PIF STRUCTURE RESOLUTION
(Arrowhead Ventures, LLC Project)

A special meeting of the Tompkins County Industrial Development Agency was convened in public session at the Tompkins County Legislative Chambers, 320 North Tioga Street, Ithaca, New York 14850, on the 21st day of March, 2011, at 8:00 a.m. (local time).

The meeting was duly called to order by the Chair, with the following members being:

PRESENT: Martha Robertson, Larry Baum, Daniel Cogan, Jeffrey Furman, Jim Dennis, Nathan Shinagawa; Will Burbank (present until 8:40; absent for vote)

ABSENT:

ALSO PRESENT:

On motion duly made and seconded, the following resolution was placed before the members of the Tompkins County Industrial Development Agency:

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A PILOT AGREEMENT AND ANY RELATED DOCUMENTS.

WHEREAS, by Title I of Article 18-A of the General Municipal Law of the State of New York, duly enacted into law as Chapter 1030 of the Laws of 1969 of the State, as amended, and Chapter 535 of the Laws of 1971 of the State of New York, as amended and codified as Section 895-b of the General Municipal Law (collectively, the "Act"), the **TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (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, **ARROWHEAD VENTURES, LLC**, a New York limited liability company for itself, its affiliates or on behalf of an entity to be formed (the "Company") has submitted an application (the "Application") to the Agency requesting the Agency's assistance with a certain project (the "Project") consisting of: (i) the acquisition of an approximately 11-acre parcel or parcels of land located in the Village of Lansing, New York (north of The Shops at Ithaca Mall) and any existing improvements thereon (the "Land"); (ii) the acquisition, construction and equipping on the Land of a mixed-use residential facility comprising, twelve (12) senior housing units, a bird habitat and a BJ's wholesale club and related parking, infrastructure and improvements (the "Improvements"); (iii) the acquisition and installation in and around the Improvements of certain equipment, machinery and other tangible personal property (the "Equipment", and together with the Land and the Improvements, the "Facility") ((i) through (iii) hereinafter referred to as "Project Costs"); and (iv) the lease (with an obligation to

purchase) or sale of the Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, the Agency is contemplating providing financial assistance to the Company with respect to the Project (collectively, the "Financial Assistance") in the form of a Payment-In-Lieu-Of-Tax ("PILOT") Increment Financing ("PIF") structure whereby pursuant to a certain PILOT Agreement, by and between the Agency and the Company (the "PILOT Agreement"), all or a portion of the payments by the Company thereunder, with the consent of the Affected Tax Jurisdictions (as defined below), would be made available to pay debt service associated with qualifying Project Costs or otherwise available for other qualifying Project Costs; and

WHEREAS, the Agency has requested (or will request) the consent for such PIF structure from the Town of Lansing, the Village of Lansing, the Ithaca City School District, and the Tompkins County Legislature (collectively, the "Affected Tax Jurisdictions"), and prior to entering into the PILOT Agreement, the Agency shall secure such consents; and

WHEREAS, on December 1, 2010, the Tompkins County Planning, Development & Environmental Quality Committee considered a resolution that the Tompkins County Legislature (i) approve the Project and (ii) consent to the dedication of all or a portion of the payments by the Company under the PILOT Agreement to be made available to pay debt service associated with qualifying Project Costs or otherwise available for other qualifying Project Costs. The resolution was not passed by the Committee, but it was brought before the Tompkins County Legislature as a member-filed motion by Jim Dennis; and

WHEREAS, on December 7, 2010 the Tompkins County Legislature (i) approved the Project and (ii) consented to the dedication of all or a portion of the payments by the Company under the PILOT Agreement to be made available to pay debt service associated with qualifying Project Costs or otherwise available for other qualifying Project Costs; and

WHEREAS, on December 6, 2010 the Village of Lansing (i) approved the Project and (ii) consented to the dedication of all or a portion of the payments by the Company under the PILOT Agreement to be made available to pay debt service associated with qualifying Project Costs or otherwise available for other qualifying Project Costs; and

WHEREAS, on December 15, 2010 the Town of Lansing (i) approved the Project and (ii) consented to the dedication of all or a portion of the payments by the Company under the PILOT Agreement to be made available to pay debt service associated with qualifying Project Costs or otherwise available for other qualifying Project Costs; and

WHEREAS, in order to undertake the Project, the Agency would acquire and retain title to the Facility (or an interest therein) and lease or sell the Facility or such interest therein to the Company pursuant to a lease agreement or installment sale agreement (such agreement hereinafter referred to as the "Agreement") and the Company would operate and manage the Facility during the term of the Agreement; and

WHEREAS, on July 27, 2010, the Village of Lansing Planning Board (the "Planning Board") issued a negative declaration (the "Negative Declaration") under Article 8 of the New York Environmental Conservation Law and the regulations promulgated thereunder ("SEQR") with respect to the Project; and

WHEREAS, the Agency, the Tompkins County Legislature, the Village of Lansing and the Town of Lansing have all recognized the unique and special circumstances surrounding this Project, including but not limited to the integration of housing and bird habitat and the specific circumstances surrounding the Village of Lansing's, zoning, planned development area legislation and comprehensive plan

NOW, THEREFORE, BE IT RESOLVED by the Tompkins County Industrial Development Agency as follows:

Section 1. The Agency hereby finds and determines:

(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) The Facility constitutes a "project", as such term is defined in the Act; and

(c) The undertaking of the Project by the Company and the lease or sale of the Agency's interest in the Facility to the Company will serve the public purposes of the Act by promoting and maintaining permanent private sector jobs, health, general prosperity and economic welfare of the citizens of the State of New York and of Tompkins County, New York and improve their standard of living and will increase the overall number of permanent private sector jobs in the State of New York and in Tompkins County, New York, and thereby serve the public purposes of the Act; and

(d) The Project and the operations conducted therein will not cause or result in the violation of the health, labor or other laws of the United States of America, the State of New York, or Tompkins County, New York; and

(e) The public hearing held by the Agency on November 29, 2010, concerning the nature of the Project was duly held in accordance with the requirements of the Act, including but not limited to, the giving of public notice of the hearing and affording a reasonable opportunity for persons with differing views on both the issuance of the nature of the Project to be heard.

(f) The Agency makes no representation as to the Company's ability to make payments under the PILOT Agreement.

(g) The Planning Board issued a Negative Declaration on July 27, 2010 with respect

to the Project in compliance with SEQR. The Project involves an "unlisted" action as said term is defined under SEQR for which the Planning Board declared itself as Lead Agency under SEQR. The review undertaken by the Planning Board was uncoordinated. Based upon the review by the Agency of the Negative Declaration and related documents delivered by the Company to the Agency and other representations made by the Company in connection with the Project, the Agency hereby ratifies the findings of the Planning Board and 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 adverse environmental impacts" (as said quoted term is defined under SEQR); and (iii) no "environmental impact statement" (as said quoted term is defined under SEQR) need be prepared for this action. This determination constitutes the Agency's "negative declaration" (as said quoted term is defined under SEQR) for purposes of SEQR.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) negotiate and enter into a lease agreement (the "Lease Agreement"), pursuant to which the Company leases its interest in the Facility to the Agency, (ii) negotiate and enter into a leaseback agreement (the "Leaseback Agreement"), pursuant to which the Agency conveys its interest in the Facility back to the Company, (iii) with the consent of the Affected Taxing Jurisdictions, negotiate and enter into the PILOT Agreement which shall require, pursuant to a Schedule/Exhibit thereto (substantially in the form attached hereto as Exhibit A with such changes thereto as are acceptable to the Chair (or Vice Chair) or Administrative Director with the advice of counsel or transaction counsel to the Agency), that all or a portion of the payments by the Company thereunder be made available to pay debt service associated with qualifying Project Costs or otherwise available for other qualifying Project Costs, (iv) execute any documents necessary and incidental thereto; *provided*, the provisions of the rental payments under the Leaseback Agreement include payments 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.

Section 3. The form and substance of the Lease Agreement, the Leaseback Agreement and the PILOT Agreement (each in such forms as are acceptable to counsel or transaction counsel to the Agency) are hereby approved.

Section 4. (a) The Chair (or Vice Chair) or Administrative Director of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Lease Agreement, the Leaseback Agreement, the PILOT Agreement and related documents (hereinafter collectively referred to as the "Agency Documents"), and the Secretary of the Agency is hereby authorized to affix the seal of the Agency thereto where appropriate and to attest the same, all in substantially the forms approved by Counsel and transaction counsel to the Agency. The execution of the Agency Documents by the Chair (or Vice Chair) or Administrative Director shall constitute conclusive evidence of such approval.

(b) The Chair (or Vice Chair) or Administrative Director is further hereby

authorized, on behalf of the Agency, to designate any additional authorized representatives of the Agency.

Section 5. The officers, employees, and agents of the Agency are hereby authorized and directed for and in the name and or behalf of the Agency to do all acts and things required or provided by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, including the Agency Documents, to determine 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 resolution and to cause compliance by the Agency with all of the terms, covenants, and provisions of the Agency Documents binding upon the Agency.

Section 6. It is hereby found and determined that all formal actions of the Agency concerning and relating to the adoption of this resolution were adopted in an open meeting of the Agency and that all deliberations of the Agency and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 7. Due to the complex nature of this transaction, the Agency hereby authorizes its Chair (or Vice Chair) or Administrative Director to approve, execute and deliver on behalf of the Agency, such further agreements, documents and certificates as the Agency may be advised by transaction counsel or counsel to the Agency to be necessary or desirable to effectuate the foregoing, such approval to be conclusively evidenced by the execution of any such agreements, documents or certificates by the Chair (or Vice Chair) or Administrative Director of the Agency (or any other Authorized Representative of the Agency).

Section 8. This resolution shall take effect immediately.

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

	Yea	Nay	Abstain	Absent
Martha Robertson	[X]	[ ]	[ ]	[ ]
Larry Baum	[X]	[ ]	[ ]	[ ]
Daniel Cogan	[ ]	[X]	[ ]	[ ]
Jeffrey Furman	[ ]	[X]	[ ]	[ ]
Will Burbank	[ ]	[ ]	[ ]	[X]
Jim Dennis	[X]	[ ]	[ ]	[ ]
Nathan Shinagawa	[X]	[ ]	[ ]	[ ]

The Resolutions were thereupon duly adopted.

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

The undersigned, being the Secretary of Tompkins County Industrial Development Agency, DOES HEREBY CERTIFY THAT:

I have compared the foregoing extract of the minutes of the special meeting of Tompkins County Industrial Development Agency (the "Agency") including the resolution contained therein, held on the 21st day of March 2011, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same relates to the subject in matters therein referred to.

I FURTHER CERTIFY that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY that 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 modified.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of said Agency this 21st day of March, 2011.

Larry Baum, Secretary

Exhibit A
Arrowhead Ventures, LLC - PILOT/PIF Schedule

	BJ's
Year 1 PILOT	$168,674
Base taxes prior to project	$25,950
Year 1 PILOT	142,724

Annual Growth 3.15%

Year	PILOT (BJ's)	% of PILOT for PIF
1	142,724	100%
2	148,038	95%
3	153,518	90%
4	159,171	85%
5	165,003	80%
6	171,018	75%
7	177,222	70%
8	183,622	65%
9	190,224	60%
10	197,033	55%
11	204,057	50%
12	211,302	45%
13	218,776	40%
14	226,485	35%
15	234,436	30%

The "year 1 taxes" is based on an "as built" assessment assumption estimated at $6.5mm) multiplied by the actual tax rate in effect when the PILOT is agreed to. The schedule is fixed as of the date of the PILOT and increases by 3.15% each year.

The PILOT amount is calculated by growing the "year 1 full taxes" by 3.15% each year and decreasing that amount by the "base taxes prior to project" amount ($25,950).

Conditions:

1. In the event that the building permit for the housing component of the Project is not issued and construction commenced within 12 months of the PIF, then the Agency shall have a right to recapture from the Applicant the benefit provided to the Applicant (currently estimated at $1.2mm). The terms of the recapture to be worked out in the

Lease Agreement consistent with the IDA's recapture policy. Alternatively, the recapture right can be satisfied in the form of a completion guaranty from the Applicant to the Agency.

2. The maximum PIF proceeds to the Applicant are capped at $1.2 million. If the PIF schedule generates more than $1.2 million to be provided to the Applicant for the Project, then the PIF schedule (i.e., the % of PILOT for PIF) shall be adjusted, beginning in year 15 and working backwards, so as to reduce the amount of PIF proceeds to be provided to the Applicant to $1.2 million.