

**Inducement Resolution  
Parco Properties, Inc. Facility**

RESOLUTION OF THE ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING PARCO PROPERTIES, INC., THE PRINCIPALS OF PARCO PROPERTIES, INC., AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AS AGENT OF THE AGENCY IN CONNECTION WITH A LEASE-LEASEBACK TRANSACTION, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE PROJECT.

WHEREAS, The Fountainhead Group, Inc., on behalf of itself and/or the principals of The Fountainhead Group, Inc., and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Sublessee") has applied to the Oneida County Industrial Development Agency (the "Agency") to enter into a transaction in which the Agency will assist in the renovation of a 160,000± square foot facility (collectively, the "Improvements") situated on parcels of land measuring 11.92± acres in the aggregate located at 23 Garden Street, Village of New York Mills, Town of Whitestown, Oneida County New York (the "Land") and acquisition and installation of equipment in the Improvements (the "Equipment"), all for the purpose of repurposing warehouse space to allow for expanded manufacturing, assembly, research and development to increase capacity (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the renovation and equipping of the Improvements is referred to as the "Project"); and

WHEREAS, Parco Properties, Inc. (the "Company") owns the Land and Improvements, and will lease the Facility to the Agency, pursuant to Article 18-A of the General Municipal Law of the State of New York and Chapter 372 of the Laws of 1970 of the State of New York, as may be amended from time to time (collectively, the "Act") and the Agency will lease the Facility back to the Company pursuant to a Leaseback Agreement (the "Leaseback Agreement"); and

WHEREAS, the Company will sublease the Facility to the Sublessee for its operation pursuant to a sublease agreement (the "Sublease Agreement"); and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from sales and use taxes and exemptions from real property taxes for a period of ten years, during which time the Company will make fixed PILOT Payments (the "Financial Assistance"), which financial assistance represents a deviation from the Agency's Uniform Tax Exemption Policy, and which will be more particularly set forth in a final authorizing resolution; and

WHEREAS, based upon representations made by the Company in the Application, the value of the Financial Assistance is described as follows:

- Sales and use tax exemption estimated at \$97,475 but not to exceed \$107,222
- Exemptions from real property taxes, with provision for the Company to make fixed PILOT Payments for ten years, valued at approximately \$203,000

WHEREAS, the Company has committed to create (or cause the Sublessee to create) 17 FTEs at the Facility by the end of the third lease year as a result of the Project and to retain (or cause the Sublessee to retain) the existing 168 FTEs at the Facility as a result of the Project, and the Agency will condition the proposed financial assistance on the Company achieving the same and maintaining all FTEs for the full lease term, or be subject to termination or recapture of financial assistance; and

WHEREAS, prior to the closing of a lease-leaseback transaction, and the granting of any tax benefits, a public hearing (the "Hearing") will be held so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency, or the location or nature of the Facility, can be heard; and

WHEREAS, notice of the Hearing will be given prior to the closing of a lease-leaseback transaction, and the granting of any tax benefits, and such notice (together with proof of publication) will be substantially in the form annexed hereto as **Exhibit A**; and

WHEREAS, the minutes of the Hearing are or will be annexed hereto as **Exhibit B**; and

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed lease-leaseback transaction is either an inducement to the Company to maintain and expand the Facility

in the County or is necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the "SEQR Act" or "SEQRA"), the Agency constitutes a "State Agency"; and

WHEREAS, to aid the Agency in determining whether the Facility may have a significant effect upon the environment, the Company has prepared and submitted to the Agency an Environmental Assessment Form and related documents (the "Questionnaire") with respect to the Facility, a copy of which is on file at the office of the Agency; and

WHEREAS, prior to the granting of any tax benefits and following the determination of the lead agency, the Agency will complete its environmental review and make determinations for purposes of SEQRA.

NOW, THEREFORE, BE IT RESOLVED by the Oneida County Industrial Development Agency (a majority of the members thereof affirmatively concurring) that:

Section 1. (a) The renovation and equipping of the Facility and the Agency's Financial Assistance therefor, will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the County and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act and the same is, therefore, approved.

(b) It is desirable and in the public interest for the Agency to enter into a lease-leaseback transaction for the purpose of providing financial assistance for the renovation and equipping of the Facility, as reflected in the Company's application to the Agency and as amended from time to time prior to the closing of the lease-leaseback transaction.

Section 2. The form and substance of a proposed inducement agreement (in substantially the form presented to this meeting) by and among the Agency, the Company and the Sublessee setting forth the undertakings of the Agency, the Company and the Sublessee with respect to the closing of the lease-leaseback transaction, and the development of the Facility (the "Agreement") is hereby approved. The Chairman of the Agency is hereby authorized, on behalf of the

Agency, to execute and deliver the Agreement, with such changes in terms and form as the Chairman shall approve. The execution thereof by the Chairman shall constitute conclusive evidence of such approval.

Section 3.

The Agency shall assist the Company in the renovation and equipping of the Facility and will provide financial assistance with respect thereto subject to (i) obtaining all necessary governmental approvals, (ii) approval of the directors of the Company and the directors of the Sublessee, (iii) approval of the members of the Agency, (iv) satisfactory completion of the environmental review of the Facility by the Agency in compliance with the State Environmental Quality Review Act, (v) agreement by the Agency and the Company upon mutually acceptable terms and conditions for the Leaseback Agreement and other documentation usual and customary to transactions of this nature, (vi) the condition that there are no changes in New York State Law which prohibit or limit the Agency from fulfilling its obligation and commitment as herein set forth to enter into the lease-leaseback transaction and (vii) payment by the Company of the Agency's transaction fee and the fees and disbursements of transaction counsel, more particularly described in the Inducement Agreement.

Section 4.

The Company is herewith and hereby appointed the agent of the Agency to renovate, equip and complete the Facility. The Company is hereby empowered to delegate its status as agent of the Agency to the agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company may choose in order to renovate, equip and complete the Facility. The terms and conditions for the appointment of the Company as agent of the Agency for the purposes described in this resolution are set forth in the form of the attached letter addressed to the Company, marked as **Exhibit C** to this resolution. The form of such letter is incorporated herein by reference and is approved and adopted by the Agency, and the Chairman or Executive Director of the Agency or any other duly authorized official of the Agency are authorized to execute and deliver such letter to the Company upon satisfaction of the conditions described in Section 3 hereof. The Agency hereby appoints the Company, the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company as agents of the Agency solely for purposes of making sales or leases of goods, services, and

supplies to the Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company, as agent of the Agency shall be deemed to be on behalf of the Agency and for the benefit of the Facility. The Company shall indemnify the Agency with respect to any transaction of any kind between and among the Company, the Sublessee, the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company, as agent of the Agency.

Section 5. The Agency is hereby authorized and directed to schedule the Hearing, so that the Agency may receive comments from all interested parties on the financial assistance contemplated by the Agency and the financial assistance requested by the Company.

Section 6. The law firm of Levitt & Gordon, P.C. is appointed Transaction Counsel in connection with the lease-leaseback transaction.

Section 7. Counsel to the Agency and Transaction Counsel are hereby authorized to work with counsel to the Company and others to prepare, for submission to the Agency, all documents necessary to effect the lease-leaseback transaction.

Section 8. The Chairman of the Agency is hereby authorized and directed (i) to distribute copies of this resolution to the Company and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 9. This resolution shall take effect immediately.

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

I, the undersigned Secretary of the Oneida County Industrial Development Agency DO HEREBY CERTIFY THAT:

I have compared the foregoing copy of a resolution of the Oneida County Industrial Development Agency (the "Agency"), with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.

Such resolution was passed at a meeting of the Agency duly convened in public session on April 30, 2021 at eight a.m., local time, at Rome, New York which the following members were:

Members Present: David Grow, L. Michael Fitzgerald; Steve Zogby; Kirk Hinman

Members Webex/Teleconference: Ferris Betrus, Mary Faith Messenger, Eugene Quadraro

Members Excused: None

The question of the adoption of the foregoing resolution was duly put to vote, which resulted as follows:

*F. Betrus voting aye;*  
*M. Fitzgerald voting aye;*  
*D. Grow voting aye;*  
*K. Hinman voting aye;*  
*M.F. Messenger voting aye;*  
*E. Quadraro voting aye; and*  
*S. Zogby voting aye.*

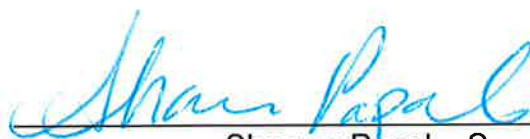
*F. Betrus disclosed that he has a relative who works in a management position at the Company*

and, therefore, the resolution was declared duly adopted.

The Agreement and the Application are in substantially the form presented to and approved at such meeting.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) pursuant to the Novel Coronavirus (COVID-19) Emergency and State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo's Executive Order 220.1 issued on March 12, 2020 suspending the Open Meetings Law, the meeting was held electronically via webinar instead of a public meeting open for the public to attend and public notice of the call-in information for said meeting was duly given, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of December 2021.



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Shawna Papale, Secretary

## EXHIBIT A

### NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York State General Municipal Law, will be held by the Oneida County Industrial Development Agency (the "Agency") on the 26<sup>th</sup> day of August 2021 at 10:00 a.m., local time, at Village of New York Mills Offices, One Maple Street, Village of New York Mills, New York in connection with the following matters:

The Fountainhead Group, Inc., on behalf of itself and/or the principals of The Fountainhead Group, Inc., and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Sublessee") has applied to the Oneida County Industrial Development Agency (the "Agency") to enter into a transaction in which the Agency will assist in the renovation of a 160,000± square foot facility (collectively, the "Improvements") situated on parcels of land measuring 11.92± acres in the aggregate located at 23 Garden Street, Village of New York Mills, Town of Whitestown, Oneida County New York (the "Land") and acquisition and installation of equipment in the Improvements (the "Equipment"), all for the purpose of repurposing warehouse space to allow for expanded manufacturing, assembly, research and development to increase capacity (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the renovation and equipping of the Improvements is referred to as the "Project"). The Facility will be initially operated and/or managed by the Company.

Parco Properties, Inc. (the "Company") owns the Land and Improvements, and will lease the Facility to the Agency. The Agency will lease the Facility back to the Company pursuant to a leaseback agreement. At the end of the lease term, the Agency will terminate its leasehold interest in the Facility. The Company will further sublease the Facility to the Sublessee for its operation pursuant to a sublease agreement. The Agency is contemplating providing financial assistance in the form of exemptions from real property taxes for a period of ten years, during which time the Company will make fixed PILOT Payments, exemptions from mortgage recording taxes, and exemptions from sales tax on materials and equipment acquired and installed in connection with the Project, which financial assistance is a deviation from the Agency's Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein.

A representative of the Agency will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. Comments may also be submitted to the Agency in writing or electronically prior to the Public Hearing. Members of the public may also access the Public Hearing and comment on the Project and the benefits to be granted to the Applicant by the Agency during the Public Hearing by calling 1-408-418-9388



(Access code: 132 306 7309). Minutes of the Public Hearing will be transcribed and posted on the Agency's website. A copy of the Application for Financial Assistance filed by the Company with the Agency, including an analysis of the costs and benefits of the proposed Project, is available for public inspection at the offices of the Agency, 584 Phoenix Drive, Rome, New York.

ONEIDA COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

Dated: July 29, 2021

By: /s/ Shawna M. Papale, Executive Director

## EXHIBIT B

### MINUTES OF PUBLIC HEARING

Oneida County Industrial Development Agency  
2021 Real Estate Lease  
Parco Properties, Inc. Facility

1. Mark Kaucher, representing the Oneida County Industrial Development Agency (the "Agency"), called the hearing to order. Because of the Novel Coronavirus (COVID-19) Emergency and State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo's Executive Order 220.1 issued on March 12, 2020 suspending the Open Meetings Law, the Public Hearing was held electronically via webinar instead of a public hearing open for the public to attend.
2. Mr. Kaucher also recorded the minutes of the hearing.
3. Mr. Kaucher then described the proposed project and related financial assistance as follows:

The Fountainhead Group, Inc., on behalf of itself and/or the principals of The Fountainhead Group, Inc., and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Sublessee") has applied to the Oneida County Industrial Development Agency (the "Agency") to enter into a transaction in which the Agency will assist in the renovation of a 160,000± square foot facility (collectively, the "Improvements") situated on parcels of land measuring 11.92± acres in the aggregate located at 23 Garden Street, Village of New York Mills, Town of Whitestown, Oneida County New York (the "Land") and acquisition and installation of equipment in the Improvements (the "Equipment"), all for the purpose of repurposing warehouse space to allow for expanded manufacturing, assembly, research and development to increase capacity (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the renovation and equipping of the Improvements is referred to as the "Project"). The Facility will be initially operated and/or managed by the Company.

Parco Properties, Inc. (the "Company") owns the Land and Improvements, and will lease the Facility to the Agency. The Agency will lease the Facility back to the Company pursuant to a leaseback agreement. At the end of the lease term, the Agency will terminate its leasehold interest in the Facility. The Company will further sublease

the Facility to the Sublessee for its operation pursuant to a sublease agreement. The Agency is contemplating providing financial assistance in the form of exemptions from real property taxes for a period of ten years, during which time the Company will make fixed PILOT Payments, exemptions from mortgage recording taxes, and exemptions from sales tax on materials and equipment acquired and installed in connection with the Project, which financial assistance is a deviation from the Agency's Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein.

4. Mr. Kaucher then opened up the hearing for comments from the floor for or against the proposed financial assistance and the location and nature of the Facility. Below is a listing of the persons heard and a summary of their views.

**Mary Wuest appeared on behalf of the Company; no comments were made.**

5. Mr. Kaucher then asked if there were any further comments, and, there being none, the hearing was closed at 10:15 a.m.



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Mark Kaucher

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

I, the undersigned Secretary of the Oneida County Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the foregoing copy of the minutes of a public hearing held by the Oneida County Industrial Development Agency (the "Agency") on August 26, 2021 at 10:00 a.m. local time, at Village of New York Mills Offices, One Maple Street, Village of New York Mills, New York, with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of the minutes in connection with such matter.

I FURTHER CERTIFY that (i) the public hearing was open for the public to attend and public notice of said hearing was duly given, (ii) the hearing in all respects was duly held, and (iii) members of the public had an opportunity to be heard.

IN WITNESS WHEREOF, I have hereunto set my hand as of December 21, 2021.

  
\_\_\_\_\_  
Secretary

EXHIBIT C

[To be printed on IDA letterhead and delivered to the Company when appropriate]

\_\_\_\_\_, 2021

Parco Properties, Inc.  
Attn.: Daniel J. O'Toole, President  
23 Garden Street  
New York Mills, New York 13323

RE: *Oneida County Industrial Development Agency Lease-Leaseback Transaction  
Parco Properties, Inc. Facility*

Dear Mr. O'Toole:

Pursuant to a resolution duly adopted on April 30, 2021, Oneida County Industrial Development Agency (the "Agency") appointed Parco Properties, Inc. (the "Company") its agent in connection with a transaction in which the Agency will assist in the renovation of a 160,000± square foot facility (collectively, the "Improvements") situated on parcels of land measuring 11.92± acres in the aggregate located at 23 Garden Street, Village of New York Mills, Town of Whitestown, Oneida County New York (the "Land") and acquisition and installation of equipment in the Improvements (the "Equipment"), all for the purpose of repurposing warehouse space to allow for expanded manufacturing, assembly, research and development to increase capacity (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the renovation and equipping of the Improvements is referred to as the "Project"). The Company will lease the Facility to the Agency and the Agency will lease the Facility back to the Company pursuant to a Leaseback Agreement. The Company will further sublease the Facility to The Fountainhead Group, Inc. (the "Sublessee") for its operation pursuant to a sublease agreement (the "Sublease Agreement").

This appointment includes authority to purchase on behalf of the Agency all materials to be incorporated into and made an integral part of the Facility, and the following activities as they relate to any construction, renovation, equipping and completion of any buildings, whether or not any materials, equipment or supplies described below are incorporated into or become an integral part of such buildings: (i) all purchases, leases, rentals and other

uses of tools, machinery and equipment in connection with construction, renovation and equipping (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with construction, renovation and equipping and (iii) all purchases, leases, rentals and uses of equipment, machinery, and other tangible personal property (including installation costs), installed or placed in, upon or under such building, including all repairs and replacements of such property.

The Agency will appoint the Company as its only direct agent for the Project. The agency appointment includes the power of the Company to delegate such agency appointment, in whole or in part, to agents, subagents, contractors, subcontractors, materialmen, suppliers and vendors of the Company and to such other parties as the Company chooses so long as they are engaged, directly or indirectly, in the activities hereinbefore described. Please advise the Executive Director of the Agency if you wish to appoint a contractor or other subagent, and the Agency will issue an ST-60 to that party.

In exercising this agency appointment, you and each of your properly appointed agents and subagents must claim the sales tax exemption for all purchases by giving your vendors New York State Form ST-123. The supplier or vendor should identify the Facility on each bill or invoice as the "**Parco Properties, Inc. Facility**" and indicate thereon that the Company, its agents, subagents, contractors and subcontractors acted as agent for the Agency in making the purchase.

You and each of your agents, subagents, contractors and/or subcontractors claiming a sales tax exemption in connection with the Facility must complete a New York State Department of Taxation and Finance Form ST-60. Original copies of each completed Form ST-60 must be delivered to the Agency within five (5) days of the appointment of each of your agents, subagents, contractors or subcontractors. Any agent, subagent, contractor or subcontractors of the Company which delivers completed Form ST-60 to the Agency will be deemed to be the agent, subagent, contractor or subcontractor of the Agency for purposes of constructing, renovating and equipping the Facility, and shall only then be authorized to use Form ST-123 as described above. Failure to comply with these requirements may result in loss of sales tax exemptions for the Facility.

It is important to note that contractors and subcontractors who have not been appointed subagent cannot use the sales tax exemption for equipment rental, tools, supplies and other items that do not become part of the finished project. Contractors and subcontractors must be appointed as agent or sub-agent of the Agency to use the Agency sales tax exemption for these purchases. Contractors and subcontractors who have not been appointed a subagent and are making purchases that would otherwise be exempt outside of the Agency's interest in the Facility must claim the sales tax exemption for construction materials by giving their vendors a completed "Contractor Exempt Purchase Certificate" (Form ST-120.1) checking box (a).

The aforesaid appointment of the Company as agent of the Agency to renovate and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, or (b) April 30, 2022, provided, however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company if such activities and improvements are not completed by such time, and further provided that the Agency shall not unreasonably withhold its consent to the extension of such appointment.

Based upon representations made by the Company, the value of the sales tax to be abated relating to the renovation and equipping of the Facility is estimated at \$97,475; the value of sales tax exemptions currently authorized by the Agency is not to exceed \$107,222. The Agency is required by law to recapture any New York State sales tax exemptions claimed by the Company that exceed \$107,222 for purchases made relating to the Project in the aggregate.

You should be aware that the New York State General Municipal Law requires you to file an Annual Statement (Form ST-340) with the New York State Department of Taxation and Finance regarding the value of sales tax exemptions you, your agents, consultants or subcontractors have claimed pursuant to the authority we have conferred on you with respect to the Project. We are providing a form of a worksheet for you to track all exempt purchases made in completing the Project, using Forms ST-123 or Form ST-120.1. Please provide the Agency with a copy of Form ST-340 along with your annual report to the Agency and this worksheet. The penalty for failure to file such statement, or to provide a copy to the Agency, is the removal of your authority to act as an agent.

If, for some reason, this transaction never closes, you will be liable for payment of the sales tax, if applicable and you are not otherwise exempt, on all materials purchased.

Please sign and return a copy of this letter for our files. The Agency will issue and deliver Form ST-60 to you upon receipt of this signed agency appointment letter. The Agency reserves the right to issue a revised agency appointment letter with respect to the process for utilizing and reporting exemptions hereunder.

Very truly yours,

ONEIDA COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

By: \_\_\_\_\_  
Name:  
Title:

ACCEPTED & AGREED:

PARCO PROPERTIES, INC.

By: \_\_\_\_\_  
Name:  
Title: