

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Title 1 of Article 18-A of the New York State General Municipal Law will be held by the Town of Hempstead Industrial Development Agency (the "Agency") on the 25 day of September, 2007, at 9:00 a.m., local time, at 350 Front Street, 2nd Floor, Hempstead, New York in connection with the following matters:

The Agency has previously assisted in the acquisition of approximately 2.48 acres of land located at 1575 Privado Road in Westbury, Town of Hempstead, Nassau County, New York and the equipping of a four-story hotel located on the land consisting of approximately 80,000 square feet of space, containing approximately 140 guest rooms, together with, but not limited to, corporate meeting rooms, a business center, dining facilities, an exercise room and a pool, together with approximately 140 parking spaces for the hotel, to provide a full range of services to the business and leisure traveler visiting the Town of Hempstead (the "Facility"), which Facility is currently leased by the Agency to AHF Westbury, Inc., a business corporation duly organized and validly existing under the laws of the State of Delaware and authorized to transact business in the State of New York (the "Successor Company") pursuant to a certain (i) Lease Agreement, dated as of December 1, 2003 (the "Lease Agreement"), between the Agency, as lessor, and the Company, as lessee, (ii) Assignment, Assumption and Amendment Agreement, dated as of August 1, 2005 (the "Assignment, Assumption and Amendment Agreement"), by and among the Agency, Apple Hospitality Five, Inc., a business corporation duly organized and validly existing under the State of Virginia and authorized to transact business in the State of New York (the "Original Company), and the Successor Company, and (iii) Assignment and Assumption of Lease Agreement, dated as of August 1, 2005 (the "Lease Assignment"), by and among the Agency, the Original Company and the Successor Company.

There was submitted to the Agency a proposal to consent to the assignment by the Successor Company of its rights, title, interests and obligations under the Lease Agreement, a certain Amended and Restated Payment-In-Lieu-Of-Tax Agreement (the "PILOT Agreement") and certain other agreements in connection in the Facility to Inland American Orchard Hotels, Inc. on behalf of itself or an entity formed or to be formed on behalf of the foregoing, (collectively, the "Assignee") and the assumption by the Assignee of all of such rights, title, interests and obligations of the Successor Company, and the release of the Original Company and the Successor Company from any further liability with respect to the Facility subject to certain limitations.

The Agency will consent to the assignment by the Successor Company and the assumption by the Assignee of the Successor Company's interests in the Facility and the Agency will continue to lease the Facility to the Assignee. At the end of the lease term, the Assignee will purchase the Facility from the Agency. The Agency contemplates that it will provide financial assistance to the Assignee, consistent with the policies of the Agency, in the form of continued abatement of real property taxes, sales tax exemptions on the acquisition by the Assignee from the Company of a leasehold interest in certain fixtures, furniture and equipment located in the Facility and any new fixtures, furniture

and equipment to be installed in the Facility by the Assignee, and 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.

A representative of the Agency will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to the proposed financial assistance to the Assignee.

Dated: August 25, 2007

TOWN OF HEMPSTEAD INDUSTRIAL
DEVELOPMENT AGENCY

By: Frederick E. Parola
Title: Executive Director and
Chief Executive Officer