

SCHUYLER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

TO

LILLY BROTHERS BREWING LLC

SUBLEASE AGREEMENT

*Waterfront Sublease Agreement
Marina Restaurant Facility
Village of Watkins Glen, Schuyler County, New York*

Dated as of June 3, 2022

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LEASE AGREEMENT

THIS SUBLEASE AGREEMENT (hereinafter the "Sublease Agreement"), dated as of March 31, 2022, is by and between the **SCHUYLER COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation duly existing under the laws of the State of New York with offices at 910 South Decatur Street, Watkins Glen, New York 14891 (the "Agency") and **LILLY BROTHERS BREWING LLC**, a New York limited Liability Company with offices at 250 Old Ithaca Road, Horseheads, New York 14845 (the "Company").

WITNESSETH:

WHEREAS, pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "Enabling Act", as adopted by Chapter 668 of the Laws of 1970 of the State of New York) the State of New York (the "State") authorized the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and sell land and any building or other improvement, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial or industrial facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease any or all of its facilities at such rentals and on such other terms and conditions as it deems advisable, and pursuant to and in connection with the provisions of the Enabling Act, Chapter 21 of the Laws of 1971 of the State (hereinafter collectively, the "Act") the Agency was established and empowered to undertake certain activities, including, but not limited to the leasing of interests in real estate; and

WHEREAS, pursuant to Chapter 135 of the Laws of 1983, the State authorized the County of Schuyler (the "County") to enter into a lease, contract or agreement on an exclusive basis for the use, development and operation by the Agency for public fishing, boating and other public recreational purposes on Seneca Lake within the Village of Watkins Glen, New York, together with appropriate support activities, but subject to a finding by resolution that such lease is in the public interest following a public hearing; and

WHEREAS, the County Legislature, upon proper notice, duly held a public hearing and thereafter, by resolution, authorized the execution and delivery of that certain Lease Agreement, dated June 16, 1983 and recorded in the Office of the Schuyler County Clerk at Liber 27 of Leases at Page 237, as secured by that certain Income Assignment Agreement, dated September 19, 1996 and recorded in the Office of the Schuyler County Clerk at Misc. Liber 14 at Page 338, and as amended by (i) that certain amendment dated January 23, 2006, and (ii) a certain Amendment to Sub-Lease, dated as of February 2, 2006 and recorded in the Office of the Schuyler County Clerk at Liber 49 of Leases as Page 557 (collectively herein, the "Master Lease Agreement"), such Master Lease Agreement relating to certain parcels of land within the Seneca Harbor Park; and

WHEREAS, the Agency over time, and generally conforming with the "Watkins Glen Tomorrow Lake Front Development Plan - 1982" (the "Plan"), has entered into certain subleases of the property associated with the Master Lease Agreement, including leasehold interests in that certain marina restaurant and bar facility, along with certain access and parking rights (collectively, the "Facility", as more particularly described and delineated herein) such Facility being a component and portion of the lands leased by the Agency from the County under the Master Lease Agreement; and

WHEREAS, the prior Sublease relating to the Facility has expired and the Agency solicited proposals for a 1-year sublease agreement for the provision of continued entertainment and recreation amenities; and

WHEREAS, the Agency authorized the sublease of the Facility to the Company by Agency resolution adopted March 9, 2022 pursuant to this Sublease Agreement; and

WHEREAS, the Agency proposes to lease the Facility to the Company, and the Company desires to rent the Facility from the Agency, upon the terms and conditions hereinafter set forth in this Sublease Agreement.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby formally covenant, agree and bind themselves as follows:

ARTICLE I
REPRESENTATIONS AND COVENANTS

Section 1.1. Representations and Covenants of the Agency. The Agency makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) The Agency is duly established under the provisions of the Act and has the power to enter into the transaction contemplated by this Sublease Agreement and to carry out its obligations hereunder.

(b) The Agency has duly authorized the execution and delivery of this Sublease Agreement.

(c) The Master Lease Agreement, as amended, remains in full force and effect as of the date hereof. Pursuant to the terms of this Sublease Agreement, the Agency will sublease the Facility to the Company, all for the purpose of promoting the industry, health, welfare, convenience and prosperity of the inhabitants of the State and the County of Schuyler and improving their standard of living.

(d) Neither the execution and delivery of this Sublease Agreement, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions

of this Sublease Agreement will conflict with or result in a breach of any of the terms, conditions or provisions of the Act or of any corporate restriction or any agreement or instrument to which the Agency is a party or by which it is bound, or will constitute a default under any of the foregoing, or result in the creation or imposition of any lien of any nature upon any of the property of the Agency under the terms of any such instrument or agreement.

(e) The Agency has been induced to enter into this Sublease Agreement by the undertaking of the Company to pay the rentals and undertake the obligations contained herein, including the continued operation, repair and maintenance the Facility, along with the retention of related jobs in the County of Schuyler, New York.

Section 1.2. Representations and Covenants of the Company. The Company makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) The Company is a domestic limited liability company duly organized, validly existing and in good standing under the laws of the State of New York, has the authority to enter into this Sublease Agreement and has duly authorized the execution and delivery of this Sublease Agreement.

(b) Neither the execution and delivery of this Sublease Agreement, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions of this Sublease Agreement will conflict with or result in a breach of any of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Company is a party or by which it is bound, or will constitute a default under any of the foregoing, or result in the creation or imposition of any lien of any nature upon any of the property of the Company under the terms of any such instrument or agreement.

(c) The providing of the Facility by the Agency and the leasing thereof by the Agency to the Company will not result in the removal of an industrial or manufacturing plant, facility or other commercial activity of the Company from one area of the State to another area of the State nor result in the abandonment of one or more commercial or manufacturing plants or facilities of the Company located within the State; and the Agency has found that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries.

(d) The Facility and the operation thereof will conform to all applicable zoning, planning, building and environmental laws and regulations of governmental authorities having jurisdiction over the Facility, and the Company shall defend, indemnify and hold the Agency harmless from any liability or expenses resulting from any failure by the Company to comply with the provisions of this subsection (d). The Company shall operate the Facility in accordance with this Sublease Agreement and as a qualified "project" under the Act.

(e) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or, to the knowledge of the Company,

threatened against or affecting the Company, to which the Company is a party, and in which an adverse result would in any way diminish or adversely impact on the Company's ability to fulfill its obligations under this Sublease Agreement.

(g) The Company covenants that the Facility will comply in all respects with all environmental laws and regulations, and, except in compliance with environmental laws and regulations, (i) that no pollutants, contaminants, solid wastes, or toxic or hazardous substances will be stored, treated, generated, disposed of, or allowed to exist on the Facility except in compliance with all material applicable laws, (ii) the Company will take all reasonable and prudent steps to prevent an unlawful release of hazardous substances onto the Facility or onto any other property, (iii) that no asbestos will be incorporated into or disposed of on the Facility, (iv) that no underground storage tanks will be located on the Facility, and (v) that no investigation, order, agreement, notice, demand or settlement with respect to any of the above is threatened, anticipated, or in existence. The Company, upon receiving any information or notice contrary to the representations contained in this Section, shall immediately notify the Agency in writing with full details regarding the same. The Company hereby releases the Agency from liability with respect to, and agrees to defend, indemnify, and hold harmless the Agency, its executive director, directors, members, officers, employees, agents (other than the Company), representatives, successors, and assigns from and against any and all claims, demands, damages, costs, orders, liabilities, penalties, and expenses (including reasonable attorneys' fees) related in any way to any violation of the covenants or failure to be accurate of the representations contained in this Section.

(h) The Company has provided to the Agency a certificate or certificates of insurance containing all of the insurance provision requirements included under Sections 3.4 and 3.5 hereof. If the insurance is canceled for any reason whatsoever, or the same is allowed to lapse or expire, or there be any reduction in amount, or any material change is made in the coverage, such cancellation, lapse, expiration, reduction or change shall not be effective as to any loss payee or additional insured until at least thirty (30) days after receipt by such party of written notice by the insurer of such cancellation, lapse, expiration, reduction or change.

Section 1.3. Public Authorities Law Representations. The parties hereto hereby acknowledge that the subleasing of the Facility by the Agency pursuant hereto constitutes the disposition by the Agency of real property for annual rent over the term hereof (as further defined herein) of less than fifteen thousand dollars (\$15,000.00) accruing to the Agency, with the balance of all rentals being assigned to the County pursuant to the Master Lease Agreement. Therefore, the issuance of an explanatory statement by the Agency is not required pursuant to Section 2897 of the Public Authorities Law ("PAL").

ARTICLE II

FACILITY SITE, DEMISING CLAUSES AND RENTAL PROVISIONS

Section 2.1. Master Lease Agreement; Facility Site. The County is the fee owner of, and pursuant to the Master Lease Agreement, the Agency holds a leasehold interest in the real property, including all buildings, structures or improvements thereon, described in **Exhibit A** attached hereto (the "Facility"), such Facility being described as a commercial restaurant and bar facility located within the Seneca Harbor Park. The leasehold rights granted herein shall include

access rights across the parking lot accessing the building leased hereunder, along with public parking spaces to be utilized by staff and patrons of the Company. The Company agrees that the Agency's interest in the Facility resulting from said conveyances is be sufficient for the purposes intended by this Sublease Agreement and agrees that it will defend, indemnify and hold the County and Agency harmless from any expense or liability arising out of any defect in title or a lien created by the Company after the date hereof and adversely affecting the Facility and will pay all reasonable expenses incurred by the County and Agency in defending any such action respecting title to or a lien affecting the Facility.

Section 2.2. Operation, Maintenance, Rehabilitation and Use of the Facility.

(a) Pursuant to the terms hereof, the Company is granted the right, obligation and authority to undertake the operation, maintenance and rehabilitation, and equipping of the Facility. The Facility shall be used and occupied only for the purpose of operating, maintaining, and promoting a commercial restaurant and bar facility, all of which shall serve and be made generally available to the public in accordance with legal requirements, as well as such related uses as the Agency may specifically from time to time approve. The Company shall not use or occupy the Facility (i) contrary to any statute, rule, order, ordinance, requirement or regulation applicable thereto; (ii) in any manner which would violate any certificate of occupancy affecting the same, or (iii) in any manner which would constitute a public or private nuisance or waste.

(b) The Company hereby acknowledges and agrees that the Master Lease Agreement and this Sublease Agreement, along with the respective rights thereunder, are subject to review by the New York State Office of Parks, Recreation and Historic Preservation ("OPRHP"), whereby OPRHP may periodically review the performance of the Agency and County with respect to maintenance, public use and accessibility of the Facility. Pursuant to applicable law and regulations, OPRHP may cause the termination of the Master Lease Agreement and this Sublease Agreement in the event that the Facility is not maintained and accessible in accordance with applicable grant rules and regulations, including, but not limited to the Land and Water Conservation Fund Act of 1965 and implementing guidelines (collectively, "LWCFA"). The Facility shall be operated by the Company for public outdoor recreation purposes in compliance with LWCFA and shall be identified as such in all signs, literature and advertising. The Company shall not cause any advertisement or signage to occur or be posted indicating that the Facility is privately owned and all signage for the Facility shall comply with Chapter 675.4 of LWCFA. All fees and charges imposed and collected by the Company in connection with use of the Facility by the public shall be competitive with similar private facilities.

Section 2.3. Demise of Facility. The Agency hereby demises and leases the Facility to the Company and the Company hereby rents and leases the Facility from the Agency upon the terms and conditions of this Sublease Agreement.

Section 2.4. Remedies to be Pursued Against Contractors and Subcontractors and their Sureties. In the event of a default by any contractor or any other person or subcontractor under any contract made by it in connection with the Facility or in the event of a breach of warranty or other liability with respect to any materials, workmanship, or performance guaranty, the Company at its expense, either separately or in conjunction with others, may pursue any and all remedies available to it and the Agency, as appropriate, against the contractor, subcontractor or manufacturer or supplier or other person so in default and against such surety for the

performance of such contract. The Company, in its own name or in the name of the Agency, may prosecute or defend any action or proceeding or take any other action involving any such contractor, subcontractor, manufacturer, supplier or surety or other person which the Company deems reasonably necessary, and in such events the Agency, at the Company's expense, hereby agrees to cooperate fully with the Company and to take all action necessary to effect the substitution of the Company for the Agency (including but not limited to reasonable attorneys' fees) in any such action or proceeding.

Section 2.5. Duration of Lease Term; Quiet Enjoyment. (a) The Agency shall deliver to the Company sole and exclusive possession of the Facility (subject to the provisions of Sections 5.3 and 7.1 hereof) and the leasehold estate created hereby shall commence on the date hereof.

(b) The leasehold estate created hereby shall, without any further action of the parties hereto, terminate at 11:59 P.M. on June 30, 2023, or on such earlier date as may be permitted by Section 8.1 hereof.

(c) The period commencing on the date described in Section 2.5(a) herein through the date described in Section 2.5(b) herein shall be herein defined as the Lease Term. The Company shall have a right of first refusal in connection with the Agency's leasing of the Facility following the expiration of the Lease Term and the first right of refusal should a new facility be rebuilt on the site.

(d) The Agency shall, subject to the provisions of Sections 5.3 and 7.1 hereof and in the absence of an uncured Event of Default hereunder, neither take nor suffer nor permit any action, other than pursuant to Articles VII or VIII of this Sublease Agreement, to prevent the Company, during the term of this Sublease Agreement, from having quiet and peaceable possession and enjoyment of the Facility and will, at the request of the Company and at the Company's cost, cooperate with the Company in order that the Company may have quiet and peaceable possession and enjoyment of the Facility as hereinabove provided. Notwithstanding the foregoing, this Sublease Agreement shall automatically terminate commensurate with the termination of the Master Lease Agreement. The Agency shall in all events immediately notify the Company if the Agency receives any notification from the County with respect to violation, an Event of Default under and/or termination of the Master Lease Agreement.

(e) The Company hereby irrevocably appoints and designates the Agency as its attorney-in-fact for the purpose of executing and delivering and recording any necessary terminations of lease together with any documents required in connection therewith and to take such other and further actions in accordance with this Sublease Agreement as shall be reasonably necessary to terminate this Sublease Agreement. Notwithstanding any such expiration or termination of this Sublease Agreement, the Company's obligations under Sections 3.3 and 5.2 hereof shall continue notwithstanding any such termination or expiration.

(f) **Surrender.** Upon the termination of this Sublease Agreement, whether by forfeiture, lapse of time or otherwise, or upon the termination of the Company's right to possession of the Facility, the Company will at once surrender and deliver up the Facility, together with all improvements and fixtures located thereon, whether installed by the Company or its predecessors. The Company may remove its personal property and non-Fixture Equipment

and any personal property or Non-Fixture Equipment remaining on the Facility after 30 days following the date of termination shall become property of the Agency. Except as otherwise expressly provided herein, the Facility shall be returned to the Agency in a similar condition and repair as compared to their condition at the commencement of this Sublease Agreement, reasonable wear and tear excepted.

(g) Any holding over by the Company beyond the Lease Term (as may be terminated hereunder) shall operate and be construed to be a tenancy from month to month only, at a prorated monthly rental equal to two hundred percent (200%) of the then-effective required rentals hereunder, payable in advance, plus all sums otherwise due hereunder. Nothing contained in this Section shall be construed to give the Company the right to hold over after the expiration of this Sublease Agreement, and the Agency may exercise any and all remedies at law or in equity to recover possession of the Facility.

Section 2.6. Rents and Other Consideration. The rental obligations during the Lease Term are hereby reserved and the Company shall pay rent for the Facility as follows:

(a) The Company shall pay to the Agency the sum of \$20,000.00 on or before the date hereof; plus

(b) The Company shall pay three percent (3.00%) of all gross income above \$400,000.00 from the operation of the Facility. The foregoing rental shall be paid to the Agency no later than December 31, 2022 for the 2022 operating year with detailed operational information supporting the stated gross income for the operation.

(c) Facility Operational Requirements and Restrictions. (i) The Company will immediately undertake renovations of the Facility to provide craft beer, local wine, local spirits, and food services in compliance with all laws and regulations governing the Facility;

(ii) The Company will operate the Facility from 11AM-10PM daily from April 15, 2022 through October 30, 2022 with extended hours permitted on holidays, weekends and special events;

(iii) The Company will provide live entertainment a minimum of one event per week;

(iv) The Company will provide a minimum of \$400,000 in advertising investment to promote the Facility and events within Schuyler County during 2022 at The Company's discretion;

(v) The Company acknowledges and confirms that it has received and reviewed that certain Marina Sublease Agreement, drafted as of April 14, 2014 (the "Marina Sublease"), as entered into by the Agency and The Village Marina LLC (the "Marina Operator"). The Company shall provide the Marina Operator with access to the mechanical room within the Facility during non-business hours, with the exception of emergencies; and

(vi) the Company acknowledges and agrees that pursuant to the Master Lease Agreement, the County shall retain and maintain all rights of unrestricted public access to land

deemed "park land", and that pursuant to the Master Lease Agreement and this Agreement, the Company's access rights to the Facility are limited to those rights contained herein.

(d) In addition to the payments of rent pursuant to Section 2.6(a) hereof, throughout the term of this Sublease Agreement, the Company shall pay to the Agency as additional rent, within thirty (30) days of the receipt of demand therefor, an amount equal to the sum of the expenses of the Agency and the members thereof incurred in connection with the Agency's enforcement of any Event of Default incurred by the Company hereunder.

(c) The Company agrees to make the above-mentioned payments, without any further notice, in lawful money of the United States of America as, at the time of payment, shall be legal tender for the payment of public or private debts.

Section 2.7. Obligations of Company Hereunder Unconditional. Other than as set forth herein, the obligations of the Company to make the payments required in Section 2.6 hereof and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be a general obligation of the Company and shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment or counterclaim it may otherwise have against the Agency. The Company agrees it will not (i) suspend, discontinue or abate any payment required by Section 2.6 hereof (other than as permitted pursuant to Section 3.3 hereof) or (ii) fail to observe any of its other covenants or agreements in this Sublease Agreement or (iii) except as provided in Section 8.1 hereof, terminate this Sublease Agreement.

ARTICLE III **MAINTENANCE, MODIFICATIONS, TAXES AND INSURANCE**

Section 3.1. Maintenance and Modifications of Facility by Company. (a) The Company agrees that during the term of this Sublease Agreement it will (i) keep the Facility in as reasonably safe condition as its operations shall permit; (ii) make all necessary repairs and replacements to the Facility (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen); (iii) operate the Facility in a sound and prudent manner; (iv) operate the Facility such that it continues to qualify as a "project" under the Act and pursuant to the terms contained herein; and (v) indemnify and hold the Agency harmless from any liability or expenses from the failure by the Company to comply with (i), (ii), (iii) or (iv) above.

(b) Upon at least Thirty (30) days written request to the Agency and in accordance with all applicable permitting requirements, and subject to the Agency's sole discretion, the Company, at its own expense, from time to time may make any structural addition, modifications or improvements to the Facility or any addition, modifications or improvements to the Facility or any part thereof which it may deem desirable for its business purposes and uses. All such structural additions, modifications or improvements so made by the Company shall become a part of the Facility. The Company shall comply with all applicable zoning, planning and land use laws and regulations with respect to any Agency-approved structural addition, modifications or improvements to the Facility, including, but not limited to applicable local site plan regulations and/or State or Federal regulations.

Section 3.2. Installation of Additional Equipment. The Company, from time to time, may install additional machinery, equipment or other personal property in the Facility (which may be attached or affixed to the Facility), and such non-fixture machinery, equipment or other personal property shall not become, or be deemed to become, a part of the Facility. The Company, from time to time, may remove or permit the removal of such machinery, equipment or other personal property.

Section 3.3. Taxes, Assessments and Utility Charges. The parties acknowledge that the Facility is currently exempt from real property taxation by virtue of County ownership of the Land and Improvements. Notwithstanding the foregoing, (a) The Company agrees to pay, as the same may respectively become due, (i) all taxes and governmental charges of any kind whatsoever which may at any time be lawfully assessed or levied against or with respect to the Premises, Facility and any machinery, equipment or other property installed or brought by the Company therein or thereon, including, without limiting the generality of the foregoing, any taxes levied upon or with respect to the income or revenues of the Agency from the Facility, (ii) all utility and other charges, including "service charges", incurred or imposed for the operation, maintenance, use, occupancy, upkeep and improvement of the Facility, (iii) all assessments and charges of any kind whatsoever lawfully made by any governmental body for public improvements.

(b) The parties hereto acknowledge and agree that as of the date hereof, the Premises and Facility are owned in fee by the County, remain under the supervision and control of the Agency pursuant to the Master Lease Agreement, and as such are classified as exempt property (Roll 8) of the tax rolls of the Village of Watkins Glen, New York. If and to the extent that all or any portion of the Premises or Facility are deemed taxable real estate during the term hereof and real estate taxes are assessed against same, the Company shall timely pay any and all real estate tax bills to appropriate taxing jurisdictions.

(c) The Company, at its own expense and in its own name and on behalf or in the name and on behalf of the Agency but with notice to the Agency, may in good faith contest any such taxes, assessments and other charges. In the event of any such contest, the Company may, with prior written notice to the Agency, permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Agency reasonably requests payment prior to settlement.

Section 3.4. Insurance Required. At all times throughout the Lease Term, including, without limitation, during any period of rehabilitation and construction of the Facility, the Company shall maintain or cause to be maintained insurance against such risks and for such amounts as are customarily insured against by businesses of like size and type paying, as the same become due and payable, all premiums in respect thereto, including, but not necessarily limited to:

(a) Insurance against loss or damage by fire, lightning and other casualties, with a uniform standard extended coverage endorsement, such insurance to be in an amount not less than the full replacement value of the Facility, exclusive of excavations and foundations, as determined by a recognized appraiser or insurer selected by the Company; or as an alternative to

the foregoing the Company may insure the Facility under a blanket insurance policy or policies covering not only the Facility but other properties as well, provided a periodic appraisal is performed and provided to the Agency.

(b) Workers' compensation insurance, disability benefits insurance and each other form of insurance which the Agency or the Company is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the Company who are located at or assigned to the Facility.

(c) Insurance against loss or losses from liabilities imposed by law or assumed in any written contract (including the contractual liability assumed by the Company under Section 5.2 hereof) and arising from personal injury and death or damage to the property of others caused by any accident or occurrence, with limits of not less than \$1,000,000 per accident or occurrence on account of personal injury, including death resulting therefrom, and \$2,000,000 per accident or occurrence on account of damage to the property of others, excluding liability imposed upon the Company by any applicable workers' compensation law; protecting the Company against any loss or liability or damage for personal injury or property damage.

Section 3.5. Additional Provisions Respecting Insurance. (a) All insurance required by Section 3.4(a) hereof shall name the County and Agency as a named insured and all other insurance required by Section 3.4 shall name the County and Agency as an additional insured. All insurance shall be procured and maintained in financially sound and generally recognized responsible insurance companies selected by the Company and authorized to write such insurance in the State. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the Company is engaged. All policies evidencing such insurance shall provide for (i) payment of the losses of the Company, the County and the Agency as their respective interests may appear, and (ii) at least thirty (30) days' prior written notice of the cancellation thereof to the Company, the County and the Agency.

(b) All such certificates of insurance of the insurers that such insurance is in force and effect, shall be deposited with the Agency on or before the commencement of the term of this Sublease Agreement. Prior to expiration of the policy evidenced by said certificates, the Company shall furnish the Agency evidence that the policy has been renewed or replaced or is no longer required by this Sublease Agreement.

(c) Within one hundred twenty (120) days after the end of each of its fiscal years, the Company shall file with the Agency a certificate of the Company to the effect that the insurance it maintains with respect to the Project complies with the provisions of this Article III and that duplicate copies of all policies or certificates thereof have been filed with the Agency and are in full force and effect.

Section 3.6. Application of Net Proceeds of Insurance. The net proceeds of the insurance carried pursuant to the provisions of Section 3.4 hereof shall be applied as follows:

(i) the net proceeds of the insurance required by Section 3.4(a) hereof shall be applied as provided in Section 4.1 hereof, and

(ii) the net proceeds of the insurance required by Section 3.4(b) and (c) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

Section 3.7. Right of Agency to Pay Taxes, Insurance Premiums and Other Charges. If the Company fails (i) to pay any tax, assessment or other governmental charge required to be paid by Section 3.3 hereof or (ii) to maintain any insurance required to be maintained by Section 3.4 hereof, the Agency may pay such tax, assessment or other governmental charge or the premium for such insurance. The Company shall reimburse the Agency for any amount so paid together with interest thereon from the date of payment at twelve percent (12%) per annum.

ARTICLE IV DAMAGE, DESTRUCTION AND CONDEMNATION

Section 4.1. Damage or Destruction. (a) If the Facility shall be damaged or destroyed (in whole or in part) at any time during the term of this Sublease Agreement:

(i) the Agency shall have no obligation to replace, repair, rebuild or restore the Facility;

(ii) there shall be no abatement or reduction in the amounts payable by the Company under this Sublease Agreement, except that the Company shall have certain rights to terminate this Sublease Agreement in accordance with Section 8.1 hereof); and

(iii) except as otherwise provided in subsection (b) of this Section 4.1, and subject to the Company's rights to terminate this Sublease Agreement pursuant to Section 8.1 hereof, the Company shall promptly replace, repair, rebuild or restore the Facility to substantially the same condition and value as an operating entity as existed prior to such damage or destruction, with such changes, alterations and modifications as may be desired by the Company and may use insurance proceeds for all such purposes.

All such replacements, repairs, rebuilding or restoration made pursuant to this Section 4.1, whether or not requiring the expenditure of the Company's own money, shall automatically become a part of the Facility as if the same were specifically described herein.

(b) The Company shall not be obligated to replace, repair, rebuild or restore the Facility, and the net proceeds of the insurance shall not be applied as provided in subsection (a) of this Section 4.1, if the Company shall exercise its option to terminate this Sublease Agreement pursuant to Section 8.1 hereof.

(c) The Company may adjust all claims under any policies of insurance required by Section 3.4(a) hereof.

Section 4.2. Condemnation. (a) If at any time during the term of this Sublease Agreement the whole or any part of title to, or the use of, the Facility shall be taken by condemnation, the Agency shall have no obligation to restore or replace the Facility and there shall be no abatement or reduction in the amounts payable by the Company under this Sublease Agreement through the date of such taking. The Agency shall have the exclusive right to any condemnation award, subject to the rights of the County under the Master Lease Agreement.

Except as otherwise provided in subsection (b) of this Section 4.2, the Company may:

(i) in the case of a partial taking by condemnation, and using Company funds and funds as may be provided by the Agency from the proceeds of condemnation award, restore the Facility (excluding any land taken by condemnation) to substantially the same condition and value as an operating entity as existed prior to such condemnation, or

(ii) in the case of a partial taking by condemnation, and using Company funds and funds as may be provided by the Agency from the proceeds of condemnation award, acquire, by construction or otherwise, facilities of substantially the same nature and value as an operating entity as the Facility subject to Agency consent.

The Facility, as so restored, or the substitute facility, whether or not requiring the expenditure of the Company's own moneys, shall automatically become part of the Facility as if the same were specifically described herein.

(b) In the case of a total taking by condemnation, the Company shall not be obligated to restore the Facility or acquire a substitute facility, and the net proceeds of any condemnation award shall not be applied as provided in Section 4.2(a) above. In such an event, this Sublease Agreement shall automatically terminate upon such taking.

(c) The Agency and Company shall cooperate fully in the handling and conduct of any condemnation proceeding with respect to the Facility. In the event that any condemnation of the Premises or Facility (in whole or in part) is determined by the Company in its reasonable discretion to substantially interfere with prospective operation by the Company of the Premises and Facility as intended and permitted hereunder, the Company (i) shall not be obligated to restore the Facility or acquire a substitute facility, (ii) the net proceeds of any condemnation award shall not be applied as provided in Section 4.2(a) above, and (iii) the Company shall terminate this Sublease Agreement in accordance with Section 8.1 hereof.

Section 4.3. Condemnation of Company-Owned Property. The Company shall be entitled to the proceeds of any condemnation award or portion thereof made for damage to or taking of any non-fixtured personal property which, at the time of such damage or taking, is not part of the Facility, plus the fair market value of the Company's interest in the remaining terms of this Sublease, as may be determined by the applicable court in accordance with the provisions of the Eminent Domain Procedure Law ("EDPL").

ARTICLE V
SPECIAL COVENANTS

Section 5.1. No Warranty of Condition or Suitability by the Agency. THE AGENCY MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF THE FACILITY OR THAT IT IS OR WILL BE SUITABLE FOR THE COMPANY'S PURPOSES OR NEEDS.

Section 5.2. Hold Harmless Provisions. The Company hereby releases the Agency from, agrees that the Agency shall not be liable for, and agrees to indemnify, defend and hold the Agency and its executive director, officers, members, directors, agents (other than the Company) and employees, and their respective successors, assigns or personal representatives, harmless from and against any and all (i) liability for loss or damage to property or injury to or death of any and all persons that may be occasioned by any cause whatsoever pertaining to the Facility or arising by reason of or in connection with the occupation or the use thereof or the presence on, in or about the Facility or (ii) liability arising from or expense incurred by the Agency's leasing of the Facility, including, without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. The foregoing indemnities shall apply notwithstanding the fault or negligence on the part of the Agency, or any of its respective members, directors, officers, agents (other than the Company) or employees and irrespective of the breach of a statutory obligation or the application of any rule of comparative or apportioned liability; *except, however,* that, such indemnities will not be applicable with respect to willful misconduct or gross negligence on the part of the indemnified party to the extent that such an indemnity would be prohibited by law.

Section 5.3. Right to Inspect the Facility. The Agency and its duly authorized agents shall have the right at all reasonable times and upon reasonable notice to inspect the Facility.

Section 5.4. Agreement to Provide Information. The Company agrees, whenever requested by the Agency, to provide and certify or cause to be provided and certified, without delay, such information concerning the Company, the Company's employment history and statistics related thereto, the Facility and other topics necessary (other than financial statements or tax returns) to enable the Agency to make any report required by law or governmental regulation or as otherwise reasonably requested by the Agency.

Section 5.5. Books of Record and Account; Financial Statements. The Company at all times agrees to maintain proper accounts, records and books in which full and correct entries shall be made, in accordance with generally accepted accounting principles, of all business and affairs of the Company relating to the Facility.

Section 5.6. Compliance With Orders, Ordinances, Etc. (a) The Company agrees that it will, throughout the term of this Sublease Agreement, promptly comply in all material respects with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all federal,

state, county, municipal and other governments, departments, commissions, boards, companies or associations insuring the premises, courts, authorities, officials and officers, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Facility or any part thereof, or to any use, manner of use or condition of the Facility or any part thereof.

(b) Notwithstanding the provisions of subsection (a) of this Section 5.6, the Company may in good faith contest the validity of the applicability of any requirement of the nature referred to in such subsection (a). In such event, the Company may fail to comply with the requirement or requirements so contested during the period of such contest and any appeal therefrom. The Company shall give notice of the foregoing to the Agency and failure to timely do so shall be a breach of this Sublease Agreement.

Section 5.7. Discharge of Liens and Encumbrances. (a) The Company shall not permit or create or suffer to be permitted or created any lien upon the Facility or any part thereof by reason of any labor, services or materials rendered or supplied or claimed to be rendered or supplied with respect to the Facility or any part thereof except any liens existing on the date hereof. This provision shall not prohibit the Approved Liens as they are defined in Section 6.1(a) hereof.

(b) Notwithstanding the provisions of subsection (a) of this Section 5.7, the Company may in good faith contest any such lien. In such event, the Company, with prior written notice to the Agency, may permit the items so contested to remain undischarged and unsatisfied for a period of no longer than thirty (30) days, during such period the Company may appeal therefrom, unless the Agency shall notify the Company to promptly secure payment of all such unpaid items by filing the requisite bond, in form and substance satisfactory to the Agency, thereby causing said lien to be removed.

ARTICLE VI
AGENCY LEASEHOLD INTEREST; ASSIGNMENTS
AND SUBLEASING; NO MORTGAGE OR PLEDGE OF INTERESTS

Section 6.1. Agency Leasehold Interest. (a) Except in the event of termination of the Master Lease Agreement by the County, and in the absence of an uncured Event of Default hereunder, the Agency shall not terminate this Sublease Agreement. This Sublease Agreement is subject and subordinate to the Master Lease Agreement. The Company shall do nothing under the terms of this Sublease Agreement which shall cause a violation or Event of Default under the Master Lease Agreement. Under no circumstances may the Company, nor shall the Agency be required to mortgage any interest in the Facility, nor shall the Agency grant a security interest in or assign its rights to receive the rentals described in Section 2.6 hereof or its rights to be indemnified under Sections 1.2(d), 1.2(g), 2.1, 3.1(a) and 5.2 hereof or (i) the right of the Agency on its own behalf to receive all opinions of counsel, reports, financial information, certificates, insurance policies or binders or certificates, or other notices or communications required to be delivered to the Agency hereunder or otherwise reasonably requested by the Agency; (ii) the right of the Agency to grant or withhold any consents or approvals required of the Agency hereunder; (iii) the right of the Agency in its own behalf to enforce the obligation of the

Company to complete the Project and to confirm the qualification of the Project as a "project" under the Act; (iv) the right of the Agency to amend with the Company this Sublease Agreement, and the right of the Agency to exercise its rights and remedies hereunder or under the Environmental Compliance Agreement; (v) the right of the Agency on its own behalf to declare an Event of Default under Section 7.1 hereof; and (vi) the right of the Agency as to any of the foregoing, exercisable with respect to any sublessees or subtenants (collectively, the "Unassigned Rights"). Upon request of the Agency, Company will, in writing, subordinate its rights hereunder to the lien of any mortgage or deed of trust to any bank, insurance company or other lending institution, now or hereafter in force against the Facility, and to all advances made or hereafter to be made upon the security thereof. In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by the Agency covering the Facility, the Company shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Agency under this Sublease Agreement.

Section 6.2. Removal of Equipment. (a) The Agency shall not be under any obligation to remove, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary item of Equipment. In any instance where the Company determines that any item of Equipment has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Company may remove such item of Equipment from the Facility and may sell, trade-in, exchange or otherwise dispose of the same, as a whole or in part.

Section 6.3. Assignment and Subleasing. (a) This Sublease Agreement may not be assigned or subleased in whole or in part except to a Related Person of the Company (as that term is defined in subparagraph (C) of paragraph three of subsection (b) of section four hundred sixty-five of the Internal Revenue Code of 1986, as amended, hereinafter "Related Person"), and the Facility may not be subleased, in whole or in part, by the Company except to a Related Person of the Company without the prior written consent of the Agency.

ARTICLE VII DEFAULT

Section 7.1. Events of Default Defined. (a) Each of the following shall be an "Event of Default" under this Sublease Agreement:

- (1) If the Company fails to pay the amounts required to be paid pursuant to Section 2.6 of this Sublease Agreement and such failure shall have continued for a period of ten (10) days after the Agency gives written notice of such failure to the Company; or
- (2) If there is any purposeful, willful and knowing breach by the Company of any of its other agreements or covenants set forth in this Sublease Agreement; or
- (3) If there is any failure by the Company to observe or perform any other covenant, condition or agreement required by this Sublease Agreement to be observed or performed and such failure shall have continued for a period of thirty (30) days after the Agency gives written notice to the Company specifying that failure and stating that it be

remedied, or in the case of any such default which can be cured with due diligence but not within such thirty (30) day period, the Company's failure to proceed promptly to cure such default and thereafter prosecute the curing of such default with due diligence; or

(4) If any representation or warranty of the Company contained in this Sublease Agreement is incorrect in any material respect; or

(5) If an Event of Default shall occur under any PILOT Agreement entered into by the Agency and the Company; or

(6) Failure by the Company to operate the Facility for a period exceeding 30 continuous days between April 15th and October 30th; or

(7) If the Agency fails to observe or perform any covenant, condition or agreement required by this Sublease Agreement or fails to cure any Event of Default under the Master Lease Agreement and such failure or Event of Default under the Master Lease Agreement shall have continued for a period of thirty (30) days after the Company gives written notice to the Agency specifying that failure and stating that it be remedied, or in the case of any such default which can be cured with due diligence but not within such thirty (30) day period, the Agency's failure to proceed promptly to cure such default and thereafter prosecute the curing of such default with due diligence.

(b) Notwithstanding the provisions of 7.1(a) above, if by reason of force majeure either party hereto shall be unable in whole or in part to carry out its obligations under this Sublease Agreement and if such party shall give notice and full particulars of such force majeure in writing to the other party within a reasonable time after the occurrence of the event or cause relied upon, the obligations under this Sublease Agreement of the party giving such notice, so far as they are affected by such force majeure, shall be suspended during continuance of the inability, which shall include a reasonable time for the removal of the effect thereof. The suspension of such obligations for such period pursuant to this subsection (b) shall not be deemed an Event of Default under this Section 7.1. Notwithstanding anything to the contrary in this subsection (b), an event of force majeure shall not excuse, delay or in any way diminish the obligations of the Company to make the payments required by Sections 2.6 and 3.3 hereof, to obtain and continue in full force and effect the insurance required by Section 3.4 hereof, to provide the indemnity required by Section 5.2 hereof and to comply with the terms of Sections 5.2, 5.3, 5.6, 5.7, and 7.1(a)(1) hereof. The term "force majeure" as used herein shall include, without limitation, acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, acts, priorities or orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, governmental subdivisions, or officials, any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fire, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accident to machinery, transmission pipes or canals, shortages of labor or materials or delays of carriers, partial or entire failure of utilities, shortage of energy or any other cause or event not reasonably within the control of the party claiming such inability and not due to its fault. The party claiming such inability shall remove the cause for the same with all reasonable promptness. It is agreed that the settlement of strikes, lock-outs

and other industrial disturbances shall be entirely within the discretion of the party having difficulty, and the party having difficulty shall not be required to settle any strike, lockout and other industrial disturbances by acceding to the demands of the opposing party or parties.

Section 7.2. Remedies on Default. Whenever any Event of Default shall have occurred and be continuing, the non-defaulting party may take, to the extent permitted by law, any one or more of the following remedial steps:

(1) Upon an Event of Default by the Company, the Agency may declare, by written notice to the Company, to be immediately due and payable, whereupon the same shall become immediately due and payable: (i) all unpaid installments of rent payable pursuant to Section 2.6(a) hereof and (ii) all other payments due under this Sublease Agreement.

(2) Take any other action as it shall deem necessary to cure any such Event of Default, provided that the taking of any such action shall not be deemed to constitute a waiver of such Event of Default.

(3) Take any other action at law or in equity which may appear necessary or desirable to collect the payments then due or thereafter to become due hereunder, and to enforce the obligations, agreements or covenants of the Company under this Sublease Agreement.

(4) Terminate this Sublease Agreement.

Section 7.3. Remedies Cumulative. No remedy herein is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Sublease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 7.4. Agreement to Pay Attorneys' Fees and Expenses. In the event that either party should default under any of the provisions of this Sublease Agreement and the non-defaulting party should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the non-defaulting party herein contained, the defaulting party shall, on demand therefor, pay to the non-defaulting party, the reasonable fees of such attorneys and such other expenses so incurred. Any such payments demanded of the Company shall be deemed additional rent in accordance with Section 2.6(b) hereof.

Section 7.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained herein should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE VIII
EARLY TERMINATION OF AGREEMENT; OBLIGATIONS OF COMPANY

Section 8.1. Early Termination of Agreement.

(a) Subject to the surrender requirements as set forth within Section 2.5 hereof, the Company shall have the option at any time to terminate this Sublease Agreement upon filing with the Agency a certificate signed by an authorized representative of the Company stating the Company's intention to do so pursuant to this Section 8.1. The Company's option rights for early termination of this Sublease Agreement shall be limited to (i) the occurrence of an uncured Event of Default by the Agency hereunder, (ii) an occurrence of damage or destruction to the Premises or more than one half of the Facility whereby the Facility cannot be restored by the Company within 120 days after such damage or construction, (iii) the occurrence of a condemnation proceeding consistent with Section 4.2(b) hereof, or (iv) at the option of the Company without cause and upon no less than Six (6) month's written notice (subject to the Company's obligation to pay rentals through the date of termination and vacate pursuant to the provisions hereof).

(b) The Agency shall have the option at any time to terminate this Sublease Agreement and to demand immediate payment in full of the rental reserved and unpaid as described in Section 2.6 hereof upon written notice to the Company of the occurrence of an Event of Default hereunder.

ARTICLE IX
MISCELLANEOUS

Section 9.1. Notices. All notices, certificates and other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when delivered and, if delivered by mail, shall be sent by certified mail, postage prepaid, addressed as follows:

To the Agency: Schuyler County Industrial Development Agency
910 South Decatur Street
Watkins Glen, New York 14891
Attn: CEO

With Copy To: Harris Beach PLLC
99 Garnsey Road
Pittsford, New York 14534
Attn: Justin S. Miller, Esq.

To the Company:

With Copy To:

or at such other address as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this Section. All notices shall be deemed given when mailed or personally delivered in the manner provided in this section.

Section 9.2. Binding Effect. This Sublease Agreement shall inure to the benefit of and shall be binding upon the Agency, the Company and their respective successors and assigns.

Section 9.3. Severability. In the event any provision of this Sublease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 9.4. Amendments, Changes and Modifications. This Sublease Agreement may not be amended, changed, modified, altered or terminated without the concurring written consent of the parties hereto.

Section 9.5. Execution of Counterparts. This Sublease Agreement may be executed in several counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

Section 9.6. Applicable Law. This Sublease Agreement shall be governed, construed and enforced in accordance with the laws of the State of New York for contracts to be wholly performed therein.

Section 9.7. Recording and Filing. This Sublease Agreement (or a memorandum thereof) shall be recorded or filed, as the case may be, in the Office of the Clerk of Schuyler County, New York, or in such other office as may at the time be provided by law as the proper place for the recordation or filing thereof.

Section 9.8. Survival of Obligations. This Sublease Agreement shall survive the performance of the obligations of the Company to make payments required by Section 2.6 and all indemnities shall survive any termination or expiration of this Sublease Agreement.

Section 9.9. Section Headings Not Controlling. The headings of the several sections in this Sublease Agreement have been prepared for convenience of reference only and shall not control, affect the meaning or be taken as an interpretation of any provision of this Sublease Agreement.

Section 9.10. No Broker. Agency and Company represent and warrant to the other that neither the Agency nor the Company has dealt with any broker or finder entitled to any commission, fee, or other compensation by reason of the execution of this Sublease Agreement, and each party agrees to indemnify and hold the other harmless from any charge, liability or expense (including attorneys' fees) the other may suffer, sustain, or incur with respect to any

claim for a commission, fee or other compensation by a broker or finder claiming by, through or under the other party.

Section 9.11. No Recourse; Special Obligation. (a) The obligations and agreements of the Agency contained herein and any other instrument or document executed in connection herewith, and any other instrument or document supplemental hereto or thereto, shall be deemed the obligations and agreements of the Agency, and not of any member, officer, agent (other than the Company) or employee of the Agency in his/her individual capacity, and the members, officers, agents (other than the Company) and employees of the Agency shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby.

(b) The obligations and agreements of the Agency contained hereby shall not constitute or give rise to an obligation of the State of New York or Schuyler County, New York and neither the State of New York nor Schuyler County, New York shall be liable hereon or thereon and, further, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency, payable solely from the revenues of the Agency derived and to be derived from the sale or other disposition of the Facility (except for revenues derived by the Agency with respect to the Unassigned Rights).

(c) No order or decree of specific performance with respect to any of the obligations of the Agency hereunder shall be sought or enforced against the Agency unless (i) the party seeking such order or decree shall first have requested the Agency in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Agency shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period, (ii) if the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall place, in an account with the Agency, an amount or undertaking sufficient to cover such reasonable fees and expenses, and (iii) if the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents (other than the Company) or employees shall be subject to potential liability, the party seeking such order or decree shall agree to indemnify and hold harmless the Agency and its members, officers, agents (other than the Company) and employees against all liability expected to be incurred as a result of compliance with such request.

Section 9.12. No Joint Venture Created. The Agency and the Company mutually agree that by entering into this Sublease Agreement the parties hereto are not entering into a joint venture.

(Remainder of page intentionally left blank)

[Signature Page to Sublease Agreement]

IN WITNESS WHEREOF, the Agency and the Company have caused this Sublease Agreement to be executed in their respective names, all as of the date first above written.

**SCHUYLER COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: Judy McKinney-Cherry
Name: Judy McKinney-Cherry
Title: CEO

LILLY BROTHERS BREWING LLC

By: Kevin Lilly
Name: Kevin Lilly
Title: President

EXHIBIT A

A-1

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