

RESOLUTION OF THE COUNTY OF OTSEGO INDUSTRIAL
DEVELOPMENT AGENCY TAKING OFFICIAL ACTION
APPOINTING ELIZABETH HOTELS, INC AS AGENT OF THE
AGENCY FOR THE PURPOSE OF ACQUIRING, CON-
STRUCTING, EQUIPPING, REPAIRING AND MAINTAINING
THE FACILITY, AUTHORIZING THE EXECUTION AND
DELIVERY OF AN INDUCEMENT AGREEMENT AND MAKING
CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT
TO THE FACILITY

WHEREAS, the County of Otsego 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, and Chapter 252 of the Laws of 1973 of the State (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 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

WHEREAS, Elizabeth Hotels, Inc., a New York corporation (the "Company"), on behalf of itself and lessees has presented an application, verified by an officer of the Company on October 25, 1991 (the "Application"), to the Agency, a copy of which was presented at this meeting, requesting that the Agency consider undertaking (i) to acquire, construct and equip the below described facility (the "Facility") or to cause the Facility to be acquired, constructed and equipped; and (ii) to sell or lease with an obligation to purchase the Facility to the Company, all of the foregoing to constitute the Project (the "Project"); and

WHEREAS, the Facility consists or will consist of (i) an approximately 3 acre parcel of land located at the commonly referred to Main Development Area in the City of Oneonta, Otsego County, New York and, (ii) an approximately 100,000 sq. ft., 100 to 126 room building which is to be used as a Quality Inn Hotel complete with restaurants, lounges, health spa and conference and meeting rooms (the "Facility"); and

WHEREAS, the Agency via correspondence dated January 3, 1991 to it's Chairman, Richard G. Schlee, from the City of Oneonta's Mayor David W. Brenner, has been requested and encouraged to provide assistance and incentives necessary to make the project feasible to the Company; and

WHEREAS, the Company has received commitments from Wilber National Bank (the "Bank") and the City of Oneonta (the "City") to provide financing for the Facility;

NOW THEREFORE, BE IT RESOLVED by the County of Otsego Industrial Development Agency that:

Section 1. By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act.

Section 2. The Project constitutes a "project" as such term is defined in the Act.

Section 3. The City of Oneonta, New York has determined that the construction of the Facility and the Operations conducted therein will not have a significant effect on the environment, as determined in accordance with Article 8 of the Environmental Conservation Law of the State of New York and the regulations promulgated thereunder.

Section 4. The Agency hereby determines that acquisition, construction, equipping, repair and maintenance of the Facility and the proposed Project involving the Agency and the Company will promote job opportunities, health, general prosperity and improve the economic welfare of the inhabitants of Otsego County and the people of the State of New York and improve their standard of living, thereby serving the public purposes of the Act.

Section 5. The Project involving the Agency and the Company is reasonably necessary to induce the Company to undertake start-up and operation of the Facility.

Section 6. The form and substance of a proposed initial agreement (in substantially the form present at this meeting) by and between the Agency and the Company with respect to the development, maintenance and operation of the Facility (the "Agreement") is hereby approved. The Chairman of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agreement, with such changes in terms and conditions as the Chairman shall approve. The execution hereof by the Chairman shall constitute conclusive evidence of such approval.

Section 7. Subject to the terms and conditions set forth in the Agreement, the Agency shall (i) acquire title to the Land, (ii) acquire title to, and construct and equip the Facility, and (iii) sell or lease with an obligation to purchase the Facility to the Company.

Section 8. The Company is hereby appointed the true and lawful agent of the Agency to acquire, construct and equip the Facility, and such appointment includes the following activities as they relate to the construction, erection, completion, repair and maintenance of the Building and the purchase, lease, placement, installation, repair, maintenance and replacement of the Equipment, whether or not any materials or supplies described below are incorporated into or become an integral part of the Building or the Equipment: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with acquiring, construction, equipping, repairing and maintaining the Facility, (ii) all purchase, rentals, uses or consumption of supplies, materials and services of every kind and description in connection with acquiring, constructing, equipping, repairing and maintaining the Facility, and (iii) all purchases, leases, rentals and uses of equipment, machinery, and other tangible personal property (including installation costs with respect thereto), installed or placed in, upon or under the Building, Land or the Equipment, including all repairs, maintenance and replacement of all such property. Said agent is authorized to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agency for the Agency, and in general to do all things which may be requisite or proper for completing the Facility, all with the same powers and

with the validity as the Agency could do if acting on its own behalf. As agent of the Agency, the Company is authorized to delegate such agency, in whole or in part, to agents, subagents, contractors, subcontractors, contractors and subcontractors of such agents and subagents and to such other parties as the Company chooses.

Section 9. The Company is required to negotiate Payment-In-Lieu of Tax Agreements with all applicable real property taxing authorities and /or municipalities, said Agreements to be ratified by resolution of the taxing authorities and/or municipalities and in place prior to adoption of a final resolution of the Agency, authorizing the execution and delivery of applicable documents in connection with this transaction

Section 10. Counsel to the Agency is authorized and expected to work with Counsel for the Company, to prepare for submission to the Agency, all documents necessary to effect the transactions described in the foregoing resolution.

Section 11. The Chairman of the Agency is hereby authorized and directed (i) to distribute copies of this resolution to the Company and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 12. This resolution shall take effect immediately.

THE QUESTION OF THE ADOPTION OF THE FOREGOING RESOLUTION WAS DULY PUT TO A VOTE ON ROLL CALL, WHICH RESULTED AS FOLLOWS:

NAME OF AGENCY MEMBER	VOTING
Peter Axhoj	AYE
Joseph Bernier	AYE
Walter Brooks	AYE
David G. Dokuchitz	AYE
Stephen C. Gruver	AYE
Warren C Kinney	AYE
Richard G. Schlee	AYE
David B. Wightman	NAYE
Virgil E. Zininger	AYE

THE FOREGOING RESOLUTION WAS THEREUPON DULY ADOPTED

DATED: November 7, 1991