

**APPLICATION  
FOR  
INDUSTRIAL DEVELOPMENT  
REVENUE BOND FINANCING  
AND  
LEASEBACK TRANSACTIONS**

**IMPORTANT NOTICE:** The answers to the questions contained in this Application are necessary to determine your firm's eligibility for financing, tax exemptions and other assistance from the Auburn Industrial Development Authority (the "Authority"). 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 Authority.

**TO: AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY**  
24 South Street  
Memorial City Hall  
Auburn, New York 13021

This application by Applicant respectfully states:

**APPLICANT:** AUBURN COMMUNITY HOTEL, L.P.

**APPLICANT'S ADDRESS:** 250 S. CLINTON ST. SUITE 200 **CITY:** SYRACUSE **STATE:** NY **ZIP:** 13202

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

**APPLICATION:** DAVID MURPHY **TELEPHONE NO:** 315-471-2181x156 **FAX NO:** 315-471 1154

**E-MAIL ADDRESS:** DWMURPHY@PIONEERCOS.COM

**APPLICANT'S ATTORNEY:**

**NAME OF FIRM:** BOND, SCHOENECK & KING

**NAME OF ATTORNEY:** EDWIN J. KELLEY

**ATTORNEY'S**

**ADDRESS:** ONE LINCOLN CENTER

**CITY:** SYRACUSE **STATE:** NY **ZIP:** 13202-1355

**TELEPHONE NO:** 315-218-8123 **FAX NO:** 315-218-8100 **E-MAIL ADDRESS:** EKELLEY@BSK.COM

**APPLICANT'S ACCOUNTANT:**

**NAME OF FIRM:** DIMARCO, ALBIUSI & PASCARELLA

**NAME OF ACCOUNTANT:** SCOTT MARTIN

**ACCOUNTANT'S**

**ADDRESS:** 4 CLINTON SQUARE, SUITE 104

**CITY:** SYRACUSE **STATE:** NY **ZIP:** 13202

**TELEPHONE NO:** 315-475-6954x233 **FAX NO:** 315-475-2937 **E-MAIL ADDRESS:** SMARTIN@DIMARCOCPA.COI

**NOTE:** PLEASE READ THE INSTRUCTIONS ON PAGE 2 HEREOF BEFORE FILLING OUT THE REST OF THIS APPLICATION.

## INSTRUCTIONS

1. The Authority will not approve any application unless, in the judgment of the Authority, said application contains sufficient information upon which to base a decision whether to approve or tentatively approve the project contemplated herein (the "Project").

2. Fill in all blanks, using "none" or "not applicable" or "N/A" where the question is not appropriate to 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 two (2) copies of this application to the Authority at the address indicated on the first page of this application.

6. The Authority will not give final approval to this application until the Authority receives a completed Environmental Assessment Form (EAF) concerning the Project.

7. Please note that Article 6 of the New York Public Officers Law declares that all records in the possession of the Authority (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 Authority all actual costs incurred in connection with this application and the Project (to the extent such expenses are not paid out of the proceeds of the Authority's bonds issued to finance the Project, if applicable). The costs incurred by the Authority, including the Authority's general counsel, bond counsel and/or special counsel, if any, may be considered as a part of the Project and included as a part of the resultant bond issue.

9. The Authority has established an administrative fee to be paid by the Applicant upon successful conclusion of the sale of the bonds or the leaseback transaction, as applicable, said fee being intended to cover the indirect expenses incurred by the Authority in administering the Project. The administrative fee will be the following amount: (a) for bond transactions, 3/4 of 1% of the aggregate principal amount of the bonds issued with respect to the Project, (b) for leaseback transactions, 1% of the Total Project Costs as set forth in Section V(A) of this Application, or (c) such other amount as is agreed to by the Authority on a case-by-case basis. **UNLESS THE AUTHORITY AGREES IN WRITING TO THE CONTRARY, THE ADMINISTRATIVE FEE IS REQUIRED TO BE PAID AT OR PRIOR TO THE ISSUANCE OF THE BONDS OR THE GRANTING OF ANY FINANCIAL ASSISTANCE, AS APPLICABLE.**

10. The Authority has established an application fee of Two Hundred Fifty and 00/100 Dollars (\$250) to cover the anticipated costs of the Authority in processing this application. A check or money order made payable to the Authority must accompany each application. **THIS APPLICATION WILL NOT BE ACCEPTED BY THE AUTHORITY UNLESS ACCOMPANIED BY THE APPLICATION FEE.**

I. **INFORMATION CONCERNING THE PROPOSED OCCUPANT OF THE PROJECT  
(HEREINAFTER REFERRED TO AS THE "COMPANY").**

A. **Identity of Company.**

1. Company Name: AUBURN COMMUNITY HOTEL, L.P.  
Present Address: 250 S. CLINTON ST. SUITE 200  
City: SYRACUSE State: NY Zip: 13202  
Employer's Federal ID No.: 27-1145589 NAICS Code No.: 721110
2. If the Company differs from the Applicant, give details of relationship:  
N/A
3. Indicate the type of business organization of Company:
  - a. ☐ Corporation. If so, incorporated in what country? \_\_\_\_\_; What State? \_\_\_\_\_; Date Incorporated \_\_\_\_\_; Type of Corporation? \_\_\_\_\_; Authorized to do business in New York? ☐ Yes ☐ No; Date so authorized \_\_\_\_\_.
  - b. ☐ Limited Liability Company. If so, State of organization? \_\_\_\_\_; Date Organized \_\_\_\_\_; Authorized to do business in New York? \_\_\_\_\_; Date so authorized \_\_\_\_\_ Number of members \_\_\_\_\_.
  - c. ☒ Partnership. If so, indicate type of partnership LIMITED PARTNERSHIP; Number of general partners 1; Number of limited partners TBD.
  - d. ☐ Sole proprietorship.
  - e. ☐ Other. Please explain \_\_\_\_\_.
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 GENERAL PARTNER IS AFFILIATED WITH THE PIONEER COMPANIES (MICHAEL J. FALCONE).
5. Is the Applicant a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code? ☐ Yes; ☒ No. If yes, please attach the Applicant's Determination Letter from the Internal Revenue Service with respect to such status. Has the Applicant received any notice indicating that its exempt status is under investigation or subject to revocation? ☐ Yes; ☐ No. If yes, please explain and attach relevant correspondence.  
\_\_\_\_\_  
\_\_\_\_\_

B. Management of Company. SEE ATTACHED LIST

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

<i>NAME</i>	<i>HOME ADDRESS</i>	<i>OFFICE HELD</i>	<i>OTHER PRINCIPAL BUSINESS AFFILIATIONS</i>

2. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? ☐ Yes; ☒ No.
3. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation?) ☐ Yes; ☒ No.
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.
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. Is the Company publicly held? ☐ Yes; ☒ No. If yes, please list exchanges where stock of the Company is traded: \_\_\_\_\_
2. If "No", list all stockholders having a 5% or more interest in the Company: SEE ATTACHED

<i>NAME</i>	<i>HOME ADDRESS</i>	<i>PERCENTAGE OF HOLDING</i>

**AUBURN COMMUNITY HOTEL, L.P.**

**AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY**  
**FINANCIAL ASSISTANCE APPLICATION**

**Part I – Section B. 1**

<b>Name</b>	<b>Address</b>	<b>Office Held</b>
Community Hotel, LLC	250 S. Clinton St. Suite 200, Syracuse, NY 13202	General Partner
Community Hotel, LLC is owned as follows:		
Michael J. Falcone	3074 West Lake Road, Skaneateles, NY 13152	Member

**Part I – Section C.2.**

<b>Name</b>	<b>Address</b>	<b>Ownership %</b>
Michael J. Falcone	3074 West Lake Road, Skaneateles, NY 13152	Minimum 10% Maximum 23%

D. Company's principal bank(s): FIRST NIAGARA BANK  
\_\_\_\_\_  
\_\_\_\_\_

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

N/A  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

II. **INFORMATION CONCERNING PERSON(S) TO WHOM THE COMPANY INTENDS TO LEASE OR SUBLEASE THE PROJECT (HEREINAFTER REFERRED TO AS THE "SUBLESSEES")**. Please give the following information with respect to each Lessee or Sublessee to whom the Company intends to lease or sublease more than 10% (by area or fair market rental value) of the Project:

A. Sublessee Name: \_\_\_\_\_

Present

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Employer's Federal ID No.: \_\_\_\_\_ NAICS Code No.: \_\_\_\_\_

Sublessee is: ☐ Corporation; ☐ Limited Liability Company; ☐ 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) detail and (b) the answers to questions III(F)(4) through (6) with respect to each Sublessee.

B. Sublessee Name: \_\_\_\_\_

Present

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Employer's Federal ID No.: \_\_\_\_\_ NAICS Code No.: \_\_\_\_\_

Sublessee is: ☐ Corporation; ☐ Limited Liability Company; ☐ 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) detail and (b) the answers to questions III(F)(4) through (6) with respect to each Sublessee.

C. Sublessee Name: \_\_\_\_\_

Present  
Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Employer's Federal ID No.: \_\_\_\_\_ NAICS Code No.: \_\_\_\_\_

Sublessee is: ☐ Corporation; ☐ Limited Liability Company; ☐ 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) detail and (b) the answers to questions III(F)(4) through (6) with respect to each Sublessee.

III. DATA REGARDING PROPOSED PROJECT.

A. Description of the Project. (Please provide a brief narrative description of the Project.)

DEVELOPMENT OF AN APPROXIMATELY 68,000 S.F., 88 ROOM HILTON GARDEN  
INN WITH A MID-SIZE CONFERENCE CENTER IN THE HEART OF DOWNTOWN  
AUBURN.

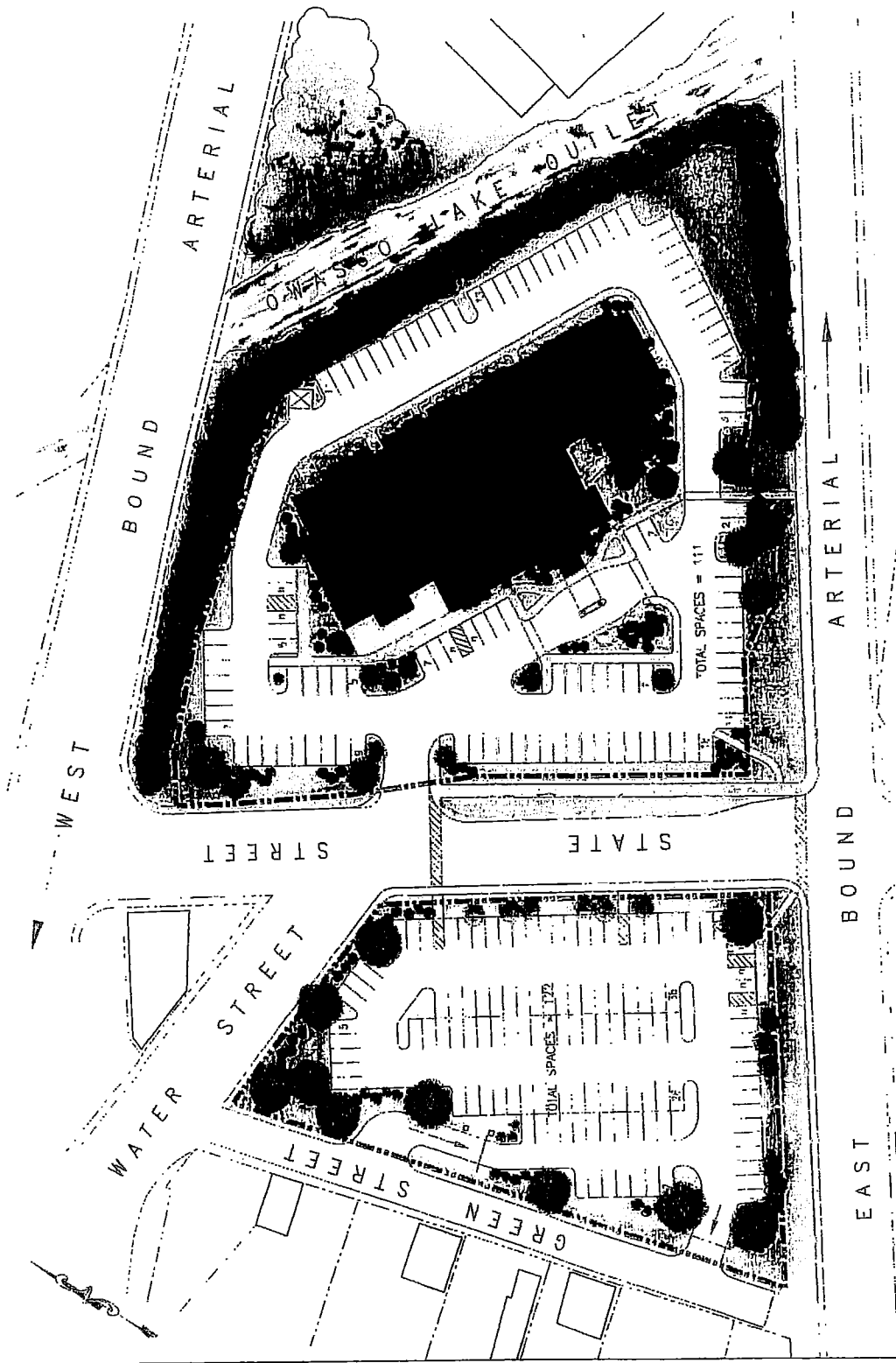
B. Location of the Project.

1. Street Address: EASTERN SIDE OF STATE ST. BOUNDED BY ARTERIAL W. & WATER
2. City: AUBURN
3. Town: N/A
4. Village: N/A
5. School District: AUBURN
6. Fire District: AUBURN
7. County: CAYUGA
8. Property Tax Identification No.: 115.52-1-70, 71, 72.1, 82 AND 84

C. Description of the Project site.

1. Approximate size (in acres or square feet) of the Project site: 2.59 ACRES. Is a map, survey or sketch of the Project site attached? ☒ Yes; ☐ No.
2. Are there existing buildings on the Project site? ☒ Yes; ☐ No.
  - a. If yes, indicate the number of buildings on the site: 3. Also, please briefly identify each existing building and indicate the approximate size (in square feet) of each such existing building:  
SMALL SINGLE STORY RETAIL SHOP (588 SQ.FT)  
VACANT SINGLE STORY LUMBER WAREHOUSE (13,822 SQ.FT)  
THREE STORY COMMERCIAL BUILDING (49,751 SQ.FT)
  - b. Are the existing buildings in operation? ☒ Yes; ☐ No. If yes, describe present use of such buildings: THE LUMBER WAREHOUSE IS CLOSED, THE  
SMALL SINGLE STORY RETAIL IS USED AS A DOG GROOMER AND  
THE THREE STORY BUILDING HOUSES A CHINESE RESTAURANT.
  - c. Are the existing buildings abandoned? ☐ Yes; ☒ No. About to be abandoned? ☐ Yes; ☐ No. If yes, describe: THE VACANT LUMBER WAREHOUSE IS  
PRESENTLY ON THE MARKET FOR SALE. - WE HAVE THE SAME  
UNDER CONTRACT FOR A LIMITED TIME PERIOD.
  - d. Attach photograph of present buildings.
3. Utilities serving the Project site:  
Water-Municipal: CITY OF AUBURN  
Other (describe): -  
Sewer-Municipal: CITY OF AUBURN  
Other (describe): -  
Electric-Utility: NYSEG  
Other (describe): -  
Heat - Utility: NYSEG  
Other (describe): -





PIONEER  
COMPANIES

SITE PLAN

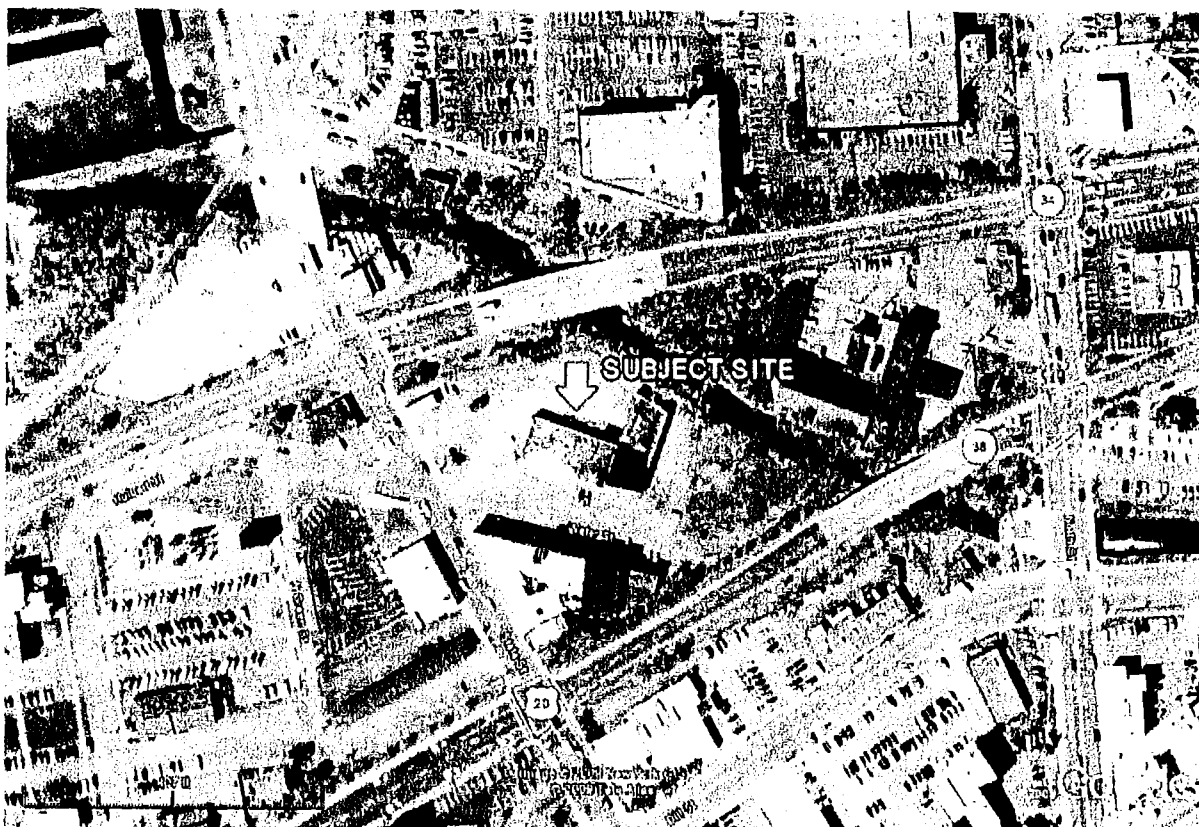
AUBURN HOTEL AND CONFERENCE CENTER

## ***Proposed Hilton Garden Inn and Conference Center***

### **NEIGHBORHOOD ANALYSIS**

The neighborhood surrounding a lodging facility impacts its status, image, class, style of operation, and sometimes its ability to attract and properly serve a particular market segment. The subject site is located in a heavily developed area of downtown Auburn.

**Aerial Photograph:** The image below is an aerial photograph of the subject site.



The next map, generated by Google Earth, illustrates the location of the subject in relation to restaurants, hotels, retail stores and other types of businesses in the immediate area.

4. Present legal owner of the Project site: SEE ATTACHED LISTING
- a. If the Company (or any Sublessee) owns the Project site, indicate date of purchase: \_\_\_\_\_; purchase price: \$ \_\_\_\_\_ N/A
- b. If the Company does not own the Project site, does the Company (or any Sublessee) have an option signed with the owner(s) to purchase the Project site? ☐ Yes; ☒ No. If yes, indicate date option signed with the owner(s): \_\_\_\_\_; date the option expires: \_\_\_\_\_
- c. If the Company (or any Sublessee) does not own the Project site, is there a relationship legally or by common control between the Company (or any Sublessee) and the present owner(s) of the Project site? ☐ Yes; ☒ No. If yes, describe in detail on separate attachment.
5. a. Zoning District in which the Project is located: C-2 CENTRAL COMMERCIAL DISTRICT
- b. Are there any variances or special permits affecting the Project site? ☐ Yes; ☒ No. If yes, list below and attach copies of all such variances or special permits: \_\_\_\_\_
6. Will any portion of the Project be located outside the geographical boundaries of the City of Auburn? ☐ Yes; ☒ No. If yes, what other municipality is the Project partially located in? \_\_\_\_\_. Is the portion of the Project located outside the City of Auburn contiguous with the portion of the Project inside the City of Auburn? ☐ Yes; ☐ No.

D. Description of Proposed Construction.

1. Does part of the Project consist of the acquisition or construction of a new building or buildings? ☒ Yes; ☐ No. If yes, indicate number and size of new buildings: ONE NEW BUILDING CONTAINING APPROXIMATELY 68,000 S.F. WITH 88 ROOMS AND 4-STORIES.
2. Does part of the Project consist of additions and/or renovations to the existing buildings located on the Project site? ☒ Yes; ☐ 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 EXISTING BUILDINGS WILL BE DEMOLISHED.
3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed, renovated or expanded: HOTEL AND CONFERENCE CENTER.

**AUBURN COMMUNITY HOTEL, L.P.**

**AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY**  
**FINANCIAL ASSISTANCE APPLICATION**

**Part III – Section 4**

	Parcel Owner	Parcel Address	Tax Parcel #
1	Douglas E. & Renee S. Ward	78 State Street	115.52-1-72.1
2	T&K Lumber Company Inc	76 State Street	115.52-1-71
3	T&K Lumber Company Inc	41-45 Water Street	115.52-1-82
4	Jing Xi Jiang	72 State Street	115.52-1-70
5	Michael W. Kazanivsky	25-27 Water Street	115.52-1-84
6	City of Auburn	Water Street (closed section)	

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; ☐ No. If yes, describe the Equipment: HOTEL FURNITURE, FIXTURES AND EQUIPMENT.  
\_\_\_\_\_  
\_\_\_\_\_
2. With respect to the Equipment to be acquired, will any of the Equipment be Equipment which has previously been used? ☐ Yes; ☒ No. If yes, please provide detail:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed: TO BE UTILIZED BY THE GUESTS OF THE HOTEL AND CONFERENCE CENTER.  
\_\_\_\_\_  
\_\_\_\_\_

F. Project Use.

1. What are the principal products to be produced at the Project? N/A  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. What are the principal activities to be conducted at the Project? HOTEL AND CONFERENCE CENTER TO BE USED BY BUSINESS AND LEISURE TRAVELERS.  
\_\_\_\_\_  
\_\_\_\_\_
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; ☐ No. If yes, please provide detail: OVERNIGHT ACCOMODATIONS AND BANQUET FACILITIES.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
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. If yes, please explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- b. Is the Project likely to attract a significant number of visitors from outside the counties of Cayuga, Onondaga, Madison, Cortland and Oswego? ☒ Yes; ☐ No. If yes, please explain: WE ANTICIPATE THAT TRAVELERS OUTSIDE OF CAYUGA COUNTY WILL STAY AT THE HOTEL WHEN VISITING AUBURN AND THE FINGER LAKES REGION.
- c. Would the Project occupant, but for the contemplated financial assistance from the Authority, locate the related jobs outside the State of New York? ☐ Yes; ☒ No. If yes, please explain: PROJECT WOULD NOT PROCEED WITHOUT FINANCIAL ASSISTANCE.
- d. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the City of Auburn; because of a lack of reasonably accessible retail trade facilities offering such goods or services? ☒ Yes; ☐ No. If yes, please provide detail: THIS HOTEL WILL FILL A DEMAND FOR CONFERENCE CENTER SPACE, DINING AND OVERNIGHT ACCOMODATIONS.
- e. Will the Project be located in one of the following: (i) the City of New York; (ii) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (iii) 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; ☒ No. If yes, please explain:
6. If the answers to any of subparagraphs 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; ☐ No. If yes, please explain: NEW, PERMANENT JOBS WILL BE CREATED TO STAFF AND RUN THE BUSINESS.
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. If yes, please explain:

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

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

- 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. Project Status.

1. If the Project includes the acquisition of any land or buildings, have any steps been taken toward acquiring same? ☒ Yes; ☐ No. If yes, please discuss in detail the approximate stage of such acquisition: REQUESTING AIDA TO EXERCISE THEIR POWER OF EMINENT DOMAIN.
2. If the Project includes the acquisition of any Equipment, have any steps been taken toward acquiring same? ☐ Yes; ☐ No. If yes, please discuss in detail the approximate stage of such acquisition: N/A
3. If the Project involves the construction or reconstruction of any building or other improvement, has construction work on any such building or improvement begun? ☐ Yes; ☒ No. If yes, please discuss in detail the approximate extent of construction and the extent of completion. Indicate in your answer whether specific steps have been completed, such as site clearance and preparation, completion of foundations, installation of footings, etc.: \_\_\_\_\_
4. Please indicate amount of funds expended on the Project by the Company in the past three (3) years and the purposes of such expenditures: WE HAVE BEEN WORKING ON THE PROJECT IN VARIOUS WAYS SINCE 2008 AND HAVE SPENT APPROXIMATELY \$168K IN LEGAL, DESIGN, THIRD PARTY REPORTS AND PERSONNEL COSTS.

- H. Method of Construction After Authority Approval. If the Authority approves the Project, 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 Authority upon completion. Alternatively, the Applicant can request to be appointed as "agent" of the Authority for purposes of constructing the Project, which request, if approved, will result in the Applicant constructing the Project as "agent" of the Authority, in which case certain laws applicable to public construction will apply to the Project. Does the Applicant anticipate that in the future the Company may wish to request being designated as "agent" of the Authority for purposes of construction of the Project? ☒ Yes; ☐ No.

- IV. **EMPLOYMENT IMPACT.** Indicate below the number of people presently employed at the Project site and the number that will be employed at the Project site at the 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.

TYPE OF EMPLOYMENT				
	PROFESSIONAL, MANAGERIAL OR TECHNICAL	SKILLED	UNSKILLED OR SEMI-SKILLED	TOTALS
Present Full Time	-0-	-0-	-0-	-0-
Present Part Time	-0-	-0-	-0-	-0-
Present Seasonal	-0-	-0-	-0-	-0-
First Year Full Time	7	6	16	29
First Year Part Time	2	2	16	20
First Year Seasonal			TBD	
Second Year Full Time	7	6	16	29
Second Year Part Time	2	2	16	20
Second Year Seasonal			TBD	

V. **PROJECT COST.** ALL ESTIMATES

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

<u>Description of Cost</u>	<u>Amount</u>
Land	\$ 840,000
Buildings/SITEWORK/GENERAL CONDITIONS	\$7,730,881

{H0473877.2}



Machinery and Equipment costs	\$ <u>1,400,000</u>
Utilities, roads and appurtenant costs	\$ <u>-</u>
Architects and engineering fees	\$ <u>256,500</u>
Costs of financing (legal, financial and printing)	\$ <u>180,000</u>
(TITLE)	
Construction loan fees and interest	\$ <u>350,000</u>
Other (specify)	
<u>PRE-OPENING &amp; WORKING CAPITAL</u>	\$ <u>300,000</u>
_____	\$ _____
_____	\$ _____
<b>TOTAL PROJECT COSTS</b>	<b>\$ <u>11,057,381</u> (EST.)</b>

- B. Have any of the above expenditures already been made by the Applicant? ☒ Yes; ☐ No. If yes, indicate particulars: SEE ATTACHED SCHEDULE
- C. Amount of financial assistance requested: SEE ATTACHED SHEET Dollars; Maturity requested: \_\_\_\_\_ Years.
- D. Has the Applicant made any arrangements for the marketing or purchase of the proposed bond issue? ☐ Yes; ☐ No. If yes, please explain: N/A
- E. Does the Applicant intend to designate the bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Internal Revenue Code? ☐ Yes; ☐ No. If yes, please provide name of financial institution and details of transaction: N/A
- F. Will the proceeds of the bonds be used to finance or refund any prior industrial development bond or private activity bond issued by the Authority with respect to the Project? ☐ Yes; ☐ No. If yes, please provide details of prior bond issuance: N/A
- G. Will the proceeds of the bonds be used to finance or refund any existing mortgage, loan or other indebtedness with respect to the Applicant or the Project? ☐ Yes; ☐ No. If yes, please provide details of prior obligations: N/A
- H. Does the Applicant, any affiliate of the Applicant, or any user of the Project, currently have outstanding any bonds, notes or other obligations, the interest on which is, or is claimed to be, exempt from federal taxation under Section 103 of the Internal Revenue Code? ☐ Yes; ☐ No. If yes, please provide details: N/A

AUBURN COMMUNITY HOTEL, L.P.

AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY  
FINANCIAL ASSISTANCE APPLICATION

Part V – Section B.

Funds expended on the project by the Company in the past three (3) years and the purpose of such expenditures:

As of 2/19/10:

Design	5,967
Franchise Fees	17,500
Legal	41,162
Third Party Consultants	22,454
Personnel	71,888
Travel	5,266
Other	<u>3,385</u>
Total	\$167,622

**AUBURN COMMUNITY HOTEL, L.P.**

**AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY**  
**FINANCIAL ASSISTANCE APPLICATION**

**Part V – Section C.**

**Assistance Requested**

The Applicant is requesting the following incentives from the Auburn Industrial Development Agency:

- A. 25 Year fixed Payment in Lieu of Taxes Agreement ("PILOT") based on current assessed value of subject parcels.
- B. Requesting Agency to utilize its powers of eminent domain to secure the subject parcels for the benefit of the Applicant. Applicant agrees to pay for the cost of acquiring the subject land.
- C. Applicant is applying for other standard IDA benefits including sales tax exemption, mortgage tax exemption etc.

In return for the above mentioned benefits, Applicant is prepared to pay the Auburn Industrial Development Agency a \$55,000 fee which equates to the mortgage tax that the Applicant would have paid if the project wasn't deemed an "IDA" project.

VI. FINANCIAL ASSISTANCE EXPECTED FROM THE AUTHORITY.

- A. Is the Applicant requesting any real property tax exemption in connection with the Project that would not be available to a project that did not involve the Authority? ☒ Yes; ☐ No. If yes, is the real property tax exemption being sought consistent with the Authority's Uniform Tax Exemption Policy? ☒ Yes; ☐ No. REQUESTING 25-YEAR PILOT AT FIXED CURRENT ASSESSMENT.
- B. Is the Applicant expecting the financing of the Project to be secured by one or more mortgages? ☐ Yes; ☒ No. If yes, what is the approximate amount of financing to be secured by the mortgage(s)? \$ APPROXIMATELY \$5.5 MILLION
- C. Is the Applicant expecting to be appointed agent of the Authority for purposes of avoiding payment of New York State Sales Tax and Compensating Use Taxes? ☐ Yes; ☐ No. If yes, what is the approximate amount of purchases which the Applicant expects to be exempt from the New York State Sales and Compensating Use Taxes? \$ 4.2M (EST.)
- D. 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 each exemption.
- |    |  |                                     |
|----|--|-------------------------------------|
| 1. | N.Y.S. Sales and Compensating Use Taxes: | \$ <u>336,000 (EST.)</u>            |
| 2. | Mortgage Recording Taxes:                | \$ <u>55,000</u>                    |
| 3. | Real Property Tax Exemptions:            | \$ <u>MAINTAINING</u> CURRENT TAXES |
| 4. | Other (please specify):                  | \$ _____                            |
|    |  | \$ _____                            |
- E. Are any of the tax exemptions being sought in connection with the Project inconsistent with the Authority's Uniform Tax Exemption Policy? ☐ Yes; ☒ No. If yes, please explain how the request of the Applicant differs from the Authority's Uniform Tax Exemption Policy: \_\_\_\_\_

VII. OTHER GOVERNMENTAL INVOLVEMENT.

- A. Has the Applicant contacted any other governmental agency with regard to the Project? ☒ Yes; ☐ No. If yes, indicate the agency and the nature of the inquiry: NYS DORMITORY AUTHORITY FOR A \$1 MILLION NEW YORK ECONOMIC DEVELOPMENT CAPITAL ASSISTANCE ("NYEDCP") GRANT.
- B. Does the Applicant have any agreement to subsequently contract with a municipality for the lease or purchase of all or part of the Project? ☐ Yes; ☒ No. If yes, please explain: \_\_\_\_\_

VIII. FINANCIAL INFORMATION: (Please attach the following to the Application):

- A. Certified or reviewed Financial Statements of the Applicant (and of any expected guarantor of the bond issue) for the last three fiscal years. N/A - NEW ENTITY
- B. Pro forma balance sheet as of the start of operations at the Project site.
- C. Projected profit and loss statements for the first two years of operation at the Project site.
- D. Projected quarterly cash flow statement for the Project for the first year of operation at the Project site.

IX. **HOLD HARMLESS AGREEMENT.** Applicant hereby releases the Authority and the members, officers, servants, agents (other than the Company) and employees thereof from, agrees that the Authority shall not be liable for and agrees to indemnify, defend and hold the Authority harmless from and against any and all liability arising from or expense incurred by the Authority with respect to (i) the Authority's examination and processing of, and action pursuant to or upon, the attached application, regardless of whether or not the application or the Project, the issue of bonds requested therein, or the tax exemptions and other assistance requested therein are favorably acted upon by the Authority, (ii) the Authority's acquisition, construction and/or installation of the Project described therein, (iii) the issue of bonds requested therein or the Project described therein, and (iv) any further action taken by the Authority with respect to the Project; including, without limiting the generality of the foregoing, all causes of action and attorney's 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 Authority or the Applicant are unable to reach final agreement with respect to the Project or to find buyers willing to purchase the total bond issue requested, then, and in that event, upon presentation of an invoice itemizing the same, Applicant shall pay to the Authority, its agents or assigns, all actual costs incurred by the Authority in the processing of the application, including attorney's fees, if any.

X. **VERIFICATION.** The undersigned deposes and says that he/she is the General Partner of the Applicant; (Title)  
that he/she 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/her knowledge. The undersigned further says that the reason this verification is made by the undersigned and not by the Applicant is because the Applicant is an entity. The grounds of the undersigned's belief relative to all matters in this application which are not stated upon his/her own personal knowledge are investigations which the undersigned has caused to be made concerning the subject matter of this application as well as information acquired by the undersigned in the course of his/her duties as an officer of and from the books and papers of the Applicant.

IN WITNESS WHEREOF, the Applicant has duly executed this application this 25 day of February, 2010.

AUBURN COMMUNITY HOTEL, L.P.  
(Applicant) BY: COMMUNITY HOTEL, LLC ITS GENERAL PARTNER  
By: Michael J. Falouts  
Name: MICHAEL J. FALOUTS  
Its: MANAGING MEMBER

Sworn to before me this

25 day of Feb, 2010

Virginia G. Biesiada  
Notary Public

VIRGINIA G. BIESIADA  
Notary Public in the State of New York  
Qualified in Onondaga Co.  
No. 34-4512678  
My Commission Expires March 30, 2013

11/30/2013



PIONEER  
C O M P A N I E S



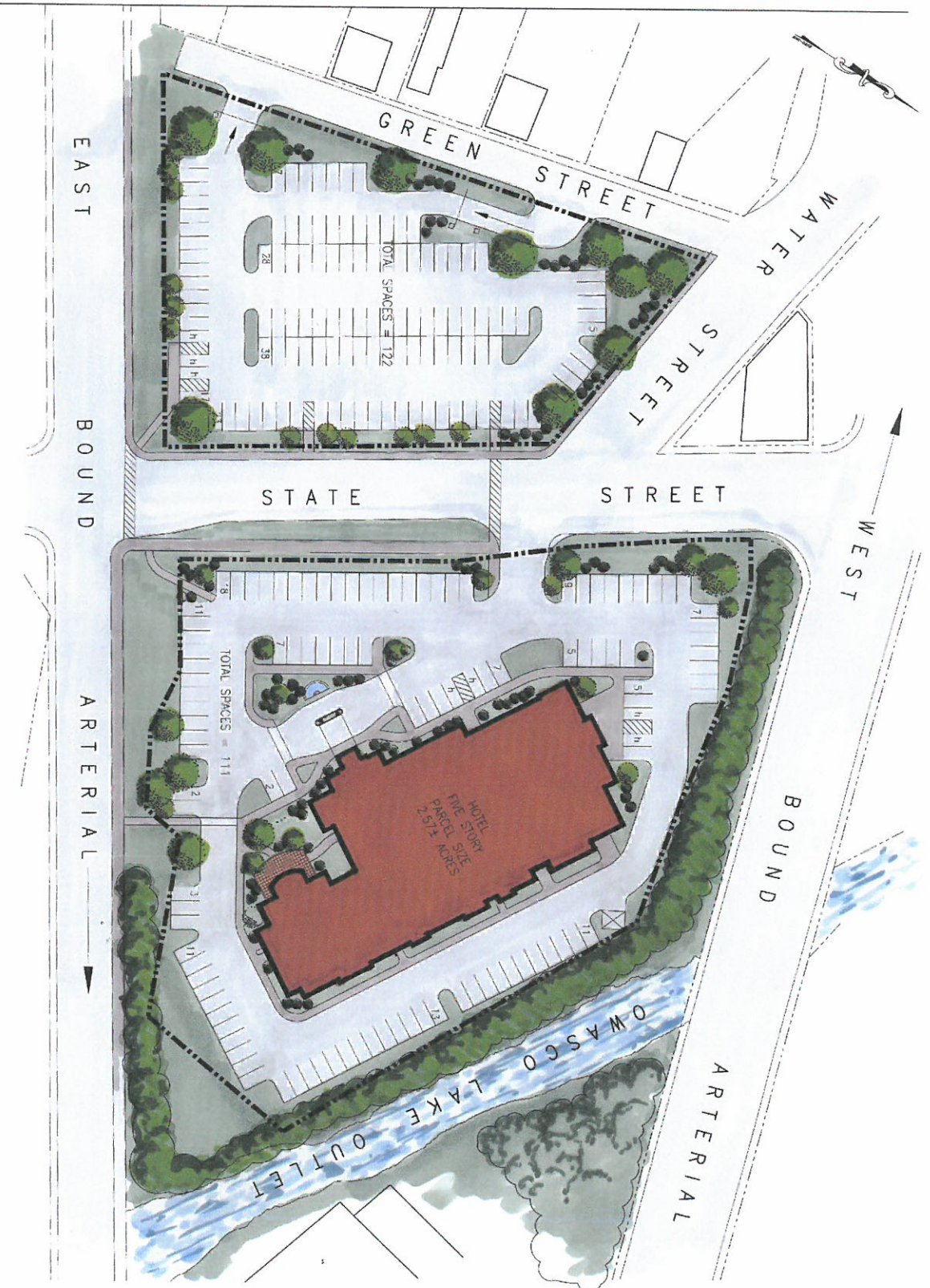
AUBURN HOTEL AND CONFERENCE CENTER

CONCEPTUAL FRONT ELEVATION





PIONEER  
COMPANIES

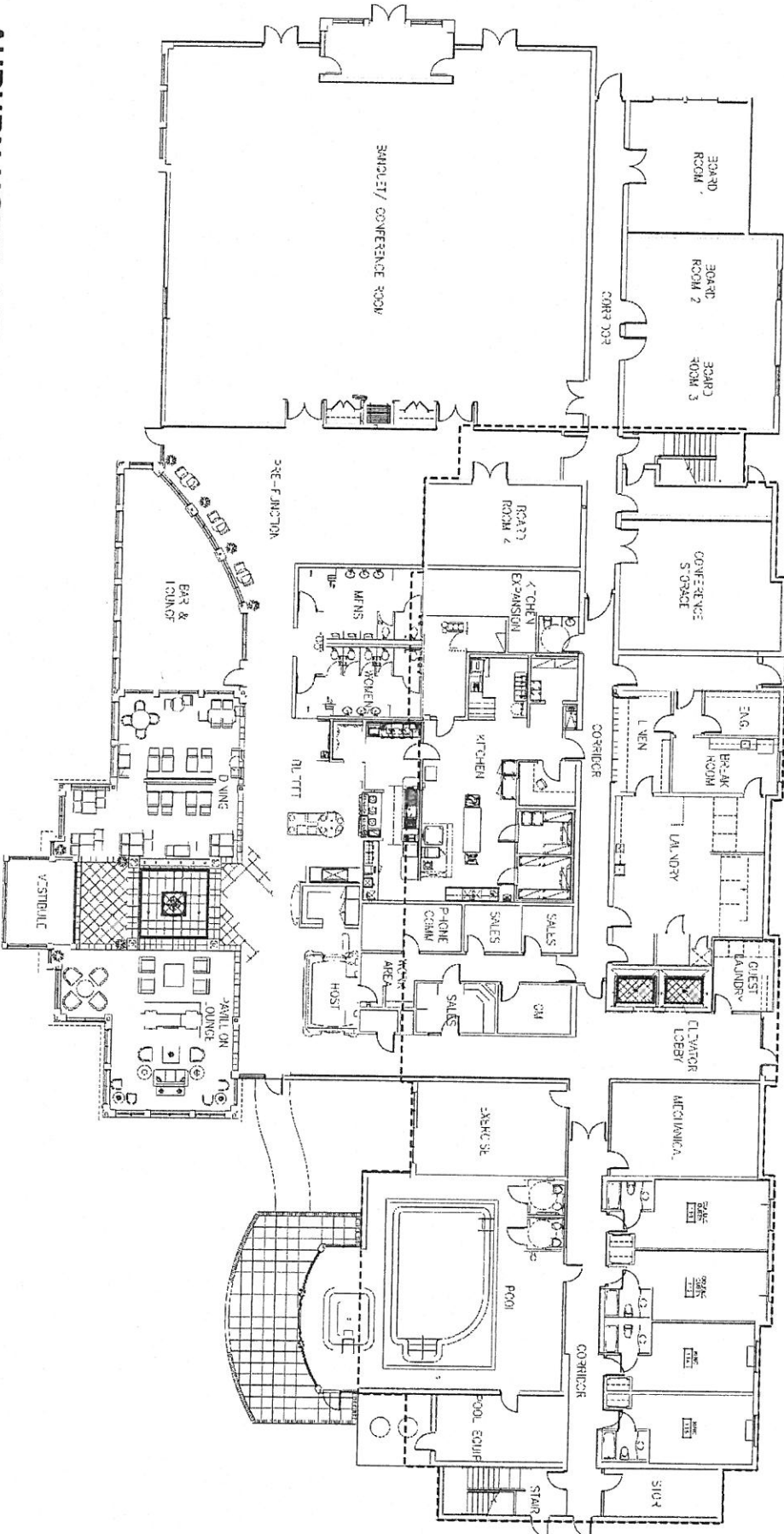


AUBURN HOTEL AND CONFERENCE CENTER

SITE PLAN



PIONEER  
COMPANIES



AUBURN HOTEL AND CONFERENCE CENTER

CONCEPTUAL FIRST FLOOR PLAN





PIONEER  
COMPANIES

AUBURN HOTEL AND CONFERENCE CENTER

CONCEPTUAL SECOND FLOOR PLAN

