

specified range. Assuming no adjustment, aggregate cash consideration would approximate \$46.6 million.

Consummation of the transaction is subject to a number of conditions, including regulatory approvals and the approval of Ithaca Bancorp's stockholders. Subject to the satisfaction of all conditions, it is anticipated that the transaction will be completed in the fourth quarter of 1994.

Contemporaneous with the execution and delivery of the definitive agreement described above, Ithaca Bancorp granted First Empire a stock option to acquire up to 19.9% of the shares of common stock of Ithaca under certain circumstances. In addition, each of the directors and executive officers of Ithaca Bancorp, each in his capacity as a shareholder of Ithaca Bancorp, has agreed to vote or cause to be voted in favor of the acquisition of Ithaca Bancorp by First Empire all of his Ithaca Bancorp shares entitled to vote with respect thereto.

The foregoing description of is qualified in its entirety by reference to the Agreement and Plan of Merger dated as of March 31, 1994 by and among First Empire, Scholar Merger Corporation and Ithaca Bancorp (Exhibit No. 99.1 hereto) and the Stock Option Agreement dated as of March 31, 1994 by and between Ithaca Bancorp and First Empire (Exhibit No. 99.2 hereto).

Item 7. Financial Statements and Exhibits.

The following exhibits filed herewith or incorporated herein by reference.

Exhibit No.

- 99.1 Agreement and Plan of Merger dated as of March 31, 1994 by and among First Empire State Corporation, Scholar Merger Corporation and Ithaca Bancorp, Inc. Incorporated by reference to Exhibit No. 1 to First Empire State Corporation's Schedule 13D dated March 31, 1994 in respect of its beneficial ownership of the common stock of Ithaca Bancorp.

- 99.2 Stock Option Agreement dated as of March 31, 1994 by and between First Empire State Corporation and Ithaca Bancorp, Inc. Incorporated by reference to Exhibit No. 2 to First Empire State Corporation's Schedule 13D dated March 31, 1994 in respect of its beneficial ownership of the common stock of Ithaca Bancorp.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

First Empire State Corporation

Date: April 12, 1994

By: James L. Vardon
James L. Vardon
Executive Vice President
and Chief Financial Officer

EXHIBIT INDEX

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