

**ESSEX COUNTY INDUSTRIAL DEVELOPMENT
AGENCY & ESSEX COUNTY CAPITAL RESOURCE CORPORATION**

Joint Application for Financial Assistance

The County of Essex Industrial Development Agency (the “Agency”) is a body corporate and politic of the State of New York (the “State”), established in 1974 under section 914-a of the State General Municipal Law, and operating pursuant to the provisions of Article 18-A of the State General Municipal Law. The Essex County Capital Resource Corporation (“ECCRC”) is a not for profit corporation, established in 2010 under section 1411 of the State Not-for-Profit Corporation Law. The Agency provides several forms of financial assistance under State law and pursuant to the Agency’s “uniform tax exemption policy”, including tax-exempt revenue bond financing, PILOT agreements, and “straight lease” agreements. ECCRC provides tax-exempt financing for economic development projects which fulfill public purpose and reduce the burden of government.

In order to be considered for the financial assistance the Agency may provide, the applicant should complete the Application in duplicate, sign and date the Application, and return the completed Application to the Agency together with a processing fee of \$1,000, or \$1,500, as appropriate.

Please answer all the questions in Parts A through D either by filling in the blanks, completing the answer in the space provided in the Application, or by attachment. Please refer to section IV of Part D of the Application for a statement of costs and fees applicable to providing financial assistance. All information submitted in the Application will be kept confidential. No Application will be considered until a fully completed and executed Application, in duplicate, is received by the Agency, together with applicable processing fees.

PART A

Applicant and Project Information

Applicant Name	Paradox Brewery LLC
Address	154 US Route 9 Schroon Lake, NY 12870
Telephone	518 351-5036
Fax	
Email	paul@paradoxbrewery.com
Contact Name	Paul A. Mrocka

<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Corporation
<input type="checkbox"/> Partnership	<input type="checkbox"/> Not-For-Profit Corporation (see Part C)
<input type="checkbox"/> Limited Partnership	<input checked="" type="checkbox"/> Other Limited Liability Company

Federal ID # 45-3947293	
If corporation, what is State of incorporation?	New York
Is the corporation authorized to do business in New York state?	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

If a not-for-profit corporation, is the corporation qualified under IRS code section 501(c) 3? YES NO

List names and addresses of principal shareholders or board members in case of not-for-profit:

List at least 3 financial references including address and telephone # and contact:	
1.	Perry Lasher Bank of Greene County PO Box 470 Catskill, NY 12414 518-943-2600
2.	Glens Falls National Bank, 1080 Main St. Schroon Lake, NY 12870 518 532- 7121
3.	Country Malt Group 16 Beeman Way, Champlain, NY 12919 844 637 7110

Attorney Firm	Lemery Greisler LLC
Address	60 Railroad Place, Suite 502 Saratoga Springs, New York 12866
Telephone	518-581-8800
Fax	518-581-8823
Email	JCarminucci@lemerygreisler.com
Contact Name	James Carminucci

Accounting Firm	Gore and Laney CPA
Address	100 John Street Hudson Falls, NY 12839
Telephone	518 747-2133
Fax	518 747-7403
Email	mlaney@goreandlaney.com
Contact Name	Mike Laney

Type of Assistance Requested:

Tax-Exempt Revenue Bond Financing*	<input type="checkbox"/>
Taxable Bond Financing	<input type="checkbox"/>
Not-For-Profit Financing (see Part C)	<input type="checkbox"/>
Pollution Control Bond Financing	<input type="checkbox"/>
Straight Lease Back Transaction	<input checked="" type="checkbox"/> PILOT Agreement <input checked="" type="checkbox"/> Sales Tax Exemption <input checked="" type="checkbox"/> Mortgage Recording Tax Exemption

*Please note that for any proposed project for which tax-exempt financing is requested, the applicant will be required to complete a detailed "tax questionnaire" to determine eligibility under the Internal Revenue Code for tax-exempt financing.

If applicant is seeking PILOT Agreement, please indicate PILOT schedule:

<input checked="" type="checkbox"/> Schedule A Year 1 = 100% exemption Year 2 = 100% exemption Year 3 = 50% exemption Year 4 = 45% exemption Year 5 = 40% exemption Year 6 = 35% exemption Year 7 = 30% exemption Year 8 = 20% exemption Year 9 = 10% exemption Year 10 = 5% exemption	<input type="checkbox"/> Schedule B Year 1 = 50% exemption Year 2 = 45% exemption Year 3 = 40% exemption Year 4 = 35% exemption Year 5 = 30% exemption Year 6 = 25% exemption Year 7 = 20% exemption Year 8 = 15% exemption Year 9 = 10% exemption Year 10 = 5% exemption
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Please note:

1. Projects with a lesser economic impact based on an economic assessment will be eligible for Schedule B, (i.e. If project does not include a high level of commitment for: permanent payroll level in terms of number of jobs created, and/or number of potential spin off jobs, and/or high investment in total project, or a local business impact, and/or community investment).
2. Agency staff will calculate the amount of savings from the proposed PILOT Agreement based on the anticipated tax rates and assessed value of property at time of application and based on proposed expansion (if applicable) for each year of PILOT and for the term of the PILOT. Copy will be attached.

Identify and describe any other real property tax exemption other than that requested from the Agency the project will utilize:

Agency staff will calculate the amount of savings from the proposed PILOT Agreement based on the anticipated tax rates and assessed value of property at time of application and based on proposed expansion (if applicable) for each year of PILOT and for the term of the PILOT.

If applicant is seeking usage of the Essex County IDA sales tax exemption as part of the assistance for this project, please provide an estimate of the total sales tax to be saved (i.e. equipment purchase, construction, etc.)	\$ 170,320
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If applicant is seeking usage of the Essex County IDA mortgage recording tax exemption as part of the assistance for this project, please provide an estimate of the total to be saved	\$ 25,327
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Provide a general description of the proposed project, indicating (1) location, (2) dimensions of the building or facility, (3) type of construction of the building or facility, (4) intended use of the building or facility and (5) describe any and all tenants and any/all end users: Paradox Brewery to locate to North Hudson part of the Governor's Gateway to the Adirondacks. Building size 100 x 200 metal building with tasting room and production facility to produce craft beer and a tourist destination.

Attach photograph of site or existing facility

Attach copy of preliminary plans for proposed project

If the proposed project is a manufacturing facility, briefly describe the proposed manufacturing process: To produce craft beer. (Brewery)

Will the completion of the project result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the project applicant located within the state? YES NO

* Relocation is necessary to preserve competitive position of applicant within it's industry. Applicant's current location is inadequate.

If the proposed project is a commercial facility, briefly describe the proposed retail sales operation contemplated: Retail sales will include craft beer tasting and pint sales. New York produced products wine/cheese/ meats. Retail sales of T-shirts and other local products.

No more than 1/3 of total project costs will support retail component of project.

If proposed project has economic activities that would be deemed retail, please indicate if customers personally visit the project site for either of the following:

Retail Sale YES NO

Services YES NO

If the proposed project is a dormitory, healthcare, senior housing or education which a non-for-profit corporation must engage in, briefly describe the proposed project:

If the proposed project is a pollution control facility, briefly describe the type of pollution to be abated, and existing orders of environmental agencies to abate pollution:

On-Site Utilities:

Water	Municipal: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	Municipal: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Sewer	Other: septic	Other:
Electric	Supplier: Nat Grid	
Natural Gas	Supplier:	

Indicate the current legal owner of the building or site or the proposed project:

Essex County

Indicate any existing or proposed leases for the proposed project and provide a copy of such lease:

Indicate any purchase option agreement relating to the proposed project and provide a copy of the purchase option agreement:

Purchase contract with Essex County.

Indicate any litigation or controversy regarding (1) title to the site or building to be acquired, constructed or improved, (2) conditions on or under the site including environmental or hazardous waste conditions, (3) the financial condition of the Applicant or any entity controlling the Applicant or any entity which the Applicant control, and (4) the general operations of the Applicant.

If the applicant is or is controlled by a corporation or by a person or entity which is a majority shareholder in a corporation listed on a national stock exchange, please provide a copy of the annual report (including certified financial statements) of such corporation for its two (2) most recent fiscal years.

Annual Report (including financials) attached

Employment:

CURRENT	YEAR 1	YEAR 2
full-time employees: 4	projected FT additional: 5	projected FT additional: 5
part-time employees: 2	projected PT additional: 3	projected PT additional: 1
seasonal employees: 3	projected S additional:	projected S additional:
TOTAL: 9	TOTAL: 8	TOTAL: 6

CATEGORY OF JOBS TO BE RETAINED	AVERAGE SALARY	AVERAGE FRINGE BENEFITS
Management	\$	\$
Professional	\$ 50,000	\$ 3600
Administrative	\$ 35,000	\$
Production	\$ 40,000	\$
Independent Contractor	\$ 12,000	\$
Other:	\$	\$

CATEGORY OF JOBS TO BE CREATED	AVERAGE SALARY	AVERAGE FRINGE BENEFITS
Management	\$ 80,000	\$ 10,000
Professional	\$ 50,000	\$ 5,000
Administrative	\$ 35,000	\$ 5,000
Production	\$ 40,000	\$ 5,000
Independent Contractor	\$	\$
Other:	\$ 40,000	\$ 5,000

Indicate labor market area in which the project is located and where employees may reside and commute to work (county or town): North Hudson, NY
Saratoga Springs, Schroon Lake, Lake Placid, Glens Falls Clifton Park

Current Annual Payroll	\$ 177,000
Estimated Payroll for Year 1	\$ 443,000
Estimated Payroll for Year 2	\$ 605,000

Will any construction jobs to created or retained as a result of this project? If so, how many?	20
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Project Costs:

Land	\$ 35,000
Improvements to Land (other than site work)	\$
Site Work:	
Materials	\$ 20,000
Labor	\$ 165,000
Building Construction:	
Materials	\$ 385,000
Labor	\$ 160,000
Machinery & Building Fixtures	\$ 2,028,850
Equipment	\$ 2,239,750
Legal Fees (excluding financing costs)	\$ 5,000
Architect & Engineering Fees	\$ 53,900
Financing Costs (including transaction legal counsel)	\$ 27,500
Working Capital	\$

Other:	\$
TOTAL	\$ 5,120,000

Project Financing:

Total Amount to be Financed	\$ 4,608,000
Term of Financing	20 years
Indicate the name, address, telephone, fax, email and contact person of the financial institution where the applicant is seeking financing: SBA 504 loan Green County Bank Perry Lasher	
Has the applicant received a written commitment from the financial institution to finance the proposed project? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> Commitment Letter attached	
Would the applicant like the Agency's assistance in obtaining a financial institution to assist in the financing of the proposed project? <input type="checkbox"/> YES* <input checked="" type="checkbox"/> NO <small>*If so, an additional \$500 processing fee is payable to the Agency</small>	

Source of Funds:

Bank Financing	\$ 2,532,750
Equity	\$ 512,000
Tax Exempt Bond Issuance	\$
Taxable Bond Issuance	\$
State or Federal Grants	\$ 200,000
Tax Credits	\$ 300,000
Other: 504 loan	\$ 2,026,200
TOTAL	\$ 5,620,000

Indicate source of owner equity in project:	Additional Investors in Paradox Brewery
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Indicate any contribution of funds from an equity offering or venture capital funding for the proposed project:

\$1,320,000 from additional 7 investors and 3 current members of Paradox LLC

For a manufacturing facility only, please indicate the dollar value of “capital expenditures” (as determined in accordance with the provisions of the Internal Revenue Code) that the applicant or entity related to or controlled by the applicant, has expended within the County of Essex during the past three (3) calendar years?

Indicate the proposed date for commencement of construction or acquisition of the proposed project, assuming financing of the proposed project is available to meet the applicant’s schedule	November 2017
Indicate a schedule for the application of proceeds of financing and other moneys to acquire, construct, and equip the proposed project to completion	Order equip winter 2017
Indicate the date on which the completed project is expected to be first placed in service	Jan 2019

Indicate whether or not the Project would be likely to occur without the assistance of the Agency, and, if it could, please provide a statement indicating why the Project should be undertaken by the Agency.

Purchase contract contains contingency relating to "Financial Assistance" from the agency

Environmental Compliance Review

Has the applicant retained an environmental engineer to assist with the environmental review compliance procedures relating to the proposed project?

YES NO

If so, please provide the name, address, telephone, fax, email and contact person of the firm:

Brit Basinger

Chazen Companies

bbasinger@chazencompanies.com

547 River St. Troy NY 518 266-7356

If not, would the applicant like the Agency's assistance in obtaining the services of an environmental engineer? YES* NO

*If so, an additional \$500 processing fee is payable to the Agency

If an environmental assessment form or a draft environmental impact statement has been prepared by the applicant, please attach a copy of the completed form to the Application.

Attached

To the knowledge of the applicant, has there ever been any toxic or hazardous waste materials located or stored on the site of the proposed project site, or has any activity ever been conducted on the site of the proposed project which could be expected to generate toxic or hazardous waste material? YES NO

For a proposed project located in the Adirondack Park, has the applicant received the permission of the Adirondack Park Agency to acquire and construct the proposed project? YES NO

If not, when does the applicant expect to receive such permission?

In process

Site in Hamlet

Attach copy of APA permit if applicable

PART C

Is the company a not-for-profit corporation qualified under Section, 501(c) 3 of the Internal Revenue Code? YES NO

If yes, attach copy of IRS designation letter

Does the project fulfill a public purpose for Essex County or a municipality within Essex County? Tourism and jobs

What are the economic development aspects of the project?

Paradox Brewery will become the cornerstone to Governor Cuomo's Gateway to the Adirondacks. We will be the first private entity to build on this site. We will create well paying jobs and promote NY tourism and products.

Are there serious policy or potential issues which may preclude the project being financed by a municipality or Essex county? No

- As recommended by the Office of the State Comptroller, the Agency will require the inclusion of recapture provisions in project agreements to allow the Agency to recoup, in coordination with the NYS Department of Finance and Taxation and pursuant to Agency policies, some or all of previously granted benefits if job creation/retention goals or other terms of the agreements are not met. By signing this application, the applicant acknowledges that:

- the submission of any knowingly false or misleading information may lead to immediate termination or recapture of tax benefits;
- the applicant is in compliance with the anti-pirating provisions of Section 862 (1) of the General Municipal Law.
- the owner, occupant or operator to receive financial assistance is in substantial compliance with state, local and federal tax, worker protection and environmental laws.
- the Agency will conduct a cost/benefit analysis to determine whether the project will (i) create or retain employment, (ii) stimulate private sector investment, (iii) be completed in a timely fashion, and (iv) provide additional revenues for municipalities and school districts.
- upon completion, the Agency a least annually will assess the progress of the project in achieving job retention and/or expansion and investment in Essex County.

PART D
Certification

Paul A. Mrocka _____ (name of chief executive officer of company) deposes and says that he/she is the President _____ (title) of Paradox Brewery LLC _____ (name of Applicant); that he/she has read the foregoing Application and knows the contents thereof, that the same is true to his/her knowledge.

The grounds for deponent's belief relative to all matters in the Application which are not stated upon his/her own personal knowledge, are investigations which deponent has caused to be made concerning to subject matter of the Application, as well as information acquired by deponent in the course of his/her duties as an officer of and from the books and papers of said corporation or other entity.

As an officer of the applicant deponent acknowledges and agrees that the applicant shall be and is responsible for all costs incurred by the County of Essex Industrial Development Agency (the "Agency") and legal counsel for the Agency, whether or not the application, the proposed project it describes, the attendant negotiations, or the issue of bonds or other transaction or agreement are ultimately ever carried to successful conclusion.

By executing and submitting this application, the applicant covenants and agrees to

pay the following fees to the Agency, the same to be paid at the times indicated:

- (a) The sum of \$1,000 as a non-refundable processing fee, plus the sum of \$500 if Agency assistance in retaining professionals if requested, to be paid upon submission of the Application;
- (b) The sum of:
 - 0.75% on the first \$10 million of project financing
 - 0.50% on the next \$11 million to \$20 million
 - 0.25% on the next \$21 million to \$30 million
 - 0.125% on the next \$31 millionfor which the Essex County IDA provides financial assistance, to be paid at transaction closing;
- (c) An amount equal to \$2,500 payable to the Agency's bond/transaction counsel for the preparation and review of the inducement resolution, the environmental compliance resolution, TEFRA hearing proceedings and the "tax questionnaire" assuming no further activity occurs after completion of inducement proceedings, to be paid within ten (10) business days of the receipt of bond/transaction counsel's invoice;
- (d) All fees, costs and expenses incurred by the Agency for (1) legal services, including but not limited to those provided by the Agency's general counsel (Briggs Norfolk) and bond/transaction counsel (Squires Sanders), and (2) other consultants retained by the Agency in connection with the proposed project; with all such charges to be paid by the applicant at the closing or, if the closing does not occur, within ten (10) business days of receipt of the Agency's invoices therefore (Please note that the applicant is entitled to receive a written estimate of fees and costs of the Agency's general counsel and bond/transaction counsel prior to inducement);
- (e) The cost incurred by the Agency and paid by the applicant, including bond/transaction counsel and the Agency's general counsel's fees and the processing fees, may be considered as a costs of the project and included in the financing of costs of the proposed project.

The applicant further covenants and agrees that the applicant is liable for payment to the Agency of all charges referred to in section above, as well as all other actual costs and expenses incurred by the Agency in handling the application and pursuing the proposed project notwithstanding the occurrence of any of the following:

- (a) The applicant's withdrawal, abandonment, cancellation or failure to pursue the Application;

- (b) The inability of the Agency or the applicant to procure the services of one or more financial institutions to provide financing for the proposed project;
- (c) The applicant's failure, for whatever reason, to undertake and/or successfully complete the proposed project; or
- (d) The Agency's failure, for whatever reason, to issue tax-exempt revenue bonds in lieu of conventional financing.

Paradox Brewery LLC
 (name of corporation or entity)

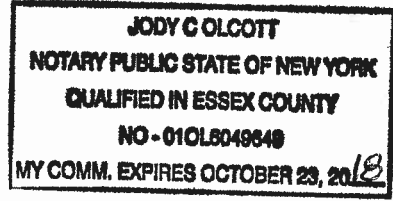
Paul A. Mrocka
 (name of officer)

President
 (title)

NOTARY

Sworn to before me this 25 day of August, 2017

Jody C. Olcott
 (Signature)



PART E

As a condition to issuing financial assistance for the proposed project, the County of Essex Industrial Development Agency (the "Agency") is required by the Office of the New York State Comptroller ("OSC") to obtain the following supplementary information on an annual basis from the applicant during the term of project:

1. Outstanding balance at beginning and end of the year and principal payments made during the year for tax-exempt and taxable bond financing (if applicable)
2. Current interest rate (for adjustable rate bonds, the interest rate at year end)
3. PILOT payments including real estate tax exemptions for county, local (city, town, village, fire district) and school district taxes.
4. Annual Sales Tax Filings: In accordance with Section 874(8) of the NY General Municipal Law, the applicant understands and agrees, that if project receives any sales tax exemptions as part of the financial assistance from the Agency, in accordance the applicant agrees to file with the NYS Department

of Taxation and Finance, the annual form (ST-340) describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant. Copy of the report will be sent to the Agency.

5. **Employment Reporting:** The applicant understands and agrees that if the project receives any financial assistance from the Agency, at least annually or otherwise requested by the Agency, reports regarding the number of people employed at the project site, salary, fringe benefits, etc. will be sent to the Agency within 30 days of request. Report will include copies of latest NYS-45 report.

The information requested above is required by February 15th of each succeeding year and should be submitted in writing to the Agency at its office at PO Box 217, 7566 Court Street, Elizabethtown, New York 12932. Failure to provide requested reports shall be an event of default of the terms and conditions of the agreement.

The applicant, through its signing officer, certifies that it has reviewed, understands and will comply with the above, as required by OCS.

Paradox Brewery LLC

(Company)

By: Paul A. Mrocka President

(Name and Title)

Date: August 24, 2017



NEW SITE FOR PARADOX BREWERY

- New site for Paradox with existing buildings that are scheduled for demolition

Old Frontier Town that will be develop.





ESSEX COUNTY – STATE OF NEW YORK
JOSEPH A. PROVONCHA, COUNTY CLERK
 7559 COURT ST, PO BOX 247, ELIZABETHTOWN, NY 12932

COUNTY CLERK'S RECORDING PAGE

*****THIS PAGE IS PART OF THE DOCUMENT – DO NOT DETACH*****



BOOK/PAGE: 1905 / 28
 INSTRUMENT #: 2018-790

Receipt#: 2018189769
 Clerk: SN
 Rec Date: 02/26/2018 08:08:00 AM
 Doc Grp: D
 Descrip: LEASE
 Num Pgs: 40
 Rec'd Frm: HOLCOMBE ABSTRACT

Party1: ESSEX COUNTY INDUSTRIAL DEV
 AGENCY
 Party2: PARADOX BREWERY L L C
 Town: NORTH HUDSON

Recording:

Cover Page	5.00
Recording Fee	215.00
Cultural Ed	14.25
Records Management - Coun	1.00
Records Management - Stat	4.75
TP584	5.00

Sub Total: 245.00

Transfer Tax	
Transfer Tax - State	0.00
Transfer Tax - County	0.00

Sub Total: 0.00

Total: 245.00

**** NOTICE: THIS IS NOT A BILL ****

***** Transfer Tax *****
 Transfer Tax #: 1429
 Transfer Tax

Total: 0.00

I hereby certify that the within and foregoing was recorded in the Essex County Clerk's Office.

Joseph A. Provoncha
 Essex County Clerk

Record and Return To:

PARADOX BREWERY LLC
 154 US ROUTE 9
 SCHROON LAKE NY 12870

****Notice** Information may change during the verification process and may not be reflected on this page**

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AND

PARADOX BREWERY LLC

AGENCY LEASE

DATED AS OF FEBRUARY 15, 2018

R/R: Paradox Brewery LLC
154 US Route 9
Schroon Lake NY 12870

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AGENCY LEASE

THIS AGENCY LEASE dated as of February 15, 2018 (“Agency Lease”) by and between the ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York having its office at 7566 Court Street, PO Box 217, Elizabethtown, New York 12932 (the “Agency” or “Lessor”), as landlord, and Paradox Brewery LLC, a limited liability company organized and existing under the laws of the State of New York and having an address at 154 U.S. Route 9, Schroon Lake, New York 12870 (the “Company”), as tenant;

W I T N E S S E T H:

WHEREAS, the New York State Industrial Development Agency Act, being Title I of Article 18-A of the General Municipal Law, Chapter 24, of the Consolidated Laws of the State of New York, as amended (the “Enabling Act”), authorizes and provides for the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State of New York and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and dispose of land and any buildings or other improvements, 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, among other things, manufacturing, warehousing, research, commercial or industrial purposes, in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York and to improve their recreation opportunities, prosperity and standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease or sell any or all of its facilities; and

WHEREAS, the Lessor was created pursuant to and in accordance with the provisions of the Enabling Act by Chapter 563 of the Laws of 1973 of the State of New York, as amended (said chapter and the Enabling Act being hereinafter collectively referred to as the “Act”), and is empowered under the Act to undertake the Project (as hereinafter defined) in order to so advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York and improve their standard of living; and

WHEREAS, the Lessor, by resolution adopted on January 24, 2018, as amended on February 6, 2018 (the “Resolution”), resolved to undertake a project (the “Project”) consisting of (A) (1) the acquisition of an interest in an approximately 11 acre parcel or parcels of land constituting tax map parcel 125.1-1-21 and located in North Hudson, New York (the “Land”), (2) the construction of an approximately 100 x 200 metal building (the “Facility”) located on the Land to be used as a tasting room and brewing facility for the production of craft beer and (3) the acquisition and installation in the Facility of certain machinery and equipment (the “Equipment” and together with the Land and the Facility, collectively, the “Project Facility”), (B) the lease (with the obligation to purchase) or the sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency and (C) the providing by the Agency of certain “financial assistance” (as defined in the Act) in the form of exemptions from mortgage recording tax, real property taxes and state and local sales tax; and;

WHEREAS, the providing of the Project Facility and the lease of the Project Facility to the Company pursuant to this Agency Lease is for a proper purpose, to wit, to advance the job opportunities, health, general prosperity and economic welfare of the inhabitants of the State of New York, pursuant to the provisions of the Act (as hereinafter defined); and

WHEREAS, all things necessary to constitute this Agency Lease a valid and binding agreement by and between the parties hereto in accordance with the terms hereof have been done and performed, and the creation, execution and delivery of this Agency Lease have in all respects been duly authorized;

NOW, THEREFORE, THE LESSOR AND THE COMPANY HEREBY AGREE AS FOLLOWS:

ARTICLE 1

DEFINITIONS

SECTION 1.1 DEFINITIONS. The terms defined in this Section 1.1 (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Agency Lease and of any agreement supplemental hereto shall have the respective meanings specified in this Section 1.1.

“Act” means Title 1 of Article 18-A of the General Municipal Law of the State, as amended from time to time, together with Chapter 855 of the Laws of 1971 of the State.

“Agency Lease” means this lease agreement, as said lease agreement may be amended or supplemented from time to time in accordance with the terms hereof.

“Authorized Representative” means the person or persons at the time designated to act in behalf of the Lessor or the Company, as the case may be, by written certificate furnished to the Company and the Lessor and signed on behalf of (A) the Lessor by an officer thereof and (B) on behalf of the Company by an officer, member or manager thereof.

“Bank” means The Bank of Greene County, located in Catskill, New York.

“Bank Loan” means the loan or loans from the Bank to the Company in the principal amount of \$2,560,000 evidenced by the Bank Note.

“Bank Mortgage” means the mortgage or mortgages dated the date hereof in the aggregate principal amount of \$2,560,000 from the Company in favor of the Bank, as said mortgage, security agreement and assignment of rents and leases may be modified, supplemented, consolidated or amended from time to time.

“Bank Note” means the promissory note or notes, dated the date hereof, in the aggregate principal amount of \$2,560,000 executed and delivered by the Company to the Bank, as said promissory note may be amended, modified, supplemented, consolidated or extended.

“Bill of Sale to the Company” means the bill of sale from the Lessor to the Company (substantially in the form shown in Exhibit “C” to the Agency Lease) to be delivered to the Company upon satisfaction of the conditions set forth in the Agency Lease.

“Bill of Sale to the Lessor” means the bill of sale from the Company to the Lessor conveying the Company’s interest in the Equipment.

“Bond Counsel” means Squire Patton Boggs (US) LLP or such other attorney or firm of attorneys whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and reasonably acceptable to the Lessor.

“Business Day” means a day on which banks located in New York City are not required or authorized to remain closed and on which the New York Stock Exchange is not closed.

“Closing Date” means the date of the execution and delivery of this Agency Lease by the Company and the Lessor.

“Code” means the Internal Revenue Code of 1986, as amended and regulations of the Department of Treasury promulgated thereunder and under the Internal Revenue Code of 1954, as amended.

“Company” means Paradox Brewery LLC, a limited liability company organized and existing under the laws of the State of New York, and its successors and permitted assigns.

“Company Lease Agreement” means that certain company lease of even date herewith by and between the Company, as landlord, and the Lessor, as tenant, as said company lease may be amended or supplemented from time to time in accordance with the terms thereof.

“Completion Date” means the date which is certified by an Authorized Representative of the Company as the date of completion of the construction of the Facility and the installation of the Equipment pursuant to this Agency Lease and the Project Agreement.

“Condemnation” means the taking of title to, or the use of, Property under the exercise of the power of eminent domain by any Governmental Authority.

“Construction Period” means the period (A) beginning on the date of commencement of construction of the Facility and installation of the Equipment, and (B) ending on the Completion Date.

“Equipment” means the materials, machinery, equipment, fixtures or furnishings acquired described in Exhibit “B” attached to this Agency Lease.

“Event of Default” means any of those events defined as Events of Default by the terms of this Agency Lease, the Company Lease Agreement and the Project Agreement, and/or any other document now or hereafter executed by the Agency and the Company in connection with the Project Facility.

“Facility” means the approximately 100 x 200 square foot building constructed or to be constructed on the Land.

“Governmental Authority” means the United States, the State and any political subdivision thereof, and any agency, department, commission, board, bureau or instrumentality of any of them.

“Land” means a leasehold interest in the approximately 11 acre parcel of land located in the Town of North Hudson, County of Essex, State of New York as more particularly described on Exhibit A to this Agency Lease.

“Lease” or “Leases” means any agreements of lease or sublease with respect to all or portions of the Project Facility, as said agreements of lease or sublease may have been or may from time to time be hereinafter modified, extended and revised, and any future lease or sublease affecting any portion of the Project Facility.

“Lease Term” shall have the meaning assigned to such term in Section 5.2 hereof.

“Leasing Documents” means the Company Lease Agreement, the Bill of Sale to the Lessor, this Agency Lease, the PILOT Agreement, the Project Agreement and any other document now or hereafter executed by the Lessor and the Company in connection with the Project Facility, as the same may be amended or supplemented from time to time in accordance with the terms thereof.

“Lessor” means (A) the Essex County Industrial Development Agency and its successors and assigns, and (B) any public benefit corporation or other public corporation resulting from or surviving any consolidation or merger to which the Essex County Industrial Development Agency or its successors or assigns may be a party.

“Lien” means any interest in Property securing an obligation owed to a Person whether such interest is based on the common law, statute or contract, and including but not limited to a security interest arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term “Lien” includes reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions, leases and other similar title exceptions and encumbrances, including but not limited to mechanics’, materialmen’s warehousemen’s and carriers’ liens and other similar encumbrances, affecting real property. For the purposes hereof, a Person shall be deemed to be the owner of Property which it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

“Lien Law” means the Lien Law of the State.

“Local Authority” means any Governmental Authority which exercises jurisdiction over the Project Facility.

“Local Requirement” means any law, ordinance, order, rule or regulation of a Governmental Authority or a Local Authority, respectively.

“NYBDC LDC” means New York Business Development Corporation, located in Albany, New York, and its successors and assigns.

“NYBDC LDC Loan” means the loan or loans from the NYBDC LDC to the Company in the principal amount of \$2,095,000 evidenced by the NYBDC LDC Note.

“NYBDC LDC Note” means the promissory note or notes, dated the date hereof, in the aggregate principal amount of \$2,048,000 executed and delivered by the Company to NYBDC LDC, as said promissory note may be amended, modified, supplemented, consolidated or extended.

“NYBDC LDC Mortgage” means the mortgage or mortgages dated the date hereof in the aggregate principal amount of \$2,048,000 from the Company in favor of NYBDC LDC, as said mortgage, security agreement and assignment of rents and leases may be modified, supplemented, consolidated or amended from time to time.

“Permitted Encumbrances” means and includes: (i) in the case of real properties, easements, restrictions, exceptions, reservations or defects which, in the aggregate, do not interfere with the continued use of such properties for the purposes for which they are used and do not affect the value thereof; (ii) liens, if contested in good faith by appropriate proceedings as allowed pursuant to Section 8.8 of this Agency Lease; (iii) existing leases by the Company of real and personal property; (iv) mortgage liens and/or security interests granted by the Company from time to time, (v) liens arising out of or created by the Leasing Documents; (vi) liens allowed pursuant to the terms of the Bank Mortgage and the NYBDC LDC Mortgage and (vii) such other encumbrances as may be consented to, from time to time, by the Lessor and the Company.

“Person” shall mean any legal entity, including without limitation an individual, a corporation, a company, a voluntary association, a partnership, a trust, an unincorporated organization or a government, or any agency, instrumentality or political subdivision thereof.

“PILOT Agreement” means the payment in lieu of tax agreement dated the Closing Date by and between the Lessor and the Company, as said payment in lieu of tax agreement may be amended or supplemented from time to time.

“Project” means that project undertaken by the Lessor consisting of (A) the acquisition of the Land, (B) the construction of the Facility and (C) the acquisition and installation in the Facility of the Equipment.

“Project Agreement” means that certain uniform agency project agreement of even date herewith by and between the Company and the Lessor as said uniform agency project agreement may be amended or supplemented from time to time in accordance with the terms thereof.

“Project Facility” means the Land, the Facility and the Equipment.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

“Requirement” means any law, ordinance, order, rule or regulation of a Governmental Authority or a Local Authority, respectively.

“Resolution” means the resolution duly adopted by the Lessor on January 24, 2018, as amended on February 6, 2018 authorizing the execution and delivery of the Leasing Documents to which the Lessor is a party.

“SEQRA” means the New York State Environmental Quality Review Act constituting Article 8 of the New York state Environmental Conservation Law and the regulations promulgated thereunder.

“State” means the State of New York.

“Unassigned Rights” means (A) the rights of the Lessor granted pursuant to Sections 2.2(D), 3.1, 4.1(C), 5.4, 6.3, 6.4, 6.6, 8.1, 8.2, 8.3, 8.5, 8.7, 8.8, 8.9, 9.1, 9.2, 9.4, 11.3, 12.1(B) and 12.10 of this Agency Lease, (B) the moneys due and to become due to the Lessor for its own account or the members, officers, agents and employees of the Lessor for their own account pursuant to Sections 2.2(D), 4.1, 5.4, 6.3, 6.4, 6.6, 8.2, 10.2, 10.4 and 12.10 of this Agency Lease, and (C) the right to enforce the foregoing pursuant to Article X of this Agency Lease.

SECTION 1.2 INTERPRETATION. In this Agency Lease, unless the context otherwise requires:

(A) the terms “hereby”, “hereof”, “herein”, “hereunder” and any similar terms as used in this Agency Lease refer to this Agency Lease, and the term “heretofore” shall mean before, and the term “hereafter” shall mean after, the date of this Agency Lease;

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

(C) any certificates, letters or opinions required to be given pursuant to this Agency Lease shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Agency Lease.

(D) any provision of this Agency Lease or the Company Lease Agreement notwithstanding, in the event a right or obligation of the Agency or the Company is described or otherwise treated inconsistently with a right or obligation of the Agency or the Company described in the Project Agreement, the provisions of the Project Agreement control.

ARTICLE 2

REPRESENTATIONS, WARRANTIES AND COVENANTS

SECTION 2.1 REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE LESSOR. The Lessor makes the following representations, warranties and covenants as the basis for the undertakings on its part herein contained:

(A) The Lessor is duly established under the provisions of the Act and has the power to enter into this Agency Lease and to carry out its obligations hereunder. Based upon the representations of the Company, the Project constitutes and will constitute a "project" as such quoted term is defined in the Act. By proper official action the Lessor has been duly authorized to execute, deliver and perform this Agency Lease and the Leasing Documents to which it is a party.

(B) Neither the execution and delivery of this Agency Lease, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions of the other Leasing Documents by the Lessor will conflict with or result in a breach by the Lessor of any of the terms, conditions or provisions of the Act, the by-laws of the Lessor or any order, judgment, restriction, agreement or instrument to which the Lessor is a party or by which it is bound, or will constitute a default by the Lessor under any of the foregoing.

(C) The Lessor has undertaken the Project and will lease the Project Facility to the Company pursuant to this Agency Lease, all for the purpose of advancing the job opportunities, health, general prosperity and economic welfare of the people of the State and improving their standard of living.

(D) Except as provided herein and in Article IX and Section 10.2(A)(3) hereof, the Lessor, to the extent of its interest therein, shall not sell, assign, transfer, encumber or pledge as security the Project Facility or any part thereof and shall maintain the Project Facility free and clear of all Liens or encumbrances, except as contemplated or allowed by the terms of this Agency Lease.

SECTION 2.2 REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY. The Company makes the following representations, warranties and covenants as the basis for the undertakings on its part herein contained:

(A) The Company is a limited liability company duly organized and validly existing and in good standing under the laws of the State of New York, has power to enter into this Agency Lease and to carry out its obligations hereunder, has been duly authorized to execute this Agency Lease and is qualified to do business in all jurisdictions in which its operations or ownership of Property so require.

(B) Neither the execution and delivery of this Lease, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the provisions of this Agency Lease will (1) result in a breach of or conflict with any of the terms, conditions or provisions of the articles of organization or operating agreement or any agreement, instrument,

order or judgment to which the Company is a party or by which the Company 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 the Project Facility under the terms of any such instrument or agreement, other than the Permitted Encumbrances, (2) require consent under (which has not been heretofore received) or result in a breach of or default under any credit agreement, indenture, purchase agreement, mortgage, deed of trust, commitment, guaranty or other agreement or instrument to which the Company is a party or by which it or any of its Property may be bound or affected, or (3) conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction or decree of any government, governmental instrumentality or court (domestic or foreign), having jurisdiction over the Company or any of the Property of the Company.

(C) The Project will not result in the removal of a facility or plant of the Company or any contemplated occupant of the Project Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Company or any contemplated occupant of the Project Facility located within the State except to the extent the foregoing is reasonably necessary to discourage said occupant or occupants from removing such other plant or facility to a location outside the State or to preserve the competitive position of said occupant or occupants in its/their respective industry/industries.

(D) The Company shall cause all notices required by law to be given, and shall comply or cause compliance with all laws, ordinances, municipal rules and regulations and requirements of all Governmental Authorities applying to or affecting the operation of the Facility (the applicability of such laws, ordinances, rules and regulations to be determined as if the Company and not the Lessor were the owner of the Facility), and the Company will defend and save the Lessor and its officers, members, agents and employees harmless from all fines and penalties due to failure to comply therewith.

(E) The acquisition, construction and installation of the Project Facility will not have a significant impact on the environment within the terms of SEQRA and the statewide and local regulations thereunder. The Company hereby covenants to comply with all mitigation measures, requirements and conditions, if any, enumerated in the negative declaration issued by the Town of North Hudson Planning Board under SEQRA with respect to the Project and in any other approvals issued by any other Governmental Authority.

(F) So long as this Agency Lease shall be in effect, the Project Facility is and will continue to be a "project" as such quoted term is defined in the Act, and the Company will not take any action (or omit to take any action required by the Leasing Documents or which the Lessor, advises the Company in writing should be taken), or allow any action to be taken, which action (or omission) would in any way cause the Project Facility not to constitute a "project" as such quoted term is defined in the Act.

(G) The Company is in possession of all local land use and zoning approvals relating to the construction and operation of the Facility for its intended purpose and the Facility and the operation thereof complies and will comply with all applicable building, zoning, environmental, planning and subdivision laws, ordinances, rules and regulations of Governmental Authority having jurisdiction over the Facility.

(H) The Company as agent of the Lessor will apply the proceeds of the Bank Loan received under the Bank Note towards costs associated with the acquisition, construction and equipping of the Project Facility, and incidental costs associated therewith.

(I) The Company as agent of the Lessor will apply the proceeds of the NYBDC LDC Loan received under the NYBDC LDC Note towards costs associated with the acquisition, construction and equipping of the Project Facility, and incidental costs associated therewith.

(J) Except as provided in Section 9.4 hereof, all items comprising the Equipment shall remain in the Facility at all times during the Lease Term.

ARTICLE 3

CONVEYANCE AND USE OF PROJECT FACILITY

SECTION 3.1 CONVEYANCE TO THE LESSOR. The Company has conveyed or will convey, or will cause to be conveyed, a leasehold interest in the Land and the Facility and a fee interest in the Equipment to the Lessor pursuant to the Company Lease Agreement and the Bill of Sale to the Lessor. The Company hereby represents and warrants that it has good and marketable title to the Project Facility, free and clear of all Liens except for Permitted Encumbrances and the Company Lease Agreement and agrees that it will defend, indemnify and hold the Lessor harmless from any expense or liability due to any defect in title thereto. The Company shall pay all (i) costs, expenses, taxes and charges incurred in connection with such conveyance and transfer, and (ii) taxes, assessments and other charges and impositions of the Project Facility attributable to periods prior to the date of this Agency Lease.

SECTION 3.2 USE OF PROJECT FACILITY. Subsequent to the Closing Date, the Company shall be entitled to use the Project Facility in any manner not otherwise prohibited by the Leasing Documents, provided that such use (1) causes the Project Facility to qualify or continue to qualify as a “project” under the Act and (2) does not tend, in the reasonable judgment of the Lessor, to bring the Project Facility into disrepute as a public project.

ARTICLE 4

ACQUISITION, CONSTRUCTION AND INSTALLATION OF PROJECT FACILITY

SECTION 4.1 SALES TAX PROVISIONS. (A) The Company shall, on behalf of the Lessor, promptly acquire, construct and install the Project Facility.

(B) The Lessor hereby appoints the Company its true and lawful agent during the Construction Period to perform under the following authority in compliance with the terms, purposes and intent of the Leasing Documents, and the Company hereby accepts such agency: (1) to acquire, construct and install the Project Facility, (2) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions with any other Persons, and in general to do all things which may be requisite or proper, all for the acquisition, construction and installation of the Project Facility, with the same powers and with the same validity as the Lessor could do if acting in its own behalf including, but not limited to, the appointment of subagents for such

purposes, and (3) to pay all fees, costs and expenses incurred in the acquisition, construction and installation of the Project Facility.

(C) The Company has given or will give or cause to be given all notices and has complied or will comply or cause compliance with all laws, ordinances, rules, regulations and requirements of all Governmental Authorities applying to or affecting the conduct of work on the Project Facility (the applicability of such laws, ordinances, rules and regulations to be determined as if the Company and not the Lessor were the owner of the Project Facility), and the Company will defend, indemnify and save the Lessor and its officers, members, agents, servants and employees harmless from all fines and penalties due to failure to comply therewith. All permits and licenses necessary for the prosecution of work on the Project Facility shall be procured promptly by the Company.

(D) To the extent required by applicable law, the Company, as agent for the Lessor, will cause (1) compliance with the requirements of Article 8 of the Labor Law of the State, and (2) any contractor, subcontractors and other Persons involved in the acquisition, construction and installation of the Project Facility to comply with Article 8 of the Labor Law of the State. The covenant in this subsection is not intended as a representation that Article 8 of the Labor Law of the State applies.

(E) The Company agrees to file with the Department of Taxation and Finance of the State in a manner and at the time prescribed thereby, information relating to the extent of exemption from sales and use tax claimed with respect to the acquisition, construction and installation of the Project Facility all in compliance with Section 874 of the General Municipal Law of the State. **THE COMPANY ACKNOWLEDGES THAT THE FAILURE TO COMPLY WITH THE PROVISIONS OF SAID SECTION 874 SHALL RESULT IN A REVOCATION OF ANY SALES TAX ABATEMENT EXTENDED BY THE LESSOR.**

(F) The Company acknowledges and agrees that to the extent it (i) utilizes the exemption from New York State and local sales and use tax in a manner inconsistent with the intent of this Agreement and/or (ii) attempts to obtain an exemption from New York State and/or local sales and/or use tax which exceeds the scope of the exemption conferred by the provisions of this Agreement, it will be subject to a recapture of such inconsistent or excessive exemption benefits by the Lessor in accordance with the provisions of Section 875 of the General Municipal Law of the State, the provisions of which are hereby incorporated herein by reference. The Company agrees to cooperate with the efforts of the Lessor to recapture such inconsistent or excessive exemption benefits and any failure to do so shall constitute an Event of Default hereunder.

ARTICLE 5

LEASE OF PROJECT FACILITY; RENT; CONVEYANCE OF PROJECT FACILITY

SECTION 5.1 LEASE OF PROJECT FACILITY. The Lessor hereby leases the Project Facility to the Company, and the Company hereby leases the Project Facility from the Lessor, for and during the term hereinafter provided and upon and subject to the terms and conditions

hereinafter set forth. The Company assumes and agrees to perform and discharge all of the Lessor's obligations under the Lease Documents during the Lease Term, and shall enforce all claims arising under any representation, warranty, covenant, indemnity, guarantee or agreement in the Lease Documents.

SECTION 5.2 DURATION OF TERM. The term of this Agency Lease shall become effective upon its delivery and shall expire on February 15, 2029 or such earlier date as this Agency Lease may be terminated as hereinafter provided (the "Lease Term"). The Lessor shall deliver to the Company and the Company shall accept sole and exclusive possession of the Project Facility simultaneously with the execution of this Agency Lease.

SECTION 5.3 QUIET ENJOYMENT. So long as no Event of Default shall have occurred and be continuing, and except as otherwise expressly provided herein or in the Leasing Documents, the Lessor will not disturb the Company in its peaceful and quiet enjoyment of the Project Facility, which shall be free from any interference, repossession or disturbance by the Lessor.

SECTION 5.4 RENT AND OTHER AMOUNTS PAYABLE. The Company shall pay rent for the Project Facility as follows:

(A) The Company has remitted to the Lessor its administrative fee in the amount of \$30,000.

(B) Within seven (7) days after receipt of a demand therefor from the Lessor accompanied by any supporting evidence or documentation therefor reasonably requested by the Company, the Company shall pay to the Lessor the sum of the reasonable and actual expenses of the Lessor and the officers, members, agents and employees thereof incurred by reason of the Lessor's lease of the Project Facility or in connection with the carrying out of the Lessor's duties and obligations under this Agency Lease or any of the other Leasing Documents and any other reasonable and actual fee or expense of the Lessor, including reasonable and actual attorneys' fees, with respect to the Project Facility, the sale of the Project Facility to the Company, any of the other Leasing Documents, the payment of which is not otherwise provided for under this Agency Lease.

(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 and private debts. In the event the Company shall fail to make any payment required by this Section 5.4 for a period of more than thirty (30) days from the date such payment is due, the Company shall pay the same together with interest thereon at a rate equal to two percent (2%) per month or the maximum permitted by law, whichever is less, from the date on which such payment was due until the date on which such payment is made.

SECTION 5.5 NATURE OF OBLIGATIONS OF THE COMPANY HEREUNDER. (A) The obligations of the Company to make the payments required by this Agency Lease and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be general obligations of the Company and shall be absolute and unconditional irrespective of any defense or any rights of set-off, recoupment or counterclaim the Company may otherwise have against the Lessor. The Company agrees that it will not suspend, discontinue or abate any payment required by, or fail to observe any of its other covenants or agreements contained in this

Agency Lease, or terminate this Agency Lease for any cause whatsoever, including, without limiting the generality of the foregoing, failure to complete the acquisition of the Land, the construction of the Facility or the installation of the Equipment, any material defect in the title, design, operation, merchantability, fitness or condition of the Project Facility or any part thereof or in the suitability of the Project Facility or any part thereof for the Company's purposes or needs, failure of consideration for, destruction of or damage to, Condemnation of title to or the use of all or any part of the Project Facility, any change in the tax or other laws of the United States of America or of the State or any political subdivision thereof, or any failure of the Lessor to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with this Agency Lease.

(A) Nothing contained in this Section 5.5 shall be construed to release the Lessor from the performance of any of the agreements on its part contained in this Agency Lease, and, in the event the Lessor should fail to perform any such agreement, the Company may institute such action against the Lessor as the Company may deem necessary to compel performance or recover damages for non-performance; provided, however, that the Company shall look solely to the Lessor's estate and interest in the Project Facility (other than the Unassigned Rights), for the satisfaction of any right or remedy of the Company for the collection of a judgment (or other judicial process) requiring the payment of money by the Lessor in the event of any liability on the part of the Lessor, and no other Property or assets of the Lessor or members, officers, agents (other than the Company) or employees of the Lessor shall be subject to levy, execution, attachment or other enforcement procedure for the satisfaction of the Company's remedies under or with respect to this Agency Lease, the relationship of the Lessor and the Company hereunder or the Company's purchase of and title to the Project Facility, or any other liability of the Lessor to the Company.

ARTICLE 6

MAINTENANCE, MODIFICATIONS, TAXES AND INSURANCE

SECTION 6.1 MAINTENANCE AND MODIFICATIONS OF PROJECT FACILITY. The Company agrees that during the period that the Agency Lease is outstanding it will (1) keep the Project Facility in good condition and repair and preserve the same against waste, loss, damage and depreciation, ordinary wear and tear excepted, (2) make all repairs and replacements to the Project Facility or any part thereof (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen) deemed necessary by the Company, in the Company's reasonable discretion, and (3) operate the Project Facility in a sound and economic manner.

SECTION 6.2 TAXES, ASSESSMENTS AND UTILITY CHARGES. (A) The Company shall pay or cause to be paid, before the imposition of any penalties, fees or interest for late payment of the same, respectively become, (1) 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 Project Facility, (2) all utility and other charges, including "service charges", incurred or imposed for the operation, maintenance, use, occupancy, upkeep and improvement of the Project Facility, (3) all assessments and charges of any kind whatsoever lawfully made by any Governmental Authority for public improvements, and (4) all payments required under Section 6.6 (B) hereof; provided that, with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Company shall be obligated hereunder to pay

only such installments as are required to be paid during all periods that sums payable by the Company hereunder or under any of the other Leasing Documents are due and owing.

(A) Notwithstanding the provisions of subsection (A) of this Section 6.2 but subject however to the provisions of the PILOT Agreement, the Company may in good faith actively contest any such taxes, assessments and other charges, provided that the Company shall pay such taxes, assessments and other charges in accordance with the provisions of such subsection (A) and shall not defer, or be deemed entitled to defer such payment by reason of any such contest.

SECTION 6.3 INSURANCE REQUIRED. At all times during the Lease Term and/or that the Lessor is the owner of the Project Facility, the Company shall maintain or, with respect to the insurance required by subsection (E) of this Section 6.3, cause the general contractor to maintain insurance with respect to the Project Facility 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 with respect thereto, including, but not necessarily limited to:

(A) (1) During any time when reconstruction or construction of the Project Facility shall take place, builder's "all-risk" (or equivalent coverage) insurance upon any work done or material furnished in connection with the reconstruction and construction of the Project Facility, with extended coverage for floods, vandalism, malicious mischief, debris removal and collapse insurance endorsements, issued to the Company and the Lessor as insureds, as their interests may appear, and written in completed value non-reporting form for the full completed insurable value of the Project Facility, and (2) at such time that builder's risk (or equivalent coverage) insurance is no longer available by virtue of completion of the acquisition, construction and installation of the Project Facility, insurance protecting the interests of the Company and the Lessor as insureds, as their interests may appear, against loss or damage to the Project Facility by fire, lightning, vandalism, malicious mischief, floods and other perils and casualties normally insured against with a uniform extended coverage endorsement, such insurance at all times to be in an amount not less than the full insurable value of the Facility; provided, however, that the Company may insure all or a portion of the Project Facility under a blanket insurance policy or policies covering not only the Project Facility or portions thereof but other Property.

(B) To the extent applicable, workers' compensation insurance, disability benefits insurance and such other forms of insurance which 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 Project Facility, including, but not limited to, all contractors and subcontractors.

(C) Insurance protecting the Company and the Lessor against loss or losses from liabilities imposed by law or assumed in any written contract (including, without limitation, the contractual liability assumed by the Company under Section 8.2 of this Agency Lease) and arising from personal injury or death or damage to the property of others caused by any accident or occurrence, with limits of not less than \$1,000,000 per person per accident or occurrence on account of personal injury, including death resulting therefrom, and \$1,000,000 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, and a separate commercial umbrella

liability policy in excess of the basic coverage stated above protecting the Company and the Lessor with a limit of not less than \$5,000,000.

(D) During any period of construction or reconstruction, the general contractor and any subcontractor constructing, installing and equipping the Project Facility shall be required to carry workers' compensation and general comprehensive liability insurance containing coverages for premises operations, products and completed operations, explosion, collapse and underground damage hazard, contractor's protective, owner's protective and coverage for all owned, non-owned and hired vehicles with non-ownership protection from the general contractor or subcontractor's employees providing the following minimum limits:

(a) Workers' compensation and employer's liability - in accordance with applicable law, covering loss resulting from injury, sickness, disability and death of employees located at or assigned to the Facility or who are responsible for the construction of the Facility.

(b) Comprehensive general liability:

(i) Bodily injury liability in an amount not less than \$1,000,000 for each accident and not less than \$2,000,000 for injuries sustained by two or more persons in any one accident.

(ii) Property damage liability in an amount not less than \$1,000,000 for each accident and not less than \$2,000,000 in the aggregate for each year of the policy period.

(c) Comprehensive automobile liability:

(i) Bodily injury liability in an amount not less than \$1,000,000 for each accident and not less than \$3,000,000 for injuries sustained by two or more persons in any one accident.

(E) Other insurance coverage required by any Governmental Authority in connection with any Requirement.

(F) THE LESSOR DOES NOT IN ANY WAY REPRESENT OR WARRANT THAT THE INSURANCE SPECIFIED HEREIN, WHETHER IN SCOPE OR IN LIMITS OF COVERAGE, IS ADEQUATE OR SUFFICIENT TO PROTECT THE COMPANY'S BUSINESS OR INTERESTS.

SECTION 6.4 ADDITIONAL PROVISIONS RESPECTING INSURANCE. All insurance required by Section 6.3 hereof 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 and reasonably satisfactory to the Lessor. The company or companies issuing the policies required by Sections 6.3(A) shall be rated "A" or better by A.M. Best Co., Inc. in the most recent edition of Best's Key Rating Guide. 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 name the Company and the Lessor as insureds, as their interests may appear, and provide for at least thirty (30) days' written notice to the Company and the Lessor prior to cancellation, lapse, reduction in policy limits or material change in coverage thereof. All insurance required hereunder shall be in form, content and coverage satisfactory to the Lessor. Certificates satisfactory in form and substance to the Lessor to evidence all insurance required hereby shall be delivered to the Lessor on or before the Closing Date. The Company shall deliver to the Lessor on or before the first Business Day of each calendar year thereafter a certificate dated not earlier than the immediately preceding December 1 reciting that there is in full force and effect, with a term covering at least the next succeeding calendar year, insurance in the amounts and of the types required by Sections 6.3 and 6.4 hereof. At least thirty (30) days prior to the expiration of any such policy, the Company shall furnish to the Lessor evidence that the policy has been renewed or replaced or is no longer required by this Agency Lease.

(A) All premiums with respect to the insurance required by Section 6.3 hereof shall be paid by the Company; provided, however, that if the premiums are not timely paid, the Lessor may pay such premiums and the Company shall pay immediately upon demand all sums so expended by the Lessor, together with interest, to the extent permitted by law, at a rate equal to two percent (2%) per month from the date on which such payment was due until the date on which the payment is made.

(B) (1) The Company shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under Section 6.3 unless the Lessor is included therein as a named insured.

(2) Each of the policies required pursuant to Section 6.3 hereof shall, to the extent commercially available, waive (a) any right of subrogation against any Person insured under such policy, and (b) any right of the insurers to any set-off or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any Person insured under such policy.

SECTION 6.5 APPLICATION OF NET PROCEEDS OF INSURANCE. The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.3 hereof shall be applied as follows: (A) the Net Proceeds of the insurance required by Section 6.3(A) hereof shall be applied as provided in Section 7.1 hereof and (B) the Net Proceeds of the insurance required by Section 6.3(B), 6.3(C), 6.3(D) and 6.3(E) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

SECTION 6.6 PAYMENTS IN LIEU OF TAXES. (A) It is recognized that, under the provisions of the Act, the Lessor is required to pay no taxes or assessments upon any of the property acquired by it or under its jurisdiction, control or supervision or upon its activities. It is not the intention, however, of the parties hereto that the Project Facility be treated as exempt from real property taxation. Accordingly, the parties acknowledge that a Payment In Lieu of Tax Agreement (the "PILOT Agreement") has been executed with respect to the Project Facility. Until the expiration date of the PILOT Agreement, the Lessor and the Company hereby agree that the Company shall be required to make or cause to be made payments in lieu of real estate taxes in the amounts and in the manner set forth in the PILOT Agreement.

(B) In the event that (1) the Project Facility would be subject to real property taxation if owned by the Company but shall be deemed exempt from real property taxation due to the involvement of the Lessor therewith, and (2) the PILOT Agreement shall not have been entered into by the Lessor and the Company, or, if entered into, the PILOT Agreement shall for any reason no longer be in effect, the Lessor and the Company hereby agree that the Company, or any subsequent user of the Project Facility under this Agency Lease, shall in such event be required to make or cause to be made payments in lieu of taxes to the school district or school districts, city, town, county, village and other political units wherein the Project Facility is located having taxing powers (such political units are hereinafter collectively referred to as the "Taxing Entities") in such amounts as would result from taxes being levied on the Project Facility by the Taxing Entities if the Project Facility were privately owned by the Company and not deemed owned by or under the jurisdiction, control or supervision of the Lessor, but with appropriate reductions similar to the real property tax exemptions and credits, if any, which would be afforded to the Company if it were the owner of the Project Facility. It is agreed that the Company, in cooperation with the Lessor, (a) shall cause the Project Facility to be valued for purposes of determining the amounts due hereunder as if owned by the Company as aforesaid by the appropriate officer or officers of any of the Taxing Entities as may from time to time be charged with responsibility for making such valuations, (b) shall cause to be appropriately applied to the valuation or valuations so determined the respective tax rate or rates of the Taxing Entities that would be applicable to the Project Facility if so privately owned, (c) shall cause the appropriate officer or officers of the Taxing Entities charged with the duty of levying and collecting such taxes to submit to the Company, when the respective levies are made for purposes of such taxes upon Property privately owned as aforesaid, statements specifying the amounts and due dates of such taxes which the Taxing Entities would receive if such Property were so privately owned by the Company and not deemed owned by or under the jurisdiction, control or supervision of the Lessor, and (d) shall file with the appropriate officer or officers any accounts or tax returns furnished to the Lessor by the Company for the purpose of such filing.

(C) The Company shall pay or cause to be paid to the Taxing Entities when due all such payments in lieu of taxes with respect to the Project Facility required by Section 6.6(B) of this Agency Lease, subject in each case to the Company's right to (a) obtain exemptions and credits, if any, which would be afforded to a private owner of the Project Facility, including any available exemption under Section 485-b of the New York Real Property Tax Law with respect to the Project Facility, (b) contest valuations of the Project Facility made for the purpose of determining such payments therefrom (provided, however, no such contest shall entitle the Company to defer payments in lieu of taxes by reason of any such contest), and (c) seek to obtain a refund of any such payments made. In the event the Company shall fail to make or cause to be made any such payments in lieu of taxes, the amount or amounts so in default shall continue as an obligation of the Company until fully paid, and the Company hereby agrees to pay or cause to be paid the same, together with late charges and interest thereon as provided for in subsection (5) of Section 874 of the General Municipal Law of the State (or any successor provision).

(D) The Lessor acknowledges and agrees that pursuant to the Bank Mortgage and the NYBDC LDC Mortgage, the Company may be required to remit to the Bank and the NYBDC LDC in advance funds representing payments due to the Lessor under this Section 6.6 and that in such event the Bank or the NYBDC LDC will remit such funds to the Lessor in satisfaction of the amounts due hereunder.

ARTICLE 7

DAMAGE, DESTRUCTION AND CONDEMNATION

SECTION 7.1 DAMAGE OR DESTRUCTION. If the Project Facility shall be damaged or destroyed, in whole or in part, the Company shall give the Lessor prompt written notice thereof. As between the Lessor and the Company, the Company shall have sole right to and control over the use of the Net Proceeds of any insurance settlement. The Company shall not be obligated to replace, repair, rebuild or restore the Project Facility, and the Net Proceeds of any insurance settlement shall not be applied to replace, repair, rebuild or restore the Project Facility if the Company shall notify the Lessor that, in the Company's sole judgment, the Company does not deem it practical or desirable to so replace, repair, rebuild or restore the Project Facility. The Lessor shall have no obligation to rebuild or restore the Project Facility, and upon payment of all payments due pursuant to Section 5.4 hereof, the term of this Agency Lease shall end and the obligations of the Company hereunder (other than any such obligations expressed herein as surviving termination of this Agency Lease) shall terminate as of the date of such payment and the Lessor shall transfer to the Company, without recourse or warranty, all right, title and interest of the Lessor in and to the Project Facility.

SECTION 7.2 CONDEMNATION. If title to, or the use of, the Project Facility shall be taken by Condemnation, the Company shall give the Lessor prompt written notice thereof. As between the Lessor and the Company, the Company shall have sole right to and control over the use of the Net Proceeds of any insurance settlement. The Net Proceeds of any Condemnation award shall not be applied to restore the Project Facility if the Company shall notify the Lessor that, in the Company's sole judgment, the Company does not deem it practical or desirable to restore the Project Facility. The Lessor shall have no obligation to restore the Project Facility, and upon payment of all payments due pursuant to Section 5.4 hereof, the term of this Agency Lease shall end and the obligations of the Company hereunder (other than any such obligations expressed herein as surviving termination of this Agency Lease) shall terminate as of the date of such payment and the Lessor shall transfer to the Company, without recourse or warranty, all right, title and interest of the Lessor in and to the Project Facility.

SECTION 7.3 ADDITIONS TO THE PROJECT FACILITY. All replacements, repairs, rebuilding or restoration made pursuant to Sections 7.1 or 7.2 hereof, whether or not requiring the expenditure of the Company's own moneys shall automatically become part of the Project Facility and subject to the Leasing Documents as if the same were specifically described herein.

ARTICLE 8

SPECIAL COVENANTS

SECTION 8.1 NO WARRANTY OF CONDITION OR SUITABILITY BY LESSOR; ACCEPTANCE "AS IS". THE LESSOR MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF THE PROJECT FACILITY OR ANY PART THEREOF OR AS TO THE SUITABILITY OF THE PROJECT FACILITY OR ANY PART THEREOF FOR THE COMPANY'S PURPOSES OR NEEDS. THE COMPANY SHALL ACCEPT POSSESSION OF

THE PROJECT FACILITY "AS IS", WITHOUT RECOURSE OF ANY NATURE AGAINST THE LESSOR FOR ANY CONDITION NOW, HERETOFORE OR HEREAFTER EXISTING. NO WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY ARE MADE. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE, WHETHER PATENT OR LATENT, THE LESSOR SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO.

SECTION 8.2 HOLD HARMLESS PROVISIONS. (A) The Company hereby (i) releases the Lessor and its members, officers, agents (other than the Company) and employees from, (ii) agrees that the Lessor and its members, officers, agents (other than the Company) and employees shall not be liable for, and (iii) agrees to indemnify, defend and hold the Lessor and its members, officers, agents (other than the Company) and employees harmless from and against: any and all claims, causes of action, judgments, liabilities, damages, losses, costs and expenses arising as a result of the Lessor's undertaking the acquisition, construction and installation of the Project Facility, including, but not limited to, (1) liability for loss or damage to Property or bodily injury to or death of any and all Persons that may be occasioned, directly or indirectly, by any cause whatsoever pertaining to the Project Facility or arising by reason of or in connection with the use thereof or the presence of any Person or Property on, in or about the Project Facility, (2) liability arising from or expense incurred by the Lessor's financing, acquiring, constructing, installing, owning or selling the Project Facility, including, without limiting the generality of the foregoing, any sales or use taxes which may be payable with respect to goods supplied or services rendered with respect to the Project Facility and any and all claims for brokerage, leasing, finders or similar fees which may be made relating to the Project Facility, all liabilities or claims arising as a result of the Lessor's obligations under this Agency Lease or any of the other Leasing Documents or the enforcement of or defense of validity of any provision of any Leasing Documents, and all liabilities or claims arising out of environmental matters with respect to the Project Facility, and (3) all causes of action and reasonable attorneys' fees and other expenses incurred in connection with any suits or actions which may arise as a result of any of the foregoing; provided that any such claims, causes of action, judgments, liabilities, damages, losses, costs or expenses of the Lessor are not incurred or do not result from the intentional wrongdoing of the Lessor or any of its members, officers, agents (other than the Company) or employees. The foregoing indemnities shall apply notwithstanding the fault or negligence in part of the Lessor or any of its officers, members, agents or employees and notwithstanding the breach of any statutory obligation or any rule of comparative or apportioned liability.

(B) In the event of any claim against the Lessor or its members, officers, agents (other than the Company) or employees by any employee of the Company or any contractor of the Company or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the obligations of the Company hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Company or such contractor under workers' compensation laws, disability benefits laws or other employee benefit laws.

(C) To effectuate the provisions of this Section 8.2, the Company agrees to provide for and insure, in the liability policies required by Section 6.3(C) of this Agency Lease, its liabilities assumed pursuant to this Section 8.2.

(D) Notwithstanding any other provisions of this Agency Lease, the obligations of the Company pursuant to this Section 8.2 shall remain in full force and effect after the termination of this Agency Lease until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters herein described may be brought and the payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all expenses, charges and costs incurred by the Lessor, or its officers, members, agents (other than the Company) or employees, relating thereto.

SECTION 8.3 RIGHT OF ACCESS TO PROJECT FACILITY. The Company agrees that the Lessor and its authorized agents shall have the right at all reasonable times and upon prior reasonable notice to enter upon the Land and to examine and inspect the Project Facility for the sole purpose of ensuring compliance with the provisions of the Act.

SECTION 8.4 THE COMPANY NOT TO TERMINATE EXISTENCE OR DISPOSE OF ASSETS. The Company agrees that, so long as this Agency Lease is in effect, it will maintain its existence and will not dissolve or otherwise dispose of all or substantially all of its assets.

SECTION 8.5 AGREEMENT TO PROVIDE INFORMATION. The Company agrees, whenever requested by the Lessor, to provide and certify or cause to be provided and certified such information concerning the Company, its finances and other topics as the Lessor from time to time reasonably consider necessary or appropriate, including, but not limited to, (i) such information as to enable the Lessor to make any reports required by law or governmental regulation, and (ii) within thirty (30) days of receipt by the Company of written request therefor, a complete and accurate listing of all items of personalty which were acquired or leased by the Company based upon an exemption from sales or use tax provided by the Lessor.

SECTION 8.6 BOOKS OF RECORD AND ACCOUNT; FINANCIAL STATEMENTS; COMPLIANCE CERTIFICATES. The Company 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.

SECTION 8.7 COMPLIANCE WITH ORDERS, ORDINANCES, ETC. (A) The Company agrees that it will, during any period in which this Agency Lease is in effect, promptly comply with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all Governmental Authorities, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Project Facility or any part thereof, or to any use, manner of use or condition of the Project Facility or any part thereof (the applicability of such laws, ordinances, rules and regulations to be determined as if the Company and not the Lessor were the owner of the Project Facility).

(B) Notwithstanding the provisions of subsection (A) of this Section 8.7, the Company may in good faith actively contest the validity or the applicability of any requirement of the nature referred to in such subsection (A), provided that the Company (1) first shall have notified the Lessor in writing of such contest, (2) is not in default under any of the Leasing Documents, (3) shall have set aside adequate reserves for any such requirement, and (4) demonstrates to the reasonable satisfaction of the Lessor that noncompliance with such requirement will not materially

endanger the Project Facility or any part thereof to loss or forfeiture. Otherwise, the Company shall promptly take such action with respect thereto as shall be satisfactory to the Lessor.

(C) Notwithstanding the provisions of subsection (B) of this Section 8.7, if the Lessor or any of its members, officers, agents, servants or employees may be liable for prosecution for failure to comply therewith, the Company shall promptly take such action with respect thereto as shall be satisfactory to the Lessor.

SECTION 8.8 DISCHARGE OF LIENS AND ENCUMBRANCES. (A) The Company agrees not to create or suffer to be created any other Lien or security interest, except for Permitted Encumbrances, on the Project Facility or any part thereof.

(B) Notwithstanding the provisions of subsection (A) of this Section 8.8, and except as provided for taxes, assessments and utility charges under Section 6.2, the Company may in good faith actively contest any such Lien or security interest, provided that the Company (1) first shall have notified the Lessor in writing of such contest, (2) is not in default hereunder, (3) shall have set aside adequate reserves for the discharge of any such Lien or security interest, and (4) demonstrates to the reasonable satisfaction of the Lessor that the failure to discharge any such Lien or security interest will not subject the Project Facility or any part thereof to loss or forfeiture. Otherwise such Lien or security interest shall be removed promptly by the Company or secured by the Company's posting a bond in form and substance satisfactory to the Lessor.

SECTION 8.9 PERFORMANCE BY LESSOR OF COMPANY'S OBLIGATIONS. Should the Company fail to make any payment or to do any act as herein provided, the Lessor may, but need not, without notice to or demand on the Company and without releasing the Company from any obligation herein, make or do the same, including, without limitation, appearing in and defending any action purporting to affect the rights or powers of the Company or the Lessor, and paying all expenses, including, without limitation, reasonable attorneys' fees; and the Company shall pay immediately upon demand all sums so expended by the Lessor under the authority hereof, together with interest thereon at the rate of two percent (2%) per month or the maximum permitted by law, whichever is less.

SECTION 8.10 DEPRECIATION DEDUCTIONS AND TAX CREDITS. The parties agree that as between them the Company shall be entitled to all depreciation deductions and accelerated cost recovery system deductions with respect to any portion of the Project Facility pursuant to Sections 167 and 168 of the Internal Revenue Code of 1986, as amended (the "Code"), and to any investment credit pursuant to Section 38 of the Code with respect to any portion of the Project Facility which constitutes "Section 38 Property" and to all other state and/or federal income tax deductions and credits which may be available with respect to the Project Facility.

ARTICLE 9

ASSIGNMENTS; MERGER OF LESSOR

SECTION 9.1 RESTRICTION ON TRANSFER OF LESSOR'S INTEREST HEREUNDER. Except as otherwise specifically provided in this Article IX hereof, neither the Lessor nor the Company shall sell, assign or otherwise dispose of any of their rights under this

Agency Lease, without the prior written consent of the Company or the Lessor, as the case may be.

SECTION 9.2 ASSIGNMENT OF THIS AGENCY LEASE. Except for any assignment under any of the Leasing Documents, this Agency Lease may not be assigned by the Company, in whole or in part, absent the prior written consent of the Lessor (which consent shall not be unreasonably withheld, delayed or conditioned), and provided that in any event:

(a) the assignee shall be qualified to transact business in the State of New York and shall assume the obligations of the Company hereunder to the extent of the interest assigned;

(b) the Company shall, within ten (10) days after the delivery thereof, furnish or cause to be furnished to the Lessor a true and complete copy of such assignment and the instrument of assumption; and

(c) the Project Facility shall continue to constitute a “project” as such quoted term is defined in the Act.

In accordance with its policies and procedures, the Lessor reserves the right to receive and review financial information concerning any prospective assignee.

SECTION 9.3 MERGER OF THE LESSOR. Nothing contained in this Agency Lease shall prevent the consolidation of the Lessor with, or merger of the Lessor into, or assignment by the Lessor of its rights and interests hereunder (provided that the Agency’s rights and interests under the Leasing Documents are simultaneously transferred to such Person) to, any other public benefit corporation of the State or political subdivision thereof which has the legal authority to perform the obligations of the Lessor hereunder and the other Leasing Documents, provided that upon any such consolidation, merger or assignment, the due and punctual performance and observance of all of the agreements and conditions of this Agency Lease and the other Leasing Documents to be kept and performed by the Lessor shall be expressly assumed in writing by the public benefit corporation or political subdivision resulting from such consolidation or surviving such merger or to which the Lessor’s rights and interests hereunder or under this Agency Lease and the other Leasing Documents shall be assigned.

SECTION 9.4 SALE OR LEASE OF PROJECT FACILITY. Except for the sale or disposition of worn or obsolete items comprising a portion of the Equipment or the sale of other items in the ordinary course of the Company’s business, the Company may not otherwise sell, lease, transfer, convey or otherwise dispose of the Project Facility or any part thereof without the prior written consent of the Lessor, which consent shall not be unreasonably withheld, conditioned or delayed.

ARTICLE 10

EVENTS OF DEFAULT AND REMEDIES

SECTION 10.1 EVENTS OF DEFAULT DEFINED. The following shall be "Events of Default" under this Agency Lease, and the terms "Event of Default" or "Default" shall mean, whenever they are used in this Agency Lease, any one or more of the following events:

(a) A default by the Company in the due and punctual payment of the amounts specified to be paid pursuant to Section 5.4 (B) hereof, and the continuance thereof for a period of thirty (30) days after written notice thereof.

(b) A default in the performance or observance of any other of the covenants, conditions or agreements on the part of the Company in this Agency Lease and the continuance thereof for a period of thirty (30) days after written notice is given by the Lessor to the Company; provided, however, that if such default cannot reasonably be cured within said thirty (30) day period and the Lessor or the Company shall have commenced action to cure the breach of covenant within said thirty (30) day period, and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for so long as the Lessor or the Company shall require, in the exercise of due diligence, to cure such default, it being agreed that no such extension shall be for a period in excess of ninety (90) days provided that the Lessor agrees to consider a request from the Company for an additional extension if such cure cannot be accomplished within said ninety (90) period. If any conflict shall exist between the provisions of this Subsection (b) and the immediately following Subsection (c) as to when an Event of Default has occurred, the provisions of such Subsection (c) shall govern.

(c) Any representation or warranty made by the Company herein proves to have been false in any material manner at the time it was made.

(d) The Company shall conceal, remove or permit to be concealed or removed any part of its Property, with intent to hinder, delay or defraud its creditors, or any one of them, or shall make or suffer a transfer of any of its Property which is fraudulent under any bankruptcy, fraudulent conveyance or similar law, or shall make any transfer of its Property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid, or shall suffer or permit, while insolvent, any creditor to obtain a Lien upon any of its Property through legal proceedings or distraint which is not vacated within thirty (30) days from the date thereof.

(e) (a) The filing by the Company (as debtor) of a voluntary petition under Title 11 of the United States Code or any other federal or state bankruptcy statute, (b) the failure by the Company within one hundred twenty (120) days to lift any execution, garnishment or attachment of such consequence as will impair the Company's ability to carry out its obligations hereunder, (c) the commencement of a case under Title 11 of the United States Code against the Company as the debtor

or commencement under any other federal or state bankruptcy statute of a case, action or proceeding against the Company and continuation of such case, action or proceeding without dismissal for a period of one hundred twenty (120) days, (d) the entry of an order for relief by a court of competent jurisdiction under Title 11 of the United States Code or any other federal or state bankruptcy statute with respect to the debts of the Company, or (e) in connection with any insolvency or bankruptcy case, action or proceeding, appointment by final order, judgment or decree of a court of competent jurisdiction of a receiver or trustee of the whole or a substantial portion of the Property of the Company, unless such order, judgment or decree is vacated, dismissed or dissolved within one hundred twenty (120) days of such appointment.

(f) If by order of a court of competent jurisdiction, a trustee, receiver or liquidator of the Company or the Project Facility or any part thereof, shall be appointed and such order shall not be discharged or dismissed within one hundred twenty (120) days after such appointment.

(g) The dissolution of the Company.

(h) The occurrence of an Event of Default under the PILOT Agreement.

(i) The failure by the Company to maintain the insurance required by Section 6.3 (C) hereof.

SECTION 10.2 REMEDIES ON DEFAULT. (A) Whenever any Event of Default shall have occurred, the Lessor may, to the extent permitted by law, take any one or more of the following remedial steps:

(1) Declare, by written notice to the Company, (a) all unpaid payments payable pursuant to Section 5.4(B) hereof, and (b) all other payments due under this Agency Lease.

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

(3) In the event of (i) a default beyond all applicable cure periods by the Company in the payment of any amounts due and owing hereunder and/or under the PILOT Agreement and upon forty-five (45) days' prior written notice to the Company or (ii) the occurrence of an Event of Default described in Section 10.1(e), Section 10.1(f), Section 10.1 (g), or Section 10.1(i) hereof, terminate the Agency Lease and reconvey the Project Facility to the Company. The Company hereby consents to said reconveyance and appoints the Lessor its attorney-in-fact, which appointment is coupled with an interest and is irrevocable, to execute any and all instruments and documents in its name as may be necessary, in the sole discretion of the Lessor, to effectuate such transfer.

SECTION 10.3 REMEDIES CUMULATIVE. No remedy herein conferred upon or reserved to the Lessor 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 Agency Lease 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. In order to entitle the Lessor to exercise any remedy reserved to it in this Article X, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

SECTION 10.4 AGREEMENT TO PAY ATTORNEYS' FEES AND EXPENSES. In the event the Company should default under any of the provisions of this Agency Lease and the Lessor should reasonably 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 Company herein contained, the Company shall, on demand therefor, pay to the Lessor the reasonable and actual fees of such attorneys and such other expenses so incurred, whether an action is commenced or not.

SECTION 10.5 NO ADDITIONAL WAIVER IMPLIED BY ONE WAIVER. In the event any agreement contained herein should be breached by either party and thereafter such breach be waived by the 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 11

EARLY TERMINATION OF AGENCY LEASE

SECTION 11.1 OPTION TO TERMINATE AGENCY LEASE. The Company shall have, if there exists no Event of Default hereunder with respect to any amounts due and owing to the Lessor hereunder or under the other Leasing Documents, the option to cancel or terminate this Agency Lease, subject to the survival of those obligations of the Company which are intended to survive the term of this Agency Lease, upon payment of all payments currently due and owing pursuant to Section 5.4 hereof for which a written payment request with respect to has been provided to the Company by the Lessor, and by giving the Lessor notice in writing of such termination and thereupon such termination shall forthwith become effective.

SECTION 11.2 CONVEYANCE OF UPON LEASE TERMINATION. (A) At the termination of this Agency Lease pursuant to Section 11.1 hereof, the Project Facility shall be conveyed from the Lessor to the Company subject to Permitted Encumbrances. The Company agrees to prepare a termination of this Agency Lease together with all gains tax affidavits, equalization and assessment forms and other necessary documentation and to forward same to the Lessor at least fifteen (15) days prior to the date that the Project Facility is to be conveyed to the Company. The Company will pay all expenses and taxes, if any, applicable to or arising from such transfers of title.

(A) The conveyance of the Lessor's right, title and interest, if any, in and to the Land and the Facility shall be effected by the execution, delivery and recording by the Lessor of a

termination of this Agency Lease and a Bill of Sale to the Company (in substantially the form attached hereto as Exhibit "C" and by this reference made a part hereof).

(B) The Company hereby agrees to pay all expenses, filing and recording fees and taxes, if any, and the reasonable and actual attorneys' fees of the Lessor applicable to or arising from the transfers contemplated by this Section 11.3.

ARTICLE 12

MISCELLANEOUS

SECTION 12.1 SUBORDINATION TO MORTGAGE . This Agency Lease and all rights of the Company and the Lessor hereunder are and shall be subordinate to the Liens of the Bank Mortgage and the NYBDC LDC Mortgage on the Project Facility. The subordination of this Agency Lease to the Bank Mortgage and the NYBDC LDC Mortgage shall be automatic, without the execution of any further subordination agreement by the Company or the Lessor. Nonetheless, if the Bank or NYBDC LDC requires a further written subordination agreement, the Company and the Lessor agree to execute, acknowledge and deliver the same.

SECTION 12.2 NOTICES. All notices, certificates and other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when (A) sent to the applicable address stated below by registered or certified mail, return receipt requested, or by such other means (including overnight delivery) as shall provide the sender with documentary evidence of such delivery, or (B) delivery is refused by the addressee, as evidenced by the affidavit of the person who attempted to effect such delivery. The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

IF TO THE COMPANY:

Paradox Brewery LLC
154 U.S. Route 9
Schroon Lake, New York 12870
Attention: Paul Mrocka

WITH A COPY TO:

Lemery Greisler LLC
60 Railroad Place, Suite 502
Saratoga Springs, New York 12866
Attention: James Carminucci, Esq.

IF TO THE LESSOR

Essex County Industrial Development Agency
7566 Court Street, PO Box 217
Elizabethtown, New York 12932
Attention: Jody Olcott

WITH A COPY TO:

Jennifer Briggs
Briggs Norfolk LLP
2296 Saranac Avenue
Lake Placid, New York 12946

IF TO THE BANK:

The Bank of Greene County
PO Box 470
Catskill, New York 12414
Attention: Perry Lasher

WITH A COPY TO:

Whitbeck Benedict & Smith LLP
436 Union Street
Hudson, NY 12534
Attention: Virginia Benedict, Esq.

IF TO NYBDC LDC:

NYBDC Local Development Corporation
dba The Excelsior Growth Fund
50 Beaver Street, Albany, NY 12207
Attention: Leesa Naimo-Fredette

The Lessor, the Company, the Bank and NYBDC LDC may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

SECTION 12.3 BINDING EFFECT. This Agency Lease shall inure to the benefit of the Lessor and the Company, and shall be binding upon the Lessor, the Company and, their respective successors and assigns permitted hereunder, provided, however that except as provided elsewhere herein or in the other Leasing Documents, the interest of the Lessor in this Agency Lease may not be mortgaged, encumbered, sold, assigned, transferred, conveyed, pledged, sublet or subjected to any lien or otherwise transferred without the prior written consent of the Company.

SECTION 12.4 SEVERABILITY. If any one or more of the covenants or agreements provided herein on the part of the Lessor or the Company to be performed shall, for any reason, be held or shall, in fact, be inoperative, unenforceable or contrary to law in any particular case, such circumstance shall not render the provision in question inoperative or unenforceable in any other case or circumstance. Further, if any one or more of the phrases, sentences, clauses, paragraphs or sections herein shall be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed separable from the remaining covenants

and agreements hereof and shall in no way affect the validity of the other provisions of this Agency Lease.

SECTION 12.5 AMENDMENTS, CHANGES AND MODIFICATIONS. This Agency Lease may not be amended, changed, modified, altered or terminated, except by an instrument in writing signed by the parties hereto.

SECTION 12.6 EXECUTION OF COUNTERPARTS. This Agency Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 12.7 APPLICABLE LAW. This Agency Lease shall be governed exclusively by the applicable laws of the State.

SECTION 12.8 SURVIVAL OF OBLIGATIONS. (A) The obligations of the Company to make the payments required by Section 5.4(B) hereof and to provide the indemnity required by Section 8.2 hereof shall survive the termination of this Agency Lease, and all such payments after such termination shall be made upon demand of the party to whom such payment is due.

(B) The obligations of the Company with respect to the Unassigned Rights shall survive the termination of this Agency Lease until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the Unassigned Rights may be brought and the payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all expenses and charges incurred by the Lessor, or its officers, members, agents or employees, relating thereto.

SECTION 12.9 TABLE OF CONTENTS AND SECTION HEADINGS NOT CONTROLLING. The table of contents and the headings of the several sections in this Agency Lease have been prepared for convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Agency Lease.

SECTION 12.10 NO RECOURSE; SPECIAL OBLIGATION. The obligations and agreements of the Lessor contained herein and in the other Leasing Documents and any other instruments or documents executed in connection therewith or herewith, and any other instrument or document supplemental thereto or hereto, shall be deemed the obligations and agreements of the Lessor, and not of any member, officer, agent (other than the Company) or employee of the Lessor in his or her individual capacity, and the members, officers, agents (other than the Company) and employees of the Lessor 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. The obligations and agreements of the Lessor contained herein and therein shall not constitute or give rise to an obligation of the State of New York or the County of Essex, New York, and neither the State of New York nor the County of Essex, 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 Lessor, but rather shall constitute limited, special obligations of the Lessor payable solely from the revenues of the Lessor derived and to be derived from the sale or other disposition of the Project Facility (except for revenues

derived by the Lessor with respect to the Unassigned Rights). No order or decree of specific performance with respect to any of the obligations of the Lessor hereunder shall be sought or enforced against the Lessor unless (A) the party seeking such order or decree shall first have requested the Lessor 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 Lessor 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, (B) if the Lessor refuses to comply with such request and the Lessor'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 have placed in an account with the Lessor an amount or undertaking sufficient to cover such reasonable fees and expenses, and (C) if the Lessor refuses to comply with such request and the Lessor'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 (1) agree to indemnify, hold harmless and defend the Lessor and its members, officers, agents (other than the Company) and employees against any liability incurred as a result of its compliance with such demand, and (2) if requested by the Lessor, furnish to the Lessor satisfactory security to protect the Lessor 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. Any failure to provide the indemnity required in this Section 12.10 shall not affect the full force and effect of an Event of Default under any of the Leasing Documents.


SECTION 12.11 SUBMISSION TO JURISDICTION. The Company hereby irrevocably and unconditionally agrees that any suit, action or proceeding arising out of or relating to this Agency Lease shall be brought in the state courts of the State of New York or federal district court for the Northern District of New York and waives any right to object to jurisdiction within either of the foregoing forums by the Lessor. Nothing contained herein shall prevent the Lessor from bringing any suit, action or proceeding or exercising any rights against any security and against the Company personally, and against any property of the Company, within any other jurisdiction and the initiation of such suit, action or proceeding or taking of such action in any such other jurisdiction shall in no event constitute a waiver of the agreements contained herein with respect to the laws of the State of New York governing the rights and obligations of the parties hereto or the agreement of the Company to submit to personal jurisdiction within the State of New York.

SECTION 12.12 RECORDING. The Lessor and the Company agree that this Agency Lease shall be recorded in the office of the Clerk of Essex County, New York by the Lessor at the expense of the Company.

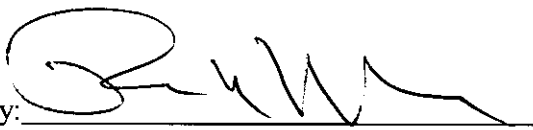
SECTION 12.13 JOINT AND SEVERAL LIABILITY. In the event that this Agency Lease is executed by more than one lessee, the liability of such parties is joint and several. A separate action or actions may be brought and prosecuted against each lessee, whether or not action is brought against any other person or whether or not any other person is joined in such action or actions.

IN WITNESS WHEREOF, the Lessor and the Company have caused this Agency Lease to be executed in their respective names by their respective Authorized Representatives, all as of the day and year first above written.

ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Name: Darren Darrah
Title: Chairman

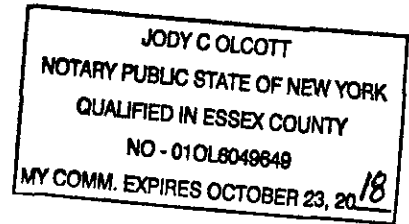
PARADOX BREWERY LLC

By: 
Name: Paul A. Mrocka
Title: Manager

STATE OF NEW YORK)
)SS.:
COUNTY OF ESSEX)

On this 13 day of February, 2018, before me, the undersigned, a Notary Public in and for said State, personally appeared **DARREN DARRAH**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

Jody C. OLCOTT
Notary Public



STATE OF NEW YORK)
)SS.:
COUNTY OF ALBANY)

On this 15th day of February, 2018, before me, the undersigned, a Notary Public in and for said State, personally appeared **PAULA A. MROCKA**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

Kadan Sample
Notary Public

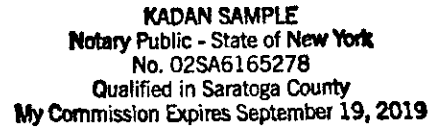


EXHIBIT "A"
DESCRIPTION OF THE LAND

All that certain piece or parcel of land situate and being in the Town of North Hudson, County of Essex, and State of New York, bounded and described as follows:

Beginning at a concrete monument located on the westerly right of way of U.S. Route 9 at its intersection with the property division line between the lands now or formerly of Essex County as described in liber 1751 of deeds at page 49 on the north, herein described and lands now or formerly of the Town of North Hudson as described in liber 1010 of deeds at page 260 on the south; thence South $84^{\circ}46'30''$ West, 556.00 feet to a capped iron rod set on the easterly right of way of Frontier Town Road at its intersection with the property division line between said lands of Essex County, herein described on the north and said lands of the Town of North Hudson on the south; thence along the easterly right of way of Frontier Town Road the following twelve courses and distances: 1) North $10^{\circ}45'00''$ East, 305.49 feet to a point; 2) North $10^{\circ}53'37''$ East, 119.08 feet to a point; 3) North $11^{\circ}59'40''$ East, 50.93 feet to a point; 4) North $18^{\circ}56'04''$ East, 95.49 feet to a point; 5) North $23^{\circ}23'04''$ East, 108.96 feet to a point; 6) North $33^{\circ}50'59''$ East, 88.38 feet to a point; 7) North $43^{\circ}24'01''$ East, 106.17 feet to a point; 8) North $55^{\circ}31'48''$ East, 128.45 feet to a point; 9) North $64^{\circ}30'42''$ East, 132.91 feet to a point at its intersection with the property division line between said lands of Essex County on the north and south thence along the lands of Essex County South $88^{\circ}48'22''$ East, 290.34 feet to a point at its intersection with the westerly right of way of U.S. Route 9; thence along the westerly right of U.S. Route 9 the following two courses and distances: 1) South $14^{\circ}47'51''$ West, 578.94 feet to a point; 2) South $17^{\circ}27'59''$ West, 336.74 feet to the point of beginning. Containing 11.284 acres of land being more or less.

The hereinabove described premises are more graphically depicted on a map entitled "Lands Now or Formerly of Essex County Parcel 2 To Be Acquired by Paradox Brewery," which map was prepared by Chazen Engineering, Land Surveying and Landscape Architecture, Co., D.P.C. and dated October 10, 2017, which map was duly filed in the Office of the Essex County Clerk on the 14th day of February, 2018 as Instrument #7452 pages 1 and 2.

EXHIBIT "B"

DESCRIPTION OF EQUIPMENT

All articles of personal property currently owned by the Company and purchased by the Company in its capacity as agent of the Lessor, or through any sub-agent of the Agency appointed by the Company, and its subcontractors and vendors, incorporated into the warehousing and manufacturing facility located at North Hudson, New York or used in connection with the constructing or equipping of said facility, all of which articles of personal property are exempt from sales or use tax imposed by the State of New York or any governmental instrumentality located within the State of New York by virtue of the Agency's status as a public benefit corporation.

EXHIBIT "C"

FORM OF BILL OF SALE TO THE COMPANY

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York (the "State") having its office at 7566 Court Street, PO Box 217, Elizabethtown New York, 12932 (the "Grantor"), for the consideration of One Dollar (\$1.00), cash in hand paid, and other good and valuable consideration received by the Grantor from Paradox Brewery LLC, a limited liability company organized and existing under the laws of the State of New York and having an address of 154 U.S. Route 9, Schroon Lake, New York 12870 (the "Grantee"), the receipt of which is hereby acknowledged by the Grantor, hereby sells, transfers and delivers unto the Grantee, and its successors and assigns, all those materials, machinery, equipment, fixtures or furnishings which are described in Schedule "A" attached hereto and by this reference made a part hereof, now owned or hereafter acquired by the Grantor, and such additions thereto and substitutions therefor as may be made from time to time.

TO HAVE AND TO HOLD the same unto the Grantee, and its successors and assigns, forever.

THE GRANTOR MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF ANY OF THE EQUIPMENT DESCRIBED ABOVE. THE GRANTEE ACCEPTS TITLE TO SUCH EQUIPMENT "AS IS", WITHOUT RECOURSE AGAINST THE GRANTOR FOR ANY CONDITION NOW OR HEREAFTER EXISTING. IN THE EVENT OF A DEFICIENCY OR DEFAULT OF ANY NATURE, WHETHER PATENT OR LATENT, THE GRANTOR SHALL HAVE NO RESPONSIBILITY OR LIABILITY WHATSOEVER WITH RESPECT THERETO.

IN WITNESS WHEREOF, the Grantor has caused this bill of sale to be executed in its name by its duly authorized officer on the date indicated beneath the signature of such officer and dated as of the ____ day of ____, 201__

ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
Darren Darrah, Chairman

SCHEDULE "A"

DESCRIPTION OF EQUIPMENT

All articles of personal property owned by the Grantor and previously conveyed to the Grantor by the Grantee pursuant to the terms of that certain bill of sale dated _____, 2018 from the Grantee in favor of the Grantor.