

CRYOMECH, INC.

**SALES AND USE TAX EXEMPTION REALLOCATION RESOLUTION
(3101-19-02A)**

A regular meeting of the Onondaga County Industrial Development Agency (the "Agency") was convened in public session, remotely by conference call or similar service pursuant to Executive Order 202.55 on August 11, 2020, at 8:00 a.m., local time.

The meeting was called to order by the (Vice) Chairman of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT: Patrick Hogan
Janice Herzog
Victor Ianno
Steve Morgan
Susan Stanczyk
Kevin Ryan
Fanny Villarreal

ABSENT: None

ALSO PRESENT: Robert M. Petrovich, Executive Director
Jeffrey W. Davis, Esq., Agency Counsel
Amanda M. Mirabito, Esq., Agency Counsel

The following resolution was offered by Victor Ianno, seconded by Fanny Villarreal, to wit:

**RESOLUTION AUTHORIZING A REALLOCATION OF
FINANCIAL ASSISTANCE IN CONNECTION WITH THE
ACQUISITION, CONSTRUCTION AND EQUIPPING OF A
CERTAIN FACILITY FOR CRYOMECH, INC.**

WHEREAS, Onondaga County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act"), Chapter 435 of the Laws of 1970 of the State of New York and Chapter 676 of the Laws of 1975 of the State of New York, as amended, constituting Section 895 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

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

WHEREAS, pursuant to a resolution adopted by the Agency on June 19, 2019 (the “Approving Resolution”) the Agency approved undertaking a project (the “Project”) on behalf of Cryomech, Inc. (the “Sublessee”) and Quantum Cool, LLC (the “Real Estate Holding Company”), consisting of the following: (1) the acquisition of an interest in an approximately 14-acre portion of land located at 6682 Moore Road (tax map no. 022.-05-03.1) in the Town of DeWitt, Onondaga County, New York (the “Land”); (2) the construction on the Land of an approximately 76,000 square foot building (collectively, the “Facility”); and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “Facility Equipment”) (the Land, the Facility and the Facility Equipment being collectively referred to as the “Company Project Facility”); and (4) the acquisition and installation of certain equipment and personal property (the “Equipment”, and together with the Company Project Facility, the “Project Facility”), such Project Facility to be used by the Sublessee as a manufacturing plant for high-performance cryogenic equipment and related office space; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes and transfer and mortgage recording taxes (subject to certain statutory limitations) (collectively, the “Financial Assistance”); (C) (1) the lease (with an obligation to purchase) or sale of the Company Project Facility to the Real Estate Holding Company or such other person as may be designated by the Company and agreed upon by the Agency; and (2) and the lease (with an obligation to purchase) or sale of the Equipment to the Sublessee or such other person as may be designated by the Sublessee and agreed upon by the Agency; and

WHEREAS, in order to consummate the Project and the granting of the Financial Assistance, the Agency entered into the following documents (the “Agency Documents”): (A) an underlying lease agreement (and a memorandum thereof) dated as of September 1, 2019 by and between the Real Estate Holding Company and the Agency, pursuant to which, among other things, the Agency acquired a leasehold interest in the Land and the improvements now or hereafter located on the Land from the Real Estate Holding Company, (B) a lease agreement (and a memorandum thereof) dated as of September 1, 2019 by and between the Agency and the Real Estate Holding Company, pursuant to which, among other things, the Real Estate Holding Company agreed to undertake and complete the Project as agent of the Agency and the Real Estate Holding Company further agreed to lease the Company Project Facility from the Agency and, as rental thereunder, to pay the Agency’s administrative fee relating to the Project and to pay all expenses incurred by the Agency with respect to the Project, (C) an equipment bill of sale dated as of September 1, 2019 from the Sublessee to the Agency, pursuant to which the Sublessee sold the Equipment to the Agency, (D) an equipment lease agreement dated as of September 1, 2019 by and between the Sublessee and the Agency, pursuant to which, among other things, the Sublessee agreed to install the Equipment in accordance with the Project description as agent of the Agency and the Sublessee further agreed to lease the Equipment from the Agency and, as rental thereunder, to pay the Agency’s administrative fee relating to the Project and to pay all expenses incurred by the Agency with respect to the Project, (E) a payment in lieu of tax agreement dated as of September 1, 2019 by and between the Agency and the Real Estate Holding Company

pursuant to which the Company agreed to pay certain payments in lieu of taxes with respect to the Project Facility; (F) a company project agreement as of September 1, 2019 between the Real Estate Holding Company and the Agency (the "Company Project Agreement"); (G) a project agreement as of September 1, 2019 between the Sublessee and the Agency (the "Sublessee Project Agreement"), and (H) various certificates relating to the Project (collectively, the "Project Documents"); and

WHEREAS, pursuant to the Approving Resolution and the Agency Documents, the Agency approved a sales and use tax exemption of up to \$550,000.00 (the "Total Sales Tax Exemption") for sales in connection with the Project; and

WHEREAS, the Company Project Agreement allocated \$346,500.00 of the Total Sales Tax Exemption to the Real Estate Holding Company (the "Initial Company Exemption"); and

WHEREAS, the Project Agreement allocated \$203,500.00 of the Total Sales Tax Exemption to the Sublessee (the "Initial Sublessee Exemption"); and

WHEREAS, the Real Estate Holding Company and the Sublessee have requested the Agency approve a reallocation (the "Reallocation") of the Total Sales Tax Exemption such that the Real Estate Holding Company is able to use \$275,000.00 and the Sublessee is able to use \$275,000.00; and

WHEREAS, the Agency acknowledges that the Total Sales Tax Exemption will not change and desires to approve the Reallocation to aid the Real Estate Holding Company and the Sublessee in completing the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONONDAGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Agency hereby determines to approve the Reallocation.

Section 2. The Chairman, Vice Chairman and/or Executive Director of the Agency are hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 4. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	<u>AYE</u>	<u>NAY</u>	<u>ABSENT</u>
Patrick Hogan	X		
Janice Herzog	X		
Victor Ianno	X		
Steve Morgan	X		
Susan Stanczyk	X		
Kevin Ryan	X		
Fanny Villarreal	X		

The Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) ss.:
COUNTY OF ONONDAGA)

I, the undersigned Secretary of the Onondaga County Industrial Development Agency, DO HEREBY CERTIFY that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held August 11, 2020, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matter therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting, (B) said meeting was in all respects duly held, (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), as modified by New York State Executive Order 202.55, said meeting was open to the general public and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law, and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed, or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand this 17 day of August, 2020

(SEAL)


Secretary