

RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on July 21, 2015, at 8:30 o'clock a.m., in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

The meeting was called to order by the Chairman and upon the roll being duly called, the following members were:

PRESENT: William Ryan, Steven Thompson, Donald Schoenwald, Esq, M. Catherine Richardson, Esq., Pamela Hunter

THE FOLLOWING PERSONS WERE ALSO PRESENT: **Staff Present:** Ben Walsh, Judith DeLaney, Debra Ramsey-Burns, John Vavonese, Thomas Babilon, Esq, Susan Katzoff, Esq., Liam Kirst; **Others Present:** Barry Lentz, Aggie Lane, Jim Leana, Gwen Chaffer, Louise Poindexter, Joann Stevens, Rickey Brown, Richard Sykes, Maarten Jacobs; **Media:** Rick Moriarty

The following resolution was offered by Donald Schoenwald and seconded by Steven Thompson:

RESOLUTION AUTHORIZING THE ASSIGNMENT AND ASSUMPTION OF CERTAIN DOCUMENTS AND AUTHORIZING SALE OF PROJECT FACILITY IN ACCORDANCE WITH THE TERMS OF A LEASE AGREEMENT ENTERED BETWEEN THE AGENCY AND THE COMPANY IN FEBRUARY 2012 AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, the City of Syracuse Industrial Development Agency (the "**Agency**") is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "**State**"), as amended, together with Chapter 641 of the Laws of 1979 of the State of New York, as amended from time to time (collectively, the "**Act**") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, the Agency and Inns at Armory Square, LLC, a New York limited liability company having its office at 202 Walton Street, Suite 204, Syracuse, New York 13202 (the "**Company**"), entered into certain documents, including but not limited to a company lease, an agency lease, an environmental compliance and indemnification agreement and a payment in lieu of

tax agreement (and together with all other documents executed by the Company in connection with the Project (as defined herein) collectively the “**Company Documents**”) in conjunction with a project undertaken by the Agency pursuant to prior resolutions (the “**Project**”) consisting of: (A)(i) the acquisition of a leasehold interest in an approximate 1.2 acre parcel of real property located at 300-332 and 334-344 West Fayette Street (the “**Land**”); (ii) the construction of an approximate 140,000 square foot seven story building to house an approximate 180 room hotel and conference center, an open parking lot and parking deck (collectively containing approximately 185 parking spaces) all located on the Land (collectively, the “**Facility**”); (iii) the acquisition and installation thereon of furniture, fixtures and equipment (the “**Equipment**”, together with the Land and the Facility, the “**Project Facility**”); (B) the granting of certain financial assistance in the form of a grant in an amount not to exceed \$500,000 from certain funds allocated to the Agency from the Empire State Development Corporation (the “**Grant**”) as well as exemptions from real property tax, mortgage recording tax, and sales and use taxation (collectively, the “**Financial Assistance**”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, improvement and equipping of the Project Facility; and (D) the lease of the Project Facility by the Agency pursuant to a lease agreement and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, the Company has requested that the Agency consent to the sale of the Project Facility and the assignment and assumption of the of the Company Documents (collectively the “**Assignment**”) to Apple Nine Hospitality Ownership, Inc., (the “**Buyer**”), a Virginia corporation; and

WHEREAS, according to information provided by the Company, the Buyer is solely owned by Apple Hospitality REIT, Inc. (NYSE:APLE) and is a public real estate investment trust that owns one of the largest portfolios of upscale, select service hotels in the United States; and

WHEREAS, as of March 2015, the Buyer’s portfolio consisted of 173 hotels, with over 22,000 guestrooms diversified across several brands including Hilton and Marriott located in 32 states; and

WHEREAS, pursuant to section 9.1 of the lease agreement entered into between the Agency and the Company dated as of February 1, 2012, the Assignment is permitted with the prior written consent of the Agency which consent shall not be unreasonably withheld; and

WHEREAS, the assignment of the Company Documents does not relieve the Company of its obligations under the Company Documents; and

WHEREAS, the Agency has given due consideration to the Company’s request and finds that, based upon the representations of, and information submitted by, the Company that the Buyer is experienced in owning, managing and operating facilities substantially similar to the Project Facility and is financially able to meet the obligations under the Company Documents; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as (“*SEQRA*”), the action proposed herein constitutes a Type II action and is therefore not subject to further review.

NOW, THEREFORE, be it resolved by the members of the City of Syracuse Industrial Development Agency as follows:

(1) Based upon the representations made by the Company to the Agency, the Agency hereby makes the following findings and determinations:

(A) The request to the Assignment is a Type II action under SEQRA and not subject to further review.

(B) The Buyer is experienced in owning, managing and operating facilities substantially similar to the Project Facility and is financially able to meet the obligations under the Company Documents; and

(C) The Agency consents to and authorizes the Assignment to the Buyer pursuant to the terms of this Resolution.

(2) The (Vice) Chairman of the Agency, upon advice of counsel, is hereby authorized and directed to negotiate, execute and deliver, on behalf of the Agency, the necessary documents to effectuate the Assignment, including but not limited to any necessary amendments to the Company Documents, and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution; provided however, that as a condition precedent to the Assignment, the Company and the Buyer shall execute and delivery any and all necessary documents required by the Agency to effectuate the Assignment; and the Company shall pay the Agency’s related fees and costs associated with the Assignment, including but not limited to its legal fees.

(3) No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

(4) The Secretary of the Agency is hereby authorized to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

(5) This Resolution shall take effect immediately, but is subject to execution by the Agency of the necessary documents to effectuate the assignment.

(6) A copy of this Resolution shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

The question of the adoption of the foregoing resolution was duly put to vote on a roll call, which resulted as follows:

	<u>AYE</u>	<u>NAY</u>
William Ryan	X	
Steven Thompson	X	
Donald Schoenwald, Esq.	X	
M. Catherine Richardson, Esq.	X	
Pamela Hunter	X	

The foregoing Approving Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) SS.:
COUNTY OF ONONDAGA)

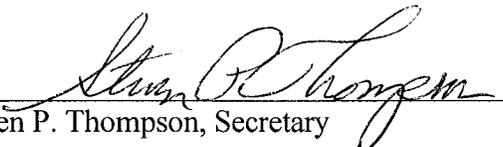
I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the "**Agency**") held on July 21, 2015, with the original thereof on file in my office, and that the same (including all exhibits) is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Agency this 23 day of July, 2015.

City Of Syracuse Industrial Development Agency



Steven P. Thompson, Secretary

(S E A L)