

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE (hereinafter this "Lease") is made and entered into this ____ day of _____, 2015, by and between GREATER ERIE INDUSTRIAL DEVELOPMENT CORPORATION, a non-profit industrial development corporation ("Lessor") and ERIE COUNTY GAMING REVENUE AUTHORITY ("Lessee").

In consideration of the mutual covenants and promises herein contained, and with the intention to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

LEASED PREMISES

1. The Lessor hereby leases and demises to the Lessee, for the term specified in Article II and subject to the terms and conditions applicable to the Knowledge Park at Penn State Erie ("Knowledge Park") and this Lease, the following property:

(a) A portion of the property and improvements commonly identified as Suite 201 in 5340 Fryling Road, Knowledge Park Building #4, Erie, Pennsylvania 16510 Erie County, Pennsylvania (the "Building"), as designated in "blue" in Exhibit "A" attached hereto and made a part hereof, consisting initially of approximately 1,135 square feet of office space, located on the second floor (collectively, the "Leased Premises" or "Premises"). Lessee shall also have the nonexclusive right in common with others, including customers, licensees, employees, and invitees, to use the public and common areas of Knowledge Park. The common areas include but are not limited to the driveways, sidewalks, parking areas, common entry-ways, restrooms, corridors, elevators and other areas and facilities which support the Leased Premises.

(b) The Building or portion of Building in which the Leased Premises is located includes but is not limited to the foundations, bearing walls and roofing system with insulation, HVAC systems (not including distribution lines within the structure), fire detection and

suppression systems, electric service, water and gas supply points, sewer connections, elevators, and external doors and windows.

(c) To the extent that the Leased Premises contain tenant improvements of a prior tenant, Lessee accepts the Leased Premises with such tenant improvements in their "as is" condition, and there are no warranties, expressed or implied, as to the condition or suitability of such improvements.

2. The Lessee shall use and occupy the Leased Premises only for office purposes consistent with its operating and business functions, which purposes Lessor warrants and represents are consistent with the purposes and programs of the Pennsylvania Industrial Development Authority ("PIDA") and its regulations promulgated pursuant to the Pennsylvania Industrial Development Authority Act (the Act of May 17, 1956, P.L. (1955) 1609, as amended), restrictions to be of record regarding permitted uses within Knowledge Park and of Applicable Law. Lessee shall obey and comply with all lawful requirements in any way affecting this Lease or the Leased Premises during any period of this Lease, and will comply with all governmental regulations in its use of the Leased Premises.

3. The Lessor and Lessee hereby acknowledge that the Leased Premises is subject to the terms and conditions of the Economic Development Administration (EDA) Special Award Conditions (Award No. 01-01-07198), and the terms and conditions of the Economic Development Administration (EDA) Special Award Conditions (Award No. 01-01-07924), wherein the use of the leased space within the Leased Premises is restricted to those uses as identified as allowable in the Knowledge Park Development Agreement. The Lessor warrants and represents that this Agreement of Lease is consistent with the authorized general and specific purposes of the Award, that this Lease is consistent with EDA's policies concerning, but not limited to, non-relocation (as defined in EDA's regulations found at 13 C FR 316.3), non-discrimination and adequate consideration, in that the Lessee is providing market value compensation to the Lessor for this Lease. Moreover, the use of the Leased Premises must be used for no other purpose other than the

general and specific purpose of the Award. Finally, the Lease shall be subordinate, junior and inferior to the priority of the lien of the Award provided to EDA.

4. Lessee's leasehold interest in the Leased Premises is subject to all restrictions and regulations applicable to Knowledge Park as those restrictions and regulations are in effect from time-to-time. Lessee agrees that those restrictions and regulations may be changed or waived on one or more occasions as may be required by the evolving purposes of Knowledge Park, and that this Lease will continue to be subject to such altered restrictions and regulations; provided, however, that such altered restrictions and regulations do not materially affect Lessee's business or use of the Leased Premises as such existed on the Commencement Date (defined below).

ARTICLE II

TERM OF LEASE

1. The term of this Lease shall commence April 1, 2015 (the "Commencement Date") and shall continue for a period of twenty four (24) months (the "Base Term"), except that if such Commencement Date shall fall on a day other than the first day of the month, then the period between such Commencement Date and the first day of the next month shall be added to the term of this Lease. The parties shall, within ten (10) days of occupancy, execute a Certificate of Completion of Work and Commencement Date as referenced in Exhibit "B" attached hereto setting forth the commencement and termination dates.

2. Provided Lessee is not in default at any time during the 30-day period ending ninety (90) days prior to the expiration of the Base Term of this Lease, the Lessee may, by giving written notice to the Lessor no less than ninety (90) days prior to the expiration of the Base Term of this Lease, extend the Term of this Lease for a period of twelve (12) additional months, such extended term to begin on the first day following expiration of the Base Term of this Lease (the "First Extension Term").

3. In the same manner, Lessee may, by written notice to the Lessor, extend the First Extension Term for a period of twelve (12) additional months, with such extended term to begin on the first day following expiration of the First Extension Term (the "Second Extension Term").

4. The First Extension Term and Second Extension Term shall be governed by all of the terms and conditions of this Lease. The Base Term, First Extension Term and Second Extension Term shall collectively be referred to as the "Term."

ARTICLE III

RENT AND SECURITY DEPOSIT

1. The Lessee covenants and agrees to pay the Lessor in return for the Leased Premises, a fixed annual ALL-IN rent (the "Base Rent" or "Rent") payable in advance starting on the Commencement Date of this Lease. Rent shall be payable in advance in equal **monthly** installments on the first day of each month during the Term in the following amounts:

(a) \$1,371.46

(b) Base Rent for the First Extension Term and the Second Extension Term shall be calculated by applying the Consumer Price Index formula described in Exhibit "C" attached hereto to the Base Rent.

(c) Rent for any partial month shall be payable on a per diem basis.

2. The security deposit is \$1,371.46

ARTICLE IV

UTILITY CHARGES AND TAXES

1. Utilities. Adequate utility lines and facilities required by Lessee for Lessee's intended Use of the Premises will be available to the Premises, fully installed, distributed, assessed and operational. The term "utility" or "utilities" as used in this Article IV shall include

basic gas, electricity, water (including water for fire protection service), sewer (both sanitary and storm), janitorial services for common areas, landscaping, snowplowing and security monitoring system for common areas. Lessor shall pay all normal and reasonable charges for consumption of utilities during the Term. If Lessee at any time after the Commencement Date requires additional or special utility service, Lessor agrees to cooperate with Lessee and to execute those documents necessary to obtain said additional utility service, but Lessee shall pay all costs in connection with such additional utility including sub metering charges and usage fees. Lessor shall provide a secure Wi-Fi connection to Lessee as well as use of a phone and phone line at no additional cost.

2. Additional Rent. In addition to the Base Rent, Lessee shall, following receipt of the notice and supporting documentation required pursuant to subsection (b) below, also pay to Lessor during the Term Lessee's Share of any increase in Insurance Costs and Taxes over the amount of such expenses during the first Lease Year of the Base Term (as each of the foregoing terms is hereinafter defined), and in the event of any nonpayment of such amounts (hereinafter "Additional Rent"), Lessor shall have the same rights and remedies available to it as with nonpayment of Base Rent.

(a) Definitions

(i) Taxes. The term "Taxes" means those Impositions paid by Lessor pursuant to the provisions of Article IV of this Lease.

(ii) Insurance Costs. The term "Insurance Costs" means Premiums for insurance required to be obtained and maintained by Landlord pursuant to Article V of this Lease.

(iii) Lease Year. The term "Lease Year" means the annual twelve (12) month period commencing on the Commencement Date of the Base Term and each and every Extension Term period thereafter for the remainder of the

Term.

(iv) Lessee's Share. The term "Lessee's Share" means the percentage assigned to the Leased Premises for purposes of allocating increases in Insurance Costs and Taxes to the Leased Premises. Lessee's Share shall be calculated by dividing the net usable square feet of the Leased Premises by the Building's net usable square feet .

(b) Procedure. On an annual basis, Lessor shall submit statements to Lessee setting forth in reasonable detail the calculation of the amount of the increase in the Insurance Costs and Taxes over such amount for the first Lease Year. Such statements shall include "paid" copies of the tax bills or insurance invoices upon which such increases are based, together with a spread sheet showing the calculation of Lessee's Share of such increase. Lessor shall keep and maintain complete and accurate books and records reflecting such Insurance Costs and Taxes, and Lessee or its representatives shall have the right, at Lessee's expense, to inspect and audit such books and records relating to the Insurance Costs and Taxes and the statements issued by Lessor during normal business hours at Lessor's office in the Building or, at Lessor's option, at such other reasonable location that Lessor might specify. The amounts payable by Lessee to Lessor shall be adjusted on the basis of such audit. If such audit discloses an overcharge to Lessee of five percent (5%) or more, the cost of such audit shall be borne by Lessor. Lessee shall pay the statements within 30 days of receipt.

3. Manner of Payment. All Base Rent payable pursuant to Article III above shall be paid when due to Lessor. Unless Lessor shall designate some other payee or address for the payment thereof by giving written notice to that effect to Lessee, payments to Lessor shall be made as follows: Greater Erie Industrial Development Corporation, c/o Glowacki Management

Company, 3634 West Lake Rd., Erie, PA 16505.

ARTICLE V

INSURANCE

Lessor and Lessee agree that the following insurance requirements shall apply during the term of the Lease and any Extension Terms(s):

1. Property Insurance

The Lessor shall, throughout the Term of this Lease, keep constantly insured at its full replacement value by the perils of "all risks" of physical loss or damage (excepting the perils of Flood and Earthquake), the Building and improvements upon the Leased Premises. The increase in the cost of the insurance over the Base Term shall be Additional Rent, collectable from Lessee as such.

The Lessee shall be responsible for insuring on the same basis all of Lessee's Work or other tenant improvements, whether upon the Leased Premises on the Commencement Date of the Lease or added later by Lessee, and all personal property which may be in or upon the Building or the Leased Premises. Lessor and any applicable mortgagee shall be named as loss payee, mortgagee and/or additional insureds on the Lessee's policy, as their respective interests appear.

2. Liability Insurance

Each party shall, throughout the Term of this Lease and any Extension Term(s), maintain the following types of insurance or self-insurance:

(a). **Public and/or Commercial General Liability.** Insurance covering liability for bodily injury (including mental anguish) and property damage arising from the operation, maintenance or use of the Leased Premises and all operations associated therewith, including liability for damage to the Leased Premises and liability assumed by contract under the terms of this Lease;

(b). **Automobile Liability.** Insurance covering liability for bodily injury and property damage arising from the operation, maintenance or use of Owned, Non-Owned or Hired automobiles; and

(c). **Workers Compensation and Employers Liability.** Insurance covering the employers' obligation under the law for work-related injuries or disabilities to employees.

3. The specific types and limits of such insurance shall be as follows:

<u>Type of Coverage</u>	<u>Limit of Insurance</u>
Commercial General Liability Including Products/Completed Operations, and Contractual Liability	\$2,000,000 each occurrence \$4,000,000 general & products/ completed operations aggregate \$1,000,000 Damage to premises rented to you
Personal and Advertising Injury Liability (This policy shall be endorsed to add Lessor as an Additional Named Insured.)	\$2,000,000 Any one person or organization
Business Automobile Liability, Including coverage for Owned, Hired and Non-Owned automobiles	\$2,000,000 any one accident or loss
Workers Compensation Covering obligations under any Applicable jurisdiction for work Related injuries to employees	Statutory Benefit Employers Liability -\$100,000 each accident -\$500,000 policy limit -\$100,000 each employee

Each insurance policy shall be sufficiently broad in scope to encompass all operations of Lessor and Lessee associated with the Leased Premises.

4. Notice of Cancellation of Insurance Policies. All policies required of Lessee above shall be endorsed to provide Lessor with thirty (30) days prior written notice should they, for any reason, be canceled during their terms, non-renewed or materially altered.

5. Waiver of Subrogation. Each party hereunder waives claims arising in any manner in its (Injured Party's) favor and against the other party for loss or damage to Injured Party's property located within or constituting a part or all of the Building. This waiver applies to the extent the loss or damage is covered by:

- (a) the Injured Party's insurance; or
- (b) the insurance the Injured Party is required to carry under this Article V, whichever is greater.

The waiver also applies to each party's directors, officers, employees, shareholders, and agents. The waiver does not apply to claims caused by a party's willful misconduct.

6. Certification of Insurance Coverage. Upon securing the insurance coverages required pursuant to this Article, the Lessee shall give written notice thereof to the Lessor in the form of a certificate acceptable to Lessor and sufficient to indicate the types and amounts of coverage, the applicable insurers of each coverage, and the policy effective and expiration dates. Such certificate shall be updated at least annually (or as warranted by material changes to the coverage). Lessor may obtain Lessee's Certificate of Insurance evidencing that the insurance required is in full force and effect at all times during the term of this Lease.

7. Supplemental Insurance Policies and Coverages. Lessor and Lessee acknowledge and agree that the above amounts and types of insurance coverages are presently sufficient to insure their respective interests with respect to the Leased Premises and this Lease. However, Lessor and Lessee agree to supplement such amounts and coverages in the event reasonable insurance standards and practices change so that the appropriate amounts and coverages are in place, consistent with what is then customary and typical for businesses, landlords and tenants engaged in similar activities within Northwestern Pennsylvania.

ARTICLE VI

REPAIRS, MAINTENANCE AND RESTORATION

1. The Lessor, at its sole cost and expense, shall maintain and keep in good, clean and safe order, repair and operating condition all of the land, the Buildings, the Leased Premises and other improvements including but not limited to adjoining landscaping and parking area(s), walkways, entryways, stairways, sewer connections, plumbing, electrical and mechanical systems, heating, ventilating and air conditioning systems, elevators, gas, lights, bulbs and ballasts, fire extinguishers, fire and smoke detection, prevention and suppression systems, water fixtures, pest

control, and all appurtenances thereto. Notwithstanding the foregoing, the reasonable cost of any such maintenance, replacements or repairs caused by or necessitated by Lessee's negligence shall be paid for by Lessee to Lessor as Additional Rent; should Lessee wish to perform such repairs on its own rather than Lessor completing and charging back as Additional Rent, such request shall be made in writing to Lessor along with copies of appropriate plans, and detail of contractors and methods, which Lessor will then review and may approve conditionally, in which case the completion of the repairs and the cost thereof shall be solely the responsibility of Lessee. Lessor will not be responsible for damages as a result of acts of God, latent defects in design or construction, or any maintenance, repair or replacement caused or necessitated as a result of Lessee's use or acts.

2. Lessee shall be solely responsible for installing and maintaining its computer, data or information distribution systems as well as phone system contained within the Leased Premises. Lessee shall also contract directly with a data and voice service provider. Lessor shall have no responsibility therefor.

3. The Lessee shall, at the expiration of the term or extension term, as the case may be, surrender the Leased Premises to the Lessor in broom clean condition, normal wear and tear excepted. One (1) month prior to the expiration of this lease, Lessor and Lessee shall together make an inspection of the Leased Premises, and list any items which the parties mutually and reasonably agree require replacement, repair or removal in order to place the Leased Premises in broom clean condition, normal wear and tear excepted. The Lessee shall complete, at its sole cost and expense, the replacement, repair or removal of all such listed items prior to the termination of the Lease, or failing such after Lessor provides Lessee with prior written notice, the Lessor shall proceed with such replacement, repair or removal, and the Lessee shall in any event pay the reasonable costs thereof. Upon the expiration or termination of the Lease, the aforesaid list shall be updated and the same procedure will be followed with respect to the updated list.

4. Except for improvements or alterations made in accordance with the plans and specifications approved by Lessor, the Lessee shall not alter, modify or improve the Leased

Premises without receiving Lessor's prior written consent. All requests for Lessor's consent shall be submitted in writing, shall comply with any and all applicable local, state and federal laws and regulations and shall be accompanied by a state-approved architectural drawings; providing Lessor consents to Lessee's request, Lessee shall provide Lessor with reasonable documentation supporting the project, including, but not limited to, copies of the required permits and executed waivers of mechanics' liens. Any such alterations, additions, improvements and fixtures made or placed in or upon the Leased Premises shall, upon expiration of this Lease, belong to the Lessor without compensation to the Lessee unless otherwise agreed to in writing by the Lessor. The Lessee shall not permit any mechanics' or other liens to be established or remain against the Leased Premises for labor or materials furnished in connection with any such additions, improvements, repairs or replacements made by it.

5. The Lessor shall not be liable for any damage or injury to the Leased Premises or any property therein contained which may be sustained by the Lessee or any other party, whether by reason of breakage, leakage from any source whatsoever, or obstruction of water pipes, gas pipes, soil pipes or other leakage in or about the Leased Premises, or the condition (other than structural) of any Buildings thereon, or any part thereof unless due to the negligence of the Lessor; and the Lessee shall indemnify and hold harmless the Lessor from and against any and all damages, liabilities and expenses arising out of any improvement, alteration or repair on the Building made by the Lessee and from and against any and all actions and causes of action arising therefrom.

6. Should the Leased Premises be damaged or destroyed by fire, tornado, earthquake or other catastrophe, rendering the same unfit for conduct of the Lessee's business therein, the Lessor shall restore or rebuild the Leased Premises (as described in Article I, paragraph 1(c)) to the condition existing before such catastrophe. Such restoration shall be at the Lessor's expense (the Lessor agreeing, subject to the terms of any applicable mortgage(s), to make available for such purpose any insurance proceeds payable directly to it pursuant to the coverages described in Article V, paragraph 1) and shall be completed within two hundred seventy (270) days from said catastrophe, during which time this Lease shall remain in effect with all rent abated based on the

percentage uninhabitable by Lessee. If the insurance proceeds are insufficient or inadequate for any reason, Lessor, within sixty (60) days of the loss and with notice to Lessee within such sixty (60) days, may elect to terminate this Lease, in which event neither party shall have any further liability hereunder.

ARTICLE VII

ASSIGNMENT

1. The Lessee shall not have the right or privilege of assigning this Lease, or of subletting all or part of the Leased Premises, without first obtaining the written approval of the Lessor which approval shall not be unreasonably withheld or delayed; provided, however, that Lessee may assign or sublet this Lease to its subsidiaries, affiliates or any successor corporate entity created by merger or consolidation or any entity operating; provided further, however, that the subsidiary, affiliate or such other successor corporate entity must comply with all use restrictions applicable to Knowledge Park and meet the "adequate protection" requirements described in Article X(2) (Lessee Bankruptcy or Other Proceeding). Lessor may reject any proposed assignment where the proposed assignee or proposed use of the Leased Premises, in the exclusive determination of Lessor, does not comply with the requirements of PIDA and use restrictions applicable to Knowledge Park. Any proposed assignee must in any event agree to comply with the "adequate protection" requirements described in Article X (2) (Lessee Bankruptcy or Other Proceeding). In the event the balance of the term covered by the Lease to be assigned does not exceed one year, Lessor, at its option, may, however, waive applicable standards of assignment as set forth herein and of PIDA. In the event of such approved assignment, Lessee will remain responsible nevertheless under all provisions of this Lease. Any such assignment or subletting, if permitted by the Lessor as provided above, must be in writing and must incorporate by reference thereto this Lease as to all of its terms and conditions; and any terms or conditions in said assignment or sublease which are contradictory hereto shall be construed as a nullity and shall be given no force or effect.

2. The Lessor is expressly given the right to assign any or all of its interest under this Lease, subject to assignee or transferee expressly assuming all terms and conditions herein. Lessor shall provide thirty (30) days' notice to Lessee.

ARTICLE VIII

INDEMNITY OF LESSOR

1. The Lessor shall not be liable to the Lessee or to any other party for any damage or injury to the Lessee or its property or to any other party or its property caused by or arising from the condition of the Leased Premises to the extent said condition was created by the Lessee, its agents or servants, or by the act, omission, or negligence of Lessee, its agents or servants, or by occupants of any improvements hereafter located on the Leased Premises or by occupants of adjacent or nearby buildings, or by the owners of adjacent or nearby property.

2. The Lessee further agrees that it will save harmless and indemnify the Lessor from all losses, costs, expenses, claims, causes of action, and demands of every kind and character of, including personal injury, property damage or economic loss of any sort, by or in favor of any person, firm or corporation, whether by way of damage or otherwise, arising by virtue of Lessee's use or occupancy of the Leased Premises unless said loss, cost, expense, claim, cause of action, or demand arose from the Lessor's negligence or intentional acts.

ARTICLE IX
TERMINATION

1. Lessee waives any notice to quit which may be required by law. Upon the expiration or termination of the Lessee's rights hereunder, the Lessee will surrender possession of the Leased Premises to the Lessor together with the buildings and improvements thereon, in good, broom-clean condition and state of repair, normal wear and tear excepted. Lessee's obligations shall include but not be limited to the "move out procedures" described on Exhibit D. Lessee shall also comply with Article VI hereof the Leased Premises, buildings and improvements shall thereupon revert to and become the property of the Lessor to have and to hold in fee simple, free of all claims of the Lessee, its successors or assigns.

2. All property forming a part of the contents of the Leased Premises introduced into it by the Lessee in furtherance of its business shall remain and be the property of the Lessee and shall be subject to its removal; provided, however, that the Lessee shall be obligated to restore the Leased Premises to broom-clean condition, normal wear and tear excepted. Property of Lessee shall not include alterations, additions and leasehold improvements constructed upon the Leased Premises pursuant to Article VI hereof, which shall be a part of the real estate and remain the property of Lessor.

3. Lessor retains the right to advertise, show, promote and post the Leased Premises during the final six (6) months of the Lease providing Lessor does so without unreasonably interfering with the Lessee's quiet enjoyment and use of the Leased Premises. Lessor shall coordinate prospect tours with Lessee to ensure security and confidentiality.

ARTICLE X
RIGHTS OF LESSOR

1. In the event the Lessee shall make an assignment for the benefit of its creditors, or a receiver is appointed for the Lessee, or in case a petition for adjudication of Lessee as a voluntary or involuntary debtor shall be filed under the Acts of Congress relating to bankruptcy and the Lessee is adjudicated a debtor thereon, or a petition is filed, voluntarily or involuntarily, for reorganization under the Bankruptcy Code, during the continuance of this Lease without having first paid and satisfied Lessor in full for all rent which may become due and payable during the term, then this Lease may, at the option of Lessor, terminate and the Lessor shall in such case forthwith take possession of the Leased Premises.

2. Lessee Bankruptcy or Other Proceeding.

(a) Anything contained herein to the contrary notwithstanding, if termination of this Lease shall be stayed by order of any court having jurisdiction over any Lessee or proceeding relating to any Lessee, its assets and/or its interest in Knowledge Park, or by federal or state statute, then, following the expiration of any such stay, or if any Lessee or Lessee as debtor-in-possession or the trustee appointed in any such proceeding (being collectively referred to as "Lessee" only for the purpose of this Article X, Section 2) shall fail to assume Lessee's obligations under this Lease within the period prescribed therefore by law or within fifteen (15) days after entry of the order for relief or as may be allowed by the court, or if Lessee shall fail to provide adequate protection to Lessor's right, title and interest in and to Knowledge Park or adequate assurance of the complete and continuous future performance of Lessee's obligations under the Lease, Lessor, to the extent permitted by law or by leave of the court having jurisdiction over such proceeding, shall have the right, at its election, to terminate the Lease on fifteen (15) days' notice to Lessee; and upon the expiration of said fifteen (15) day period the Lease shall cease and expire as aforesaid and Lessee shall immediately quit and surrender the Leased Premises as aforesaid. Upon the termination of the Lease as provided above, Lessor, without notice, may re-enter and repossess the Leased Premises.

(b) For the purposes of the preceding paragraph (a), adequate protection of Lessor's right, title and interest in and to the Leased Premises, and adequate assurance of the complete and continuous future performance of Lessee's obligations under the Lease, shall include, without limitation, the following requirements:

- i. that Lessee comply with all of its obligations under the Lease;
- ii. that Lessee pay to Lessor, on the first day of each month occurring subsequent to the entry of such order, or the effective date of such stay, a sum equal to the amount by which the Leased Premises diminished in value during the immediately preceding monthly period, but, in no event, an amount which is less than the rental payable for such monthly period;
- iii. that Lessee continue to use the Leased Premises in the manner originally required by the Lease;
- iv. that Lessee has and will continue to have unencumbered assets after the payment of all secured obligations and administrative expenses to assure Lessor that sufficient funds will be available to fulfill the obligations of Lessee under the Lease;
- vi. that if Lessee assumes the Lease and proposes to assign the same (pursuant to Title 11 U.S.C. § 365, as the same may be amended, or any similar law) to any person who shall have made a bona fide offer to accept an assignment of the Lease on terms acceptable to such court having competent jurisdiction over Lessee's estate, then notice of such proposed assignment, setting forth (x) the name and address of such person, (y) all of the terms and conditions of such offer, and (z) the adequate assurance to be provided Lessor to assure such person's future performance under the Lease, including, without limitation, the assurances referred to in Title 11 U.S.C. § 365(b)(3), as it may be amended, or any similar law, shall be given to Lessor by Lessee no later than fifteen (15) days after receipt by Lessee of such offer, but in any event no later than thirty (30) days prior to the date that Lessee shall make application to such court for authority and approval to enter into such assignment and assumption, and Lessor shall thereupon have the prior right and option, to be exercised by notice to Lessee given at any time prior to the effective date of such proposed assignment, to accept, or to cause Lessor's designee to accept, an

assignment of the Lease upon the same terms and conditions and for the same consideration, if any, as the bona fide offer made by such person less any brokerage commissions which may be payable out of the consideration to be paid by such person for the assignment of the Lease; and

vii. that if Lessee assumes the Lease and proposes to assign the same, and Lessor does not exercise its option pursuant to the immediately preceding sub-paragraph, Lessee hereby agrees that:

(A) such assignee shall have a net worth not less than the net worth of Lessee as of the commencement date of the Lease, or such Lessee's obligations under the Lease shall be unconditionally guaranteed by a person having a net worth equal to Lessee's net worth as of such commencement date;

(B) such assignee shall not use the Leased Premises except subject to all the restrictions applicable to Knowledge Park;

(C) such assignee shall assume in writing all of the terms, covenants and conditions of the Lease including, without limitation, all of such terms, covenants and conditions respecting the permitted uses of the Leased Premises and payment of rental, and such assignee shall provide Lessor with assurances satisfactory to Lessor that it has the experience in operating facilities having the same or substantially similar uses as the Leased Premises, in projects similar to Knowledge Park, sufficient to enable it so to comply with the terms, covenants and conditions of this Lease and successfully operate the Leased Premises for the permitted uses thereof;

(D) such assignee shall indemnify Lessor against, and pay to Lessor the amount of, any payments which Lessor may be obligated to make to any mortgagee by virtue of such assignment;

3. On any failure of the Lessee (x) to pay the installments of rent on the date due, or (y) to otherwise keep all the covenants of or perform its obligations under this Lease and any such default continues and has not been cured by Lessee within fifteen (15) days after the Lessor has

given notice to the Lessee with respect thereto, then (1) the total sum of unpaid Rent and Additional Rent for the entire remaining Term of this Lease, costs of suit and reasonable attorney's fees, shall become immediately due and payable without demand, and Lessee shall pay all costs and attorney's fees incurred by Lessor; and in such action the Lessee does hereby waive and release all relief from any and all appraisal, stay and exemption laws of any state now in force or hereafter to be passed; (2) and/or the Lessor at its option may proceed by action of ejectment on this Lease after default made as aforesaid, and in such case, the Lessee shall pay all of the costs and reasonable attorney's fees incurred by Lessor.

4. If the Lessee is in default in the performance of any of its covenants hereunder, the failure to perform which would impose financial obligation or risk on the Lessor, the Lessor may pay, perform and discharge such covenant or obligation of the Lessee and the amount or amounts so paid, together with interest thereon at the Prime Rate as published in the *Wall Street Journal* shall be deemed and taken as Additional Rent due and payable with the next installment of rent from the Lessee.

5. A determining of the term, or the receipt of rent after default, after judgment, or after execution, shall not deprive the Lessor of other actions against the Lessee for possession, rent, or damages; and no waiver of a breach of any of the covenants of this Lease shall be construed to be a waiver of any succeeding breach of the same or any other covenant. The Lessor may use any or all of the remedies herein given and those prescribed by law.

6. In the event that either party shall breach any of the terms of this Lease and the other party, not being in default, shall be required to employ attorneys to protect or enforce its rights hereunder and shall prevail thereon, then the breaching party agrees to pay the other party's reasonable attorneys' fees so incurred. This provision is mandatory.

7. Events of Lessor Default; Lessee Remedies:

(a) In the event of any failure by Lessor to perform any material term, condition, covenant or obligation of this Lease, which failure is not cured within thirty (30) days

after Lessor receives written notice from Lessee specifying such failure (provided, however, that if such failure is of such a nature that it cannot, using reasonable diligence, be cured within said period, such failure shall not constitute a default of this Lease by Lessor if Lessor diligently and continuously pursues the same to completion thereafter), Lessee, in addition to all other rights and remedies to which Lessee may be entitled under this Lease, at law or in equity, shall have the right to terminate this Lease by giving Lessor written notice advising Lessor that if such failure is not cured within forty-five (45) days after Lessor's receipt of said notice from Lessee, the Lease shall then immediately terminate and Lessee shall have no further liabilities or obligations hereunder.

(b) If Lessor shall at any time fail or refuse to perform any of its material covenants or obligations hereunder, and Lessor does not cure or bring actions to cure the default within thirty (30) days of receipt of notice from Lessee, Lessee may, but shall not be obligated, upon thirty (30) days' prior notice to Lessor and failure to cure (provided, however, that if such failure is of such a nature that it cannot, using reasonable diligence, be cured within said period, such failure shall not constitute a default of this Lease by Lessor if Lessor diligently and continuously pursues the same to completion thereafter), perform such covenant or obligation without waiving or releasing Lessor from any liability therefore. All sums paid, advanced or expended by Lessee pursuant to this paragraph and all costs and expenses incurred by such other party in connection therewith (including, without limitation, reasonable attorneys' fees) shall be repaid to Lessee provided Lessee is not in default of its obligations under the Lease, on demand, together with interest on any balance thereof from and after the date such sums, costs and expenses were so paid, advanced, expended or incurred by such other party together with interest thereon at the Prime Rate as published in the *Wall Street Journal*; provided, however, any cost and expenses incurred by Lessee hereunder may, at the option of Lessee, be offset against the next installments of rent that become due and payable. If this Lease terminates prior to Lessee's receiving full reimbursement, Lessor shall pay the unreimbursed balance plus accrued interest to Lessee on demand.

For purposes of this Section, the failure of a material term, condition, covenant or obligation, which authorizes the remedies herein, shall be limited to a failure that materially and adversely affects Lessee's reasonable use of the Leased Premises and/or the Building.

ARTICLE XI
SUBORDINATION

1. This Lease shall be subject and subordinate at all times to the lien of any mortgages in any amount or amounts whatsoever now or hereafter placed on the Lessor's interest or estate in the Leased Premises, such subordination being conditioned upon Lessor delivering a form of subordination, nondisturbance and attornment to Lessee within thirty (30) days after executing this Lease or subsequent lien or mortgage on the Leased Premises.

2. The Lessee waives any and all damages caused by termination of this Lease due to foreclosure pursuant to an existing or future encumbrance described in paragraph 1 of this Article XI.

ARTICLE XII
COVENANT OF COOPERATION

Lessee understands that the Leased Premises are located within Knowledge Park at Penn State Erie and that the tenants in the Park must be and remain qualified as tenants under applicable guidelines. Accordingly, Lessor is required to file reports with various agencies, governmental and otherwise, which evidence such continuing qualification by its tenants. Lessee agrees to cooperate with Lessor by providing to Lessor for its use solely for such reporting purposes such employment, salary, financial, production and activity information as may reasonably be required by Lessor for the compilation and preparation of such required reports. Lessor understands that such information is considered by Lessee to be sensitive and confidential, and agrees that its use thereof will be for required aggregate reporting purposes only.

ARTICLE XIII

QUIET ENJOYMENT

Lessor covenants and agrees that during the term of this Lease, and so long as Lessee is not in default hereunder, Lessee shall and may peaceably and quietly have, hold and enjoy the Leased Premises and common areas free from interference or interruption by Lessor or any other person claiming under or through Lessor for the Term of this Lease. Lessor represents to Lessee that it has sufficient ownership interest in the Premises to enter into and carry out the provisions of this Lease.

ARTICLE XIV

CONDITIONS PRECEDENT

It is a condition to both the Lessor and the Lessee's duty to perform their respective obligations under this Lease that the work has been completed and the terms and conditions of the Work Letter attached hereto and made a part hereof, have been satisfied as set forth in the Work Letter. The satisfaction of those conditions and confirmation of the actual commencement date of the Lease shall be evidenced by a certificate substantially in the form attached hereto as Exhibit B executed on behalf of Lessor and Lessee.

ARTICLE XV

ENVIRONMENTAL MATTERS

1. Lessee shall not (either with or without negligence) cause or permit the escape, disposal or release of any hazardous or toxic substances in, on or under the Leased Premises, except in compliance with all applicable federal, state and local laws, regulations and ordinances and guidelines applicable to the Leased Premises, now in effect or hereafter enacted. Lessee covenants and agrees that the Leased Premises, at all times during its use and occupancy thereof shall be kept and maintained so as to comply with all now existing or hereafter enacted or issued statutes, laws, rules, ordinances, orders, permits and regulations of all state, federal, local or other governmental

and regulatory authorities, agencies and bodies applicable to the Leased Premises, pertaining to the use, storage and disposal of all hazardous or toxic substances.

2. Lessor similarly shall not (either with or without negligence) cause, permit or be caused, any act or practice, that would violate any federal, state, or local laws, regulations or guidelines applicable to the Leased Premises, now in effect or hereafter enacted, related to the environmental protection or disposition of hazardous substances. Additionally, to the best of Lessor's knowledge, no release or disposal of any hazardous or toxic substances has occurred on the Leased Premises that either (i) is or was subject to any release reporting or notification requirements under any applicable legal requirements; or (ii) created or resulted in any condition which did or does not comply with any cleanup standard, permitted exposure limit or other regulatory standard under any federal, state or local statute, regulation or other legal requirement relating to hazardous or toxic substances, the environment or occupational safety and health.

3. Lessor or Lessee, as the case may be ("Indemnifying Party"), agrees to indemnify, defend and hold harmless the other ("Indemnified Party"), including its officers, employees, shareholders and agents from any claims, judgments, damages, penalties, fines, costs, liabilities (including sums paid in settlement of claims) or loss including reasonable attorneys' fees, consultant fees and expert fees which arise during or after the Term of this Lease from or in connection with the presence or suspected presence of toxic or hazardous substances on or under the Leased Premises to the extent the toxic or hazardous substances are present, caused by Indemnifying Party and not a result of the actions of Indemnified Party, its officers, employees and its agents. Without limiting the foregoing, the indemnification provided by this paragraph shall specifically cover costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision thereof. The foregoing indemnity shall survive the expiration or early termination of this Lease.

ARTICLE XVI

MISCELLANEOUS

1. The terms and conditions of this Lease shall be construed in accordance with the laws of the Commonwealth of Pennsylvania and any action arising hereunder shall be brought in Erie County, Pennsylvania. The Lessor and the Lessee hereby consent and agree to personal jurisdiction and venue in Erie County, Pennsylvania.

2. All notices required to be given under this Lease shall be deemed given when sent by certified or registered mail, return receipt requested, or by a nationally recognized overnight delivery service requiring receipt, with all postage and delivery charges prepaid, addressed to the proper party at the following addresses or such other addresses as are from time to time specified by proper notice hereunder:

(a) To Lessor:
Greater Erie Industrial Development Corporation
5240 Knowledge Parkway
Erie, Pennsylvania 16510
Attention: President

(b) To Lessee:

Attention:_____

3. This Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective legal representatives, successors and permitted assigns.

4. No modification, amendment or alteration of the terms of this Lease shall be binding unless the same shall be in writing, dated subsequent to the date hereof, and duly executed by the Lessor and the Lessee.

5. The failure of Lessor to promptly assert its rights hereunder shall not be construed as a waiver of its rights on any subsequent occasion.

6. Time shall be of the essence for all purposes under this Lease.

7. If at any time during the Term of this Lease all of the Leased Premises shall be taken for any public or quasi-public use under any statute or by right of eminent domain and possession is taken by the condemning authority, this Lease shall terminate and the rent shall be apportioned and paid to the time of termination, with the proceeds of the condemnation to be distributed as follows: The book value of the Lessee's leasehold improvements shall be amortized on a straight line basis for a 15 year period beginning on the Commencement Date, and to the extent damages for condemnation proceedings are available under applicable law, the unamortized value of such leasehold improvements as of the effective date of the termination of this Lease shall compensate Lessee for the remaining value of such leasehold improvements. All remaining proceeds of the condemnation shall be Lessor's. In the event of condemnation of part of the Leased Premises and the part of the Leased Premises taken or condemned shall reduce the property to such an extent as to prevent the Lessee from continuing the substantial operation and conduct of its business on the Leased Premises, the Lessee shall have the right at its option to terminate this Lease, with the proceeds of the condemnation to be distributed as set forth above. This paragraph shall be subject to the terms of any mortgages encumbering the Leased Premises.

8. Lessee shall have no right to mortgage its leasehold interest, and any attempt to do so shall cause an immediate forfeiture of the remainder of the Lease term without notice whatsoever.

9. Headings used for Articles and Paragraphs in this Lease are intended solely for identification, and shall not control the interpretation of the provisions therein contained. This Lease is the result of negotiations between sophisticated parties and accordingly it shall not be construed against either party.

10. Lessor shall not be bound by any representation or promise, either written or oral, with respect to the Premises except as expressly set forth in this Lease with the object and intention that the whole of the agreement between Lessor and Lessee is set forth herein and in no way can be modified by any discussion or correspondence which may have preceded the signing of this Lease.

11. This Lease and each of the terms, provisions, conditions and covenants hereof shall be binding upon and inure to the parties hereto and their respective successors and permitted assigns.

12. Lessee is prohibited from bringing or having any dog, cat, bird, fish, reptile, pet or other animal in, on, or around the Leased Premises at any time, whether during normal business hours or outside of normal business hours, for any reason other than as may be allowable under the Americans With Disabilities Act.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their respective officers, each duly authorized to act, as of the day and year first above written.

(SEAL)

Attest:

THE LESSOR:

GREATER ERIE INDUSTRIAL
DEVELOPMENT CORPORATION

By _____
President

(SEAL)

Attest:

THE LESSEE:

ERIE COUNTY GAMING REVENUE
AUTHORITY

By _____

ACKNOWLEDGMENT

STATE OF _____)
) ss:
COUNTY OF _____)

On this, the _____ day of _____, 20____, before me, a Notary Public, the undersigned officer, personally appeared _____, known to me (or satisfactorily proven) to be the President of the Greater Erie Industrial Development Corporation, whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

ACKNOWLEDGMENT

COMMONWEALTH OF PENNSYLVANIA)
) ss:
COUNTY OF _____)

On this, the _____ day of _____, 20____, before me, a Notary Public, the undersigned officer, personally appeared _____, known to me (or satisfactorily proven) to be the _____ of _____ whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

EXHIBIT B

CERTIFICATE OF COMMENCEMENT DATE

This Certificate is attached to and made a part of the Agreement of Lease dated the _____ day of _____, 2015, by and between Greater Erie Industrial Development Corporation as "Lessor" and Erie County Gaming Revenue Authority as "Lessee."

1. The Lease Commencement Date is _____ and the last day of the Base Term is _____.
2. For purposes of the CPI calculation, the calendar month before the Commencement Date of the Lease is hereby established as _____.
3. Monthly Rent for Base Term: _____

So Certified.

Lessor:

GREATER ERIE INDUSTRIAL DEVELOPMENT CORPORATION

By _____

Print name and title

Lessee:

By _____

Print name and title

EXHIBIT "C"

CPI RENT ADJUSTMENTS FOR EXTENSION TERM(S)

Effective on the first day of any Extension Term of this Lease, Rent will be increased (but not decreased) equal to the percentage change in the Consumer Price Index ("CPI") as measured during the previous 12 month period calculated from _____ to _____.

"CPI" means the Consumer Price Index for All Urban Consumers, U.S. City Average, All items, 1982-84=100, also known as CPI-U, published by the Bureau of Labor Statistics of the United States Department of Labor. If this Index ceases to be published, then the calculation shall be based on the closest successor index as identified by the United States Department of Labor. If no successor index exists, then the calculation of the increase in rent shall be based on an index that is mutually agreeable to the parties hereto.

EXHIBIT "D"

MOVE OUT PROCEDURES
(Knowledge Park)

Where applicable, Lessee shall follow these move out procedures:

1. Lessee shall leave the Leased Premises in broom clean condition, normal wear and tear excepted.

2. Remove all personal property:

3. One (1) month punchlist updated:

4. "Move Out" punchlist:

LEASE DATED _____, 2015

GREATER ERIE INDUSTRIAL DEVELOPMENT CORPORATION,
LESSOR

AND

ERIE COUNTY GAMING REVENUE AUTHORITY
LESSEE

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