

GREAT STATE BEVERAGES, INC.

1000 Quality Drive, Hooksett, NH 03106

PHONE: 603-627-7677

RE: Sale of Great State Beverages' Distribution Rights to New Hampshire Distributors and Anticipated Closure of Hooksett, NH Facility

Sale of Blue Coast Beverages' Distribution Rights to Polar Beverages and Anticipated Closure of Bridgewater, MA Facility

Dear Gentlemen:

New Hampshire Distributors ("NHD"), has entered into an agreement to purchase Great State Beverages' distribution rights and certain assets. Likewise, Polar Beverages, has entered into an agreement to purchase the distribution rights and certain assets of Blue Coast Beverages, a subsidiary of Great State Beverages. Great State Beverages is located at 1000 Quality Drive, Hooksett, New Hampshire 03106. Blue Coast Beverages is located at 45 Scotland Blvd., Bridgewater, MA 02324.

It is our understanding that NHD intends to provide Great State Beverages' employees with the opportunity to apply for positions with NHD. It is also our understanding that Polar Beverages intends to provide Blue Coast Beverages' employees with the opportunity to apply for positions with Polar Beverages. Regrettably, NHD will not be in a position to hire all of Great State Beverages' approximately 120 employees nor will Polar Beverages be in a position to hire all of Blue Coast Beverages' approximately 60 employees. We do not know how many of our employees the buyers will ultimately hire.

Once the transaction with NHD closes on or about June 6, 2016, Great State Beverages will close its Hooksett facility and the employment of approximately 120 individuals by Great State Beverages will end.

Although we have not yet finalized the date of the Closing for the Polar Beverages/Blue Coast Beverages transaction, once that transaction closes, Blue Coast Beverages will close its Bridgewater, Massachusetts facility and the employment of approximately 60 individuals by Blue Coast Beverages will end.

We are providing notice of this transaction to Great State Beverages' employees on April 11, 2016 and to Blue Coast Beverages' employees on April 12, 2016. We have made a commitment to continue to employ both Great State Beverages' and Blue Coast Beverages' employees for sixty days after they receive written notice of the transactions. The employment of most Great State Beverages' employees will end on June 10, 2016. The employment of most Blue Coast Beverages' employees will end on June 11, 2016. The commitment to continue the employment of our employees for sixty days after receipt of the WARN Act notice is provided on the condition that their employment does not end earlier due to resignation or termination for cause.

As required pursuant to the Worker Adjustment and Retraining Notification Act ("WARN Act") we inform you that the closure of these two facilities is permanent and therefore, the employment loss will also be permanent though as mentioned above, we anticipate that NHD will hire a number of our employees as will Polar Beverages.

For more information, you may contact: Peter Bennett, Esquire at (207) 773-4775.

Sincerely,



Michael K. McGinn, President

Great State Beverages, Inc.

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By E-mail and Overnight Delivery

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