THIRD ADDENDUM TO SETTLEMENT AGREEMENT

This **THIRD ADDENDUM TO SETTLEMENT AGREEMENT ("Third Addendum")** is entered into as of October 21, 2013 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 "**Sports Complex**"; and

WHEREAS, the Parties acknowledge that as of the date hereof certain improvements, facilities, appendages, changes, alterations, additions, renovations, modernization, enhancement, remodeling, supplements, attachments, corrections, repairs, refinement, annexations, augmentations, complements, enlargements, and extensions to buildings and facilities have been or are being made to the Sports Complex on the West Side of Route 120, including without limitation, the existing racetrack and grandstand, the Giants Training Facility (as defined below), MetLife Stadium (as defined below), the Racetrack (as defined below), and the Rail Access Property (as defined below), (collectively, the "**West Side Improvements**"); and

WHEREAS, the Sports Authority contends that 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 that the West Side Improvements are projects of the Sports Authority pursuant to N.J.S.A. 5:10-2 and including, but not limited to, 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(a); and

WHEREAS, 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 Sports Complex; 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 1997 (the "**First Addendum**") and further amended by the Second Addendum to Settlement Agreement dated October 5, 2004 (the "**Second Addendum**" together with the Original Settlement Agreement and the First Addendum, the "**Settlement Agreement**") executed in accordance with the Sports Authority Law; 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, including, but not limited to, the development of projects either directly or indirectly through lessees, the Sports Authority entered into a lease with New Meadowlands Stadium Company, LLC entitled *Stadium Project Ground Lease and Development Agreement by and between New Jersey Sports and Exposition Authority and New Meadowlands Stadium Company, LLC,* dated as of December 21, 2006, for the land and improvements described therein ("**MetLife Stadium**"); 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, including, but not limited to, the development of projects either directly or indirectly through lessees, the Sports Authority entered into a lease with New Meadowlands Racetrack, LLC ("**NMRLLC**") entitled *Racetrack Ground Lease Agreement by and between New Jersey Sports and Exposition Authority and New Meadowlands Racetrack, LLC,* dated as of December 19, 2011, for the land and improvements (including, for the avoidance of doubt, the new grandstand to be constructed by NMRLLC thereon) described therein (the "**Racetrack**"); 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, including, but not limited to, the development of projects either directly or indirectly through lessees, the Sports Authority acquired certain properties adjacent to the Sports Complex west of Berry's Creek Road, including properties previously owned by Honeywell, Inc. and General Foam Corp., for purposes of constructing and did construct certain heavy passenger rail facilities consisting of an approximately 2.3 mile rail link between New Jersey Transit's Pascack Valley rail line (delineated by barrier fencing enclosing a fifty-foot easement granted to New Jersey Transit) and the Meadowlands Station, which consists of a 9,600 square foot station building (inclusive of a 448 square feet of covered side platform, stairs, elevator areas and overpass) and two 950 foot long platforms (a 26,860 square foot island platform and a 13,725 square foot side platform), located immediately between MetLife Stadium and the West Peripheral Road (the "**Rail Access Property**"); 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, including, but not limited to, the development of projects either directly or indirectly through lessees, the Sports Authority entered into a lease with Giants Training Facility LLC, which was then subleased to the New York Football Giants, Inc. (together the "**Giants**") entitled, *Lease and Development Agreement Between New Jersey Sports and Exposition Authority as Landlord and the Giants Training Facility LLC as Tenant,* dated August 13, 2007, (the "**GTF Ground Lease**"), for the land described as 1925 Giants Drive, Block 107.01, Lot 1.02, East Rutherford, New Jersey (the "**Land**"); and

WHEREAS, the Giants constructed executive offices, an athletic training facility and appurtenances on the leased Land (collectively the "**Giants Training Facility**"); and

WHEREAS, the Borough has assessed real estate taxes upon the leasehold estate and appurtenances thereto (and not the Land) constituting the Giants Training Facility, contending that it was authorized to do so pursuant to the "proviso" set forth in N.J.S.A. 5:10-18(a), which proviso reads as follows:

... provided, however, that when any part of the project site not occupied or to be occupied by the facilities of the project is leased by the authority to another whose property is not exempt and the leasing of which does not make the real estate taxable, the estate created by the lease and the appurtenances thereto shall be listed as the property of the lessee thereof, or his assignee, and be assessed and taxed as real estate; and

WHEREAS, by virtue of the "proviso" set forth in N.J.S.A. 5:10-18(a), the Borough contends that the Giants Training Facility (but not the Land) is subject to ad valorem property taxation and in furtherance of that contention, assessed a real property tax assessment on the Giants Training Facility for tax years 2009, 2010, 2011, 2012 and 2013; and

WHEREAS, the Sports Authority and the Giants contested the Borough's assessment on the Giants Training Facility for tax years 2009, 2010, 2011, 2012 and 2013, on the grounds that, inter alia, the Giants Training Facility is exempt from ad valorem property taxes pursuant to N.J.S.A. 5:10-18 et seq. and brought actions in the New Jersey Tax Court captioned: New Jersey Sports and Exposition Authority, Giants Training Facility LLC and the New York Football Giants, Inc. v. East Rutherford, bearing Docket Nos: 020484-2010; 020483-2010; 008978-2011; 002107-2012; and 006781-2013, challenging the Borough's imposition of ad valorem real property taxes on the Giants Training Facility (collectively the "**Dispute**"); and

WHEREAS, the Borough has denied the Sports Authority's allegations and claims of exemption in the pending actions, contending that it has properly assessed the Giants Training Facility by virtue of the proviso set forth in N.J.S.A. 5:10-18(a); and

WHEREAS, this Third Addendum and the Stipulation of Settlement in the form attached hereto as Exhibit A ("**Stipulation**") resolves the Dispute.

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. The Borough and the Authority hereby approve, confirm, ratify and adopt by reference the terms of the Settlement Agreement as may be amended by the Third Addendum.

2. Expressly subject to the terms hereof, the Parties agree that the West Side Improvements are exempt from all taxes and special assessments of the Borough pursuant to N.J.S.A. 5:10-18(a) and that the Borough will place all West Side Improvements on its Exempt Property List, noting thereon the full exemption of such properties. Nothing contained in this Third Addendum or the Stipulation shall preclude the Giants and/or Sports Authority from contesting any assessment of value made by the Borough on the West Side Improvements, or any component thereof, in the event any of the West Side Improvements were to fall out of exemption at a future date.

3. Contemporaneously with the execution of this Third Addendum, the Giants, Sports Authority and the Borough will cause their respective attorneys to execute the Stipulation, and counsel for the Giants and Sports Authority shall file the Stipulation with the Tax Court.

4. Section 6 of the Second Addendum is hereby deleted in its entirety.

5. In consideration of the Borough's execution of the Third Addendum, and Stipulation, within five (5) days of execution of this Third Addendum, the Sports Authority shall release to the Borough the sum of three hundred twenty five thousand, nine hundred and twenty dollars ($325,920) representing payments in lieu of taxes (**"PILOT"**) required to be made by the Sports Authority to the Borough pursuant to the Second Addendum, but currently held in escrow by the Sports Authority.

6. In consideration of the deletion of Section 6 of the Second Addendum, the Borough's execution of this Third Addendum and Stipulation in resolution of the Dispute, and entry of judgment(s) by the Tax Court consistent with the terms of the Stipulation, the Sports Authority agrees to pay to the Borough the following amounts for use in accordance with law:

(A) Within 30 days of the entry of judgment(s) by the Tax Court consistent with the terms of the Stipulation, the total of eight hundred fifty thousand dollars ($850,000), which amount the Borough has indicated it intends to allocate for fiscal purposes as follows:

(i) Two hundred thousand dollars ($200,000) for calendar year 2010; and

(ii) Two hundred thousand dollars ($200,000) for calendar year 2011; and

(iii) Two hundred thousand dollars ($200,000) for calendar year 2012; and

(iv) Two hundred fifty thousand dollars ($250,000) for calendar year 2013; and

(B) On the first business day of April of each year beginning in 2014 through April 2019 (i.e. for six (6) years), two hundred fifty thousand dollars ($250,000); and

(C) On the first business day of April of each year commencing April 2020 and running through April 1, 2024 (i.e. for five (5) years), two hundred twenty five thousand dollars ($225,000); and

(D) On the first business day of April each year commencing on April 2025 and thereafter, two hundred thousand dollars ($200,000), and commencing with the payment due for April 2026 and for the next four (4) years (i.e. a five (5) year period from 2026 through 2030), the amount referred to in subparagraph (D) above shall be adjusted by one hundred percent (100%) of the percentage change, if any, in the Consumer Price Index ("CPI") when comparing the CPI for the period two years before the commencement date of this adjusted payment period (here 2024) to the CPI for the period one year before the commencement date of this adjusted payment period (here 2025). In no event, however shall such adjustment be more than two and one-half percent (2.5%) per annum. The calculation in the immediately preceding sentence shall be repeated with respect to each five (5) year period thereafter. By way of further example, the amount due for the next five year period (that is, 2031 through 2035) shall be determined by adjusting the amount payable for the preceding five year period by one hundred percent (100%) of the percentage change, if any, in the CPI when comparing the CPI for the period two years before the commencement date of this next adjusted payment period (here 2029) to the CPI for the period one year before the commencement date of this next adjusted payment period (here 2030). For the purposes of this Section 6(D), CPI shall be defined as set forth in Schedule A to the Second Addendum. In no event, however, shall the annual payment provided for in this Section 6(D) be less than two hundred thousand dollars ($200,000).

7. The Parties also acknowledge and agree that to avoid any future disputes or litigation concerning the subject matter of this Third Addendum, in the event the Borough places an assessment on and attempts to collect taxes in conjunction with the West Side Improvements, including any components thereof, which are acknowledged hereby to be exempt from all taxes and special assessments of the Borough pursuant to N.J.S.A. 5:10-18(a), then any and/or all future payment obligations of the Sports Authority prescribed

hereby shall be immediately suspended and any dispute relating thereto shall be resolved by a court of competent jurisdiction or the written agreement of the Parties.

8. The Parties acknowledge and agree that nothing contained in this Third Addendum is intended to control the real property tax treatment (exemption) of any future development not covered hereby and that such determinations shall be made in accordance and consistent with the Sports Authority Law and agreements of the Parties.

9. At the option of the Authority, this Third Addendum may be recorded with the Clerk of Bergen County, New Jersey and the provisions hereof shall run with the land and shall be binding upon and shall inure to the benefit of beneficiaries, successors and assigns of the parties hereto, the Giants, New Meadowlands Stadium Company, LLC ("**NMSCO**"), New Meadowlands Racetrack, LLC ("**NMRLLC**") and each of their respective successors and assigns.

10. The Giants, NMSCO, NMRLLC shall each be a third-party beneficiary under this Third Addendum (and not the Settlement Agreement or any future addendum), and the provisions hereof shall operate and inure to the use and benefit of the Giants, NMSCO, NMRLLC and their respective successors and assigns. The Giants, NMSCO, NMRLLC may act directly with the Sports Authority and/or the Borough, as the case may be, with respect to their rights granted hereunder. The Sports 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. This Third Addendum may be enforced only by the parties referenced in this Paragraph 10 and no other persons or entities shall be considered beneficiaries of this Third Addendum.

11. This Third Addendum 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 affect any of the rights of a third-party beneficiary (including without limitation, the Giants, NMSCO, or NMRLLC) under this Third Addendum, such amendment shall not be effective unless and until such amendment is approved in writing by the third-party beneficiary with such approval not to be unreasonably withheld, delayed or conditioned.

12. Except to the extent superseded by Federal law, the Third Addendum shall be construed and enforced in accordance with the laws of the State of New Jersey.

13. This Third 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.

14. The other terms of the Settlement Agreement that are not specifically amended by the terms herein shall remain in full force and effect.

15. In the event this Third Addendum is declared to be unenforceable by a court of competent jurisdiction, nothing contained herein shall preclude the Parties from asserting any rights and/or defenses that they may have pursuant to applicable New Jersey Law as a result of the finding of unenforceability.

[Signatures on Following Page]

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

NEW JERSEY SPORTS AND EXPOSITION AUTHORITY

By: ____________________

BOROUGH OF EAST RUTHERFORD

By: ____________________

Signature Page to Third Addendum

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

NEW JERSEY SPORTS AND EXPOSITION AUTHORITY

By:______________________

BOROUGH OF EAST RUTHERFORD

By:______________________

Signature Page to Third Addendum

ACKNOWLEDGEMENT

STATE OF NEW JERSEY

COUNTY OF BERGEN

The foregoing instrument was acknowledged before me this 21st day of October, by [Ralph J Marra] the [Sr. V.P. Legal] 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.

Marie L. Goworek
Notary Public

Commission Expiration: ______________

MARIE L. GOWOREK
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 11/16/2016

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: ______________

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 17 day of Oct 2013, by [James Cassella] the [Mayor] of the Borough of East Rutherford, a municipality of the State of New Jersey, who executed this instrument on behalf of the Borough.

Danielle Lorenc

Notary Public

Commission Expiration: DANIELLE LORENC NOTARY PUBLIC OF NEW JERSEY My Commission Expires Feb. 5, 2016

EXHIBIT A
Stipulation of Settlement

COLE, SCHOTZ, MEISEL,
FORMAN & LEONARD, P.A.
A Professional Corporation
Court Plaza North
25 Main Street
P. O. Box 800
Hackensack, New Jersey 07602-0800
(201) 489-3000
(201) 489-1536 Facsimile
Attorneys for Plaintiffs, **New Jersey Sports and Exposition Authority, Giants Training Facility LLC and The New York Football Giants, Inc.**

NEW JERSEY SPORTS AND EXPOSITION AUTHORITY, GIANTS TRAINING FACILITY LLC, AND NEW YORK FOOTBALL GIANTS, INC.,	**TAX COURT OF NEW JERSEY**
Plaintiffs,	**DOCKET NOS. 020483-2010; 020484-2010; 008978-2011; 002107-2012; and 006781-2013**
v.	**CIVIL ACTION**
BOROUGH OF EAST RUTHERFORD,	**(Local Property Tax – Tax Year 2009, 2010, 2011, 2012 and 2013)**
Defendant.	**STIPULATION OF SETTLEMENT**

THIS MATTER having been amicably adjusted by and between the parties, it is hereby **Stipulated and Agreed** as follows:

1. The assessment with respect to the property located at 1925 Giants Drive, East Rutherford, New Jersey, also known as Block 107.01, Lot 1.02, County of Bergen, State of New Jersey on the tax map of the Borough of East Rutherford (the **"Subject Property"**) for the tax years 2009, 2010, 2011, 2012 and 2013, shall be adjusted to reflect that the Subject Property is exempt for all years in question, placed on the Borough's Exempt Property List and a judgment entered as follows:

Tax Year 2009
Block 107.01, Lot 1.02 (Exempt Property)

	Original Assessment	**Tax Court Judgment**
Land	$0.00	$0.00
Improvements	100,000,000.00	100,000,000.00
Total	$100,000,000.00	**(EXEMPT) $100,000,000.00**

Tax Year 2010
Block 107.01, Lot 1.02 (Exempt Property)

	Original Assessment	**Tax Court Judgment**
Land	$0.00	$0.00
Improvements	100,000,000.00	100,000,000.00
Total	$100,000,000.00	**(EXEMPT) $100,000,000.00**

Exhibit A

Tax Year 2011
Block 107.01, Lot 1.02 (Exempt Property)

	Original Assessment	Tax Court Judgment
Land	$0.00	$0.00
Improvements	100,000,000.00	100,000,000.00
Total	$100,000,000.00	**(EXEMPT) $100,000,000.00**

Tax Year 2012
Block 107.01, Lot 1.02 (Exempt Property)

	Original Assessment	Tax Court Judgment
Land	$0.00	$0.00
Improvements	100,000,000.00	100,000,000.00
Total	$100,000,000.00	**(EXEMPT) $100,000,000.00**

Tax Year 2013
Block 107.01, Lot 1.02 (Exempt Property)

	Original Assessment	Tax Court Judgment
Land	$0.00	$0.00
Improvements	100,000,000.00	100,000,000.00
Total	$100,000,000.00	**(EXEMPT) $100,000,000.00**

2. The Parties acknowledge that they have simultaneously entered into an agreement entitled Third Addendum to Settlement Agreement, dated September __, 2013, the terms of which are incorporated herein by reference.

3. The undersigned have made such examination of the value and proper assessment of the Subject Property and have obtained such appraisals, analysis and information with respect to the valuation and assessment of the Subject Property as they deem necessary and appropriate for the purposes of enabling them to enter into this Stipulation. The Assessor of the taxing district has been consulted by the attorney for the taxing district with respect to this settlement and has concurred with its terms.

4. Based upon the foregoing, the undersigned represent to the Court that the above settlement results in the assessment of the Subject Property at a fair assessable value of the Subject Property consistent with assessing practices generally applicable in the taxing district as required by law.

5. The undersigned do hereby agree to the substance and terms contained herein.

COLE, SCHOTZ, MEISEL, FORMAN & LEONARD, P.A.
Attorneys for Plaintiffs New Jersey Sports & Exposition Authority, Giants Training Facility LLC and New York Football Giants, Inc.

By: ______________________
Carl A. Rizzo

Dated: October 22, 2013

LAW OFFICES OF STEPHEN P. SINISI, LLC
Attorneys for Defendants, Borough of East Rutherford

By: ______________________
Stephen P. Sinisi

Dated:

Exhibit A

#1932041 v1
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10/15/13

NJSEA vs. East Rutherford
Giants Training Facility Litigation

Outline of Settlement Terms

1. The Borough agrees that Giants Training Facility, new Grandstand, MetLife Stadium and former Honeywell property underlying new rail line are tax exempt.

2. Tax exemption of any other new development in the Sports Complex is not conceded and will be addressed in the future. This settlement is not precedent.

3. The provision in the Second Addendum providing for a loan to the Borough is deleted.

4. The Sports Authority shall release to the Borough $325,920 from escrow.

5. In addition to the PILOT otherwise payable to the Borough, the Sports Authority shall pay to the Borough:

   a) $850,000 within 30 days of the entry of judgment(s) by the Tax Court;
   b) $250,000 on April 1 , 2014
   c) $250,000 on April 1, 2015
   d) $250,000 on April 1, 2016
   e) $250,000 on April 1, 2017
   f) $250,000 on April 1, 2018
   g) $250,000 on April 1, 2019
   h) $225,000 on April 1, 2020
   i) $225,000 on April 1, 2021
   j) $225,000 on April 1, 2022
   k) $225,000 on April 1, 2023
   l) $225,000 on April 1, 2024
   m) $200,000 on April 1, 2025

6. Commencing April 2026 and for the next 4 years (i.e. a 5 year period from 2026 through 2030, and then for each 5 year period thereafter, the payment shall be adjusted by the percentage change in the CPI from April of the fourth year of the preceding 5 year period to the CPI on the first April of the next 5 year period; but not more than 2.5% per annum. In no event, however, shall the annual payment provided for in this Section 5(e) be less than two hundred thousand dollars ($200,000).