

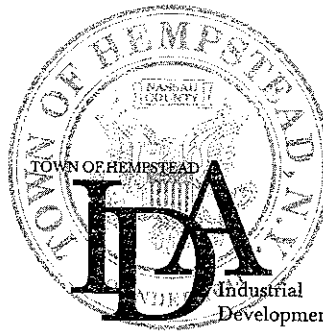
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MINUTES OF PUBLIC HEARING HELD ON  
June 27, 2007, 9:15 a.m., IDA Conference Room

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY  
(RLJ II – HA Garden City, LLC 2007 Facility)

Frederick E. Parola, Executive Director and Chief Executive Officer of the Town of Hempstead Industrial Development Agency (the "Agency") called the hearing to order.

Frederick E. Parola then appointed Edie M. Longo, Deputy Executive Director/CFO of the Agency, to record the minutes of the hearing.

Fred Parola then described the proposed transfer of the real estate, the other financial assistance proposed by the Agency and the location and nature of the Facility as follows:

The Agency has previously assisted in the acquisition of a leasehold interest in an approximately 4.92 acre parcel of land located at 1 North Avenue, Garden City, Town of Hempstead, Nassau County, New York (the "Land") and the construction and equipping of a 4-story hotel consisting of approximately 83,590 square feet of space (Hampton Inn) including, but not limited to, 143 guest rooms, together with a vestibule, an adjacent 2,970 square foot in-ground pool enclosure, exterior storage space, a 700 square foot meeting room, a 450 square foot conference room and 146 parking spaces (the "Improvements" and "Equipment"), which Improvements and Equipment are currently leased by the Agency to Palmetto Hospitality of Garden City I, LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having its principal office at 961 East Main Street, Spartanburg, South Carolina 29302 (the "Palmetto") and used by Palmetto to provide a full range of services to the business and leisure traveler visiting the Town of Hempstead (the Land together with the Improvements and Equipment, the "Facility"). The Facility is currently owned, operated and/or managed by Palmetto.

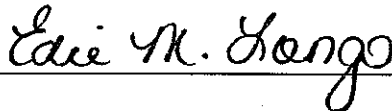
There was submitted to the Agency a proposal to consent to the assignment and assumption of the leasehold and sub-subleasehold interest in the Facility from Palmetto to RLJ II – HA Garden City, LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware and authorized to transact business in the State of New York (“RLJ II”), and to release Palmetto from any further liability with respect to the Facility subject to certain limitations.

The Agency will consent to the assignment and assumption of the Facility by RLJ II and will lease and sub-lease the Facility to RLJ II. At the end of the lease term, RLJ II will purchase the Facility from the Agency. The Agency contemplates that it will provide financial assistance to RLJ II, consistent with the policies of the Agency, in the form of abatement of exemptions from the mortgage recording tax if a mortgage is required now or in the future in connection with the financing or refinancing of the Facility.

The hearing officer then opened the hearing for comments from the floor for or against the proposed financial assistance proposed by the Agency.

Maureen T. Liccione, Esq., of the law firm Jaspan Schlesinger Hoffman, submitted a letter on behalf of the Uniondale Union Free School District expressing their concern about the impact IDA tax abatements will have upon the district. The letter will be attached to the minutes.

There being no other persons in attendance, the hearing was closed at 9:45 a.m.

  
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Edie M. Longo, Deputy Executive Director/CFO

June 27, 2007