
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 21st day of August, 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 an approximately 4.21 acre parcel of land located on Dibblee Drive adjacent to the Meadowbrook Parkway, on a portion of the site of the former Roosevelt Raceway, in the Town of Hempstead, Nassau County, New York, and the construction and equipping thereon of a five-story hotel known as a Red Roof Inn, consisting of approximately 73,113 square feet of space, containing approximately 163 rooms and including approximately 188 parking spaces for the hotel, all to provide a full range of services to the business and leisure traveler (the "Facility"), which Facility is currently leased by the Agency to Red Roof Inns, Inc., a 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 "Company") pursuant to a Lease Agreement, dated as of June 1, 2001 (the "Lease Agreement"), between the Agency, as lessor, and the Company, as lessee.

There was submitted to the Agency a proposal to consent to the assignment by the Company of its rights, title, interests and obligations under the Lease Agreement, a certain Payment in lieu of Tax Agreement (the "PILOT Agreement") and certain other agreements in connection in the Facility to a newly created, wholly-owned subsidiary of the Company or another entity formed or to be formed by the Company in connection with a sale or disposition of the Company or certain assets of the Company (collectively, the "Assignee") and the assumption by the Assignee of all of such rights, title, interests and obligations of the Company, and the release of the Company from any further liability with respect to the Facility subject to certain limitations.

The Agency will consent to the assignment by the Company and the assumption by the Assignee of the 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: July 16, 2007

TOWN OF HEMPSTEAD INDUSTRIAL
DEVELOPMENT AGENCY

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