INDUCEMENT RESOLUTION

A regular meeting of the Tompkins County Industrial Development Agency was convened on September 19, 2002, at 1:30 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 A PARCEL OF LAND LOCATED AT 1033 DANBY ROAD, TOWN OF ITHACA, NEW YORK; (ii) APPOINT COLLEGE CIRCLE ASSOCIATES, LLC AS ITS AGENT TO ACQUIRE, CONSTRUCT AND EQUIP UPON THE LAND A NEW EAST RESIDENTIAL CAMPUS WITH UP TO 750 BEDS OF STUDENT APARTMENT-STYLE HOUSING TO BE LOCATED ADJOINING THE ITHACA COLLEGE PLAYING FIELDS; (iv) NEGOTIATE AND EXECUTE A DEED OR ASSIGNMENT OF GROUND LEASE, LEASEBACK OR SUBLEASE AGREEMENT AND RELATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT; (v) PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY 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 (vi) 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 section 895-b of the said statute, 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, COLLEGE CIRCLE ASSOCIATES, LLC (hereinafter called the “Company”), for itself or on behalf of an entity to be formed, desires to develop a new east residential campus with up to 750 beds of student apartment-style housing to be located adjoining the Ithaca College playing fields in the Town of Ithaca, Tompkins County, State of New York (hereinafter called the “Project”); and

WHEREAS, pursuant to General Municipal Law Section 859-a, on September 18, 2002, at the Tompkins County Chamber of Commerce, 904 East Shore Drive, Town 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”) wherein 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 Company applied for a Payment in Lieu of Tax (“PILOT”) agreement with the Agency which deviates from the Agency’s Uniform Tax Exemption Policy; and

WHEREAS, pursuant to General Municipal Law section 874(4)(c), the chief executive officers of each affected taxing jurisdiction were given notice of the proposed deviation and the reasons therefor at least 30 days prior to the date of the meeting of the Agency at which the Agency will consider whether to approve such proposed deviation; and

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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 lease agreement (the “Lease Agreement”), and payment-in-lieu-of-tax agreement (the “PILOT Agreement”) with the Company, (iii) take title to, or enter into a ground lease for, the land and the improvements and personal property constituting the Project (once the Lease 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, the financial assistance provided under the Agent Agreement shall not exceed $100,000.00 until the public hearing which took place on September 18, 2002 was held, and this inducement resolution is passed; and

WHEREAS, the Company has submitted to the Agency a Short Environmental Assessment Form (the “EAF”) in compliance with 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 which is attached hereto as Exhibit B; and

WHEREAS, the Town of Ithaca 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 which is attached hereto as Exhibit C;

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
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

The Town of Ithaca Planning Board (“the Board”) has issued a negative declaration with respect to the Project. The Project involves an unlisted 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.

The Agency has considered the Company’s application for a deviation from the Agency’s Uniform Tax Exemption Policy, and has reviewed and responded to any correspondence received from any affected tax jurisdictions regarding such proposed deviation. The Agency agrees to grant to the Company the proposed tax exemptions set forth in Exhibit D attached hereto. The reasons for the deviation are as follows:

a. The Company will lease the facility to Ithaca College. Ithaca College, as an educational corporation, has several options of financing the project which would result in the project’s being entirely exempt from real estate taxes and sales taxes.

b. The project is expected to result in the creation and retention of quality employment positions in Tompkins County.

Section 3.

Subject to the Company executing the Agent Agreement attached hereto as Exhibit E, 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
October 1, 2003 (unless extended for good cause by the Executive Director of the Agency) if the Lease Agreement and PILOT Agreement contemplated have not been executed and delivered.

**Section 4.** The Chairman, Vice Chairman and/or the Executive Director of the Agency are hereby authorized, on behalf of the Agency, to negotiate and execute (a) the Lease Agreement whereby the Company leases the Project to the Agency or a deed, whereby the Company transfers to the Agency the fee title to the Project, (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 5.** The Chairman, Vice Chairman and/or Executive 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 reasonably contemplated by these resolutions or required by any lender identified by the Company up to a maximum principal amount of $22,000,000.00 to finance equipment and other personal property and related transactional costs (hereinafter, with the Lease 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 Chairman, Vice Chairman and/or Executive Director of the Agency shall approve, the execution thereof by the Chairman, Vice Chairman and/or Executive 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 6.** 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 7.** These resolutions shall take effect immediately.

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

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The resolutions were thereupon duly adopted.
EXHIBIT D

TAX EXEMPTION SCHEDULE:

The Company will make the following payments in lieu of taxes ("PILOT" payments):

1. PILOT payment in first year: $235,000.00

2. The payments will continue for forty (40) years and will be increased annually at the prorated rate of increase of Town, County and School tax rates.

3. The PILOT Agreement and/or other Agency documents will provide that if Ithaca College obtains title to the Premises prior to the expiration of the 40 year period, it will continue to make the PILOT payments for the full 40-year period with increases as set forth above.