the "**Developer Hotel Tax Share**") be utilized in accordance with the provisions of paragraph (b)(ii)(b) of this Section 9.

(b) Prior to the imposition of any Hotel Tax, the Borough shall comply with the following conditions:

(i) the Borough shall issue the not to exceed \$675,000,000 RABs authorized by the Borough Bond Resolution numbered 100-2015 and adopted July 21, 2015 (the "Bond Resolution");

(ii) the Borough shall cooperate with the Developer in connection with the financing of projects, including but not limited to hotel projects, to be undertaken in one or more phases developed and financed on the Ancillary Parcels by, among other things, (a) filing an application with the Local Finance Board to approve (x) the applicable amended Ancillary Parcel Financial Agreement and the supplemental payments in lieu of tax payable thereunder (the "**Supplemental PILOTS**"), all of which Supplemental PILOTS shall be pledged and assigned to secure redevelopment areas bonds issued by the Borough under the *Redevelopment Areas Bond Financing Law*, NJSA 40A:12A-65 *et. seq.* (the "**Additional Borough RABs**") or to secure other obligations issued by another authorized issuer, to finance the cost of said projects ("**Alternative RAB Obligations**") and (b) filing and/or supporting Developer applications with governmental authorities including, but not limited, to the Local Finance Board and the NJEDA, to pledge and assign and/or appropriate, as the case may be, the Developer Hotel Tax **Share** to make grants or secure the repayment of bonds, notes, or other obligations (the "**Other Project Obligations**") issued by the Borough or other financing (the "**Lender Project Financing**") to finance the costs of said projects and purposes referred to in this Section 9(ii). The Parties agree that the pledge and assignment and/or appropriation referred to in this Section 9(ii)(b) shall be effected under the provisions of applicable law, and to the extent permitted by applicable law, the Borough shall (xx) pledge and/or assign and make appropriations of the Developer Hotel Tax Share or grants or other contributions authorized under the provisions of the Local Redevelopment and Housing Law, and/or as an Economic Redevelopment and Growth Grant under the New Jersey Economic Stimulus Act of 2009, P.L. 2009, c. 90, amended by P.L. 2010, c. 10 and P.L. 2013, c.

161 and codified at N.J.S.A. 52:27D-489 et. seq. or other applicable or qualified grant program(s) (collectively, a “**Qualified Grant Program**”) in support of the issuance of Other Project Obligations or Lender Project Financing, as the case may, for the projects or purposes referred to in this Section 9(ii);

(iii) the Borough may, but is not obligated to serve as the issuer of Additional RABs financings secured by the Supplemental PILOTS pursuant to the applicable Ancillary Parcel Financial Agreement or Other Project Obligations secured by the Developer Hotel Tax Share, as the case may be, for the projects referred to in Section 9(ii) above; provided however, that if the Borough determines to issue additional RABs, it will make reasonable efforts to take all actions and authorize and execute all necessary documents in connection therewith, provided that such RABs shall be non-recourse obligations to the Borough and shall not implicate in any manner the full faith and credit of the Borough.

(iv) Notwithstanding whether the Borough elects to be an issuer of Additional RABs or Other Project Obligations pursuant to subparagraph (iii) above, the Borough shall, to the extent permitted by law, take all required actions and authorize and execute all necessary documents (a) to secure the Alternative RAB Obligations with the pledge and/or assignment of the Supplemental PILOTS; and (b) to appropriate the Hotel Tax for the projects described in Section 9(ii) above; and

(v) The parties acknowledge and agree that following the repayment of the Other Project Obligations or Lender Project Financing secured by the Developer Hotel Tax Share, or the recovery or reimbursement of the Developer Hotel Tax Share grant payments under the terms of a Qualified Grant Program with respect to the Project, the Borough shall have the right to collect and retain the entire amount Hotel Tax. In the event the Developer develops multiple hotel projects in one or more phases, the Borough agrees to take all of the actions, to the extent permitted by law, set forth in this Section 9 for each such phase provided that in no event shall the Hotel Developer Tax Share exceed 1.5% for all such phases.

(vi) In the event that no Other Project Obligations or Lender Project Obligations secured by Developer Hotel Tax Share are issued to finance any portion of the cost of a project described in Section 9(ii) above, the Borough shall be permitted to impose and use the entirety of the Hotel Tax for any public purpose except that the Developer shall be entitled to receive, pledge and/or assign the Developer Hotel Tax Share for a period of thirty (30) years from the date of issuance of the any Additional RABs, Other Project Obligations or Lender Project Financing, issued or available, as the case may be for any future projects described in Section 9(vi) above.

(vii) The Borough acknowledges and agrees that the ability of the Developer to receive proceeds of Additional RABs, Alternative RAB Obligations, Other Project Obligations or Lender Project Financing for the projects referred to in Section 9(b)(ii) above is a material inducement to the Developer proceeding with those projects.

Nothing contained herein shall affect the Ancillary Parcel Ground Tenants' obligation to pay the Ancillary Parcel PILOT Payments or the amounts or priority of such payment to or with respect to the Borough under the Ancillary Parcel Financial Agreements.

10. **PROCEEDS OF BONDS/CAPITAL PROJECTS.** Upon the issuance of the RABs, \$20,000,000 of bond proceeds shall be applied as follows: (i) to defease the outstanding principal amount of the Borough's General Obligation Bonds, Series 2010 issued in the original principal amount of \$17,000,000; and (ii) to pay for capital improvements of the Borough that qualify as capital improvements under the Local Bond Law, *N.J.S.A. 40A:2-1 et seq.* The Borough hereby covenants and agrees to apply the bond proceeds retained in the manner, and only in the manner, set forth in this subsection, and to provide the Developer with such documentation and evidence of such application of funds as may be necessary to demonstrate compliance with the provisions of this subsection.

11. **FURTHER ASSURANCES AND ASSISTANCE.**

The Borough in connection with any Component of the Project, including the Ancillary Components, shall cooperate with the Developer, the Ancillary Ground Tenants and the Sports Authority, to the extent permitted by law, in connection with any public financing necessary to finance such Components, provided, that nothing in this paragraph shall obligate the Borough to cooperate if such public financing shall be a debt, liability or obligation of the Borough that creates or constitutes a pledge of the full faith and credit of the Borough, or a charge upon the real property of the Borough.

12. **NO CROSS DEFAULT.** The obligations of each of the parties to each Project Agreement shall constitute separate and independent obligations of such Parties under said Project Agreements and any failure by the Developer and/or the Ancillary Ground Tenants to make a payment under their respective Financial Agreement or any other Project Agreement shall not constitute a default under this Agreement, or under any other Financial Agreement, provided however, that each Ancillary Ground Tenant shall be severally liable for the full amount of the Fixed PILOTs and Additional Fixed PILOTs (in the case of the Baseball Component), due and payable to the Borough under such Ancillary Parcel Financial Agreement.

13. **INSURANCE/INDEMNITY.** (a) Concurrent with the issuance of the RABs, the Developer agrees to pay, on behalf of the Borough, such premium and other costs incurred to procure the Borough's insurance program, including but not limited to coverage for both the Borough as an entity and for its elected and appointed officials. The total coverage shall be in a reasonably and commercially available amount for the Borough as an entity and a like amount for its elected and appointed officials, to be determined by the Parties at or prior to closing. There shall be no risk retention, co-insurance or deductible for which the Borough or its elected and appointed officials shall be responsible or which will reduce the coverage of the Borough or its elected and appointed officials or require the Borough its elected and appointed officials to pay any amount on account of a covered claim. The risks insured against and the form of the policy shall be acceptable to the Borough and its consultants (the "**Policy**").

(b) The Developer and its successors and assigns agree to indemnify and hold harmless the Borough, its officers, employees and consultants (the "**Indemnitees**") against any

and all losses, claims, damages or liabilities (including all costs, expenses, and reasonable counsel fees incurred in investigating or defending such claim) suffered by the Borough and caused by, relating to, arising out of, resulting from, or in any way connected to claims arising out of the issuance of the RABS and the administration of the RABs by the Borough and the agreements entered into by the Borough with respect thereto, including but not limited to, losses, claims, damages or liabilities (including all costs, expenses, and reasonable counsel fees incurred in investigating or defending such claim) suffered by the Borough as a result of: (i) violations of the securities laws arising from any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact relating to the Developer or the Projects or the RABs that are contained in an official memorandum or other offering document, or any amendment thereof or supplement thereto, relating to the RABs offered for sale thereby or caused by, arising out of or based upon any omission or alleged omission from such an official statement, or any amendment thereof or supplement thereto, of any material fact relating to the Developer or the Project or the RABs necessary in order to make the statements made therein in the light of the circumstances under which they were made not misleading; (ii) other violations of securities law claimed by an owner of the RABs or the purchaser of the RABs; (iii) failure by any Party to comply with continuing disclosure rules applicable to the RABS or the Project under Rule 15(c)2-12 promulgated by the Securities and Exchange Commission or made applicable to the RABs under any agreement; (iv) failure by the Borough to comply with or enforce any provisions of the Financial Agreements or the provisions of financing documents relating to the Bonds; (v) loss or damage to property or any injury to or death of any or all persons that may be occasioned by any cause whatsoever pertaining to the Project or arising by reason of or in connection with the presence on, in or about the premises of the Project of any person; or (vi) inadvertent errors in the administration of any aspect of the RABs by the Borough not arising to gross negligence or intentional misconduct on the part of the Indemnites.

The provisions of this Section 13 shall not apply to any liabilities, losses, damages, costs, expenses, taxes, causes of action, suits, claims, demands or judgments resulting from the Borough's own gross negligence, willful misconduct or bad faith actions or omissions; provided, such inapplicability shall not diminish the obligations of the Insurer to the Indemnites and the Developer under the Policy. The Developer's obligations hereunder shall be secondary to the obligations of the Insurer under the Policy and shall apply to only such claims, losses, damages, liabilities and expenditures that are not covered by the Policy or that are in excess of the coverage provided by the Policy. Notwithstanding anything to the contrary contained herein or in any other agreements, (i) no loss claim, damages, liability or recovery hereunder shall be sought against the Developer, the Ancillary Ground Tenants or any affiliates thereof for any consequential, special or punitive damages including any loss profit; and (ii) the Borough agrees to pursue and use insurance proceeds from the Policy to provide for any and all of its claims (but only those claims covered by the Policy) prior to pursuing any contract remedies against the Developer pursuant to this Section 13. The Borough will request the Insurer's consent to a waiver of subrogation for any claims against the Developer and affiliates for any claims covered by the Policy.

To the extent any Ancillary Ground Tenant develops a project on its Ancillary Parcel and in connection therewith, redevelopment area bonds are issued to finance all or a portion of said project, the Developer shall cause such Ancillary Ground Tenant to provide an indemnity to the

Borough that are substantially the same as the defense and indemnity provisions that are contained in this Section 13.

14. **NOTICE.** All notices or other communications required or permitted under this Agreement shall be in writing and given by certified mail (return receipt requested), electronic mail, facsimile, or by nationally recognized overnight courier service that regularly maintains records of items delivered at the following address, subject to change by notice under this paragraph. Notices shall be effective the next business day after being sent by overnight courier service, same day after being sent by electronic mail or facsimile and five business days after being sent by certified mail (return receipt requested):

If to Developer:

Ameream LLC
One Meadowlands Plaza, 6th Floor
East Rutherford, New Jersey 07073
ATTN: Joseph Calascibetta, Esq.

With copy to:

McManimon, Scotland & Baumann LLC
75 Livingston Avenue, 2nd Floor
Roseland, NJ 07068
ATTN: Glenn F. Scotland, Esq

If to Sports Authority

New Jersey Sports and Exposition Authority
50 State Route 120
East Rutherford, New Jersey 07073
ATTN: Ralph Marra

With copy to:

Gibbons P.C.
One Pennsylvania Plaza, 37th Floor
New York, NY 10119
ATTN: Kevin S. Evans

If to the Borough

Borough of East Rutherford
1 Everett Place
East Rutherford, New Jersey 07073
ATTN: Mayor

With copy to:

Kipp & Allen, LLP
52 Chestnut Street
PO Box 133

Rutherford, NJ 07070
ATTN: Richard J. Allen, Jr., Esq.

A party may change its address by giving written notice to the other party as specified herein.

15. **TERM.** This Agreement and the respective obligations of the Parties hereto that are governed by the terms of this Agreement shall be in full force and effect from the date hereof until the later of (i) the end of the lease term for the Ancillary Ground Leases, or (ii) the date on which no RABs are outstanding; provided however, that nothing contained herein shall modify or affect any of the Parties' obligations under any Project Agreement and such obligations shall be governed by the terms of those Project Agreements.

16. **MODIFICATIONS.** This Agreement shall not be altered, amended or supplemented in whole or in part without the written consent of the Parties, at the time such alteration, amendment or supplement, is effective.

17. **BENEFICIARIES.** This Agreement is made for the sole and exclusive benefit of the Sports Authority, the Borough, the Developer and the Ancillary Ground Tenants, together with their respective successors and assigns who are third party beneficiaries of this Agreement as it relates to applicable provision of this Agreement and the Amended Ancillary Parcel Financial Agreements. Nothing contained in this Agreement expressed or implied is intended or shall be construed to confer upon, or to give any person other than the Parties mentioned in the immediately preceding sentence any right, remedy or claim under or by reason of this Agreement.

18. **JURISDICTION.** This Agreement shall, to the fullest extent permitted by law, be interpreted, construed and enforced pursuant to the laws of the State of New Jersey.

19. **WAIVERS** Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement thereafter.

20. **COUNTERPARTS** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document.

21. **AGREEMENT - CONFLICTS.** This Agreement shall not affect or modify the obligations of the Parties under the Financial Agreements and the Settlement Agreement as amended by the Fourth Addendum or other Project Agreements. The obligations of the Parties under each Project Agreement (including this Agreement) shall constitute separate and independent obligations of the Parties under each such agreement and shall not result in a cross-default under any other Project Agreement. In the event of any inconsistency between the terms of this Agreement and any Project Agreement, the terms of such Project Agreement shall control.

22. **CONDITIONS TO ISSUANCE OF RABS.** The condition to the issuance of the RABs shall be (i) those set forth in the Bond Resolution; (ii) the payment of any amounts currently due from the Developer to the Borough under the Sewer Agreement; and (iii) payment of the amount of approximately \$90,000 on account of unpaid property taxes for a certain parcel comprising part of the Project.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have executed this Project Development Agreement as of the date and year first above written.

**NEW JERSEY SPORTS AND
EXPOSITION AUTHORITY**

By: _____

By: _____

BOROUGH OF EAST RUTHERFORD

By: _____

By: _____

AMEREAM, LLC

By: _____

By: _____

ACKNOWLEDGEMENTS

STATE OF NEW JERSEY)
)
COUNTY OF BERGEN) SS

The foregoing instrument was acknowledged before me this _____ day of _____, 2015 by [_____] the [_____] of the New Jersey Sports and Exposition Authority, a public body corporate and politic with corporate succession, who executed this instrument on behalf of and as the act of the Authority.

Notary Public

Commission Expiration: _____

STATE OF NEW JERSEY)
)
COUNTY OF BERGEN) SS

The foregoing instrument was acknowledged before me this _____ day of _____, 2015 by [_____] the [_____] of the Borough of East Rutherford, a municipality of the State of New Jersey, who executed this instrument on behalf of and as the act of the Borough.

Notary Public

Commission Expiration: _____

STATE OF NEW JERSEY)
)
COUNTY OF BERGEN) SS

The foregoing instrument was acknowledged before me this _____ day of _____, 2015 by [_____] the [_____] of Ameream, LLC, a Delaware limited liability company, who executed this instrument on behalf of and as the act of Ameream, LLC.

Notary Public

Commission Expiration: _____

EXHIBIT A

SETTLEMENT AGREEMENT (INCLUDING FOURTH ADDENDUM)

EXHIBIT B

THE AMERICAN DREAM FINANCIAL AGREEMENT

Exhibit B

530275
)

EXHIBIT C-1

ANCILLARY PARCEL FINANCIAL AGREEMENT (OFFICE A-B)

EXHIBIT C-2

ANCILLARY PARCEL FINANCIAL AGREEMENT (OFFICE C-D)

EXHIBIT C-3

ANCILLARY PARCEL FINANCIAL AGREEMENT (HOTEL)

EXHIBIT C-4

ANCILLARY PARCEL FINANCIAL AGREEMENT (BASEBALL COMPONENT)

EXHIBIT D

AMENDED AND RESTATED SEWER AGREEMENT

EXHIBIT E

DISPUTE RESOLUTION CLAUSE

If a dispute arises from or relates to this agreement or the breach thereof, and if the dispute cannot be settled through direct discussions within 7 days after the dispute has arisen, the parties shall resolve the dispute pursuant to the escalation process set forth in this Exhibit F and ultimately pursuant to the New Jersey Alternative Procedure for Dispute Resolution Act, *N.J.S.A. 2A:23A-1 et seq.* (the “ADR Act”). The parties hereby agree to appoint a retired Superior Court Judge (including Daniel Mecca, Eugene Codey or Thomas Olivieri) as the “Umpire” required by the ADR Act.

(a) All disputes shall initially be referred in writing jointly to the Borough’s General Counsel, Authority’s General Counsel and the Developer’s outside counsel (initially Glenn F. Scotland, Esq.). If they are unable to resolve the dispute within seven (7) business days after referral of the matter to them, the dispute shall escalate to the next level.

(b) If the activities under subsection (a) do not resolve the dispute, then the dispute shall be referred to an in-person conference between the Borough’s Mayor, the Authority’s Executive Director and the Developer’s representative Anthony Armlin, in the event Anthony Armlin is not available the Developer can designate a representative with a similar role and authority in the Project. The conference shall occur no more than seven (7) days after failure to resolve a dispute under subsection (a). Each party may also have legal representation at the conference. If the matter cannot be resolved at such conference, the parties may invite the Umpire to assist such senior executives in evaluating the strengths and weaknesses of each party’s position on the merits of the dispute. Thereafter, the conference shall be reconvened to try again to resolve the matter. If the matter cannot be resolved at such conference, the dispute shall escalate to the next level. Each of the parties shall bear its respective costs incurred in connection with the conference, except that they shall share equally the fees and expenses of the Umpire.

(c) If a dispute is not resolved pursuant to subsections (a) or (b) above then either party may, within thirty (30) days after the completion of those procedures submit any dispute to binding resolution in accordance with this subsection (c).

(1) The hearing shall be held in Hackensack, New Jersey or at such other place, and at such time as may be agreed by the parties or as may be ordered by the Umpire within 45 days of the submission of the dispute to the Umpire.

(2) The Umpire shall establish the rules and procedures for the hearing, consistent with the ADR Act and Exhibit F.

(3) Notwithstanding the ADR Act, unless the Umpire shall otherwise determine on a showing of extraordinary need, only written discovery shall be permitted and such discovery shall be completed within 30 days. Any discovery shall be subject to the protections of any applicable privilege and shall protect any privileged information from

disclosure. The Umpire may make an “in camera” review of any materials claimed to be privileged as necessary to resolve the dispute.


EXHIBIT G
INSURANCE POLICY

Mayor Cassella asked for a motion to adjourn the Special Meeting at 9:51PM:

Moved: Councilman Brizzi

Second: Councilman Homyachak

Roll Call: All Ayes



Danielle Lorenc, RMC