

**INDUCEMENT RESOLUTION:
Italthai, LLC (property owner): 130-132 East State Street, City of Ithaca**

A regular meeting of the Tompkins County Industrial Development Agency was convened on April 2, 2010 at 3:30 p.m.

The following resolution was duly offered and seconded, to wit:

Resolution authorizing the Tompkins County Industrial Development Agency to

(i) take title to or a leasehold interest in a parcel of land and improvements located at 130-132 East State Street in the City of Ithaca, Tompkins County, New York;

(ii) appoint Italthai, LLC as its agent to convert the existing 17,000-square-foot, 4-story structure located upon the land into a restaurant, office space, and apartments;

(iii) negotiate and execute a deed or lease agreement, leaseback agreement and related payment-in-lieu-of-tax agreement;

(iv) provide financial assistance to Italthai, LLC in the form of

(a) a sales tax exemption for purchases and rentals related to the acquisition, construction and equipping of the project,

(b) a partial real property tax abatement through the PILOT Agreement, and

(c) a mortgage tax exemption for the financing related to the project; and

(v) execute related documents.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and § 895-b of the General Municipal Law of the State of New York, as amended (hereinafter collectively called the "Act"), TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY (hereinafter called the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, Italthai, LLC (hereinafter called the "Company"), for itself or on behalf of an entity to be formed, desires to convert the existing 17,000-square-foot, 4-story building on premises already owned by the Company at 130-132 East State Street in the City of Ithaca, County of Tompkins and State of New York into a restaurant, office space, and apartments (hereinafter called the "Project"); and

WHEREAS, pursuant to Article 18-A of the General Municipal Law, the Agency desires to adopt a resolution describing the Project and the financial assistance that the Agency is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of acquiring, constructing, and equipping the Project, (ii) negotiate and enter into a deed (the "Deed") or lease agreement (the "Lease"), leaseback agreement (the "Leaseback Agreement") and payment-in-lieu-of-tax agreement (the "PILOT Agreement") with the Company, (iii) take title to, or a leasehold interest in, the land and the improvements and personal property constituting the Project (once the Leaseback Agreement and PILOT Agreement have been negotiated), and (iv) provide financial assistance to the Company in the form of (a) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Project, (b) a partial real property tax abatement through the PILOT Agreement, and (c) a mortgage tax exemption for the financing related to the Project; and

WHEREAS, pursuant to General Municipal Law Section 859-a, at 5:30 p.m. on April 1, 2010 at the City Hall of the City of Ithaca, 108 East Green Street in the City of Ithaca, Tompkins County, New York, the Agency held a public hearing with respect to the Project and the proposed financial assistance being contemplated by the Agency (the "Public Hearing") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views. A copy of the minutes of said Public Hearing, along with the notices published and forwarded to the affected taxing jurisdictions thirty days prior to said Public Hearing are attached hereto as Exhibit A; and

WHEREAS, the City of Ithaca Planning and Development Board on November 24, 2009 issued a negative declaration under Article 8 of the Environmental Conservation Law and Regulations adopted pursuant thereto by the Department of Environmental Conservation of the State (collectively, "SEQR") with respect to the Project. A copy of the negative declaration is attached hereto as Exhibit B; and

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

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's application, the Agency hereby finds and determines that:

- a. By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and
- b. It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, constructing and equipping the Project; and
- c. The Agency has the authority to take the actions contemplated herein under the Act; and
- d. The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in Tompkins County and otherwise furthering the purposes of the Agency as set forth in the Act; and
- e. The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State, and the Agency hereby finds that, based on the Company's application, to

the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries; and

- f. The City of Ithaca Planning and Development Board (“the Board”) has issued a negative declaration with respect to the Project. The Project involves a Type I action as said term is defined in Article 8 of the Environmental Conservation Law and Regulations adopted pursuant thereto by the Department of Environmental Conservation of the State (collectively, “SEQR”). The review is uncoordinated. Based upon the review by the Board of the Short Environmental Assessment Form (“EAF”) and related documents delivered by the Company to the Board and other representations made by the Company to the Board in connection with the Project, the Board has determined, and the Agency hereby confirms, that (i) the Project will result in no major impacts and, therefore, is one which may not cause significant damage to the environment; (ii) the Project will not have a “significant effect on the environment” as such quoted term is defined in SEQR; and (iii) no “environmental impact statement” as such quoted term is defined in SEQR need be prepared for this action. This determination constitutes a negative declaration for purposes of SEQR. The Board’s findings are incorporated in Part II of the EAF.

Section 2. Subject to the Company executing the Agent Agreement attached hereto as Exhibit C, the Agency hereby authorizes the Company to proceed with the acquisition, construction and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting on its own behalf; provided, however, that the Agent Agreement shall expire on **April 30, 2011** (unless extended for good cause by the Administrative Director of the Agency) if the Leaseback Agreement and PILOT Agreement contemplated have not been executed and delivered.

Section 3. The Chairperson, Vice Chairperson and/or the Administrative Director of the Agency are hereby authorized, on behalf of the Agency, to negotiate and execute (a) the Deed whereby the Company conveys the Project to the Agency, (b) the related Leaseback Agreement conveying the Project back to the Company, and (c) the PILOT Agreement; provided (i) the rental payments under the Leaseback Agreement include payment of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement are consistent with the Agency’s Uniform Tax Exemption Policy or the procedures for deviation have been complied with.

Section 4. The Chair, Vice Chair and/or Administrative Director of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents, in a form acceptable to the Agency’s counsel, reasonably contemplated by these resolutions or required by any lender

identified by the Company (the “Lender”) up to a maximum principal amount of **\$1,500,000.00** to finance building renovation, expansion and acquisition, equipment and other personal property and related transactional costs (hereinafter, with the Leaseback Agreement and PILOT Agreement, collectively called the “Agency Documents”); and, where appropriate, the Secretary or Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chair, Vice Chair and/or Administrative Director of the Agency shall approve, the execution thereof by the Chair, Vice Chair and/or Administrative Director of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited to the Agency’s interest in the Project.

Section 5. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 6. These resolutions shall take effect immediately.

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

<u>Member names</u>	<u>Yea</u>	<u>Nea</u>	<u>Abstain</u>	<u>Absent</u>
Martha Robertson, Chair	[]	[]	[]	[]
Daniel Cogan	[]	[]	[]	[]
Larry Baum	[]	[]	[]	[]
Jeffrey Furman	[]	[]	[]	[]
Will Burbank	[]	[]	[]	[]
Jim Dennis	[]	[]	[]	[]
Nathan Shinagawa	[]	[]	[]	[]

The resolutions were thereupon duly adopted.

I, _____, as Secretary of the Tompkins County Industrial Development Agency, hereby certify that the above is a true and correct copy of a duly authorized resolution of the Tompkins County Industrial Development Agency.

Dated: April _____, 2010

 , Secretary of the
 Tompkins County Industrial Development Agency