
60 CROSSWAYS, L.L.C.,
as Sublessor

and

HORNELL BREWING CO., INC.,
as Sublessee

SUBLEASE AGREEMENT

DATED AS OF JULY 1, 2007

ADDRESS: 60 Crossways Park Drive
TOWN: Oyster Bay
COUNTY: Nassau
STATE: New York
SECTION: 15
BLOCK: 196
LOTS: 2

Prepared by:
Phillips Lytle LLP
437 Madison Avenue, 34th floor
New York, NY 10022
Attention: Milan K. Tyler, Esq.

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT, dated as of July 1, 2007 (this "Sublease Agreement"), by and between 60 CROSSWAYS, L.L.C., a limited liability company duly organized and existing under the laws of the State of New York, having an office c/o Grand Metro Builders of N.Y., 25 South Service Road, Suite 300, Jericho, NY 11753 (the "Sublessor"), and HORNELL BREWING CO., INC., a corporation duly organized and existing under the laws of the State of New York, having an office at 5 Dakota Drive, Lake Success, NY 11042 (the "Sublessee").

WITNESSETH:

WHEREAS, the Agency is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, 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") and Chapter 674 of the 1975 Laws of New York, as amended, constituting Section 922 of said General Municipal Law (said Chapter and the Enabling Act, as amended from time to time, being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research, recreation and civic facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

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

WHEREAS, to accomplish the purposes of the Act, the Agency has entered into negotiations with the Sublessee and the Sublessor (collectively, the "Applicants") for a "project" within the meaning of the Act (the "Project") (as described in the recitals hereto) within the territorial boundaries of the County of Nassau; and

WHEREAS, the Project will consist of (A) (1) the acquisition of an interest in an approximately 3 acre parcel of land located at 60 Crossways Park Drive, Woodbury, Town of Oyster Bay, Nassau County, New York (the "Land"), (2) the construction of an approximately 100,000 square foot office building on the Land (collectively, the "Building"), together with related improvements to the Land, and (3) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the "Equipment"), all of the foregoing to constitute the Sublessee's headquarters (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, mortgage recording taxes and real property taxes (but not including special assessments and ad valorem levies) (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to

purchase) of the Project Facility to the Sublessor and the sublease of the Project Facility by the Sublessor to the Sublessee; and

WHEREAS, the Executive Director of the Agency (A) caused notice of a public hearing of the Agency pursuant Section 859-a of the Act (the "Public Hearing") to hear all persons interested in the Project and the Financial Assistance contemplated by the Agency with respect to the Project, to be mailed on September 8, 2006 to the chief executive officer of Nassau County, New York, and of each other affected tax jurisdiction within which the Project Facility is or is to be located, (B) caused notice of the Public Hearing to be published on September 8, 2006 in the Nassau edition of *Newsday*, a newspaper of general circulation available to residents of the County of Nassau, New York, (C) conducted or caused to be conducted the Public Hearing on October 12, 2006 at 10:00 a.m., local time, at Town Hall, 54 Audrey Avenue, Town of Oyster Bay, Nassau County, New York, and (D) prepared a report of the Public Hearing (the "Report") which fairly summarizes the views presented at the Public Hearing and distributed the Report to the members of the Agency; and

WHEREAS, the proposed exemption from real property taxes would represent a deviation from the Agency's uniform tax exemption policy and guidelines; and

WHEREAS, the Executive Director of the Agency (A) caused notice of a meeting of the Agency (the "IDA Meeting") with respect to the proposed deviation from the Agency's uniform tax exemption policy and guidelines to be mailed on January 29, 2007 to the chief executive officer of each affected tax jurisdiction, and (B) conducted the IDA Meeting on March 14, 2007 and reviewed and responded to any comments or correspondence received from the affected tax jurisdictions at or before the IDA Meeting regarding the proposed deviation from the Agency's uniform tax exemption policy; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), the appropriate personnel of the Agency reviewed the environmental assessment form and other materials submitted by the Applicants and made any necessary comments to members of the Agency, and by resolution of the members of the Agency adopted on December 18, 2006, the Agency decided to undertake an uncoordinated review of the Project, determined that the Project will not have a significant effect on the environment and issued a negative declaration for purposes of SEQRA; and

WHEREAS, the Company has not requested that the Agency issue the Bonds with respect to the Project; and

WHEREAS, by resolution adopted by the members of the Agency on March 14, 2007 (the "Inducement Resolution"), the Agency, following a review of the Report, made a determination to proceed with the Project and to grant the Financial Assistance; and

WHEREAS, by resolution adopted by the members of the Agency on March 14, 2007 (the "Authorizing Resolution"), the Agency determined to enter into the "straight lease transaction" (as such quoted term is defined in the Act) contemplated by the Lease (as hereinafter defined) and the other Transaction Documents (as defined in the Lease); and

WHEREAS, to facilitate the Project, the Agency and the Sublessor have entered into negotiations to enter into a "straight lease transaction" within the meaning of the Act in which the Agency will acquire fee simple title to the Land and the improvements thereon and the Agency will lease its interest in the Project Facility to the Sublessor pursuant to a Lease Agreement of even date herewith (the "Lease"), and, in furtherance of such purposes, the Agency adopted the Inducement Resolution and the Authorizing Resolution authorizing the undertaking of the Project, the acquisition, construction, installation and equipping of the Project Facility by the Agency and the lease of the Project Facility by the Agency to the Sublessor pursuant to the Lease for sublease to the Sublessee; and

WHEREAS, immediately prior to the execution and delivery of the Lease, the Sublessor will execute and deliver or cause to be executed and delivered to the Agency (A) a certain deed dated as of the date hereof (the "Deed to the Agency") from the Sublessor to the Agency, which conveys to the Agency all right, title and interest of the Sublessor in and to the Land and the improvements thereon, and (B) 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 the Sublessor in and to the Equipment; and

WHEREAS, pursuant to the Lease, the Agency leases the Project Facility in whole to the Sublessor; and

WHEREAS, pursuant to this Sublease Agreement, the Sublessor subleases the Project Facility in whole to the Sublessee; and

WHEREAS, pursuant to a certain Payment in Lieu of Taxes Agreement of even date herewith (the "PILOT Agreement") among the Sublessor, the Sublessee and the Agency, the Sublessor and the Sublessee have agreed to make certain payments in lieu of real estate taxes with respect to the Land and the improvements thereon, and such obligation is secured pursuant to a Mortgage and Assignment of Leases and Rents of even date herewith (the "PILOT Mortgage") from the Sublessor and the Agency, as mortgagors, to the County of Nassau, its successors and assigns (the "County"), as mortgagee, pursuant to which the Agency and the Sublessor will grant a first mortgage on the Land and the improvements thereon; and

WHEREAS, this Sublease Agreement is authorized pursuant to Section 5.6 of the Lease.

NOW, THEREFORE, in consideration of the premises and the respective representations and agreements hereinafter contained, the parties hereto agree as follows:

Section 1. **Definitions.** Any term not defined herein shall have the meaning set forth for such term in the Lease or in Appendix A attached hereto and made a part hereof.

Section 2. **Construction.** In this Sublease Agreement, unless the context otherwise requires:

(a) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms, as used in this Sublease Agreement, refer to this Sublease Agreement, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of the execution and delivery of this Sublease Agreement.

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations, limited liability companies and other legal entities, including public bodies, as well as natural persons.

(d) Any certificates, letters or opinions required to be given pursuant to this Sublease Agreement 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 Sublease Agreement.

(e) 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 in accordance with the terms hereof.

(f) Any headings preceding the texts of the several sections of this Sublease Agreement, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Sublease Agreement, nor shall they affect its meaning, construction or effect.

Section 3. **Representations and Warranties by Sublessee.** The Sublessee makes the following representations, warranties and covenants to the Agency and the Sublessor:

(a) The Sublessee is a corporation duly organized, validly existing and in good standing under the laws of the State of New York, is qualified and authorized to do business as a foreign corporation in all jurisdictions in which its operations or ownership of its Properties so require, is not in violation of any provision of its certificate of incorporation or by-laws, has the corporate power and authority to own its property and assets, to carry on its business as now being conducted by it and to execute, deliver and perform this Sublease Agreement and each other Transaction Document to which it is or shall be a party.

(b) The execution, delivery and performance of this Sublease Agreement and each other Transaction Document to which it is or shall be a party and the consummation of the transactions herein and therein contemplated have been duly authorized by all requisite corporate action on its part and will not violate any provision of law, any order of any court or agency of government, or its certificate of incorporation or by-laws, or any indenture, agreement or other instrument to which it is a party or by which it or any of its property is subject to or bound, or be in conflict with or result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or other instrument or result in the imposition of any lien, charge or encumbrance of any nature whatsoever on the Project Facility other than Permitted Encumbrances.

(c) There is no action or proceeding pending or threatened by or against it by or before any court or administrative agency that would adversely affect its ability to perform its obligations under this Sublease Agreement and each other Transaction Document to which it is or shall be a party and all authorizations, consents and approvals of governmental bodies or agencies required to be obtained by it as of the date hereof in connection with the execution and delivery of this Sublease Agreement and each other Transaction Document to which it shall be a party or in connection with the performance of its obligations hereunder and under each of the Transaction Documents have been obtained.

(d) The Project Facility constitutes a “project” under the Act, and the Sublessee intends to operate the Project Facility, or cause the Project Facility to be operated, in accordance with this Sublease Agreement and as a facility to be used for the purposes set forth in the recitals hereto and as a qualified “project” in accordance with and as defined under the Act.

(e) The Financial Assistance provided by the Agency to the Sublessor and the Sublessee through the straight-lease transaction (within the meaning of the Act) contemplated by this Sublease Agreement is reasonably necessary to induce the Sublessee to proceed with the Project.

(f) No Equipment shall be located at any site other than the Project Facility.

(g) This Sublease Agreement and the other Transaction Documents constitute the legal, valid and binding obligations of the Sublessee enforceable against the Sublessee in accordance with their respective terms.

(h) The Sublessor and the Sublessee are in compliance, and will continue to comply, with all Applicable Laws.

(i) No Person other than the Sublessor and the Sublessee is or will be in use, occupancy or possession of any portion of the Project Facility.

(j) The moneys available to the Sublessor and the Sublessee are sufficient to pay all costs in connection with the completion of the Project.

(k) The representations, warranties, and covenants made by the Sublessor as set forth in Section 2.2 of the Lease are adopted and incorporated into this Sublease Agreement as the representations, warranties and covenants of the Sublessee as though fully set forth herein and given by the Sublessee under this Section 3.

Section 4. **Incorporation of Lease.** The Sublessee acknowledges receipt of a true and complete copy of the Lease and consents to the terms thereof. All of the terms, conditions and covenants of the Lease are deemed incorporated by reference in this Sublease Agreement, with the same force and effect as if each and every provision thereof were more fully and at length set forth herein, provided, however, that only the Sublessor can exercise the option to purchase the Project Facility as set forth in Article XI of the Lease. The Sublessee covenants and agrees to comply with every requirement and obligation imposed upon it pursuant to the terms and provisions of the Lease or as may be required or permitted of it at the insistence of the Sublessor in accordance with the terms and provisions of the Lease.

Section 5. **Lease of Facility.**

(a) The Sublessor hereby subleases to the Sublessee and the Sublessee hereby subleases from the Sublessor the Project Facility for and during the term herein provided and upon and subject to the terms and conditions herein set forth, which for purposes of this Sublease Agreement, as between the Sublessor and the Sublessee, shall mean and include the additional terms and conditions set forth in Appendix B hereto. As between the Sublessee and the Agency, if any term or condition set forth in Appendix B conflicts with any provision of this Sublease Agreement or the Lease, the terms of this Sublease Agreement and the Lease shall govern and control. The Sublessee shall at all times during the term of this Sublease Agreement occupy, use and operate the Project Facility as a facility to be used for the purposes set forth in the recitals hereto and as a qualified "project" in accordance with the provisions of the Act.

The term of this Sublease Agreement shall commence on the date of the execution and delivery of this Sublease Agreement and shall expire on December 31, 2017 or upon such earlier or later date as may be provided in accordance with the terms of the Lease (or upon such earlier termination of the Lease as provided therein) but in no event earlier than one day prior to the termination of the Lease.

(b) During the term of this Sublease Agreement, the Sublessee agrees to pay sublease rentals to the Sublessor in an amount equal to the sum of (i) the rental payments set forth in the Lease as the same come due under the Lease, and (ii) the additional rental payments set forth in Appendix B, if any (collectively, the "Rental Payments").

The Sublessor agrees that any sublease rentals payable pursuant to the preceding sentence of this paragraph (b) attributable to the Rental Payments under the Lease shall be paid directly or for the account of the Agency as provided in the Lease (and hereby directs the Sublessee and the Sublessee agrees to make such payments), except that if the Lease requires Rental Payments to be paid otherwise, such sublease rentals shall be paid in the same manner as so required thereunder. Any sublease rentals payable to the Sublessor pursuant to this paragraph in excess of

the Rental Payment then due under the Lease Agreement shall be retained by the Sublessor for its own purposes.

(c) The Sublessee hereby agrees to be bound by each and every obligation, term, covenant, condition and agreement of the Lease by which the Sublessor as lessee thereunder is bound and hereby assumes all of the Sublessor's obligations under the Lease as if the Sublessee was the named lessee under the Lease and agrees to keep and perform all of the obligations, terms, covenants, conditions and agreements of the Lease and to pay all sums due under the Lease on the part of the Sublessor thereunder to be kept and performed and paid and further assumes all obligations as specifically relate to the Sublessee as are contained in the Lease. Those obligations of the Sublessor in the Lease which are set forth as surviving the termination of the Lease shall similarly survive as obligations of the Sublessee and survive the termination of this Sublease Agreement.

Section 6. **Nature of Sublessee's Obligations Unconditional.** The Sublessee's obligations under this Sublease Agreement to pay sublease rentals and to pay other amounts required to be paid hereunder shall be absolute, unconditional and general obligations, and irrespective of any defense or any rights of set-off, recoupment or counterclaim or deduction and without any rights of suspension, deferment, diminution or reduction the Sublessee might otherwise have against the Sublessor, the Agency or any other Person and the obligation of the Sublessee shall arise whether or not the Project has been completed as provided in the Lease. The Sublessee will not suspend or discontinue payment of any sublease rental or other amounts due and payable hereunder or performance or observance of any covenant or agreement required on the part of the Sublessee hereunder for any cause whatsoever, and the Sublessee waives all rights now or hereafter conferred by statute or otherwise to any abatement, suspension, deferment, diminution or reduction in the sublease rentals due or to become due hereunder.

Section 7. **Dissolution or Merger of Sublessee; Restrictions on Sublessee.** The Sublessee covenants and agrees that at all times during the term of this Sublease Agreement, it will (i) maintain its existence as a corporation as in effect on the date hereof, (ii) not liquidate, wind-up or dissolve or otherwise dispose of all or substantially all of its assets, and (iii) not consolidate with or merge into another corporation or other Person, or permit one or more corporations or other Persons to consolidate with or merge into it, without giving prior notice to the Agency and obtaining the consent of the Agency. The Sublessee agrees that it will not change its name or its state of organization without giving prior written notice to the Agency and obtaining the consent of the Agency, which consent shall not be unreasonably withheld or delayed.

The Sublessee further represents, covenants and agrees that it is and throughout the term of this Sublease Agreement will continue to be owned solely by the Guarantors.

Section 8. **Events of Default.** Any one or more of the following events shall constitute an "Event of Default" hereunder:

(a) Failure of the Sublessee to pay any rental under Section 5(b) hereof that has become due and payable by the terms hereof which results in the occurrence of an Event of Default under the Lease;

(b) (i) Failure of the Sublessee to pay any amount (except the obligation to pay rent under Section 5(b) hereof) that has become due and payable or to observe and perform any covenant, condition or agreement on its part to be performed under Section 6 or 7 hereunder or with respect to Sections 5.3, 6.2, 6.6, 8.9, 9.1, 9.3, 10.4 and 11.4 of the Lease Agreement or with respect to the indemnification provisions set forth in Sections 2.2(G), 3.1, 3.3, 4.1(F), 6.1, 8.2 and 12.9(C) of the Lease Agreement and continuance of such failure for a period of fifteen (15) days after receipt by the Sublessee of written notice specifying the nature of such default from the Agency;

(ii) Failure of the Sublessee to pay any amount (except the obligation to pay rent under Section 5(b) hereof) that has become due and payable or to observe and perform any covenant, condition or agreement on its part to be performed with respect to Section 6.3 of the Lease and continuance of such failure for a period of five (5) days after receipt by the Sublessee of written notice specifying the nature of such default from the Agency;

(c) Failure of the Sublessee to observe and perform any covenant, condition or agreement hereunder on its part to be performed (except as set forth in Section 8(a) or (b) above) and (1) continuance of such failure for a period of fifteen (15) days after receipt by the Sublessee of written notice specifying the nature of such default from the Agency, or (2) if by reason of the nature of such default the same can be remedied, but not within the said fifteen (15) days, the Sublessee fails to proceed with reasonable diligence after receipt of said notice to cure the same or fails to continue with reasonable diligence its efforts to cure the same;

(d) The Sublessee or the Sublessor shall (i) apply for or consent to the appointment of or the taking of possession by a receiver, liquidator, custodian or trustee of itself or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as such debts generally 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 seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, (vi) fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against itself in an involuntary case under the Federal Bankruptcy Code (as now or hereafter in effect), (vii) take any action for the purpose of effecting any of the foregoing, or (viii) be adjudicated a bankrupt or insolvent by any court;

(e) A proceeding or case shall be commenced, without the application or consent of the Sublessee or the Sublessor, in any court of competent jurisdiction, seeking, (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts, (ii) the appointment of a trustee, receiver, liquidator, custodian or the like of the Sublessee or the Sublessor, or of all or any substantial part of its respective 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, or any order for relief against the Sublessee or the Sublessor shall be entered in an involuntary case under such Bankruptcy Code; the terms "dissolution" or "liquidation" of the Sublessee or the Sublessor as used above shall not be construed to prohibit any action otherwise permitted by Section 7 hereof;

(f) Any representation or warranty made by the Sublessee or the Sublessor in (i) the Application and related materials submitted to the Agency for approval of the Project or the transactions contemplated by this Sublease Agreement, (ii) herein or in any other Transaction Document, or (iii) any report, certificate, financial statement or other instrument furnished pursuant hereto or any of the foregoing, shall prove to be false, misleading or incorrect in any material respect as of the date made; or

(g) An "Event of Default" under the Guaranty or the Lease or any other Transaction Document shall occur and be continuing.

Whenever any Event of Default shall have occurred and be continuing, the Agency may take any of the same remedial steps with respect to the Sublessee under this Sublease Agreement as are set forth in the Lease with respect to the Sublessor or the Sublessee in connection with an Event of Default thereunder.

Section 9. **Sublease Agreement for Benefit of the Agency.** It is understood and agreed by the parties hereto that this Sublease Agreement is entered into for the benefit of the Agency, and the payments, obligations, covenants and agreements of the parties hereto may be enforced by the Agency as if it were a party to this Sublease Agreement.

Section 10. **Miscellaneous.** This Sublease Agreement shall inure to the benefit of the Sublessor, the Sublessee and the Agency, and shall be binding upon the Sublessor and the Sublessee and their respective successors and assigns.

This Sublease Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, as the same may be in effect from time to time, without regard to principles of conflicts of law.

The Sublessor and the Sublessee agree that this Sublease Agreement is subject to and is expressly subordinated to the PILOT Agreement, the PILOT Mortgage, and the Lease and all extensions, modifications, amendments and renewals thereof. This Sublease Agreement shall not be assigned, modified, amended, supplemented, rescinded, terminated, repealed or cancelled without the prior written consent of the Agency in each instance.

The Sublessee shall not seek to recover from the Agency any moneys paid to the Agency pursuant to this Sublease Agreement, whether by reason of set-off, counterclaim or deduction or for any reason whatsoever. The Sublessee covenants and agrees (w) that whenever the consent or approval of the Sublessor is required or permitted under this Sublease Agreement,

the written consent or approval of the Agency shall first be obtained before taking any action or omitting to take any action for which such consent or permission is needed by the Sublessor; (x) simultaneously to give to the Agency copies of all notices and communications by the Sublessee under this Sublease Agreement; (y) that the Agency shall not be obligated by reason of the assignment of this Sublease Agreement or otherwise to perform or be responsible for the performance of any duties or obligations of the Sublessor hereunder; and (z) not to make any prepayments of rents or other sums due hereunder to the Sublessor unless such prepayments shall also be simultaneously applied as a prepayment of Rental Payments or other sums due or to become due under the Lease.

Any obligations that may be imposed upon the Agency by virtue of operation of this Sublease Agreement shall be subject to the non-recourse provisions of Section 12.9 of the Lease as though such non-recourse provisions were fully set forth herein.

The Sublessee hereby waives the provisions of Section 227 of the New York Real Property Law or any law of like import now or hereafter in effect.

All notices, certificates or other communications hereunder shall be sufficient if sent by registered or certified United States mail, postage prepaid, return receipt requested, addressed, if to the Sublessor, c/o Grand Metro Builders of N.Y., 25 South Service, Suite 300, Jericho, NY 11753, Attention: John Cacoulidis, and, if to the Sublessee, 5 Dakota Drive, Lake Success, NY 11042. Copies of any notices delivered to the Sublessor or to the Sublessee shall also be sent to the Agency at 1100 Franklin Avenue, Suite 300, Garden City, NY 11530, Attention: Executive Director, with a copy to Phillips Lytle LLP, 437 Madison Avenue, 34th floor, New York, NY 11530, Attention: Milan K. Tyler, Esq.

This Sublease Agreement shall completely and fully supersede all other prior understandings or agreements, both written and oral, between the Sublessor and the Sublessee relating to the Project Facility.

If any clause, provision or section of this Sublease Agreement be ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or section shall not affect any of the remaining provisions hereof.

The Sublessee will permit the Agency, or its duly authorized agents, at all reasonable times and upon reasonable notice, to enter the Project Facility for the purposes and in accordance with the provisions set forth in the Lease.

This Sublease Agreement shall become effective upon its delivery. It may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

It is the intention of the parties hereto that this Sublease Agreement be a "net lease" and that the portion of the rent set forth in Section 5(b) of this Sublease Agreement be

available for Rental Payments under the Lease, and this Sublease Agreement shall be construed to effect such intent.

THE PARTIES HERETO DO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EACH MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS SUBLEASE AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION WITH THIS SUBLEASE AGREEMENT.

The provisions of this Sublease Agreement relating to waiver of a jury trial and the right of re-entry or re-possession shall survive the termination or expiration of this Sublease Agreement.

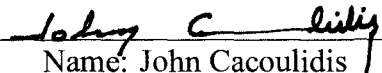
The Sublessee shall not make, or suffer to be made, any leases (other than the Lease and this Sublease Agreement) or cancel or modify any leases or subleases or further assign the whole or any part of the rents without the prior written consent of the Agency. No lease or sublease (other than the Lease and this Sublease Agreement) covering all or any part of the Project Facility shall be valid or effective without the prior written approval of the Agency. In respect of any lease or sublease, the Sublessee will (i) fulfill or perform each and every provision thereof on its part to be fulfilled or performed; (ii) promptly send copies of all notices of default which it shall send or receive thereunder to the Agency, and (iii) enforce, short of termination thereof, the performance or observance of the provisions thereof. Nothing contained in this Sublease Agreement shall be deemed to impose on the Agency any of the obligations of the lessor under such leases or subleases.

The date of this Sublease Agreement shall be for reference purposes only and shall not be construed to imply that this Sublease Agreement was executed on the date first above written. This Sublease Agreement was executed and delivered on the Closing Date.

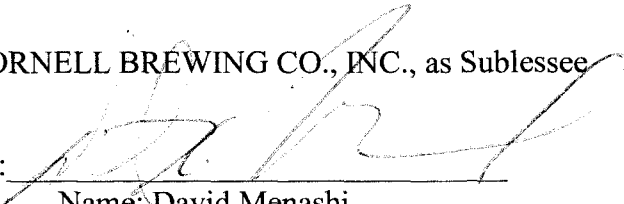
IN WITNESS WHEREOF, the Sublessor and the Sublessee have caused this Sublease Agreement to be executed in their respective names by their respective duly authorized officers, all being done as of the year and day first above written.

60 CROSSWAYS, L.L.C.,
as Sublessor

By: CROSSWAYS PARK, LLC, its Managing
Member

By: 
Name: John Cacoulidis
Title: Managing Member

HORNELL BREWING CO., INC., as Sublessee

By: 
Name: David Menashi
Title: Chief Executive Officer

APPENDICES

EXHIBIT A

DESCRIPTION OF LAND

ALL that certain plot, piece or parcel of land, situate, lying and being in the Town of Oyster Bay, County of Nassau, State of New York, being more particularly bounded and described as follows:

BEGINNING at a point lying in the Easterly side of Wantagh Oyster Bay Expressway distant 775.00 feet Southerly from the corner formed by the intersection of the Easterly side of Wantagh Oyster Bay Expressway with the Southerly side of Jericho Turnpike, said distance being measured along the Easterly side of Wantagh Oyster Bay Expressway;

RUNNING THENCE South 45 degrees 42 minutes 23 seconds East along a line radial to the Easterly side of Wantagh Oyster Bay Expressway for a distance of 130.00 feet to a point;

THENCE South 78 degrees 48 minutes 26 seconds East for a distance of 328.94 feet to a point on a curve;

THENCE Southerly along a curve bearing to the left, having a radius of 180.00 feet for the arc and length 80.00 feet to a point of tangency;

THENCE South 4 degrees 16 minutes 59 seconds East tangent to the previous course for a distance of 213.00 feet to a point;

THENCE South 85 degrees 43 minutes 01 seconds West for a distance of 304.00 feet to a point;

THENCE North 73 degrees 10 minutes 50 seconds West, radial to the next course for a distance of 327.94 feet to the Easterly side of Wantagh Oyster Bay Expressway;

THENCE Northerly along the Easterly side of Wantagh Oyster Bay Expressway along a curve bearing to the right having a radius of 1970.00 feet for the arc length of 153.90 feet to a point of compound curve;

THENCE still Northerly, still along the Easterly side of Wantagh Oyster Bay Expressway, along a curve to the right having a radius of 680.00 feet for the arc length of 272.95 feet to the point or place of BEGINNING.

APPENDIX A

Event of Default shall have the meaning specified in Section 8 hereof.

Land shall mean that certain lot, piece or parcel of land as more particularly described in Exhibit A – “Description of the Land” hereto, which is made a part hereof, together with all easements, rights and interests now or hereafter appurtenant or beneficial thereto; but excluding, however, any real property or interest therein released pursuant to Section 9.3(C) of the Lease.

Lease shall mean the Lease Agreement, dated as of even date herewith, between the Agency and the Sublessor, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith.

Rental Payments shall mean the amounts payable by the Sublessor as Lessee under the Lease as set forth in Section 5.3 of the Lease.

Sublease Agreement shall mean this Sublease Agreement, dated as of July 1, 2007, between the Sublessor and the Sublessee, and shall include any and all amendments hereof and supplements hereto hereafter made in conformity herewith.

APPENDIX B

ADDITIONAL SUBLEASE TERMS

**RIDER TO LEASE DATED JANUARY 16, 2007, BY AND
BETWEEN 60 CROSSWAYS, LLC, AS LANDLORD,
HORNELL BREWING CO., INC., AS TENANT**

1. In the event of any inconsistency between the terms of the printed portion of this Lease and the Rider to this Lease, the terms of the Rider shall prevail.
2. The name and address of the building (the "Building") in which the Premises are located is 60 Crossways Park West, Woodbury NY 11797. The Building is deemed to be as approximately shown on Exhibit "A" attached hereto and made a part hereof, which space is deemed to contain 125,000 gross rentable square feet.
3. The Commencement Date shall be thirty (30) days after Landlord notifies Tenant that the Demised Premises are available for Tenant's occupancy.
4. The term of this Lease shall be for Twenty (20) years from the Commencement Date.
5. Right to Terminate. Provided that 50% or more of the ownership of Tenant or any parent corporation that owns Tenant does not change, then at the end of the tenth year, if the Nassau County Industrial Development Agency, or any other government or municipal entity having jurisdiction, does not renew the Real Estate Tax Assistance Program ("Pilot Program") by which real estate taxes are reduced in a manner consistent with the same percentage cost reductions and 2% percentage increase cap as provided during the first ten (10) years of the Lease Term, then Tenant may terminate this Lease by providing six (6) months written notice to Landlord.
6. It is understood and agreed that the Base Monthly Rental for the first year shall be \$281,250 per month and shall be increased each year by two (2%) percent over the previous year.
7. The parties agree that this is a triple net lease. Tenant assumes the sole responsibility for the condition, operation, maintenance and management of the Building, and Landlord shall not be required to furnish any facilities or services or make any repairs or alterations thereto. Tenant shall be responsible for all costs, maintenance and repairs to operate the property including, but not limited to:
 - a. Real Estate Taxes
 - b. Common area utilities (gas, fuel, oil and electric);
 - c. Insurance;
 - d. Rubbish removal;
 - e. H.V.A.C. repair and maintenance;
 - f. Common area cleaning expense;
 - g. Water;
 - h. Sewer;
 - i. Snow removal;
 - j. Landscaping
 - k. Building employee payroll;
 - l. Non-structural general maintenance and repairs;
 - m. Common area painting and decorating;
 - n. Elevator maintenance;
 - o. Lawn sprinkler maintenance;
 - p. Fire sprinkler maintenance;
 - q. Roof repairs;
 - r. Boiler repairs and maintenance;
 - s. Electrical maintenance;

Initials: 

**RIDER TO LEASE DATED JANUARY 16, 2007, BY AND
BETWEEN 60 CROSSWAYS, LLC, AS LANDLORD,
HORNELL BREWING CO., INC., AS TENANT**

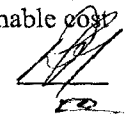
- t. Plumbing maintenance;
 - u. Maintenance of building signage and identification;
 - v. Parking lot and sidewalk maintenance;
 - w. Cleaning and repair of doors, glass and hardware;
 - x. Administrative charge of 15% of total Building Operating Maintenance expense;
 - y. Building Management Fee not to exceed 5% of the gross rents collected.
8. All rent, additional rent, and rent adjustments payable in this Lease and Rider to the Lease shall be made without any deduction or set-offs whatsoever. If there is dispute regarding the amount of rent and/or additional rent and/or rent adjustments, Tenant's sole remedy will be to bring a breach of contract action in a court of competent jurisdiction. The obligation of the Tenant with respect to the payment of Rent and Additional Rent due hereunder shall survive the expiration or termination of this Lease. The receipt of any amount of rent or additional rent other than that originally reserved herein or that which may become payable under the terms of this lease, shall not operate as a waiver of any of Landlord's rights or as an accord and satisfaction and Landlord may collect any sums without prejudicing its right and may apply same on account of any balances due in its own discretion.
9. Tenant shall pay all Base Rent and any Additional Rents to the Landlord or Property Manager, as designated by Landlord. All notices by either party to the other shall be given by either registered or certified mail, return receipt requested, or by overnight courier service which provides receipt of delivery, addressed in the case of the Tenant to the Demised Premises, and any notice to the Landlord shall be addressed to the Landlord at the following address, or at such other address as either party shall designate in writing to the other:
- 60 Crossways, LLC
25 South Service Road, Suite 300
Jericho NY 11725
10. Tenant will pay rent on or before the first of each month. In the event Tenant shall be late in the payment of rent or additional rent for a period in excess of ten (10) days from the due date, then and in that event, Tenant shall pay an administrative charge of 5% of the amount of rent and additional rent then due and owing. In the event any one of Tenant's checks shall be returned for any reason, Tenant shall pay as additional rent, a service charge of \$100.00 for each check in reimbursement of Landlord's administrative and office expense. Nothing herein shall be construed to allow the payment of rent other than on the first day of the month and additional rent on the date as specified in this lease. In the event any two (2) checks are returned in one year, for any reason, Landlord shall have the right to require the remaining checks for the balance of the term to be paid in certified funds or bank check in its discretion, at any time or from time to time.
11. Tenant shall make no structural alterations or alterations or additions to the electrical equipment and/or appliances without the prior written consent of Landlord in each instance. Such consent shall not be unreasonably withheld or delayed.
12. Landlord shall have no obligation to alter, improve, decorate or otherwise prepare the Demised Premises for Tenant's occupancy. If Landlord is required by the terms hereof to do any such work without expense to Tenant and the cost of such work is increased due to any

Initials:

**RIDER TO LEASE DATED JANUARY 16, 2007, BY AND
BETWEEN 60 CROSSWAYS, LLC, AS LANDLORD,
HORNELL BREWING CO., INC., AS TENANT**

delay resulting from any act or omission of Tenant, its agents or employees, Tenant shall forthwith pay to Landlord as Additional Rent an amount equal to such increase in cost.

13. Notwithstanding the requirements set forth in Exhibit C, Tenant hereby accepts the Demised Premises in an "as is" and "where is" condition without warranty from Landlord or any one acting on behalf of Landlord of any kind, express or implied. No representations, inducements, understanding or anything of any nature whatsoever, made, stated or represented by Landlord or its representatives, either orally or in writing, have induced Tenant to enter into this Lease. Tenant acknowledges, represents and warrants that Tenant has entered into this Lease under and by virtue of Tenant's own independent investigation. In connection with the above, Tenant hereby acknowledges and represents to Landlord, that Tenant has had ample opportunity to inspect and evaluate the Demised Premises and the feasibility of the uses and activities Tenant is entitled to conduct thereon; that Tenant is experienced; that Tenant will rely entirely on Tenant's experience, expertise and its own inspection of the Demised Premises in its current state in proceeding with this Lease; that Tenant accepts the Demised Premises in its present condition, and that, to the extent that Tenant's own experience with respect to any of the foregoing is insufficient to enable Tenant to reach and form a conclusion, Tenant has engaged the services of persons qualified to advise Tenant with respect to such matters.
14. It is understood and agreed that the cost of any additional work performed by Landlord (or anyone employed by Landlord) during the term of this Lease at Tenant's request, shall be at Tenant's own costs and expense with an additional charge of 15% for Landlord's overhead and profit and deemed Additional Rent pursuant to the terms of this Lease.
15. Tenant agrees to indemnify, release and hold the Landlord harmless from and against any and all liability, claims, loss and/or expense, including reasonable attorney's fees arising during term of this lease for any type of claims, liability, damage, injury or loss of life, in, upon or about the leased premises and building, as well as any sidewalk in front of or adjacent thereto or any appurtenances, provided such claims, liability, damages injuries, or loss of life are caused by or result from the negligence, carelessness, recklessness or actions of Tenant, Tenant's agents, servants, employees, contractors, licensees or invitees. On the execution of this lease, Tenant shall provide and keep in force during the term of this lease, for the benefit of Landlord and Tenant, a comprehensive policy of liability, personal contents and property damage insurance protecting the Landlord and the Tenant against such liability occasioned on or about the leased premises or any appurtenances thereto. Such policy shall provide for \$2,000,000.00 of coverage per occurrence and \$5,000,000.00 of excess coverage. Tenant agrees, as soon as practicable, to deliver to Landlord, a duplicate original of the aforesaid policy and a certificate of insurance both of which name Landlord and the Building Manager as additional insureds. Landlord and Building Manager shall also be named as an additional insured, as Landlord's interest may appear, in any contents policy Tenant may have during the term of this Lease. Landlord or its agents shall not be liable for any damage to property of Tenant unless caused by or due to the intentional conduct or negligence of Landlord, its agents, servants or employees. Tenant agrees to maintain "All Risk" insurance on its contents, with a replacement cost valuation in an amount sufficient to satisfy co-insurance clauses, if any. Tenant shall be responsible, at its own cost and expense, for the removal from the leased and building premises of any debris resulting from any of Tenants damaged or destroyed contents. In the event Tenant does not remove damaged or destroyed contents, as aforesaid, then Landlord may remove same and Tenant shall be liable for the reasonable cost

Initials: 

**RIDER TO LEASE DATED JANUARY 16, 2007, BY AND
BETWEEN 60 CROSSWAYS, LLC, AS LANDLORD,
HORNELL BREWING CO., INC., AS TENANT**

of removing same as additional rent. Tenant shall be responsible for repairing and replacing all plate glass due to theft, vandalism or the negligence of Tenant, Tenant's agents, servants, employees, contractors, licensees or invitees. The terms of this clause shall survive the termination of this lease.

16. Both the Landlord and Tenant's insurance policies affecting the leased and building premises shall provide for waiver of subrogation. Upon obtaining the required insurance policies provided for herein, Tenant shall inform its insurance carrier of the mutual waiver of subrogation in order to prevent any cancellation of Tenant's policies.
17. Tenant shall not assign, mortgage or encumber this Lease, its interest hereunder or the estate granted hereby, nor sublet or suffer or permit the Demised Premises or any part thereof to be used by others, without the prior written consent of Landlord in each instance which may not be unreasonably withheld, conditioned or delayed. Notwithstanding the above, the Tenant may assign or sublet this lease to any company within the common control of the Tenant, upon prior written notice to the Landlord. Notwithstanding any assignment, sublease or transfer of this Lease or Tenant's rights hereunder, Tenant shall remain fully liable under this Lease for the performance of all terms, covenants and provisions of this Lease.
18. If Tenant shall Assign or Sublet any portion of the Building to anyone for rents which for any period shall exceed the Base Rent and Additional Rent payable under this Lease for the same period (computed on a pro-rata per rentable square foot basis), Tenant shall pay Landlord, as Additional Rent hereunder, the full amount of any rents, additional charges or other consideration payable under the sublease or assignment to Tenant by the subtenant which is in excess of the Base Rent and Additional Rent accruing during the term of the sublease in respect of the Demised Premises pursuant to the terms hereof (computed on a pro-rata per rentable square foot basis). The sums payable under this Section shall be paid to Landlord as Additional Rent as and when payable by the subtenant to Tenant.
19. Tenant shall, within ten (10) days after request by Landlord, execute and deliver to Landlord a written declaration in form satisfactory to Landlord: (a) ratifying this Lease; (b) expressing the Commencement Date and Expiration Date hereof; and (c) certifying (i) that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended (except by such writings as shall be stated), (ii) that all conditions under this Lease to be performed by Landlord have been satisfied; (iii) that there are no defenses or offsets against the enforcement of this Lease by Landlord, or stating those claimed by Tenant; (iv) the amount of advance rental, if any, (or none if such is the case) paid by Tenant; (v) the date to which rental has been paid; and (vi) the amount of security deposited with Landlord. Such declarations shall be executed and delivered by Tenant, from time to time, as may be requested by Landlord. Landlord's mortgage lenders and/or purchasers shall be entitled to rely upon the same.
20. Tenant, Tenant's agents, employees, licensees, or invitees shall not cause or suffer to occur in any manner whatsoever, the use, disposal, storage, or release of any hazardous substance, as now or hereinafter defined under any applicable Federal, State or Local Laws, at, upon, under, or within the leased premises or any contiguous or adjacent part of the entire building premises. Tenant shall indemnify, release and hold Landlord harmless against any claims, costs, penalties, assessments, lawsuits, or the like that may arise in regard to any use, disposal, storage or release as aforesaid.

Initials: 

**RIDER TO LEASE DATED JANUARY 16, 2007, BY AND
BETWEEN 60 CROSSWAYS, LLC, AS LANDLORD,
HORNELL BREWING CO., INC., AS TENANT**

21. Tenant represents and warrants that there are no claims for brokerage commissions or finders' fees in connection with the execution of this Lease. Tenant agrees to indemnify Landlord against and hold it harmless from all liabilities arising from any such claim by any broker or finder including, without limitation, the cost of counsel fees.
22. The submission by Landlord of this Lease shall not be construed as an offer to lease. Landlord shall be bound only upon the execution of this Lease by an authorized officer and the delivery of such executed Lease to Tenant. Tenant hereby waives and is estopped from asserting any rights with respect to the Demised Premises or against Landlord which may arise from any alleged oral agreement; oral lease; any acts or expenditures (including without limitation the return of this Lease to Landlord executed by Tenant and the payment of any sums on account hereof) or series of same taken or made by Tenant in reliance on the anticipated execution hereof by Landlord; or any letter from Landlord or its attorneys sent prior to the execution and delivery hereof by Landlord as aforesaid; it being expressly understood and agreed that Tenant shall under no circumstances have any such rights until said execution and delivery hereof by Landlord.
23. THE PARTIES HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE DEMISED PREMISES, AND/OR ANY CLAIM OF INJURY OR DAMAGE. IN THE EVENT LANDLORD COMMENCES ANY PROCEEDINGS FOR DISPOSSESSION OR POSSESSION OF THE DEMISED PREMISES OR FOR NON-PAYMENT OF MINIMUM ANNUAL RENT, ADDITIONAL RENT OR ANY OTHER SUM DUE FROM TENANT HEREUNDER, TENANT WILL NOT INTERPOSE ANY COUNTERCLAIM OR CROSSCLAIM OF WHATEVER NATURE OR DESCRIPTION IN ANY SUCH PROCEEDINGS. THIS SHALL NOT, HOWEVER, BE CONSTRUED AS A WAIVER OF TENANT'S RIGHT TO ASSERT SUCH CLAIMS IN ANY SEPARATE ACTION BROUGHT BY TENANT. HOWEVER, TENANT SHALL NOT MOVE TO CONSOLIDATE ANY SUCH ACTION WITH ANY ACTION BROUGHT BY LANDLORD AGAINST TENANT FOR DISPOSSESS OR POSSESSION OF THE DEMISED PREMISES OR FOR NON-PAYMENT OF RENT.
24. This Lease and the exhibits, riders and/or addenda, if any attached, set forth the entire agreement between the parties. Any prior conversations or writings are merged herein and extinguished. No subsequent amendment to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed. If any provision contained in a rider or addenda is inconsistent with the provisions contained herein then the provisions contained in said rider or addenda shall supersede said provisions contained herein. The captions, numbers and index appearing herein are inserted only as a matter of convenience and are not intended to define, limit, construe or describe the scope or intent of any paragraph, nor in any way affect this Lease.
25. If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid, the remainder of this Lease or the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected

Initials: 

**RIDER TO LEASE DATED JANUARY/6, 2007, BY AND
BETWEEN 60 CROSSWAYS, LLC, AS LANDLORD,
HORNELL BREWING CO., INC., AS TENANT**

thereby and each provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

IN WITNESS WHEREOF, the parties have respectively signed and sealed this Lease as of the day and year first above written.

SIGNATURES:

LANDLORD:

60 CROSSWAYS, LLC,
A New York Limited Liability Company

By: John C. Cacoulidis

Name: John Cacoulidis

Title: Member

Date of Execution: 1-16-07

Witness: [Signature]

State of NEW YORK)
) ss:
County of _____)

On this _____ day of _____, 2007, before me personally appeared John Cacoulidis to me known or who provided satisfactory proof of identification to be Member of the Corporation that executed the within and foregoing instrument and acknowledge the execution of said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

Notary Public

TENANT:

HORNELL BREWING CO., INC.
A New York Corporation

By: David K. Pienasch

Name: DAVID K. PIENASCH

Title: CEO

Date of Execution: 1-16-07

Witness: [Signature]

State of _____)
) ss:
County of _____)

On this _____ day of _____, 2007, before me personally appeared _____ to me known or who provided satisfactory proof of identification to be _____ of the Corporation that executed the within and foregoing instrument and acknowledge the execution of said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

Notary Public

Initials: [Signature]