

NOTICE OF PUBLIC HEARING
ON PROPOSED PROJECT
AND FINANCIAL ASSISTANCE
RELATING THERETO

SUPPLEMENTAL HEARING

Notice is hereby given by the Ulster County Industrial Development Agency (the “Agency”) that a public hearing (the “Public Hearing”) pursuant to Section 859-a of the General Municipal Law of the State of New York (the “Act”) will be held by the Agency on the 23rd day of May, 2023 at 7:00 o’clock p.m., local time, at the Town of Ulster Town Hall located at 1 Town Hall Drive, Lake Katrine, Ulster County, New York in connection with the following matters:

On January 31, 2023, pursuant to the authorization contained in a resolution adopted by the members of the Agency on December 21, 2022 (the “Preliminary Inducement Resolution”), the Agency conducted a public hearing for the benefit of Zinc8 Energy Solutions USA Inc. (the “Company”), with respect to a project (the “Original Project”) outlined in an application (the “Original Application”) submitted to the Agency, a copy of which Original Application is on file at the office of the Agency, said Original Project then consisting of the following: (A) the acquisition and installation of certain machinery, equipment and other tangible personal property including, without limitation, tenant improvement and finish (collectively, the “Equipment”) and the undertaking of various tenant and interior fit-up and other improvements (collectively, the “Improvements”) (the Equipment and the Improvements being collectively referred to as the “Project Facility”) to the building containing approximately 237,000 square feet of space (the “Facility”) located on parcels of land at 300 Enterprise Drive (Tax Map Number: 48.7-1-29.800), the former IBM Business Park Site, in the Town of Ulster, Ulster County, New York (collectively, the “Land”), the Land and the Facility to be owned by iPark 87 LLC (the “Owner”) and leased by the Owner to the Company to be used by the Company as a manufacturing/commercial/industrial facility for commercial, manufacturing, and warehouse space and related uses; (B) the financing of all or a portion of the costs of the foregoing by the issuance of taxable and/or tax-exempt revenue bonds of the Agency in one or more issues or series in an aggregate principal amount sufficient to pay all or a portion of the cost of undertaking the Original Project, together with necessary incidental costs in connection therewith, presently estimated to equal approximately \$10,000,000 (the “Original Obligations”); (C) the payment of a portion of the costs incidental to the issuance of the Original Obligations, including issuance costs of the Original Obligations and any reserve funds as may be necessary to secure the Original Obligations; (D) the granting of certain other “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales taxes (collectively with the Original Obligations, the “Original Financial Assistance”); and (E) the lease (with an obligation to purchase) or 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.

Pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6NYCRR Part 617, as amended (the “Regulations” and collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on March 15, 2023 (the “SEQR Resolution”), the Agency determined that the Project (as hereinafter defined) constituted a “Type II action” (as such quoted term is defined under SEQRA), and therefor that no further action with respect to the Project (as hereinafter defined) was required under SEQRA.

By further resolution adopted by the members of the Agency on March 15, 2023 (the “Bond Resolution”), the members of the Agency authorized, among other things, the issuance of the Agency’s

Tax-Exempt Industrial Development Revenue Bonds (Zinc8 Energy Solutions USA Inc. Project), Series 2023 in the maximum aggregate principal amount of not to exceed \$10,000,000 (the “Series 2023A Bonds”) for the purpose of financing a portion of the costs of the Original Project.

Subsequently, the Agency received a notification from the Company which indicated the Company’s intention to submit an amended application (the “Amended Application,” and collectively with the Original Application, the “Application”) requesting that the Agency consider undertaking a project (the “Amended Project,” and collectively with the Original Project, the “Project”) for the benefit of the Company, said Project consisting of the following: (A) the acquisition and installation of certain machinery, equipment and other tangible personal property including, without limitation, tenant improvement and finish (collectively, the “Equipment”) and the undertaking of various tenant and interior fit-up and other improvements (collectively, the “Improvements”) (the Equipment and the Improvements being collectively referred to as the “Project Facility”) to the building containing approximately 237,000 square feet of space (the “Facility”) located on parcels of land at 300 Enterprise Drive (Tax Map Number: 48.7-1-29.800), the former IBM Business Park Site, in the Town of Ulster, Ulster County, New York (collectively, the “Land”), the Land and the Facility to be owned by iPark 87 LLC (the “Owner”) and leased by the Owner to the Company to be used by the Company as a manufacturing/commercial/industrial facility for commercial, manufacturing, and warehouse space and related uses; (B) the financing of all or a portion of the costs of the foregoing by the issuance of (1) the Series 2023A Bonds and (2) taxable revenue bonds of the Agency in one or more issues or series in an aggregate principal amount sufficient to pay all or a portion of the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to equal approximately \$5,000,000, but in any event, not to exceed \$10,000,000 (the “Taxable Obligations,” and collectively with the Series 2023A Bonds, the “Obligations”); (C) the payment of a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; (D) the granting of certain other “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales taxes (collectively with the Obligations, the “Revised Financial Assistance”); and (E) the lease (with an obligation to purchase) or 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.

The Agency is considering whether (A) to undertake the Project, (B) to finance the Project by issuing, from time to time, the Obligations, (C) to use the proceeds of the Obligations to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, and (D) to provide certain exemptions from taxation with respect to the Project, including (1) exemption from sales taxes relating to the acquisition, construction, equipping and installation of the Project Facility, and (2) in the event that 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 Agency therewith, exemption from real property taxes (but not including special assessments and special ad valorem levies), if any, with respect to the Project Facility, subject to the obligation of the Company to make payments in lieu of taxes with respect to the Project Facility. If any portion of the Financial Assistance to be granted by the Agency with respect to the Project is not consistent with the Agency’s uniform tax exemption policy, the Agency will follow the procedures for deviation from such policy set forth in Section 874(4) of the Act prior to granting such portion of the Financial Assistance.

If the Agency determines to proceed with the Project and the issuance of the Taxable Obligations, (A) the Project Facility will be leased (with an obligation to purchase) or sold by the Agency to the Company or its designee pursuant to a project agreement (the “Agreement”) requiring that the Company or its designee make payments equal to debt service on the Obligations and make certain other payments to the Agency and (B) the Obligations will be a special obligation of the Agency payable solely out of certain of the proceeds of the Agreement and certain other assets of the Agency pledged to the repayment of the Obligations. **THE OBLIGATIONS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR**

ULSTER COUNTY, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR ULSTER COUNTY, NEW YORK SHALL BE LIABLE THEREON.

The Agency will at said time hear all persons with views on either the location and nature of the proposed Project, or the Financial Assistance being contemplated by the Agency in connection with the proposed Project. A copy of the Application filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the offices of the Agency. A transcript or summary report of the hearing will be made available to the members of the Agency.

Additional information can be obtained from, and written comments may be addressed to: Lisa Purcell, Administrative Personnel, Email: info@ulstercountyida.com.

Dated: May 10, 2023.

ULSTER COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

BY: /s/ Michael Ham
Chair