
COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY

and

**CHADWICK BAY MARINA LLC, and
PIER LLC**

AGENCY LEASE AGREEMENT

Dated as of July 13, 2016

THIS AGENCY LEASE AGREEMENT (“Lease”) is dated as of July 13, 2016 by and between the **COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY**, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, having an office at 200 Harrison Street, Jamestown, New York 14701 (“Agency”) and **CHADWICK BAY MARINA LLC**, a New York limited liability company, and **PIER LLC**, a New York limited liability company, both having an address of 19 Avon Avenue, Celeron, NY 14720 (collectively, “Lessee”).

W I T N E S S E T H :

WHEREAS, the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) authorizes and provides for the creation of industrial development agencies in the several counties, cities, villages and towns in the State of New York and empowers such agencies, among other things, to promote, develop, encourage and assist in the acquiring, renovating, construction, reconstruction, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, among others, including industrial pollution control facilities, and to thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living;

WHEREAS, in accordance with the provisions of the Enabling Act, the Agency was established pursuant to Chapter 71 of the 1972 Laws of the State of New York, as amended, constituting Section 895-h of the New York General Municipal Law (said Chapter and the Enabling Act, each as amended from time to time, collectively, the “Act”), for the benefit of the County of Chautauqua and its inhabitants;

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, renovate, construct, reconstruct and install one or more “projects” (as defined in the Act), or to cause said projects to be acquired, renovate, constructed, reconstructed and installed and to convey said projects or to lease said projects with the obligation to purchase;

WHEREAS, Lessee has presented an application (the “Application”), to the Agency, which Application requested that the Agency consider undertaking a project (the “Project”) consisting of the following: (A) (1) the acquisition of an interest in approximately 0.59 acres of land located around 24 Lake Shore Drive, Dunkirk, NY 14048, County of Chautauqua, (collectively, the “Land”), (2) the renovation of an approximately 5,700 square foot building and 200 square foot building (collectively, the “Building”), and potential driveway, parking, landscaping and related improvements to the Land (together with the Building, collectively, the “Facility”), and (3) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the “Equipment”), all of the foregoing for use by the Applicant as a full service marina (collectively, the “Project Facility”); (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions or partial exemptions from sales and use taxes, and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Applicant or such other entity as may be designated by the Applicant and agreed upon by the Agency; and

WHEREAS, pursuant to a resolution passed by the Agency on May 24, 2016, the Agency agreed to undertake the Project and to execute and deliver the Transaction Documents (as defined below);

WHEREAS, the Agency proposes to appoint Lessee as agent of the Agency to undertake the acquisition, construction and installation of the Project Facility and to sublease the Project Facility to Lessee, and Lessee desires to act as agent of the Agency to undertake the acquisition, construction and installation of the Project Facility and to sublease the Project Facility from the Agency, all pursuant to the terms and conditions hereinafter set forth in this Lease and the other Transaction Documents;

WHEREAS, the acquisition of the Project Facility, the sublease of the Project Facility and the granting of the Financial Assistance to Lessee are for proper purposes, including, without limitation, the advancement of job opportunities, health, general prosperity and economic welfare of the people of the State of New York and the improvement of their prosperity and standard of living;

WHEREAS, Lessee is the fee owner of the Premises (as defined below); and

WHEREAS, immediately prior to the execution and delivery of this Lease, Lessee will execute and deliver or cause to be executed and delivered to the Agency (A) a certain company lease agreement dated as of the date hereof (the "Company Lease") between Lessee, as lessor, and the Agency, as lessee, pursuant to which Lessee conveys to the Agency a leasehold interest in and to the Premises, (B) a certain sales tax agency agreement dated as of the date hereof (the "Sales Tax Agency Agreement"), and (C) a bill of sale dated as of the date hereof (the "Bill of Sale to Agency"), which conveys to the Agency all right, title and interest of Lessee in and to the Equipment.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreement herein contained, and intending to be legally bound, the parties hereto agree as follows:

ARTICLE I

CERTAIN DEFINITIONS

1.1. Definitions. The following words and terms used in this Lease shall have the respective meanings set forth below:

"Applicable Laws" means the Act and all current and future statutes, codes, laws, acts, ordinances, treaties, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions, determinations and requirements, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to or affect the Project Facility or any part thereof or the conduct of work on the Project Facility or any part thereof or to the operation, use, manner of use or condition of the Project Facility or any part thereof (the applicability of the foregoing to be determined both as if the Agency were the owner of the

interests in the Project Facility and as if Lessee and not the Agency were the owner of the interests in the Project Facility).

“Authorized Representative” means the person or persons at the time designated to act on behalf of the Agency or Lessee, as the case may be, by written certificate furnished to the Agency or Lessee, as the case may be, containing the specimen signature of each such person.

“Closing” means the closing at which the Transaction Documents are executed and delivered by Lessee to the Agency.

“Closing Date” means the date of the Closing.

“Counsel” means an attorney, or firm of attorneys, admitted to practice before the highest court of any State of the United States of America or the District of Columbia (who may be counsel for the Agency or Lessee).

“County” means Chautauqua County, New York.

“Environmental Laws” means all federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances, regulations, codes and rules relating to the protection of the environment and/or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Materials, including but not limited to, each of the following statutes, as well as any and all comparable statutes and regulations of the United States, the State of New York, the County of Chautauqua, or any applicable municipal authority effective on or after the effective date of this Lease: Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq.; the Federal Water Pollution Control Act, 33 U.S.C. Section 1251, et seq.; the Clean Air Act, 42 U.S.C. Section 7401 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq.; the Safe Drinking Water Act, 42 U.S.C. Section 3300F et seq.; and the Toxic Substances Control Act, 15 U.S.C. Section 2601, et seq.

“Environmental Permits” means all permits, approvals, identification numbers, licenses, registrations, and other authorizations required under any applicable Environmental Laws.

“Equipment” means all those materials, machinery, equipment, fixtures or furnishings intended to be acquired with the proceeds of any payment made by Lessee pursuant to this Lease, and such substitutions and replacements therefor as may be made from time to time pursuant to this Lease, including without limitation, all the property described in Exhibit A attached hereto. “Equipment” shall not include: (i) rolling stock, (ii) any item of personalty having a useful life of less than one (1) year or which shall not constitute a tangible capital asset, (iii) plants, shrubs, trees, flowers, lawns or plants, or (iv) fine art or other similar decorative items.

“Event of Default” (collectively, “Events of Default”) means any of the events or conditions designated as such in this Lease.

“Hazardous Materials” means all hazardous materials, including, without limitation, any explosives, radioactive materials, radon, asbestos-containing materials, urea formaldehyde foam insulation, polychlorinated biphenyls, lead based paints, petroleum, petroleum products, methane, hazardous materials, hazardous chemicals, hazardous wastes, extremely hazardous wastes, restricted hazardous wastes, hazardous or toxic substances, toxic pollutants, hazardous air pollutants, pollutants, contaminants, toxic chemicals, toxics, pesticides or related materials as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), the Clean Water Act, as amended (33 U.S.C. Section 1251 et seq.), the Safe Drinking Water Act, as amended (42 U.S.C. Section 300f, et seq.) the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.), Articles 15 or 27 of the New York State Environmental Conservation Law, or in the regulations adopted and publications promulgated pursuant thereto, or any other federal, state or local environmental law, ordinance, rule or regulation.

“Lien” means any interest in personal or real property securing an obligation owed to a Person whether such interest is based on the common law, statute or contract. The term “Lien” includes reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions, leases and other similar title exceptions and encumbrances affecting real property.

“Maximum Sales Tax Benefit” means \$79,843.00.

“Net Proceeds” means the amount of the gross proceeds with respect to which that term is used as remain after payment of all expenses, costs and taxes (including attorneys’ fees) incurred in obtaining such gross proceeds.

“Permitted Encumbrances” means (i) Liens described in the title insurance policy referred to in Section 3.4 of this Lease, (ii) this Lease, (iii) utility, access and other easements and rights of way, restrictions and exceptions that do not materially impair the utility or the value of the property affected thereby for the purposes for which it is intended, (iv) mechanics’, materialmen’s, warehousemen’s, carriers’ and other similar Liens to the extent permitted by this Lease, (v) Liens for taxes at the time not delinquent, and (vi) the Company Lease.

“Person” means an individual, partnership, corporation, association, joint venture, trust or unincorporated organization, and a government or governmental agency or political subdivision thereof.

“Plans and Specifications” means the plans and specifications for the Project Facility prepared by Lessee’s architect and approved by the Agency and all applicable governmental authorities.

“Premises” means the Land, together with the Facility located thereon.

“SEQR Act” means the State Environmental Quality Review Act and the regulations thereunder.

“State” means the State of New York.

“Title Company” means Chautauqua Abstract Title Company.

“Transaction Documents” means the Company Lease, the Bill of Sale to Agency, this Lease, the Sales Tax Agency Agreement and all other instruments, agreements, certificates and documents related thereto and executed in connection therewith, and any other instrument, agreement, certificate or document supplemental thereto, each as amended from time to time.

1.2. Interpretation. In this Lease, unless the context otherwise requires: (i) the words “hereof”, “herein”, “hereto”, “hereby” and “hereunder” when used in the Lease shall refer to this Lease; (ii) words of masculine gender shall mean and include correlative words of feminine and neuter genders; (iii) words importing the singular number shall mean and include the plural number, and vice versa; (iv) words importing persons shall include firms, associations, partnerships, trusts, corporations, limited liability companies and other legal entities, including public bodies, as well as natural persons; (v) any certificates, letters or opinions required to be given pursuant to this Lease shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Lease; and (vi) references to documents, instruments or agreements shall mean such documents, instruments and agreements as they may be amended, modified, renewed, replaced or restated from time to time.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF LESSEE

2.1. Representations. Lessee makes the following representations and warranties as the basis for the undertakings on its part contained herein:

(a) Lessee has the power to enter into this Lease and the other Transaction Documents and to perform its obligations hereunder and thereunder. The entry into and the fulfillment of and compliance with the provisions of this Lease and the other Transaction Documents have been duly authorized by all necessary action of the Lessee, and no other consent or approval is required as a condition to the validity or enforceability of this Lease or any of the other Transaction Documents.

(b) This Lease and the other Transaction Documents to which Lessee is a party constitute valid and binding obligations of Lessee, enforceable in accordance with their respective terms, except as enforcement may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws affecting the enforcement of creditors’ rights.

(c) Neither the Lessee’s entry into nor the fulfillment of and compliance with the provisions of this Lease or any other Transaction Document to which Lessee is a party will conflict with or result in a breach of or constitute a default under (i) any provision of law, (ii) any order, writ, judgment, injunction or decree of any court or other governmental agency, or (iii) any instrument by which Lessee or its properties are bound.

(d) There is no litigation, proceeding or investigation before or by any court, public board or body, whether state, local or federal, pending or threatened against or affecting Lessee, nor is there any basis therefor, wherein any unfavorable decision, ruling or finding would, in any way, adversely affect the business, operations or condition, financial or otherwise, of Lessee, or question the validity of any of the Transaction Documents or any action to be taken in connection therewith.

(e) The subleasing of the Project Facility by the Agency has induced Lessee to locate the Project Facility in the County, will increase employment opportunities and promote the health, general prosperity and economic welfare of the inhabitants of the County and will not result in the removal of any plant or facility of Lessee or any plant or facility of any other occupant or user of the Project Facility from one area of the State to another area of the State or in the abandonment of any plant or facility of Lessee or any other occupant or user of the Project Facility within the State.

(f) The Project Facility and the operation thereof will conform in all material respects with all applicable zoning, planning, building and environmental laws, and all ordinances, rules and regulations of governmental authorities having jurisdiction over the Project Facility.

(g) The Project Facility constitutes a project where facilities or property that are primarily used in making Retail Sales (as defined below) to customers who personally visit the Project Facility constitute more than one-third of the total cost of the Project but the project qualifies as a tourism destination project. "Retail Sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State primarily engaged in the retail sale of tangible personal property, as defined in section 1101(b)(4)(i) of the Tax Law of the State, or (ii) sales of a service to such customers.

(h) Neither this Lease nor any other Transaction Document nor any other document, certificate, agreement or instrument furnished by or on behalf of Lessee contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading.

(i) Lessee acknowledges receipt of notice of Section 874(8) of the Act, which requires that Lessee as agent of the Agency annually file a statement with the New York State Department of Taxation and Finance, on a form and in such a manner as is prescribed by the Commissioner of Taxation and Finance (hereinafter, the "Commissioner"), of the value of any and all sales and use tax exemptions claimed by Lessee under the authority granted by the Agency.

(j) Lessee acknowledges receipt of notice of Section 858-b of the Act, which requires that new employment opportunities created as a result of the Project be listed with the following entities (hereinafter, the "JTPA Entities"): (1) the New York State Department of Labor Community Services Division and (2) the administrative entity of the service delivery area created by the Federal Job Training Partnership Act (P.L. No. 97-300), or any successor statute thereto, in which the Project Facility is located. Lessee agrees, except as is otherwise provided

by collective bargaining contracts or agreements, where practicable, to first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the JTPA Entities.

(k) Lessee acknowledges receipt of notice of Section 874(9) of the Act, which requires the Agency, in the event a sales tax exemption is provided in connection with the Project, to (a) file within thirty (30) days of the date Lessee is designated the agent of the Agency, a statement with the New York State Department of Taxation and Finance, on a form and in such a manner as is prescribed by the Commissioner, identifying Lessee as agent of the Agency, setting forth the taxpayer identification number of Lessee, giving a brief description of the goods and/or services intended to be exempted from sales and use taxes as a result of such appointment as agent, indicating a rough estimate of the value of the goods and/or services to which such appointment as agent relates, indicating the date when such designation as agent became effective and indicating the date upon which such designation as agent shall cease, and (b) file within thirty (30) days of the date that the Agency's designation of Lessee as agent of the Agency described in subsection(a) of this subdivision has been amended, terminated, been revoked, or become invalid or ineffective for any reason, a statement with the New York State Department of Taxation and Finance relating thereto, on a form and in such a manner as is prescribed by the Commissioner, identifying Lessee as agent of the Agency, setting forth the taxpayer identification number and other identifying information of Lessee, the date as of which the original designation of Lessee as agent of the Agency was amended, terminated, revoked, or became invalid or ineffective and the reason therefor, together with a copy of the original designation of Lessee as agent for Agency. Lessee agrees to timely provide the foregoing information to the Agency and to otherwise cooperate with the Agency in connection with the preparation of any filings.

(l) Lessee acknowledges receipt of notice of Section 875(2) of the Act, which, among other things, requires the Agency, in the event a sales tax exemption is provided in connection with the Project, to prepare and file certain reports related to such sales tax exemption, including, without limitation, that within thirty (30) days of the date Lessee is designated the agent of the Agency, the Agency must report to the Commissioner the amount of the sales tax benefit related to the Project, a description of the Project, together with such other information and with such specificity and detail as the Commissioner may prescribe, which report will, at the discretion of the Commissioner, be made either in conjunction with the report required by Section 874(9) of the Act or as a separate report. Lessee acknowledges and understands that if the Agency fails to file any reports or make any information available to the Commissioner as required by Section 875(2) of the Act, the Agency will be prohibited from providing any sales tax exemptions for any project unless and until the Agency comes into compliance with all requirements of such provision. Lessee agrees to timely provide to the Agency all information required by, and to otherwise cooperate with the Agency in connection with its compliance with and enforcement of, Section 875(2) of the Act.

(m) No funds of the Agency shall be used in connection with the Project for the purpose of preventing the establishment of an industrial or manufacturing plant, nor shall any funds of the Agency be given in connection with the Project to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the

State, nor shall any funds of the Agency be used for advertising or promotional materials which depict elected or appointed government officials in either print or electronic media.

ARTICLE III

ACQUISITION OF PROJECT

3.1. Transfer.

(a) Pursuant to the Company Lease, Lessee has granted a leasehold interest to the Agency in all of Lessee's right, title and interest in and to the Premises for the purpose of undertaking and completing the Project. Lessee represents and warrants that it has good and marketable title to the Premises, free and clear of all Liens, except for Permitted Encumbrances, and agrees to defend (with counsel selected by the Agency), indemnify and hold the Agency harmless from any liability due to any defect in title thereto.

(b) Title to all materials, equipment, machinery and other items of property intended to be incorporated or installed in the Project Facility shall vest in the Agency immediately upon execution and in accordance with the terms of the Bill of Sale to Agency. Title to all materials, equipment, machinery or other items of property acquired subsequent to the Closing Date and intended to be incorporated or installed in the Project Facility shall vest in the Agency immediately upon deposit on the Premises or incorporation or installation in the Project Facility. Lessee shall execute, deliver and record or file all instruments necessary or appropriate to vest title to the above in the Agency and shall take all action necessary or appropriate to protect such title against claims of any third Person.

(c) Lessee and the Agency acknowledge that the Project Facility and the interest therein leased to the Agency by Lessee and subleased by the Agency back to Lessee are not "property" as defined in Title 5-A of the Public Authorities Law of the State because such property and the interests therein are security for Lessee's obligations to the Agency under this Lease and the other Transaction Documents, including, without limitation, (i) Lessee's obligation to acquire, install and maintain the Project Facility on behalf of the Agency, and (ii) the performance by Lessee to the Agency of Lessee's other obligations under this Lease and the other Transaction Documents.

3.2. Acquisition and Installation of the Project Facility.

(a) Lessee shall, on behalf of the Agency, acquire, construct and install the Project Facility on the Land in accordance with the Plans and Specifications.

(b) The Agency hereby appoints Lessee, and Lessee hereby accepts such appointment, as its true and lawful agent to perform the following in compliance with the terms, purposes and intent of the Transaction Documents: (i) to acquire, construct and install any and all aspects of the Project Facility in accordance with the Plans and Specifications; (ii) to execute and deliver any contracts, orders or instruments, and do all other things necessary or appropriate, for the acquisition, construction and installation of the Project Facility, on behalf of the Agency, provided that the liability of the Agency thereunder shall be limited to moneys made available

therefor by Lessee and advanced for such purposes by Lessee in accordance with this Lease; (iii) to pay all fees, costs and expenses incurred in connection with the Project Facility; and (iv) to ask, sue for, recover and receive all sums of money and other demands that may be due and owing to the Agency under and to enforce any contracts, orders or instruments in connection with the acquisition, construction or installation of the Project Facility.

(c) Lessee shall give or cause to be given all notices, secure all permits and licenses and comply or cause compliance with all Applicable Laws applying to or affecting the construction, installation or operation of the Project Facility, and Lessee will defend (with counsel selected by the Agency) and save the Agency and their respective officers, members and agents harmless from all reasonable fees, expenses and fines due to failure to comply therewith. All permits and licenses reasonably necessary for the prosecution of work on the Project Facility shall be timely procured by Lessee.

(d) If required by Applicable Law, Lessee, as agent of the Agency, will cause (i) compliance with the requirements of Article 8 of the New York Labor Law, and (ii) any contractors, subcontractors and other persons involved in the acquisition, construction and installation of the Project Facility to comply with Article 8 of the New York Labor Law. Lessee shall not take any action, or neglect to take any action, including, without limitation, the employment of any contractor, if such action or inaction results in jurisdictional disputes or strikes or labor disharmony in connection with the Project.

(e) Lessee agrees, for the benefit of the Agency, to undertake and complete the Project and to pay all such sums as may be required in connection therewith, including, without limitation, all costs related to the Project Facility and all permitting, planning and consulting fees. A leasehold estate to any portions of the Project Facility acquired and installed at Lessee's cost shall immediately upon such acquisition or installation vest in the Agency. Lessee shall execute, deliver and record or file such instruments as the Agency may request in order to perfect or protect the Agency's leasehold estate to such portions of the Project Facility, all at Lessee's sole cost and expense.

(f) No payment by Lessee pursuant to this Section 3.2 shall entitle Lessee to any reimbursement for any such expenditure from the Agency or to any diminution or abatement of any amounts payable by Lessee under this Lease.

3.3. Completion Date. Lessee will proceed with due diligence to complete the construction and installation of the Project Facility on or before May 1, 2017, provided, however, that failure to complete construction and installation of the Project Facility on or before such date shall not constitute an Event of Default so long as Lessee does thereafter complete the construction and installation of the Project Facility prior to August 1, 2017. Completion of the Project Facility shall be evidenced by a certificate signed by an Authorized Representative of Lessee delivered to the Agency stating: (i) the date of such completion (the "Completion Date"); (ii) that all labor, services, materials and supplies used therefor and all costs and expenses in connection therewith have been paid; (iii) that the acquisition, construction and installation of the Project Facility has been completed, with the exception of ordinary punchlist items (if any), and that such completion has been accomplished in a manner so as to conform with all Applicable Laws; (iv) that Lessee or the Agency has good and valid title to all property constituting a

portion of the Project Facility, free and clear of all Liens and encumbrances except Permitted Encumbrances; (v) that the Project Facility is ready for occupancy, use and operation for its intended purposes; and (vi) that all certificates, including any certificate of occupancy, necessary for the operation of the Project Facility have been secured.

3.4. Title Insurance and Survey. On or prior to the Closing Date, Lessee will obtain and deliver to the Agency (i) title insurance in the amount of at least \$100,000 insuring the leasehold estate of the Agency, subject only to Permitted Encumbrances, and (ii) a survey of the Premises acceptable to counsel for the Agency.

3.5. Sales Tax Exemption.

(A) Pursuant to Section 874 of the Act, the parties understand that the Agency is exempt from certain sales and use taxes imposed by the State and local governments in the State, and that the Project may be exempted from those taxes due to the involvement of the Agency in the Project. Any exemption from the payment of New York sales and use taxes resulting from Agency involvement in the Project shall be limited to purchases of services and the purchase or lease of tangible personal property conveyed to the Agency or utilized by the Agency or by the Lessee as agent of the Agency, in connection with the completion of the acquisition, construction, installation and equipping of the Project Facility (but not the operation thereof). No operating expenses (including, without limitation, costs of utilities, cleaning services or supplies) of the Project Facility and no other purchases or leases of services or property shall be subject to an exemption from the payment of New York sales or use taxes. The Agency makes no representations or warranties that any property or service is exempt from the payment of New York sales or use taxes.

(B) On the Closing Date, the Agency and the Lessee shall execute and deliver a sales tax agency agreement in the form attached hereto as Exhibit D (the "Sales Tax Agency Agreement"). The granting of the sales and use tax exemption herein is subject to the following additional terms and conditions:

(1) The Sales Tax Agency Agreement shall be dated the Closing Date and shall be effective for a term commencing on its date and expiring upon the earliest to occur of: (a) the termination of this Lease, (b) August 1, 2017 (the "Sales Tax Expiration Date"), or (c) the termination of the Sales Tax Agency Agreement pursuant to the terms hereof and thereof;

(2) Anything in this Lease or the Sales Tax Agency Agreement to the contrary notwithstanding, the sales and use tax exemption to be provided pursuant to the Sales Tax Agency Agreement (a) shall not be available for any date subsequent to which the Sales Tax Agency Agreement shall have been suspended as provided in this Lease; provided, however, that in the event the Lessee shall thereafter cure the default(s) giving rise to such suspension, or the Agency shall thereafter waive such suspension and the sales and use tax exemption shall again continue from the date of such cure or waiver; (b) shall not be available for or with respect to any tangible personal property having a useful life of less than one year; and (c) shall not be available after the Lessee (or the contractors or subcontractors engaged by the Lessee and approved by the Agency as its agents) shall

have made purchases under the Sales Tax Agency Agreement resulting in sales and use tax exemptions in the aggregate amount of the Maximum Sales Tax Benefit;

(C) The Lessee agrees to furnish to the Agency within fifteen (15) days after the end of each calendar quarter, a sales and use tax exemption report (the "Quarterly Sales Tax Report"), in form and substance satisfactory to the Agency in its reasonable judgment, with respect to the use of the Sales Tax Agency Agreement by the Lessee (and the contractors and subcontractors engaged by the Lessee and approved by the Agency) under the authority granted to the Lessee pursuant to Section 3.2(b) of this Lease during the preceding calendar quarter. Each said Quarterly Sales Tax Report shall be certified by an Authorized Representative of the Lessee and shall: (1) identify the contracts and specific property exempted from sales taxes and/or use taxes during such period; (2) indicate the parties to said contract; (3) indicate the maximum amount payable under said contract and indicate what portion of said amount would normally be subject to sales and use taxes imposed in the State; (4) indicate the amount of sales tax benefit expected to be received with respect to said contract; and (5) indicate the cumulative sales tax benefit claimed by the Lessee (and its contractors and subcontractors approved by the Agency as its agents) with respect to the Project for the calendar year.

(D) Pursuant to Section 874(8) of the Act, the Lessee agrees to file annually (through the year after the Sales Tax Agency Agreement expires or is earlier terminated), with the New York State Department of Taxation and Finance (the "Department"), no later than January 15th of each year, on a form and in such manner as is prescribed by the New York State Commissioner of Taxation and Finance (the "Annual Sales Tax Report"), a statement of the value of all sales and use tax exemptions claimed by the Lessee (and the contractors and subcontractors engaged by the Lessee and approved by the Agency) under the authority granted to the Lessee pursuant to Section 3.2(b) of this Lease during the preceding calendar year. Pursuant to Section 874(8) of the Act, the penalty for failure to file the Annual Sales Tax Report shall be the termination of authority to act as agent of the Agency. Additionally, if the Lessee shall fail to comply with the requirements of this subsection (D), the Lessee (and its contractors and subcontractors) shall immediately cease to be the agent of the Agency in connection with the Project. Such obligation shall terminate with the filing of such statement for the partial year ending on the Sales Tax Expiration Date.

(E) The Lessee agrees to furnish to the Agency, simultaneously with its delivery of such report to the Department, a copy of each such Annual Sales Tax Report submitted to the Department by the Lessee pursuant to Section 874(8) of the Act.

(F) The Lessee acknowledges that, pursuant to Section 874(9) of the Act, the Agency shall file within thirty (30) days of the Closing Date, or such other date an agent of the Agency is approved by the Agency as set forth in Section 3.5 (H) of this Lease, with the Department on a form and in such manner as is prescribed by the New York State Commissioner of Taxation and Finance (the "Thirty-Day Sales Tax Report"), statements identifying the Lessee and its contractors and subcontractors approved by the Agency as agents of the Agency, setting forth the taxpayer identification numbers of such Persons, giving a brief description of the goods and/or services intended to be exempted from sales taxes as a result of such appointment as agent, indicating a rough estimate of the value of the goods and/or services to which such appointment as agent relates, indicating the date when such designation as agent became effective and indicating the date upon which such designation as agent shall cease. The Lessee

agrees to timely provide the foregoing information to the Agency and to otherwise cooperate with the Agency in connection with the preparation and filing of the Thirty-Day Sales Tax Report.

(G) With respect to any period in which the Lessee (and the contractors and subcontractors engaged by the Lessee and approved by the Agency) receives a sales tax exemption benefit under the authority granted to the Lessee pursuant to Section 3.2(b) of this Lease, the Lessee agrees to furnish to the Agency, on request, an opinion of a certified public accountant to the effect that such accountant has audited the claiming of such exemption from sales and use taxes by the Lessee (and the contractors and subcontractors engaged by the Lessee and approved by the Agency) for the preceding calendar year, and has reviewed the terms and provisions of the Sales Tax Agency Agreement and of this Section 3.5, and has further audited the Quarterly Sales Tax Reports for the preceding calendar year, and that such Quarterly Sales Tax Reports were properly prepared and accurately reflect the matters certified therein. The obligation to furnish such opinion shall not apply with respect to any period after the Sales Tax Expiration Date.

(H) The Lessee covenants and agrees that it shall include or cause to be included the following language in and as a part of each contract, agreement, lease, invoice, bill or purchase order entered into by the Lessee (or a contractor or subcontractor engaged by the Lessee and approved by the Agency as its agent), as agent of the Agency, in connection with the acquisition, construction, installation and equipping of the Project Facility:

“This [contract, agreement, lease, invoice, bill or purchase order] is being entered into by [_____] (the “Agent”), as approved agent for and on behalf of the County of Chautauqua Industrial Development Agency (the “Agency”) in connection with a certain project (the “Project”) of the Agency for CHADWICK BAY MARINA LLC and PIER LLC (together, the “Company”) consisting in part of the renovation of and approximately 5,700 square foot building and 200 square foot building located at 24 Lake Shore Drive, Dunkirk, NY 14048, Dunkirk, County of Chautauqua, New York (the “Premises”) and the acquisition of certain capital improvements, materials, machinery, equipment, trade fixtures, furniture, furnishings and other tangible personal property necessary for the completion of the Project. The capital improvements, materials, machinery, equipment, trade fixtures, furniture, furnishings and other tangible personal property necessary for completion of the Project which are the subject of this [contract, agreement, lease, invoice, bill or purchase order] shall be exempt from the sales and use taxes levied by the State of New York and the County of Chautauqua if effected in accordance with the terms and conditions set forth in the attached Sales Tax Agency Agreement of the Agency, and the Agent hereby represents that this [contract, agreement, lease, invoice, bill or purchase order] is in compliance with the terms of the Sales Tax Agency Agreement. This [contract, agreement, lease, invoice, bill

or purchase order] is non-recourse to the Agency, and the Agency shall not be directly, indirectly or contingently liable or obligated hereunder in any manner or to any extent whatsoever. By execution or acceptance of this [contract, agreement, lease, invoice, bill or purchase order], the [vendor, lessor, licensor, contractor or subcontractor] hereby acknowledges and agrees to the terms and conditions set forth in this paragraph.”

If the Lessee fails to include, incorporate by reference or otherwise cause the contract, agreement, lease, invoice, bill or purchase order to be subject to the above provision, then such contract, agreement, lease, invoice, bill or purchase order shall not be an undertaking on behalf of the Agency and shall not be entitled to any of the benefits that may be conferred by the Agency, neither the Lessee nor any contractor or subcontractor engaged by the Lessee and approved by the Agency as its agent shall claim any sales or use tax benefits or exemptions with respect thereto, and the Lessee shall return or cause to be returned to the Agency any such benefits or exemptions so taken, together with interest thereon at a rate of 12% per annum (the “Default Rate”) from the date of such taking.

The appointment by the Lessee of a contractor or subcontractor as an agent of the Agency pursuant to this Section 3.5 shall be subject to the prior written approval of the Agency, which approval shall not be unreasonably withheld. Any such appointment approved by the Agency shall not be valid unless and until the contractor or subcontractor executes and delivers an agency agreement in the form required by the Agency (each, a “Sub-Agent Agency Agreement”).

(I) The Lessee agrees to provide a completed Form ST-123, *IDA Agent or Project Operator Exempt Purchase Certificate* (each, a “Form ST-123”), to each vendor, lessor, licensor, contractor or subcontractor from which the Lessee (or a contractor or subcontractor engaged by the Lessee and approved by the Agency as its agent) purchases and/or leases goods or services or with which the Lessee (or a contractor or subcontractor engaged by the Lessee and approved by the Agency as its agent) enters into an improvement or installation contract relating to the acquisition, construction, installation and equipping of the Project Facility. The Lessee acknowledges that, pursuant to Section 875 of the Act, the Form ST-123 must be provided to the vendor, lessor, licensor, contractor or subcontractor in order for the contract, agreement, lease, invoice, bill or purchase order to be exempt from the imposition of sales and/or use taxes pursuant to the authority granted under Section 3.2(b) of this Lease. The Lessee agrees to provide the Agency a copy of each such Form ST-123 within ten (10) days after the delivery of such form to the vendor, lessor, licensor, contractor or subcontractor.

(J) (1) Without limitation of any of the Agency’s other rights under this Lease, in the event that the Lessee (or any contractor or subcontractor engaged by the Lessee and approved by the Agency as its agent) shall utilize the sales or use tax exemption provided pursuant to Section 3.5 of this Lease (i) in a manner that is not authorized or for which the Lessee (or any contractor or subcontractor engaged by the Lessee and approved by the Agency as its agent) is not entitled to claim an exemption, (ii) to claim exemptions in excess of the Maximum Sales Tax Benefit, (iii) to purchase or lease goods or services that are not authorized under this Lease, or (iv) in a manner that violates the provisions of this Section 3.5 or any other provision of this Lease or any provision of the Sales Tax Agency Agreement or Sub-Agent Agency Agreement,

then the Lessee shall promptly deliver notice of same to the Agency, and the Lessee shall promptly pay or cause to be paid to the Agency a return of sales or use tax exemptions in an amount equal to all such unauthorized sales or use tax exemptions together with interest at the Default Interest Rate from the date and with respect to the dollar amount for which each such unauthorized sales or use tax exemption was used by the Lessee (or a contractor or subcontractor engaged by the Lessee and approved by the Agency as its agent). If the Lessee fails to promptly pay such return of sales or use tax exemptions when due, the Agency shall have the right, without limitation of any of its other rights under this Lease, to take any action or commence any proceeding at law or in equity which may appear necessary or desirable to the Agency to recover any such amounts and the Agency shall have the right to join the Commissioner as a party in any such action or proceeding. The Lessee shall cooperate with the Agency in all such actions and proceedings to recover such amounts. The Lessee acknowledges and agrees that its failure to pay over any such amounts to the Agency shall also be grounds for the Commissioner to assess and determine State sales and use taxes due from the Lessee under Article 28 or Article 28-A of the New York State Tax Law, together with any applicable penalties and interest due on such amounts.

(2) The Lessee acknowledges and agrees that, in the event the Agency recovers, receives or otherwise obtains any amount of State sales and use tax from the Lessee (or a contractor or subcontractor engaged by the Lessee and approved by the Agency as its agent) pursuant to the foregoing subsection, the Agency shall have the right to remit same to the Commissioner, together with such information and report that the Commissioner deems necessary to administer payment over of such amounts, and the Lessee agrees to indemnify, defend (with counsel selected by the Agency) and hold harmless the Agency and its members, officers, agents (other than the Lessee), attorneys, servants and employees, past, present and future, against any liability incurred as a result of remitting such amounts to the Commissioner.

(3) Pursuant to Section 875 of the Act, the Agency shall prepare and file an annual compliance report (each, a "Compliance Report") detailing provisions of this Lease and, if applicable, its activities and efforts to recover, receive or otherwise obtain State sales and use taxes pursuant to the terms of this Lease, together with such other information as the Commissioner and/or the Commissioner of Economic Development may require, which Compliance Report will be filed with the Commissioner, the Director of the Division of the Budget, the Commissioner of Economic Development, the State Comptroller and the Chautauqua County Legislature. The Lessee acknowledges the provisions of Section 875 of the Act, agrees to timely provide any information required by the Agency in connection with such Compliance Report and agrees to cooperate with the Agency in connection with the preparation and filing of such Compliance Report.

ARTICLE IV

DEMISE OF PROJECT FACILITY; RENTAL PROVISIONS

4.1. Demise. The Agency hereby leases the Project Facility to Lessee, and Lessee hereby leases the Project Facility from the Agency, upon the terms and conditions of this Lease.

4.2. Lease Term; Quiet Enjoyment. The leasehold estate created hereby shall commence on the Closing Date and, provided that all amounts, costs and expenses payable by Lessee to the Agency under this Lease and all other Transaction Documents are paid in full, shall terminate at 12:00 a.m. on the earliest to occur of (1) January 31, 2031, or (2) the date that this Lease shall terminate pursuant to Article VIII or Article IX hereof, or (3) the date that the Company Lease shall terminate pursuant to the terms thereof. The Agency shall not take nor permit any action, other than pursuant to Article VIII of this Lease, to prevent Lessee during the term of the Lease from having quiet and peaceable possession of the Project Facility or which will otherwise adversely affect the rights or estate of Lessee hereunder, except upon the written consent of Lessee.

4.3. Rent and Other Amounts Payable. Lessee shall pay to the Agency as the basic rental payments due hereunder: (i) the sum of One Dollar (\$1.00) per year due on each anniversary of the Closing Date throughout the term of this Lease, but paid in advance; (ii) all reasonable fees and expenses of Counsel to the Agency with respect to the Project, and (iii) all other costs and expenses incurred by the Agency in connection with the transactions contemplated by this Lease and the other Transaction Documents (items (ii) and (iii) to be paid upon demand therefor from the Agency). In addition to the foregoing, Lessee shall also pay to the Agency, as additional rent, within fifteen (15) days after receipt of demand therefor from the Agency, the sum of the expenses of the Agency and the officers, members and agents thereof, incurred by reason of the Agency's leasing, subleasing or sale of the Project Facility or in connection with the carrying out of the Agency's duties and obligations under this Lease or any of the other Transaction Documents, and any other fee or expense of the Agency with respect to the Project Facility, the subleasing or sale of the Project Facility to Lessee, or any of the other Transaction Documents, the payment of which is not otherwise provided for under this Lease. All payments made pursuant to this Article IV shall be made in immediately available funds in lawful money of the United States.

4.4. Administrative Fee. Lessee shall pay to the Agency, at Closing, an administrative fee in the amount of \$5,000. Such administrative fee is non-refundable and is deemed earned in full upon the execution and delivery of this Lease.

4.5. Security Interest. Lessee hereby grants to the Agency a security interest in all of its right, title and interest in the Project Facility and in all additions and accessions thereto, all replacements and substitutions therefor, all books, records and accounts of Lessee pertaining to the Project Facility, and all proceeds and products thereof (collectively, the "Collateral"), as security for the obligations (payment and otherwise) of Lessee under this Lease and the other Transaction Documents. The Agency is authorized to file financing statements with respect to the Collateral with or without the signature of Lessee thereon and to do any other acts or things necessary or appropriate in order to perfect the security interest created hereby. The Agency's rights with respect to the Collateral, in addition to its other rights set forth in or created by this Lease or any Applicable Laws, shall be those of a secured party under the Uniform Commercial Code adopted in the State, as the same may be amended from time to time. The Agency's security interest created by this Section 4.5, together with the Agency's rights in connection therewith, shall survive any termination of this Lease and shall continue in effect until all amounts owed pursuant to this Lease and the other Transaction Documents have been paid in full.

ARTICLE V

COVENANTS OF LESSEE

5.1. Maintenance and Operation. Lessee shall: (i) not abandon the Project Facility nor cause or permit any waste, loss or damage, ordinary wear and tear excepted, to the Facility; (ii) not remove any part of the Project Facility outside the jurisdiction of the Agency; (iii) maintain and operate the Project Facility and make all reasonably necessary repairs and replacement thereto (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen); (iv) not take any action or fail to take any action which would cause the Project Facility not to constitute a "project" for purposes of the Act. Lessee may from time to time make structural additions, modifications and improvements to the Project Facility which it deems desirable, all of which shall become a part of the Project Facility (but in no way an obligation or expense of the Agency); provided, however, that the Agency's prior consent shall be required to the extent any such additions, modifications or improvements will have an impact on the assessed value of the Premises.

5.2. Taxes and Special Assessments.

(a) Lessee shall pay or cause to be paid, as the same respectively become due: (i) all taxes and governmental charges of any kind which may at any time be lawfully assessed or levied against or with respect to the Project Facility; (ii) all utility and other charges incurred or imposed with respect to the Project Facility or the operation, maintenance, use, occupancy, upkeep or improvement thereof, and (iii) all assessments and charges of any kind lawfully imposed by any governmental body.

(b) Lessee may in good faith contest any such taxes, assessments and other charges, so long as the overall operating efficiency of the Project Facility for the purposes for which it is intended is not impaired. In the event of any such contest, Lessee may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom, provided that (i) Lessee is not in default under any of the Transaction Documents, (ii) neither the Project Facility nor any part thereof or interest therein would be in any immediate danger of being sold, forfeited or lost by reason of such proceedings, (iii) Lessee diligently prosecutes such contest to completion, and (iv) Lessee shall have set aside on its books adequate reserves with respect thereto.

5.3. Insurance.

(a) At all times throughout the term of this Lease, Lessee will maintain or cause to be maintained, in financially sound and generally recognized responsible insurance companies, the following insurance coverages:

(i) "All-Risk" property insurance protecting the interests of Lessee and the Agency, as their interests may appear, in an amount sufficient to cover 100% of the replacement cost of the Project Facility, without deduction for depreciation;

(ii) insurance protecting Lessee and the Agency against loss or losses from liabilities imposed by law or assumed in any written contract (including the contractual liability assumed by Lessee under Section 5.6 hereof) and arising from personal injury and death or damage to the property of others caused by any accident or occurrence, with limits of not less than \$2,000,000 per accident or occurrence on account of personal injury and property damage and an excess liability policy in an amount not less than \$4,000,000, including the Agency as an additional insured party; and

(iii) during any period of capital renovation, construction, improvement or reconstruction (but not including routine maintenance and repairs) (A) "Builder's Risk" extended coverage casualty insurance in an amount satisfactory to the Agency, and (B) to the extent not covered by the liability insurance described in the preceding paragraph, Owners & Contractors Liability Insurance for the benefit of Lessee and the Agency with limits for personal and property damage satisfactory to the Agency.

(b) All policies evidencing the insurance required by this Section 5.3 shall name Lessee and the Agency as insureds and provide for (i) unless otherwise provided in any mortgage affecting the Premises, payment of the losses to Lessee and the Agency as their respective interests may appear, and (ii) at least thirty (30) days' written notice to Lessee and the Agency prior to cancellation, lapse, reduction of benefits or material change in coverage thereof. Certificates satisfactory in form and substance to the Agency to evidence all insurance required hereby shall be delivered to the Agency on or before the Closing Date. Prior to the expiration of any policy of insurance, Lessee shall furnish to the Agency evidence that the policy has been renewed or replaced or is no longer required by this Lease.

(c) The Net Proceeds of the insurance required by Sections 5.3(a)(i) and 5.3(a)(iii)(A) shall be applied as set forth in Section 7.1 hereof, and the Net Proceeds of the insurance required by Sections 5.3(a)(ii) and 5.3(a)(iii)(B) shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance is written.

5.4. Disposal of Assets. During the term of this Lease, Lessee shall maintain its corporate existence and its state of formation as in effect on the date hereof and not dissolve, liquidate or otherwise dispose of all or substantially all of its assets, nor shall Lessee merge or consolidate with another Person or permit one or more Persons to merge or consolidate with it, without the written consent of the Agency.

5.5. Right of Agency to Perform Lessee's Obligations. Should Lessee fail to make any payment or to do any act provided for in this Lease which amounts to an Event of Default, the Agency may, but shall not be obligated to, without notice to or demand on Lessee and without releasing Lessee from any obligation, make or do the same on behalf of Lessee, including, without limitation, appearing in and defending any action purporting to affect the rights or powers of Lessee or the Agency, and paying all premiums, fees, actual costs and expenses (including reasonable attorneys' fees and expenses) incurred by the Agency in connection therewith; and Lessee shall pay immediately upon demand all sums so incurred or expended by the Agency under the authority hereof, together with interest thereon, at the Default Rate.

5.6. Indemnity and Hold Harmless Provisions.

(a) Lessee releases the Agency from, agrees that the Agency shall not be liable for, and indemnifies, defends (with counsel selected by the Agency) and holds harmless the Agency and its officers, members, agents (other than Lessee) and employees, past, present and future, from and against any and all claims, causes of action, judgments, liabilities, damages, losses, costs and expenses (including reasonable attorneys' fees) resulting from or arising in connection with the Agency's undertaking the Project, including, but not limited to: (i) liability for loss or damage to property or bodily injury to or death of any and all persons that may be occasioned, directly or indirectly, by any cause whatsoever pertaining to the Project or the Project Facility or arising by reason of or in connection with the occupation or the use thereof or the presence of any person or property on, in or about the Project Facility, (ii) liability arising from or expense incurred by the Agency's acquiring, renovating, constructing, equipping, installing, owning, subleasing or selling the Project Facility, including, without limiting the generality of the foregoing, any sales or use taxes which may be payable with respect to goods supplied or services rendered with respect to the Project Facility, all liabilities or claims arising as a result of the Agency's obligations under this Lease or any of the other Transaction Documents or the enforcement of or defense of validity of any provision of any of the Transaction Documents, (iii) liability or loss in connection with or occasioned by any breach of Lessee's covenants or agreements under this Lease; (iv) all claims arising from the exercise by Lessee of its authority conferred pursuant to Section 3.2(b) hereof, and (v) all causes of action and reasonable attorneys' fees and other expenses incurred in connection with any suits or actions which may arise as a result of any of the foregoing; provided that such claims, causes of action, judgments, liabilities, damages, losses, costs or expenses of the Agency are not incurred or do not result from the intentional wrongdoing or gross negligence of the Agency or any of its officers, members, agents (other than Lessee) and employees. The foregoing indemnities shall not apply to the Agency or any of its officers, members, agents and employees to the extent of their own gross negligence or intentional misconduct. Lessee agrees to provide for and insure, to the extent possible, in the liability policies required by Section 5.3 (a)(ii) of this Lease, its liabilities assumed pursuant to this Section 5.6.

(b) Notwithstanding any other provisions of this Lease, the obligations of Lessee pursuant to this Section 5.6 shall remain in full force and effect after the termination of this Lease until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters herein described may be brought, the payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all expenses and charges incurred by the Agency or its officers, members, employees or agents, relating to the enforcement of the provisions herein specified.

5.7. Limitation of Liability of the Agency. Notwithstanding any other provision of this Lease, any liability of the Agency to Lessee under this Lease shall be enforceable only out of the Agency's interest under this Lease, and there shall be no other recourse against the Agency, its officers, members, agents and employees, past, present or future, or any of the property now or hereafter owned by it or them.

5.8. Discharge of Liens. If any Lien (other than a Permitted Encumbrance) is filed or asserted against the Project Facility or the Agency's or Lessee's interest therein, Lessee will

cause each such Lien to be fully discharged and released or bonded within sixty (60) days after its assertion; provided, however, Lessee may contest any such Lien in good faith. If any such Lien shall be reduced to final judgment, and such judgment or other process issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, Lessee shall forthwith pay and discharge said judgment.

5.9. Certificate of No Default; Financial Statements. Within one hundred twenty (120) days after the close of each fiscal year, Lessee shall, upon the request of the Agency, furnish to the Agency: (i) a certificate stating that no Event of Default under this Lease has occurred, and that no event has occurred which with the giving of notice or lapse of time or both would constitute an Event of Default (or, if either of such statements is not correct, the details with respect to the event or occurrence); and (ii) audited financial statements of Lessee consisting of a balance sheet as of the last day of such period and an operating or income statement through the last day of such period.

5.10. Compliance with Laws. Lessee agrees that it will, during the term of this Lease and at its own cost and expense, comply with all Applicable Laws. Lessee hereby acknowledges receipt of notice of Section 875 of the Act to the extent not referenced elsewhere in this Lease.

5.11. Employment Opportunities.

(a) Lessee shall insure that all employees and applicants for employment with regard to the Project are afforded equal employment opportunities without discrimination.

(b) Pursuant to Section 858-b of the Act, except as otherwise provided by collective bargaining contracts or agreements, Lessee agrees (i) to list all new employment opportunities created as a result of the Project with the New York State Department of Labor, Community Services Division (the "NYSDOL") and with the administrative entity (collectively with NYSDOL, the "JTPA Referral Entities") of the service delivery area created by the federal Job Training Partnership Act (P.L. No. 97-300) (including any successor statute thereto, the "JTPA") in which the Project is located, and (ii) where practicable, to first consider for such new employment opportunities persons eligible to participate in federal JTPA programs who shall be referred by the JTPA Referral Entities.

(c) Pursuant to the requirements of subsection one of Section 6 of Chapter 127 of the 1995 Laws of the State, Lessee agrees to file with the Agency, prior to the effective date of this Lease, an employment plan, in form and substance satisfactory to the Agency.

(d) Pursuant to the requirements of subsection one of Section 6 of Chapter 127 of the 1995 Laws of the State, Lessee agrees to file with the Agency, on an annual basis not later than January 1 of each year during the term of this Lease, reports regarding the number of people employed at the Project Facility and certain other matters, such annual employment report to be in such form and to contain such information as may be reasonably requested by the Agency.

ARTICLE VI

HAZARDOUS MATERIALS

6.1. Environmental Representations and Warranties. Lessee represents and warrants that, (i) Lessee has not used Hazardous Materials on, from or affecting the Project Facility in any manner which violates any Environmental Law, (ii) the environmental and ecological condition of the Project Facility is not in violation of any Environmental Law, (iii) Lessee has all Environmental Permits required to construct and operate the Project Facility and is in compliance with their requirements, (iv) the Premises is not listed in CERCLIS, the NPL, the New York State Registry of Inactive Hazardous Waste Sites, or any similar state or local listing nor is it included in an area included in such a list, and Lessee has no knowledge that such a listing is pending or contemplated, (v) no event has occurred on, from or affecting the Project Facility in any manner which, with the passage of time or the giving of notice or both, would constitute a violation of any Environmental Law on, from or affecting the Project Facility in any manner, (vi) to the best of Lessee's knowledge, there are not now, nor have there ever been, above ground or underground storage tanks on or under the Premises, (vii) there are no actions, suits, claims or proceedings seeking money damages, injunctive relief, remedial action or any other remedy pending or, to Lessee's knowledge, threatened relating to a violation of Environmental Law on, from or affecting the Project Facility in any manner or the disposal, discharge or release of Hazardous Materials therein, (viii) there has been no release or threatened release of any Hazardous Materials on, upon or into the Project Facility site and, to Lessee's knowledge, there have been no such releases or threatened releases on, upon or into any real property adjoining or in the vicinity of the Project Facility site which through soil or groundwater migration could have come to be located upon the Project Facility site, and (ix) to the best of Lessee's knowledge, no prior owner of the Project Facility or any tenant, subtenant, operator, occupant, prior tenant, prior subtenant, prior operator or prior occupant, has used Hazardous Materials on, from or affecting the Project Facility in any manner which violates any Environmental Law.

6.2. Environmental Covenants.

(a) Except in compliance with all Environmental Laws, Lessee shall keep and shall cause the Project Facility to be kept free of Hazardous Materials. Without limiting the foregoing, Lessee shall not cause or permit the Project Facility to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials, except in compliance with all Environmental Laws, nor shall Lessee cause or permit, as a result of any intentional or unintentional act or omission on the part of Lessee, or any tenant, subtenant, operator or occupant of the Project Facility, a release or threatened release of Hazardous Materials onto, under or from the Project Facility or onto any other property except in compliance with all Environmental Laws. Lessee shall not cause or permit, as a result of any intentional or unintentional act or omission on the part of Lessee or its members, directors, officers, agents, servants, employees or representatives, a release or threatened release of Hazardous Materials on, under or from the Project Facility except in compliance with all Environmental Laws.

(b) Lessee shall comply with, and ensure compliance by all tenants, subtenants and occupants of the Project Facility with, all Environmental Laws whenever and by whomever triggered, and shall obtain and comply with, and ensure that all tenants, subtenants, operators and

occupants of the Project Facility obtain and comply with, any and all approvals, registrations or permits required thereunder. Lessee agrees to provide the Agency with copies of any notifications given by Lessee to any governmental authority or received by Lessee from any governmental authority with respect to any Environmental Law respecting the Project Facility.

(c) Lessee shall (i) conduct and complete all investigations, studies, sampling, and testing, and all remedial, removal, and other actions necessary to clean up, remove or contain all Hazardous Material on, from or affecting the Project Facility (A) in accordance with all Applicable Laws, (B) to the reasonable satisfaction of the Agency, and (C) in accordance with the orders and directives of all governmental authorities, and (ii) defend (with counsel selected by the Agency), indemnify, and hold harmless the Agency and its employees, agents, officers, attorneys, servants and members, past, present and future, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, whether groundless or not, arising out of, or in any way related to: (A) the presence, disposal, release or threatened release of any Hazardous Materials on, from, under or affecting the Project Facility, (B) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (C) any lawsuit brought or threatened, settlement reached, or any government order relating to such Hazardous Materials, and/or (D) any violation of any Environmental Law, including, without limitation, reasonable attorney and consultant fees, costs of remediation, investigation and laboratory fees, court costs and litigation expenses. Costs under this subsection 6.2 (c) will be repaid immediately with interest at the Default Rate.

(d) In the event that insurance is or shall become available at a reasonable cost to cover Lessee's obligations under this Section 6.2, then, at the option of the Agency, Lessee shall obtain adequate coverage.

ARTICLE VII

DAMAGE TO AND STATUS OF PROJECT

7.1. Damage, Destruction and Condemnation.

(a) If (i) the Project Facility or any portion thereof shall be destroyed (in whole or in part) or damaged by fire or other casualty, or (ii) title to, or the temporary use of the Project Facility or any portion thereof shall be taken under the exercise of the power of eminent domain by a Person acting under governmental authority, Lessee may, within thirty (30) days after the occurrence, terminate this Lease and the Company Lease upon notice to the Agency or continue the Lease and the Company Lease in effect. In no event shall the Agency have any liability or duty to replace, repair, rebuild or restore the Project Facility.

(b) Lessee shall have the right to settle and adjust all claims under any policies of insurance or in condemnation on behalf of the Agency and itself. Lessee shall be entitled to the proceeds of any condemnation award related to the Project Facility and the Agency shall have no interest therein.

7.2. No Warranty by Agency. THE AGENCY MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF THE PROJECT FACILITY OR ANY PART THEREOF OR AS TO THE SUITABILITY OF THE PROJECT FACILITY OR ANY PART THEREOF FOR LESSEE'S PURPOSES OR NEEDS. LESSEE ACCEPTS THE PROJECT FACILITY "AS IS".

7.3. Inspection. The Agency and its agents shall have the right at all reasonable times and upon advance notice to inspect the Project Facility.

7.4. Information. Lessee agrees to provide promptly such information concerning Lessee, its finances and the Project Facility as the Agency may reasonably request from time to time, including, without limitation, any such information required to enable the Agency to make any report(s) required by Applicable Laws.

7.5. Identification of Equipment. All Equipment which is or may become a part of the Project Facility shall be properly identified by Lessee by such appropriate records as may be approved by the Agency.

7.6. Depreciation. The parties agree that, as between them, Lessee shall be entitled to all depreciation or recovery deductions with respect to any depreciable property in the Project Facility pursuant to Sections 167 or 168 of the Internal Revenue Code and to all other state and/or federal income tax deductions and credits which may be available with respect to the Project Facility.

7.7. Restriction on Sale and Encumbrance of Project Facility. Except as otherwise specifically provided in this Lease, Lessee shall not sell, convey, transfer or encumber the Project Facility or any part thereof without the prior written consent of the Agency, which consent may be granted or withheld in the Agency's sole discretion.

7.8. Assignment or Sub-Sublease. Lessee shall not at any time assign or transfer this Lease, in whole or in part, nor shall Lessee sub-sublet the whole or any part of the Facility, without the prior written consent of the Agency. Any consent by the Agency to any act of assignment, transfer or sub-sublease shall be held to apply only to the specific transaction thereby authorized. Such consent shall not be construed as a waiver of the duty of Lessee or the successors or assigns of Lessee, to obtain from the Agency consent to any other or subsequent assignment, transfer or sub-sublease, or as modifying or limiting the rights of the Agency under the foregoing covenant by Lessee.

7.9. Merger of Agency.

(a) Nothing contained in this Lease shall prevent the consolidation of the Agency with, the merger of the Agency into, or the assignment by the Agency of its rights and interests hereunder to, any other public benefit corporation of the State or any political subdivision thereof which has the legal authority to own and lease the Project Facility and to perform the Agency's obligations hereunder, provided that upon any such consolidation, merger or assignment, the due and punctual performance and observance of all the agreements and conditions of this Lease to

be kept and performed by the Agency shall be expressly assumed in writing by the public benefit corporation or political subdivision resulting from such consolidation, surviving such merger or to which the Agency's rights and interests under this Lease shall be assigned.

(b) The Agency shall endeavor to give Lessee notice in reasonable detail as to any such consolidation, merger or assignment. The Agency shall promptly furnish such additional information with respect to any such consolidation, merger or assignment as Lessee may reasonably request.

7.10. Waiver of Real Property Law Section 227. Lessee hereby waives the provisions of Section 227 of the Real Property Law of the State or any laws of like import now or hereafter in effect.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

8.1. Events of Default Defined. Any one or more of the following events shall be "Events of Default" under this Lease:

(a) failure by Lessee to pay or cause to be paid any amount due under this Lease or under any other Transaction Document within ten (10) days of when due;

(b) failure by Lessee to observe and perform any other of the covenants, conditions or agreements in this Lease on its part to be observed or performed and the continuation thereof for a period of thirty (30) days after written notice thereof is given by the Agency to Lessee;

(c) Lessee shall (i) apply for or consent to the appointment of or the taking of possession by a receiver, custodian, trustee or liquidator of itself or of any of its assets, (ii) admit its inability, or be generally unable, to pay its debts as such debts become due, (iii) make a general assignment for the benefit of its creditors, (iv) commence a voluntary case under the federal Bankruptcy Code (as now or hereafter in effect), (v) file a petition or other request seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, or (vi) take any corporate action for the purpose of effecting any of the foregoing;

(d) a proceeding or case shall be commenced, without the application or consent of Lessee, in any court of competent jurisdiction, seeking (i) liquidation, reorganization, arrangement, adjustment of debts, adjudication as a bankrupt, dissolution, winding-up, or relief as a debtor, (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of Lessee or of any of its assets, or (iii) similar relief under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of sixty (60) days;

(e) any certificate, statement, representation, warranty or financial statement furnished by or on behalf of Lessee shall prove to have been false or misleading in any material respect at the time as of which the facts therein set forth were made, or to have omitted any substantial or unliquidated liability or claim against Lessee;

(f) there shall be a default in respect of any material evidence of indebtedness for money borrowed by Lessee (or with respect to the performance of any obligations of Lessee incurred in connection with any such indebtedness for money borrowed) where the effect of such default is to accelerate the maturity of such indebtedness or to permit the holders thereof (or a trustee on behalf of such holders) to cause such indebtedness to become due prior to its stated maturity, or any such indebtedness shall not be paid as and when due and payable;

(g) the Project Facility, or any portion thereof, shall be removed outside Chautauqua County, New York, without the prior written consent of the Agency; and/or

(h) the occurrence of any event of default under any other Transaction Document.

8.2. Force Majeure. Notwithstanding the provisions of Section 8.1 hereof, if by reason of force majeure (as hereinafter defined) either party hereto is unable in whole or in part to carry out the agreements on its part herein contained, Lessee shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall include acts outside of the control of the Agency and Lessee, including, without limitation, acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, insurrections, riots, epidemics, landslides, lightning, earthquakes, fire, hurricanes, storms, floods, washouts, droughts, restraint of government and people, civil disturbances, breakage or accident to transmission pipes or canals, and partial or entire failure of utilities. Notwithstanding anything to the contrary contained in this Section 8.2, an event of force majeure shall not excuse, delay or in any way diminish the obligations of Lessee to make the payments required under this Lease, to obtain and provide the insurance required by Section 5.3 hereof, to provide the indemnity required by Sections 3.1, 5.6 and 6.2(c) hereof and to comply with the provisions of Sections 5.4, 5.10 and 7.4 hereof. Lessee agrees that after the occurrence of an event of force majeure, it will take such steps as may thereafter be within its reasonable control to mitigate the cause or causes preventing Lessee from carrying out its obligations under this Lease.

8.3. Remedy on Default. Upon the occurrence of an Event of Default, in addition to any other remedy which may be available under any applicable law, the Agency may, at its option, terminate this Lease and the Company Lease.

8.4. No Remedy Exclusive. No course of dealing and no delay or omission by the Agency in exercising any right or remedy hereunder shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. The Agency may remedy any default by Lessee hereunder or with respect to any other Person in any reasonable manner without waiving such default. All rights and remedies of the Agency hereunder are cumulative.

8.5. Agreement to Pay Attorneys' Fees and Expenses. In the event Lessee defaults under any of the provisions of this Lease or any other Transaction Document and the Agency

With a copy to: Phillips Lytle LLP
201 West Third Street, Suite 205
Jamestown, NY 14701
Attention: Gregory Peterson, Esq.

To Lessee: Chadwick Bay Marina LLC
Attn: Charles Pringle
19 Avon Avenue
Celeron, NY 14720

with a copy to: Alan Laurita
Hodgson Russ LLP
The Guaranty Building
140 Pearl Street
Suite 100
Buffalo NY 14202

The Agency or Lessee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

10.2. Binding Effect. This Lease shall inure to the benefit of the Agency and Lessee and shall be binding upon the Agency, Lessee and, as permitted by this Lease, their respective successors and assigns.

10.3. Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

10.4. Execution of Counterparts. This Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

10.5. Integrated Agreement; Amendments. This Lease represents the entire agreement between the parties hereto on the subject matter hereof and may not be amended, changed, modified or altered except by an instrument in writing signed by the parties hereto.

10.6. Survival of Certain Obligations. The obligations of Lessee to make payments required by the provisions of this Lease and to provide the indemnity required by Sections 3.1, 5.6 and 6.2(c) hereof shall survive the termination of this Lease, and all such payments after such termination shall be made upon demand of the party to whom such payment is due.

10.7. Net Lease. The obligation of Lessee to make the payments specified in this Lease shall be absolutely net to the Agency without any abatement, recoupment, diminution, reduction, deduction, counterclaim, set-off or offset whatsoever, so that this Lease shall yield, net, to the Agency, the payments set forth herein.

10.8. Applicable Law. This Lease shall be governed and construed under the internal laws of the State, as the same may be in effect from time to time, without regard to principles of conflicts of law.

10.9. Headings for Convenience Only. The descriptive headings in this Lease are inserted for convenience only and shall not control or affect the meaning or construction of any provisions hereof.

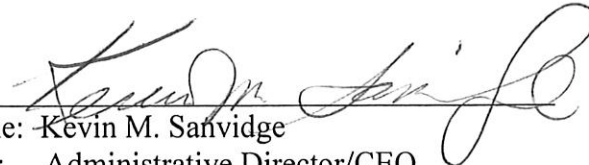
10.10. WAIVER OF JURY TRIAL. THE AGENCY AND LESSEE HEREBY WAIVE THE RIGHT EACH MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING IN CONNECTION WITH THIS LEASE OR ANY OTHER TRANSACTION DOCUMENT.

10.11. Third Party Beneficiaries. Nothing in this Lease is intended to be for or inure to the benefit of any Person other than the parties hereto.


[Remainder of This Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Agency and Lessee have hereby executed this Lease as of the date first above written.

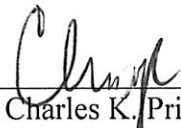
**COUNTY OF CHAUTAUQUA INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
Name: Kevin M. Sanvidge
Title: Administrative Director/CEO

CHADWICK BAY MARINA LLC

By: 
Name: Charles K. Pringle III
Title: Sole Member

PIER LLC

By: 
Name: Charles K. Pringle III
Title: Sole Member

STATE OF NEW YORK)
) SS:
COUNTY OF CHAUTAUQUA)

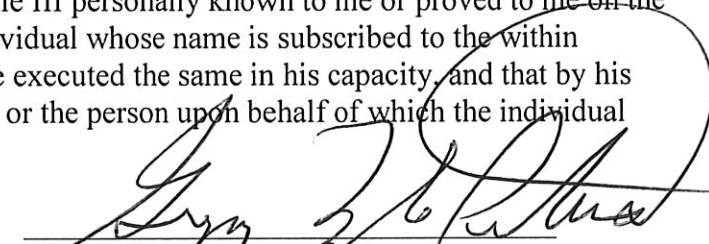
On the 13th day of July, 2016 before me, the undersigned, a notary public in and for said state, personally appeared Kevin M. Sanvidge, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.


Notary Public

CRYSTAL L. ALMETER, #01AL5088075
Notary Public, State of New York
Qualified in Cattaraugus County
My Commission Expires November 10, 2017

STATE OF NEW YORK)
) SS:
COUNTY OF CHAUTAUQUA)

On the 13th day of July, 2016 before me, the undersigned, a notary public in and for said state, personally appeared Charles K. Pringle III personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.


Notary Public

GREGORY LYLE PETERSON, #02PE4645823
Notary Public, State of New York
Qualified in Chautauqua County
My Commission Expires June 30, 2019

SCHEDULE A

ALL THAT TRACT OR PARCEL OF LAND or parcel of land, situate in the City of Dunkirk, County of Chautauqua and State of New York and being part of Block 47 in said city and further described as follows: COMMENCING at an iron pin located at the intersection of the northerly line of Lake Shore Drive West (formerly Front Street) and the westerly line of Eagle Street (unopened); running thence northerly along the westerly side of Eagle Street (unopened) 210.5 to the northerly edge of the Lake wall; thence westerly along the northerly edge of the lake wall 90 feet; thence southerly and parallel with Eagle Street (unopened) 210.5 feet to the northerly line of Lake Shore Drive West; thence easterly along the northerly line of Lake Shore Drive West 90 feet.

TOGETHER WITH all the rights of the party of the first part in and to the shores of Lake Erie abutting upon said premises.

AND ALSO ACCEPTING ALL THAT TRACT OR PARCEL OF LAND situate in the City of Dunkirk, County of Chautauqua and State of New York, being a portion of Eagle Street situate between the northerly line of Lake Shore Drive West (formerly Front Street) and the northerly line of a concrete lake wall as shown on a survey by Wendy Woodbury Straight dated May 14, 2011, and being that same portion of Eagle Street officially closed and abandoned on November 16, 2010 by the Dunkirk Common Council and being more particularly described as follows: BEGINNING in the northerly line of Lake Shore Drive West (New York State Route 5) as now laid out and occupied at the southeasterly corner of Block 47 as shown on the 1836 Doughty Map of the City of Dunkirk; thence northerly at an interior angle of 90 degrees 00 minutes a distance of 210.5 feet along the easterly line of said Block 47 to a mark in the northerly side of a concrete lake wall; thence easterly at an interior angle of 90 degrees 00 minutes a distance of 33 feet along said northerly side of the lake wall to a mark in the centerline of Eagle Street; thence southerly at an interior angle of 89 degrees 58 minutes 15 seconds a distance of 210.5 feet along said centerline of Eagle Street to an iron pin in said northerly line of Lake Shore Drive West; thence westerly along said centerline of Lake Shore Drive West a distance of 32.9 feet to the point or place of beginning. Said parcel being SUBJECT TO a 15' wide pedestrian access easement bounded between the easterly line of Block 47, the centerline of Eagle Street and between the existing concrete lake wall and a line 15' southerly and parallel thereto; and further subject to a restrictive covenant that no permanent structure shall be erected or placed upon said easement area without prior written approval of the City of Dunkirk.

AND FURTHER SUBJECT TO SUBJECT TO any easements, leases, rights of ways, and restrictions of record that may validly affect the above-described parcels.

Exhibit A

EQUIPMENT

All equipment, fixtures, machines, building materials and items of personal property and all appurtenances (A) acquired, constructed and/or intended to be installed and/or to be acquired, constructed or installed in connection with the acquisition and installation of the Project of the Agency located on the real property described on Schedule A to the Lease (the "Land"), said Project to be acquired and installed by the Lessee as agent of the Agency pursuant to the Lease and (B) now or hereafter attached to, contained in or used in connection with the Land or placed on any part thereof, though not attached thereto, including but not limited to the following:

(1) Pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators and other lunch room facilities, rugs, movable partitions, cleaning equipment, maintenance equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors and machinery;

(2) Together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above.

Exhibit B

Intentionally omitted

Exhibit C

FORM ST-123

Exhibit D

Sales Tax Agency Agreement