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May 6, 2011

SERVICE BY FACSIMILE
NOT ACCEPTED

City of Albany Industrial Development Agency
c/o Department of Economic Development
21 Lodge Street
Albany, New York 12207

Re: Application by Albany Hotel, Inc.

Gentlemen:

We represent the Applicant, Albany Hotel, Inc. Albany Hotel, Inc. is the owner of the Crowne Plaza Hotel at the corner of State and Lodge Streets in Albany. Its address is c/o Hudson Advisors LLC, 2711 N. Haskell Avenue, Suite 1700, Dallas, Texas 75204. As of April, 2010, Albany Hotel, Inc., is now owned by LSREF Peach Investments LLC, which is a subsidiary company of Lone Star Real Estate Fund, (US) L.P., a private equity fund.

The land underlying the Crowne Plaza Hotel is owned by UDC-Ten Eyck Development Corporation-III, which is a wholly-owned subsidiary of the New York State Urban Development Corporation, 633 Third Avenue, New York, New York 10017. This land is leased to Albany Hotel, Inc., pursuant to a ground lease originally dated December 20, 1979 (the "Ground Lease"). The Ground Lease expires on December 20, 2056.

The Ground Lease is structured so that "Base Rent" is based on a reduced amount of "full value" real estate taxes. Pursuant to the Ground Lease, Albany Hotel, Inc. is currently paying real estate taxes based on approximately one-half of its full value assessment. This amounts to approximately \$364,349.00 per year in city and school taxes for 2010. Pursuant to Section 3.01(a)(iv) of the Ground Lease, the real estate taxes will increase to 100% full value assessment on December 20, 2022. The Albany Hotel, Inc. has determined that this targeted increase would be economically unsustainable for the property.

In addition, pursuant to Article 26 of the Ground Lease, Albany Hotel, Inc. has the option to purchase the property for \$1,000,000.00. However, should this option be exercised, the Ground Lease will expire and the real estate taxes will increase to a "full value" assessment.

As stated earlier, the ownership of Albany Hotel, Inc. changed in 2010. Its current owners have determined that the short remaining term of the Hotel's Ground Lease (i.e., 45 years) makes it a "wasting asset" in that it is not an attractive investment for a purchaser or a lender. Additionally, Albany Hotel's existing franchise agreement with Crowne Plaza is about to expire. To secure an ongoing franchise to keep the property branded by Crowne Plaza or another high quality brand, the franchisor will require significant investment. The owners of Albany Hotel, Inc. are interested in investing at least \$10,000,000.00 in major renovations to the hotel, but only if the economics of the transaction make sense. For example, the owners are prepared to exercise their option to purchase the Hotel, but only if a satisfactory Payment in Lieu of Tax ("PILOT") Agreement can be put in to place. As currently structured, the leasehold greatly impedes value, but the tax increase would likewise impede value.

The proposed renovations are described in the attached Application. All of these renovations and improvements would be expected to have a significant contributing role in the continued viability of the Albany downtown.

The implementation of these renovations which would be expected to occur from October 1, 2011 to December 31, 2012 are conservatively expected to generate approximately 45 construction jobs and approximately 20 permanent jobs for the hotel.

It is also expected that the renovation of the Crowne Plaza will position the Albany Hotel, Inc. to obtain a franchise. Any new franchisor will also require significant renovations to the facility, but if Albany Hotel cannot achieve certain economic terms, it will be unable to implement these improvements, and may go "un-branded". An "un-branded" hotel is much more difficult to sustain when seeking business, convention and leisure travelers.

If Albany Hotel, Inc. were to exercise its option to purchase the hotel for \$1,000,000.00, it would need: (1) a long-term PILOT agreement structured on the basis of the current formula (\$364,369.00 per year), for increases in the tax rate each year, for a 30 year period from completion of the improvements, expiring on December 31, 2043; (2) sales tax exemption for the renovations and (3) a mortgage tax exemption for the cost of financing the renovations. The PILOT agreement will specify that Albany Hotel will implement a minimum of \$10,000,000.00 in capital improvements, to be completed no later than December 31, 2013. The PILOT agreement would be contingent upon Albany Hotel, Inc. exercising its option and closing on the acquisition of the property.

Very truly yours,



Robert G. Wakeman

RGW:mlr
Enclosure

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for financing and other assistance from the City of Albany Industrial Development Agency. These answers will also be used in the preparation of papers in this transaction. Accordingly, all questions should be answered accurately and completely by an officer or other employee of your firm who is thoroughly familiar with the business and affairs of your firm and who is also thoroughly familiar with the proposed project. This application is subject to acceptance by the Agency.

TO: CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
c/o Department of Economic Development
21 Lodge Street
Albany, New York 12207

This application by applicant respectfully states:

APPLICANT: Albany Hotel, Inc.

APPLICANT'S ADDRESS: 2711 N. Haskell Avenue, Suite 1800

CITY: Dallas STATE: Texas ZIP CODE: 75204

PHONE NO.: (214) 754-8430 FAX NO.: N/A E-MAIL: N/A

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION:

Robert G. Wakeman, Esq. Neil Teplica Marc L. Lipshy, Vice President

IF APPLICANT IS REPRESENTED BY AN ATTORNEY, COMPLETE THE FOLLOWING:

NAME OF ATTORNEY: Robert G. Wakeman, Esq.

ATTORNEY'S ADDRESS: III Winners Circle, Suite 200

CITY: Albany STATE: New York ZIP CODE: (518) 438-2000

PHONE NO.: (518) 438-2000 FAX NO.: (518) 438-2471 E-MAIL: rgw@lrwhlaw.com

NOTE: PLEASE READ THE INSTRUCTIONS ON PAGE 2 HEREOF BEFORE FILLING OUT THIS FORM.

INSTRUCTIONS

1. The Agency will not approve any application unless, in the judgment of the Agency, said application and the summary contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.
2. Fill in all blanks, using "none" or "not applicable" or "N/A" where the question is not appropriate to the project which is the subject of this application (the "Project").
3. If an estimate is given as the answer to a question, put "(est)" after the figure or answer which is estimated.
4. If more space is needed to answer any specific question, attach a separate sheet.
5. When completed, return twelve (12) copies of this application to the Agency at the address indicated on the first page of this application.
6. The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form concerning the Project which is the subject of this application.
7. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the applicant's competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law.
8. The applicant will be required to pay to the Agency all actual costs incurred in connection with this application and the Project contemplated herein (to the extent such expenses are not paid out of the proceeds of the Agency's bonds issued to finance the project). The applicant will also be expected to pay all costs incurred by general counsel and bond counsel to the Agency. The costs incurred by the Agency, including the Agency's general counsel and bond counsel, may be considered as a part of the project and included as a part of the resultant bond issue.
9. The Agency has established an application fee of One Thousand Five Hundred Dollars (\$1,500) to cover the anticipated costs of the Agency in processing this application. A check or money order made payable to the Agency must accompany each application. **THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.**

FOR AGENCY USE ONLY

1. Project Number	
2. Date application Received by Agency	, 20
3. Date application referred to attorney for review	, 20
4. Date copy of application mailed to members	, 20
5. Date notice of Agency meeting on application posted	, 20
6. Date notice of Agency meeting on application mailed	, 20
7. Date of Agency meeting on application	, 20
8. Date Agency conditionally approved application	, 20
9. Date scheduled for public hearing	, 20
10. Date Environmental Assessment Form ("EAF") received	, 20
11. Date Agency completed environmental review	, 20
12. Date of final approval of application	_____, 20 ____

SUMMARY OF PROJECT

Applicant: Albany Hotel, Inc.
Contact Person: Marc L. Lipshy, Vice President
Phone Number: (214) 754-8430
Occupant: Albany Hotel TRS, LLC
Project Location: 89 State Street, Albany, New York 12207

Approximate Size of Project Site: 1 acre (+/-). Project does not include parking garage site.

Description of Project: The Crowne Plaza Hotel, a 384 room full-service hotel with two restaurants, 24,000 square feet of meeting space and access to a 770 stall adjacent parking garage, seeks assistance to permit it to (i) acquire the underlying fee title from UDC/Empire State Development; (ii) invest \$10,000,000 in new renovations; and (iii) obtain PILOT tax and other assistance from the IDA.

Type of Project: ☐ Manufacturing ☐ Warehouse/Distribution
☒ Commercial ☐ Not-For-Profit
☐ Other-Specify

Employment Impact: Existing Jobs 249±
New Jobs 20± permanent and 45± temporary/construction

Project Cost: \$23,500,000 (\$10,000,000 Renovation + \$1,000,000 Fee Acquisition + \$12,500,000 Refinance)

Type of Financing: ☐ Tax-Exempt ☐ Taxable ☒ Straight Lease

Amount of Bonds Requested: \$ N/A

Estimated Value of Tax-Exemptions:

N.Y.S. Sales and Compensating Use Tax:	\$ 800,000
Mortgage Recording Taxes:	\$ 293,750
Real Property Tax Exemptions:	\$ TBD
Other (please specify):	\$

I. INFORMATION CONCERNING THE PROPOSED OCCUPANT OF THE PROJECT (HEREINAFTER, THE "COMPANY").

A. Identity of Company:

1. Company Name: Albany Hotel, Inc.

Present Address: 2711 N. Haskell Avenue, Suite 1700
Dallas, Texas

Zip Code: 30326

Employer's ID No.: 65-0384279
2. If the Company differs from the Applicant, give details of relationship:

3. Indicate type of business organization of Company:

- a. X Corporation (If so, incorporated in what country? USA
What State? Florida Date Incorporated? 1992 Type
of Corporation? Foreign Authorized to do business in
New York? Yes X; No).
- b. Partnership (if so, indicate type of partnership ,
Number of general partners , Number of limited partners).
- c. Limited liability company,
Date created? .
- d. Sole proprietorship

4. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)? If so, indicate name of related organization(s) and relationship:

The Company is owned by LSREF Peach Investments LLC, a subsidiary of Lone Star Real Estate Fund, (U.S.) L.P.

B. Management of Company:

1. List all owners, officers, members, directors and partners (complete all columns for each person):

NAME (First, Middle, Last) HOME ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS
LSREF Peach Investment LLC	100% Owner	None
Michael D. Thomson	President	None
Layne B. LeBaron	Secretary	None
Marc L. Lipshy	Vice President	None
Cindy Kuhlman	Vice President	None
Stewart Motley	Vice President	None
Steven R. Shearer	Vice President	None

2. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? Yes X; No ____.

Routine, ordinary course litigation.

3. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? Yes ____; No X.

4. Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? Yes ____; No X.
(If yes to any of the foregoing, furnish details in a separate attachment).

5. If the answer to any of questions 2 through 4 is yes, please, furnish details in a separate attachment.

C. Principal Owners of Company:

1. Principal owners of Company: Is Company publicly held? Yes ____; No X.
If yes, list exchanges where stock traded:

2. If no, list all stockholders having a 5% or more interest in the Company:

NAME	ADDRESS	PERCENTAGE OF HOLDING
LSREF Peach Investment LLC, a subsidiary of Lone Star Real Estate Fund, (U.S.) L.P., a private equity fund	2711 N. Haskell Avenue, Suite 1800 Dallas, Texas 75204	100%

- D. Company's Principal Bank(s) of account: Bank of America, N.A.

II. DATA REGARDING PROPOSED PROJECT

- A. Summary: (Please provide a brief narrative description of the Project.)

The Crowne Plaza Hotel, a 384 room full-service hotel with two restaurants, 24,000 square feet of meeting space and access to a 770 stall adjacent parking garage, seeks assistance to permit it to (i) acquire the underlying fee title from UDC/Empire State Development; (ii) invest \$10,000,000 in new renovations; and (iii) obtain PILOT tax and other assistance from the IDA.

- B. Location of Proposed Project:

- | | | |
|----|----------------|---|
| 1. | Street Address | 89 State Street (Corner of State and Lodge) |
| 2. | City of | Albany |
| 3. | Town of | |
| 4. | Village of | |
| 5. | County of | Albany |
| | Tax Map # | 76.34-2-51 |

- C. Project Site:

1. Approximate size (in acres or square feet) of Project site:.

1± acre.

Is a map, survey or sketch of the project site attached? Yes X; No ____.

2. Are there existing buildings on project site? Yes X; No ____.
- a. If yes, indicate number and approximate size (in square feet) of each existing building:

Building Footprint approximately 138,328± square feet.

Net Rentable Building Square Footage is deemed to be 238,191 square feet.

The Building is 15 stories (170± feet in height).

- b. Are existing buildings in operation? Yes X; No ____.
- If yes, describe present use of present buildings:

- c. Are existing buildings abandoned? Yes ____; No X. About to be abandoned? Yes ____; No X. If yes, describe:

- d. Attach photograph of present buildings. See attached Exhibit "A".

3. Utilities serving project site:

Water-Municipal: City of Albany

Other (describe)

Sewer-Municipal: City of Albany

Other (describe)

Electric-Utility: National Grid

Other (describe)

Heat-Utility: National Grid

Other (describe)

4. Present legal owner of project site:

Albany Hotel, Inc. (Ground Tenant)

UDC-Ten Eyck Development Corporation III (Fee Owner)

- a. If the Company owns project site, indicate date of purchase: _____, 20____; Purchase price: \$_____.

- b. If Company does not own the Project site, does Company have option signed with owner to purchase the Project site? Yes X; No _____. If yes, indicate date option signed with owner: 12/20, 1979; and the date the option expires: 12/20, 2056.

- c. If the Company does not own the project site, is there a relationship legally or by common control between the Company and the present owners of the project site? Yes X; No _____. If yes, describe:

Ground Lease

5. a. Zoning District in which the project site is located:
C-3. Central Business District

b. Are there any variances or special permits affecting the site? Yes ____;
No _____. If yes, list below and attach copies of all such variances or special
permits: TBD.

D. Buildings:

1. Does part of the project consist of a new building or buildings? Yes ____; No X.
If yes, indicate number and size of new buildings:

2. Does part of the project consist of additions and/or renovations to the existing
buildings? Yes X; No _____. If yes, indicate the buildings to be expanded or
renovated, the size of any expansions and the nature of expansion and/or renovation:

The Company plans a comprehensive upgrade of the Hotel to meet the
requirements of an upgraded franchise (application in process).

3. Describe the principal uses to be made by the Company of the building or
buildings to be acquired, constructed or expanded:

The Building will continue to be a full-service hotel with restaurants, meeting
rooms and banquet facilities.

E. Description of the Equipment:

1. Does a part of the Project consist of the acquisition or installation of machinery,
equipment or other personal property (the "Equipment")? Yes X; No _____. If
yes, describe the Equipment: See annexed Exhibit "B".

2. With respect to the Equipment to be acquired, will any of the Equipment be
Equipment which has previously been used? Yes ____; No X. If yes, please
provided detail:

3. Describe the principal uses to be made by the Company of the Equipment to be
acquired or installed:

New equipment will be required by the franchisor (application in process) to
upgrade the standards of operation of the Hotel.

F. Project Use:

1. What are the principal products to be produced at the Project?

Overnight accommodations, food and beverage service, banquet and catering venue and service, conference and meeting center, leisure and entertainment.

2. What are the principal activities to be conducted at the Project?

See Item "F(1)" above.

3. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? Yes X; No _____. If yes, please provide detail:

As a full-service hotel, the sale of goods and services to customers who personally visit the facilities is the primary business.

4. If the answer to question 3 is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? 100 %

5. If the answer to question 3 is yes, and the answer to question 4 is more than 33.33%, indicate whether any of the following apply to the Project:

- a. Will the Project be operated by a not-for-profit corporation? Yes ____; No X. If yes, please explain:

- b. Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? Yes X; No _____. If yes, please explain:

As a full-service hotel, the sale of goods and services to customers who personally visit the facilities is the primary business.

- c. Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside the State of New York? Yes ____; No X. If yes, please explain:

- d. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonable accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services? Yes X; No _____. If yes, please provide detail:

This Hotel has been the only full-service hotel with significant meeting space in downtown Albany for the past 30 years.

- e. Will the Project be located in one of the following: (i) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (ii) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (x) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (y) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? Yes X; No _____. If yes, please explain: _____

We are not sure if the property is in an economic development zone.

6. If the answers to any of subdivisions c. through e. of question 5 is yes, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? Yes X; No _____. If yes, please explain:

Renovation of the facilities is anticipated to increase permanent employment through increased anticipated volume of traffic and new service levels.

7. Will the completion of the Project result in the removal of a plant or facility of the Company or another proposed occupant of the Project (a "Project Occupant") from one area of the State of New York to another area of the State of New York? Yes ____; No X. If yes, please explain:

8. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Company located in the State of New York? Yes ____; No X. If yes, please provide detail:

9. If the answer to either question 7 or question 8 is yes, indicate whether any of the following apply to the Project:

a. Is the Project reasonably necessary to preserve the competitive position of the Company or such Project Occupant in its industry? Yes ____; No _____. If yes, please provide detail:

b. Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes ____; No _____. If yes, please provide detail:

G. Other Involved Agencies:

1. Please indicate all other local agencies, boards, authorities, districts, commissions or governing bodies (including any city, county and other political subdivision of the State of New York and all state departments, agencies, boards, public benefit corporations, public authorities or commissions) involved in approving or funding or directly undertaking action with respect to the Project. For example, do you need a municipal building permit to undertake the Project? Do you need a zoning approval to undertake the Project? If so, you would list the appropriate municipal building department or planning or zoning commission which would give said approvals.

City of Albany building permit. Perhaps City and County Planning Department approval.

2. Describe the nature of the involvement of the federal, state or local agencies described above:

Building permit and perhaps City and County Planning Board approval.

H. Construction Status:

1. Has construction work on this project begun? Yes ____; No X_. If yes, please discuss in detail the approximate extent of construction and the extent of completion. Indicate in your answer whether such specific steps have been completed as site clearance and preparation; completion of foundations; installation of footings; etc.:

2. Please indicate amount of funds expended on this project by the Company in the past three (3) years and the purposes of such expenditures:

The following Capital Improvements have been made in 2008, 2009 and part of 2010 under prior ownership:

<u>Period</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2008-2010 Total</u>
Hotel	\$1,994,418	\$2,611,676	\$50,216	\$4,656,310
Garage	\$21,860	\$557,335	\$1,288,876	\$1,868,071
Total	\$2,016,278	\$3,169,011	\$1,339,091	\$6,524,381

I. Method of Construction After Agency Approval:

1. If the Agency approves the project which is the subject of this application, there are two methods that may be used to construct the project. The applicant can construct the project privately and sell the project to the Agency upon completion. Alternatively, the applicant can request to be appointed as "agent" of the Agency, in which case certain laws applicable to public construction may apply to the project. Does the applicant wish to be designated as "agent" of the Agency for purposes of constructing the project? Yes ____; No X.

2. If the answer to question 1 is yes, does the applicant desire such "agent" status prior to the closing date of the financing? Yes ____; No ____.

III. INFORMATION CONCERNING LEASES OR SUBLEASES OF THE PROJECT. (PLEASE COMPLETE THE FOLLOWING SECTION IF THE COMPANY INTENDS TO LEASE OR SUBLEASE ANY PORTION OF THE PROJECT).

A. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes X; No _____. If yes, please complete the following for each existing or proposed tenant or subtenant:

1. Sublessee name: Albany Hotel TRS, LLC
 Present Address: 2711 N. Haskell Avenue, Suite 1800
 City: Dallas State: Texas Zip: 75204
 Employer's ID No.: _____
 Sublessee is: ____ Corporation: ____ Partnership: ____ Sole Proprietorship X LLC
 Relationship to Company: Subsidiary (Taxable REIT Subsidiary)
 Percentage of Project to be leased or subleased: 100%
 Use of Project intended by Sublessee: Hotel Operation
 Date of lease or sublease to Sublessee: June 29, 2010
 Term of lease or sublease to Sublessee: 10 years
 Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes X; No _____. If yes, please provide on a separate attachment (a)

details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee. See answer to Question I(F)3.

2. Sublessee name:
Present Address:
City: _____ State: _____ Zip: _____
Employer's ID No.: _____
Sublessee is: _____
_____ Corporation: _____ Partnership: _____ Sole Proprietorship
Relationship to Company: _____
Percentage of Project to be leased or subleased: _____
Use of Project intended by Sublessee: _____
Date of lease or sublease to Sublessee: _____
Term of lease or sublease to Sublessee: _____
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes ____; No _____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.
3. Sublessee name:
Present Address:
City: _____ State: _____ Zip: _____
Employer's ID No.: _____
Sublessee is: _____ Corporation: _____ Partnership: _____ Sole Proprietorship
Relationship to Company: _____
Percentage of Project to be leased or subleased: _____
Use of Project intended by Sublessee: _____
Date of lease or sublease to Sublessee: _____
Term of lease or sublease to Sublessee: _____
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes ____; No _____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

B. What percentage of the space intended to be leased or subleased is now subject to a binding written lease or sublease?

100% (leased pursuant to a REIT ownership structure)

IV. Employment Impact

A. Indicate below the number of people presently employed at the project site and the number that will be employed at the project site at end of the first and second years after the project has been completed (Do not include construction workers). Also indicate below the number of workers employed at the project site representing newly created positions as opposed to positions relocated from other project sites of the applicant. Such information regarding relocated positions should also indicate whether such positions are relocated from other project sites financed by obligations previously issued by the Agency.

TYPE OF EMPLOYMENT					
	PROFESSIONAL MANAGERIAL	SKILLED	SEMI- SKILLED	UNSKILLED	TOTALS
Present Full Time	12	4	129	10	155
Present Part Time				34	34
Present Seasonal				60	60
First Year Full Time	13	5	147	10	175
First Year Part Time				34	34
First Year Seasonal				60	60
Second Year Full Time					No Change
Second Year Part Time					No Change
Second Year Seasonal					No Change

B. Please prepare a separate attachment describing in detail the types of employment at the project site. Such attachment should describe the activities or work performed for each type of employment.

V. Project Cost

A. Anticipated Project Costs. State the costs reasonably necessary for the acquisition of the project site and the construction of the proposed project including the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Cost</u>	<u>Amount</u>
Land	\$ <u>1,000,000</u>
Building Renovations	\$ <u>10,000,000</u>
Machinery and equipment costs	\$ _____
Utilities, roads and appurtenant costs	\$ _____
Architects and engineering fees	\$ _____
Costs of Bond issue (legal, financial and printing)	\$ _____
Construction loan fees and interest (if applicable)	\$ _____
Other (specify)	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
TOTAL PROJECT COST	\$ <u>11,000,000</u>

B. Have any of the above expenditures already been made by applicant?
Yes ____; No X. (If yes, indicate particular.)

V. BENEFITS EXPECTED FROM THE AGENCY

A. Financing

1. Is the applicant requesting that the Agency issue bonds to assist in financing the project? Yes ____; No X. If yes, indicate:
 - a. Amount of loan requested: N/A;
 - b. Maturity requested: N/A Years.
2. Is the interest on such bonds intended to be exempt from federal income taxation? Yes ____; No X.

3. If the answer to question 2 is yes, will any portion of the Project be used for any of the following purposes:

- a. retail food and beverage services: Yes ☐; No ☐
- b. automobile sales or service: Yes ☐; No ☐
- c. recreation or entertainment: Yes ☐; No ☐
- d. golf course: Yes ☐; No ☐
- e. country club: Yes ☐; No ☐
- f. massage parlor: Yes ☐; No ☐
- g. tennis club: Yes ☐; No ☐
- h. skating facility (including roller
- i. skating, skateboard and ice skating): Yes ☐; No ☐
- j. racquet sports facility (including
- k. handball and racquetball court): Yes ☐; No ☐
- l. hot tub facility: Yes ☐; No ☐
- m. suntan facility: Yes ☐; No ☐
- n. racetrack: Yes ☐; No ☐

4. If the answer to any of the above questions contained in question 3 is yes, please furnish details on a separate attachment.

5. Is the Project located in the City's federally designated Enterprise Zone? Yes ☐; No TBD.

6. Is the applicant requesting the Agency to issue federally tax-exempt Enterprise Zone bonds? Yes ☐; No TBD.

B. Tax Benefits

1. Is the applicant requesting any real property tax exemption that would not be available to a project that did not involve the Agency? Yes X; No ☐.

2. Is the applicant expecting that the financing of the Project will be secured by one or more mortgages? Yes X; No ☐. If yes, what is the approximate amount of financing to be secured by mortgages? \$ 23,500,000.

3. Is the applicant expecting to be appointed agent of the Agency for purposes of avoiding payment of N.Y.S. Sales Tax or Compensating Use Tax? Yes X; No ☐. If yes, what is the approximate amount of purchases which the applicant expects to be exempt from the N.Y.S. Sales and Compensating Use Taxes? \$ 800,000.

4. What is the estimated value of each type of tax-exemption being sought in connection with the Project? Please detail the type of tax-exemption and value of the exemption.

a.	N.Y.S. Sales and Compensating Use Taxes:	\$ 800,000
b.	Mortgage Recording Taxes:	\$ 293,750
c.	Real Property Tax Exemptions:	\$ TBD
d.	Other (please specify):	\$ _____
	_____	\$ _____

5. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency's tax-exemption policy contained in its Rules and Regulations? Yes ____; No TBD. If yes, please explain.

6. Is the Project located in the City's state designated Empire Zone? Yes ____; No TBD.

C. Project Cost/Benefit Information. Complete the attached Cost/Benefit Analysis so that the Agency can perform a cost/benefit analysis of undertaking the Project. Such information should consist of a list and detailed description of the benefits of the Agency undertaking the Project (e.g., number of jobs created, types of jobs created, economic development in the area, etc.). Such information should also consist of a list and detailed description of the costs of the Agency undertaking the Project (e.g., tax revenues lost, buildings abandoned, etc.).

VI. REPRESENTATIONS BY THE APPLICANT. The applicant understands and agrees with the Agency as follows:

A. Job Listings. Except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOC") and with the administrative entity (collectively with the DOC, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.

B. First Consideration for Employment: In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.

C. City Human Rights Law. The Applicant agrees to endeavor to comply with the provisions of Article XI, Division 2 of the City Code, entitled "The Omnibus Human Rights Law". The Applicant understands that it is not subject to the provisions of The Omnibus Human Rights Law.

D. Annual Sales Tax Filings. In accordance with Section 874(8) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant.

F. Annual Employment Reports: The applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.

G. Absence of Conflicts of Interest: The applicant has received from the Agency a list of the members, officers and employees of the Agency. No member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

ALBANY HOTEL, INC.
(Applicant)

BY: Marc L. Lipsey
Authorized Officer

NOTE: APPLICANT MUST ALSO COMPLETE THE APPROPRIATE VERIFICATION APPEARING ON PAGES 18 THROUGH 21 HEREOF BEFORE A NOTARY PUBLIC AND MUST SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 22

VERIFICATION

(If Applicant is a Corporation)

STATE OF New York)
) SS.:
COUNTY OF New York)

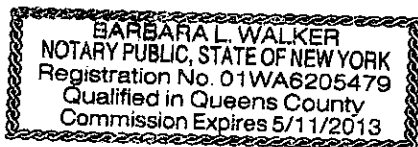
Marc L. Lipsky deposes and says that he is the
(Name of chief executive of applicant)
Vice President of Albany Hotel, Inc.
(Title) (Company Name)

the corporation named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. Deponent further says that the reason this verification is made by the deponent and not by said company is because the said company is a corporation. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as an officer of and from the books and papers of said corporation.

Marc L. Lipsky
(officer of applicant)

Sworn to before me this
5 day of May, 2011.

Barbara L. Walker
(Notary Public)



(If applicant is sole proprietor)

STATE OF _____)
) SS.:
COUNTY OF _____)

that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application.

(Notary Public)

(If applicant is partnership)

_____, deposes and says
(Name of Individual)

the limited liability company named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as a member of and from the books and papers of said limited liability company.

(Notary Public)

VERIFICATION

(If applicant is limited liability company)

STATE OF _____)
) SS.:
COUNTY OF _____)

_____, deposes and says

(Name of Individual)

that he is one of the members of the firm of _____

(Partnership Name)

the partnership named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as a member of and from the books and papers of said partnership.

Sworn to before me this
____ day of _____, 20__.

(Notary Public)

NOTE: THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS THE HOLD
HARMLESS AGREEMENT APPEARING ON PAGE 22 IS SIGNED BY THE APPLICANT.

HOLD HARMLESS AGREEMENT

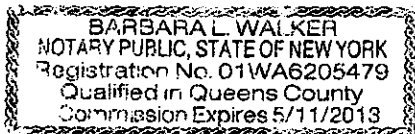
Applicant hereby releases City of Albany Industrial Development Agency and the members, officers, servants, agents and employees thereof (hereinafter collectively referred to as the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (i) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the application or the project described therein or the issue of bonds requested therein are favorably acted upon by the Agency, and (ii) the Agency's financing of the Project described therein; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to find buyers willing to purchase the total bond issue requested, then, and in that event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

ALBANY HOTEL, INC.
(Applicant)

BY: Marc L. Lipsey

Sworn to before me this
5 day of May, 2011.

Barbara L. Walker
(Notary Public)



TO: Project Applicants
 FROM: City of Albany Industrial Development Agency
 RE: Cost/Benefit Analysis

In order for the City of Albany Industrial Development Agency (the "Agency") to prepare a Cost/Benefit Analysis for a proposed project (the "Project"), the Applicant must answer the questions contained in this Project Questionnaire (the "Questionnaire") and complete the attached Schedules. This Questionnaire and the attached Schedule will provide information regarding various aspects of the Project, and the costs and benefits associated therewith.

Since we need this Questionnaire to be completed before we can finalize the Cost/Benefit Analysis, please complete this Questionnaire and forward it to us at your earliest convenience.

PROJECT QUESTIONNAIRE

1. Name of Project Beneficiary ("Company"):	Albany Hotel, Inc.
2. Brief Identification of the Project:	Albany Crowne Plaza
3. Estimated Amount of Project Benefits Sought:	\$ N/A
A. Amount of Bonds Sought:	\$
B. Value of Sales Tax Exemption Sought	\$ 800,000
C. Value of Real Property Tax Exemption Sought	\$ TBD
D. Value of Mortgage Recording Tax Exemption Sought	\$ 293,750

PROJECTED PROJECT INVESTMENT

A. Land-Related Costs	
1. Land acquisition	\$ 1,000,000
2. Site preparation	\$
3. Landscaping	\$
4. Utilities and infrastructure development	\$
5. Access roads and parking development	\$
6. Other land-related costs (describe)	\$
B. Building-Related Costs	
1. Acquisition of existing structures	\$
2. Renovation of existing structures	\$
3. New construction costs	\$10,000,000
4. Electrical systems	\$
5. Heating, ventilation and air conditioning	\$
6. Plumbing	\$
7. Other building-related costs (describe)	\$

C.	Machinery and Equipment Costs		\$
1.	Production and process equipment		\$
2.	Packaging equipment		\$
3.	Warehousing equipment		\$
4.	Installation costs for various equipment		\$
5.	Other equipment-related costs (describe)		\$
D.	Furniture and Fixture Costs		\$
1.	Office furniture		\$
2.	Office equipment		\$
3.	Computers		\$
4.	Other furniture-related costs (describe)		\$
E.	Working Capital Costs		\$
1.	Operation costs		\$
2.	Production costs		\$
3.	Raw materials		\$
4.	Debt service		\$
5.	Relocation costs		\$
6.	Skills training		\$
7.	Other working capital-related costs (describe)		\$
F.	Professional Service Costs		\$
1.	Architecture and engineering		\$
2.	Accounting/legal		\$
3.	Other service-related costs (describe)		\$
G.	Other Costs		\$
1.			\$
2.			\$
H.	Summary of Expenditures		
1.	Total Land-Related Costs		\$ 1,000,000
2.	Total Building-Related Costs		\$10,000,000
3.	Total Machinery and Equipment Costs		\$
4.	Total Furniture and Fixture Costs		\$
5.	Total Working Capital Costs		\$
6.	Total Professional Service Costs		\$
7.	Total Other Costs		\$

PROJECTED PROFIT

- I. Please provide projected profit as defined by earnings after income tax but before depreciation and amortization:

This section is not applicable, because this Project would not be undertaken without IDA Benefits because of the impaired valued of land with a short term lease with a significant tax increase in 10 years.

YEAR	Without IDA benefits	With IDA benefits
1	\$	\$
2	\$	\$
3	\$	\$
4	\$	\$
5	\$	\$

PROJECTED CONSTRUCTION EMPLOYMENT IMPACT

- I. Please provide estimates of total construction jobs and the total annual wages and benefits of construction jobs at the Project:

Year	Number of Construction Jobs	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Year 1	45	\$3,342,938	\$210,943
Year 2 (1/3 Year)	45	\$1,114,313	\$70,314
Year 3		\$	\$
Year 4		\$	\$
Year 5		\$	\$

PROJECTED PERMANENT EMPLOYMENT IMPACT

- I. Please provide estimates of total number of existing permanent jobs to be preserved or retained as a result of the Project:

Year	Professional	Skilled	Semi-Skilled	Unskilled
Current Year	12	4	129	104
Year 1	12	4	129	104
Year 2	No Change	No Change	No Change	No Change
Year 3	No Change	No Change	No Change	No Change
Year 4	No Change	No Change	No Change	No Change
Year 5	No Change	No Change	No Change	No Change

II. Please provide estimates of total new permanent jobs to be created at the Project:

Year	Professional	Skilled	Semi-Skilled	Unskilled
Current Year	12	4	129	104
Year 1	13	5	147	104
Year 2	No Change	No Change	No Change	No Change
Year 3	No Change	No Change	No Change	No Change
Year 4	No Change	No Change	No Change	No Change
Year 5	No Change	No Change	No Change	No Change

As set forth above, we estimate that the Project will generate 20 new jobs and allow the Applicant to preserve existing jobs. 94 of the "Unskilled Jobs" are current part-time or seasonal, and are likely to remain that way.

III. Please provide estimates for the following:

A. Creation of New Job Skills relating to permanent jobs. Please complete Schedule A.

The Applicant will augment worker skills with respect to hotel management and hotel services.

IV. Provide the projected percentage of employment that would be filled by City of Albany residents: 80%.

A. Provide a brief description of how the project expects to meet this percentage:

PROJECTED OPERATING IMPACT

I. Please provide estimates for the impact of Project operating purchases and sales:

Additional Purchases (1 st year following project completion)	\$2,000,000
Additional Sales Tax Paid on Additional Purchases	\$160,000
Estimated Additional Sales (1 st full year following project completion)	\$7,900,000
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	\$630,000

II. Please provide estimates for the impact of Project on existing real property taxes and new payments in lieu of taxes ("Pilot Payments"):

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Difference)
Current Year	\$364,349	\$364,349	
Year 1	\$364,349	\$364,349	
Year 2	\$364,349	\$364,349	
Year 3	\$364,349	\$364,349	
Year 4	\$364,349	\$364,349	
Year 5	\$364,349	\$364,349	
Year 6	\$364,349	\$364,349	
Year 7	\$364,349	\$364,349	
Year 8	\$364,349	\$364,349	
Year 9	\$364,349	\$364,349	
Year 10	\$364,349	\$364,349	*

*Under the existing Ground Lease, real estate taxes increase only by the increase in the tax rate but revert to full value assessment in December, 2022. The Applicant requests that the PILOT Agreement be structured over a 30 year term (from completion of the Project) with a base tax of \$364,349 (City, County and School) in year 1, increased only by any increase in the tax rate, but with no other increases (and no "full value" increase) until the end of the 30 year term (December, 2043).

III. Please provide a brief description for the impact of other economic benefits expected to be produced as a result of the Project:

An upgraded, and hopefully up-branded, hotel is expected to have a dynamic impact in the center of downtown and with downtown dining, events and night life in particular.

CERTIFICATION

I certify that I have prepared the responses provided in this Questionnaire and that, to the best of my knowledge, such responses are true, correct and complete.

I understand that the foregoing information and attached documentation will be relied upon, and constitute inducement for, the Agency in providing financial assistance to the Project. I certify that I am familiar with the Project and am authorized by the Company to provide the foregoing information, and such information is true and complete to the best of my knowledge. I further agree that I will advise the Agency of any changes in such information, and will answer any further questions regarding the Project prior to the closing.

Date Signed: May 5, 2001.

Name of Person Completing Project Questionnaire on behalf of the Company.

Name: Mark L. Cpsky

Title: Vice President

Phone Number: 214-754-9400

Address: 2711 N. Haskell Avenue, Suite 1800
Dallas, TX 75204

Signature: Mark L. Cpsky

SCHEDULE A

CREATION OF NEW JOB SKILLS

Please list the projected new job skills for the new permanent jobs to be created at the Project as a result of the undertaking of the Project by the Company.

Positions added are anticipated to be semi-skilled, skilled and professional. For detail, see p. 15.

[illegible]

Should you need additional space, please attach a separate sheet.

Exhibit "A"

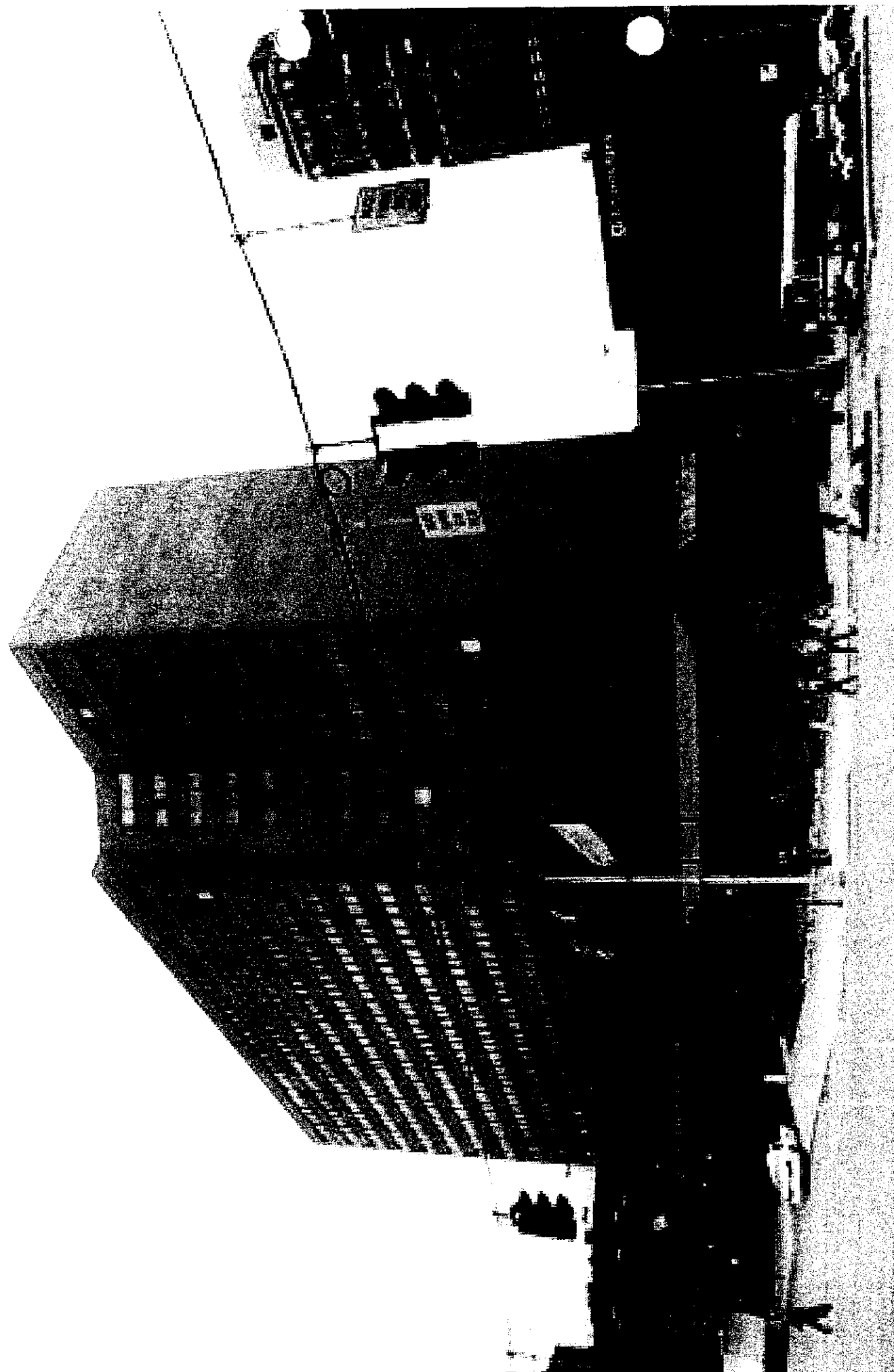


Exhibit "B"

The description of the work described in each category below may vary depending on the franchisor that ultimately approves the Applicant and not every item of work may be required. There may also be additional items of work. For example, a particular franchisor may require that less work be done in the Guest Rooms, and a larger amount of money be spent on the restaurants and meeting rooms. In any event, the Applicant commits to a total capital investment in the Hotel of \$10,000,000.

General
Prepare Architectural plans, design schemes, material specifications and professionally prepared color boards/renderings.
Review all existing installations on Fire & Life Safety provisions including but not limited to Fire Sprinkler System, Fire Egress and Escape route, Fire Detection System, Emergency Evacuation System and Kitchen Hood Fire Suppression System.
Verify existing Life Safety system to NFPA requirements.
Replace all Public Area smoke detectors.
Upgrade High Speed Internet program with upgraded hardware, cabling, and bandwidth.
Exterior - Signage - Replace all exterior building, pylon, monument and directional signs.
Remove, clean and re-install all HVAC supply and return air grilles in entire hotel. Any grille that cannot be cleaned properly shall be replaced.
Ensure that all ancillary systems such as point-of-sale, on-demand pay movies, high speed internet access, call accounting, etc. are the most current operating version.
Back of House
In offices and employee lockers and break rooms, replace acoustical tile ceiling panels as needed, Re-paint walls, as needed; install additional artwork
Replace carpet and upgrade light fixtures as needed.

Corridors/Elevator/Stairwells

Elevator Landings - Upgrade wall coverings/paint. Upgrade elevator doorways and frames; Guestrooms - Repair/upgrade acoustical tile ceiling system and install flat painted gypsum board where appropriate.

Stairs - Replace carpet as needed; Re-paint masonry walls as needed; Remove existing vinyl wall covering and install new wall covering/paint; Install new artwork; Install approved wood substitute chair rails in all corridors;

Guestroom Corridors - remove existing vinyl wall covering and install new vinyl wall covering or painted surface; Install approved wood substitute base boards and crown molding in all corridors; Provide a complete renovation of the elevators including, but not limited to, new floor, wall, and ceiling finishes, lighting and new decorative handrail(s) on backwall or all 3 walls; Replace all carpet and pads; Install new wall sconce light fixtures positioned appropriately down the corridor to provide adequate lighting.

Lower Level 'A' Corridors - Upgrade acoustical tile ceiling panels and grid system. Install a new ceiling system constructed of painted gypsum board and some portions of acoustical tile ceiling areas. Install new vinyl wall covering.

Exterior Components

Exterior - Power wash exterior of building and remove efflorescence from brick surfaces; Repaint all existing painted metal surfaces and doors and window frames as appropriate.

Porte Cochere -Repaint the existing open frame metal structure with new color. Remove existing red awning and replace with a new different color awning. Replace existing 'utility lamps' with decorative lights. Remove existing signage and install new signage; Renovate or reconstruct the porte cochere

Exterior - Install building flood lights, ground mounted, and accentuating architectural features. Hotel must take a much more dramatic profile through both exterior architectural elements and up-lighting.

Garage - Provide finished elevator lobbies; Provide a dedicated emergency phone on each level of self parking garages.

Gift Shop/Business Center

Gift Shop - Refurbish or renovate the gift shop

Business Center - Renovate the Business Center including the following amenities: Comfortable seating (ergonomic desk chairs) for two people and a minimum of two IBM/Dell (or compatible) workstations with 17" flat panel monitors.

Lobby/Entrance/Registration Area

Registration Desk - The registration desk must be reconfigured to provide a contemporary and inviting first impression for arriving guests - Either registration pods should be added or the existing desk unit must be retrofitted to improve the appearance.

Lobby -Public areas - Conduct a full refurbishment of the lobby space to include:
1) Removing existing vinyl wall covering and installing new vinyl wall covering. 2) Removing existing pendant light fixtures with new upscale decorative light fixtures.

Public Restrooms
Install touchless electronic flush valve operation on all urinals.
Install touchless electronic faucet operation on all lavatories.
Provide a background music system meeting current standards.
Install new toilet partitions and doors. Toilet partition doors should be louvered, full height doors.

Recreation Facilities
Fitness Center – Renovate the fitness center facility; Indoor Pool Area - Fully enclose the pool area with full height, floor to ceiling (at upper level B ceiling) walls. Remove existing wood lattice type partition. Walls to be constructed with internal vapor barrier to prevent moisture migration from pool area to occupied public areas; Indoor Pool/Whirlpool; Existing and new walls to be epoxy painted.

Executive Lounge
Executive Lounge- A renovation of the executive lounge to improve or replace all FF&E, finishes, artwork, etc.

Kitchens
Kitchens - Replace damaged, stained or discolored tile ceiling panels and repaint metal grid.
Kitchen Storage Areas - Re-paint walls; - Replace damaged, stained or discolored tile ceiling panels and repaint metal grid.

Lounge/Bar/Lobby
Kelsey's Lounge - A total renovation of the bar/lounge to replace all FF&E to include: counter tops, hostess stands or bar counters, refinished wood flooring and wood base, wall finishes, window treatments, new lighting scheme/fixtures, artwork, chairs, tables, etc., to provide a visually upscale contemporary image.

Meeting/Event Function Facilities
Meeting Rooms - Install new upscale light fixtures; Replace fabric on acoustical folding partitions; Refinish wood doors; renovate tile ceiling.
Lower Level 'B' Pre-Function Area – Upgrade wall covering.
Grand Ballroom - Replace carpet; Install new upscale decorative pendant light fixtures
Webster's Meeting Room - Replacement (or refinishing as appropriate) of base, vinyl wall covering, millwork, hardware, ceilings, decorative and functional lighting, sound systems, doors, door hardware, artwork, etc.

Restaurant/Bar/Lobbies

Restaurant - Webster's - The interior décor of the restaurant shall create an environment traditionally associated with a top quality restaurant. The furnishings, finishes and lighting must provide a visually upscale image. A significant renovation of the restaurant will be done.

Guest Bathrooms

In bathrooms with solid surface vanity counters replace or refinish existing vanity counter. Replace existing vanity cabinet fronts with drawers and "shelves or cubbies" (for towels and amenities) and decorative legs. Refinish or replace lavatory bowl.

Suite Rooms

Upgrade all door signage.

Replace all sofas.

Remove existing drapes, fabric valance, sheers and blackout. Provide and install new drapes, blackout drapes, sheers and wood valances.

Install wide-screen LCD televisions.

Provide and install a new upholstered side chair.

Review/replace all bedding and mattresses/box springs in all guestrooms and suites.

Replace carpet and pads where necessary. This includes the parlor or living room of any suites.

Install a franchisor approved work desk, ergonomic chair, task light, and power/communications at desk height.

Replace lounge chairs and ottomans.

Renovate or replace closet doors.

Remove existing artwork. Provide and install new artwork. This includes the parlor or living room of any suites.

Replace existing lamp package in the guestrooms with a new package. Ensure the desk lamp fixture has two power outlets built into the base.

Replace most or all case goods including headboard, night stands, armoire, desk, chairs, etc. Further, remove existing TV armoires. Install all TV's in a 4 drawer mid-rise chest of drawers (approximately 42" tall and 54 wide) so that a flat panel TV can be installed.

Repair and repaint all damaged ceilings.

Total Capital Investment: \$10,000,000.