

Draft Settlement Proposal

Privileged and Confidential

Baseball Stadium Settlement between Centerplan Construction LLC

And the City of Hartford

June 24, 2016

BALL PARK COMPLETION:

- **Centerplan (“CCC”) proposes to complete construction of the Ballpark based upon the following parameters:**
 - As a condition of entering into any agreement to complete the construction, The City of Hartford (“City”), the design team and CCC will meet on a continuous basis over the next two weeks and finalize all details of construction, including those identified in CCD 6 (“Design”). After that effort, no additional changes will be made, unless required to comply with the applicable provisions of the building codes or such other life safety codes as may apply... The City, CCC and Arch shall appoint a representative for purposes of the meetings with authority to make decisions about the design and construction details;
 - After the Design is complete and approved by the City, CCC will estimate the cost of work to complete the Ballpark in accordance with the Design and propose a schedule under which the work will be performed.
 - As part of the effort to estimate the cost to complete the work, CCC will negotiate first with each subcontractor previously employed on the Project to resume and complete the work. Cost arising from the reinstatement of each sub-contractor or supplier will be included in the cost of the work. Should CCC decide that it does not want to use a subcontractor or supplier previously employed, then it can obtain a substitute on terms and conditions acceptable to CCC to complete the work? Cost related to or arising from the retention or replacement of subcontractors and suppliers shall be included in the cost of the work.
 - The City shall commit such resources as are necessary including specifically the members of the Building department and Fire Marshall’s office to ensure that inspections and approvals will be provided to facilitate performance of the work in accordance with the proposed schedule.
 - The City shall as part of this transaction rescind the termination of DoNo and CCC under the DSA and Construction Contract as may apply and allow them to complete the Project. As a precondition to the recommencement of construction, simultaneously with the withdrawal of the notice of termination, the City shall pay the outstanding requisition in full and thereafter pay all subsequent requisition to the extent of available funds. However, the City, DoNo and CCC each reserve rights to assert whatever claims have arisen or may arise as a result of the work and agreements existing or performed and such as may arise as the project is completed.

- CCC will use the funds provided by the City and to the extent the funds provided by the City are insufficient such other funds as may be required to pay for the cost of the work and such design services as are necessary to complete the Project in accordance with the Design.
- CCC will negotiate with Arch in an attempt to have Arch provide the services of the consultant Arch employed to investigate the work to monitor the completion of the work. This shall be part of an overall agreement between Arch and CCC regarding completion of the work and resolution of subcontractor claims which has to be negotiated as a condition precedent to any agreement with the City. There is no current agreement with Arch and no representation is made herein that an agreement with Arch will be achieved. Arch is still investigating.
- The City shall amend such agreements as may exist to allow DoNo the right to set off against any amounts that may be due to the City that may arise for claims which DoNo/CCC asserts for additional compensation that arise under the DSA/Construction Contract with DoNo/CCC arising from or related to the development and construction of the Ball Park. This right of set off covers specifically, but is not limited to, amounts due under the PILOT program and for building permits.
- The City shall recognize that it may take several months to restart construction and then several month more to finish the work to the point where the Project can be used.

REAFFIRMATION OF DONO DEVELOPMENT:

- **DoNo agrees to complete the remainder of the Real Estate Development based upon the following parameters:**
 - The City shall reaffirm DoNo as developer of all remaining phases (B,C&D, E, F, &G), and that the original terms and conditions of the Development Services Agreement remain in full force and effect, except as amended below;
 - The City shall finalize the amendment to remove the requirement to develop a grocery store from the DSA;
 - The City and DoNo shall mutually agree to amend the DSA to provide a delay of 1 year on the requirement to make minimum PILOT payments.
 - In the event the City chooses to file for any form of bankruptcy, the City shall grant at least an additional 1 year extension beginning from the date upon which the City files for such relief on the requirement to make payments on the Minimum PILOT payments. The actual extension shall be for the period of time between the filing and the date upon which a plan for reorganization is approved by the bankruptcy court of the bankruptcy filing is withdrawn, which ever time is longer.
 - The City will support amended permit application for the development of Block E that was previously submitted for an administrative review.

FUTURE CLAIMS, POTENTIAL LITIGATION/ARBITRATION:

- **With regard to any Claims:**

- The City as well as DoNo and CCC shall reserve all rights and remedies available to each, and agree to use binding arbitration under the following circumstances and conditions;
 - Binding Arbitration shall be held before a single arbitrator who shall be a senior construction professional with at least 25 years' experience in construction dispute resolution or a retired superior court judge or Federal judge acceptable to all parties according to the Construction Industry Rules of the American Arbitration Association except as those rules are modified by terms of this agreement;
 - Discovery will be limited to document production and only in special cases deposition necessary to preserve testimony on the chance that a potential witness may not be available for trial.
 - All hearings are to be held on consecutive days not fewer than 4 per week in consecutive weeks until completion. The total hearing time shall not exceed 4 weeks unless all parties agree. Hearings will be held within 6 months of the completion of construction of the Ballpark.
- In the event of a settlement or an award to resolve any dispute between CCC and/or DoNo and the City, in favor of DoNo/CCC, such settlement or award shall be paid in cash to the extent the City can make such payment to satisfy such award or settlement. If the City is not able to satisfy the award or settlement then DoNo or CCC as the case may be shall have the right to set-off as more particularly set forth above;
- The City shall assign to CCC any and all rights that the City may have under any and all agreement that it has with the design team and the owner of the team with respect to the ball park to assert claims for damages arising from or related to design and or construction of the Project.
- The City, DoNo and CCC shall expressly reserve all rights to assert any and all claims each against the others, or potential third parties for all damages whether direct, consequential or otherwise arising from or relating to the development and construction of the Project.