040522

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

X	Resolution or Ordinance (Blue) ___ *Waiver of First Requested*
	Recommendations of Boards, Commissions & Committees (Green)
	Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: William T. Lichter, Village Manager

DATE: October 13, 2004 (COW)(B of T) October 21, 2004

TITLE: Resolution Approving a Tax Rebate Agreement and a Letter of Credit Agreement in Regard to the Development of a Convention Hall and Hotel in the Village of Lombard, DuPage County, Illinois

SUBMITTED BY: Leonard J. Flood, Director of Finance

BACKGROUND/POLICY IMPLICATIONS:

On July 29, 2004, the Village Board passed Resolution 31-05 approving a Tax Rebate Agreement and a Letter of Credit Agreement for the Convention Center Project.

The Tax Rebate Agreement has been updated to reflect the Village's commitment of Hotel/Motel Tax funds as underlying support for the Series A Bonds [Section V (E)] for a limited period as reflected in the financial proforma attached as Exhibit C.

The Letter of Credit Agreement reflects the increase in the amount of the LOC that is provided by the developer from $1,500,000 to $2,000,000 [Paragraph 1].

Approval of this resolution will also repeal Resolution 31-05.

Review (as necessary):
Village Attorney X ______________________ Date __________
Finance Director X Leonard J Flood Date 10/13/04
Village Manager X William T. Lichter Date 10/14/04

RESOLUTION NO. ______________

A RESOLUTION APPROVING A TAX REBATE AGREEMENT AND A LETTER OF CREDIT AGREEMENT IN REGARD TO THE DEVELOPMENT OF A CONVENTION HALL AND HOTEL IN THE VILLAGE OF LOMBARD, DUPAGE COUNTY, ILLINOIS

BE IT RESOLVED by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, as follows:

SECTION 1: The President and Board of Trustees of the Village of Lombard, DuPage County, Illinois (hereinafter referred to as the "VILLAGE") hereby find as follows:

A. The VILLAGE is an Illinois municipality pursuant to Section 7 of Article VII of the Constitution of the State of Illinois of 1970.

B. The Lombard Public Facilities Corporation (hereinafter referred to as the "LPFC") is an Illinois not-for-profit corporation formed by the VILLAGE.

C. Within the corporate limits of the VILLAGE, is an approximately 6.69 acre parcel of real estate generally located at the Northeast corner of the Yorktown Shopping Center and legally described in EXHIBIT A (hereinafter referred to as the "SUBJECT PROPERTY") attached to the "Tax Rebate Agreement Between the Lombard Public Facilities Corporation and the Village of Lombard, DuPage County, Illinois, in Regard to the Development of a Convention Hall and Hotel in the Village of Lombard" attached hereto as EXHIBIT 1 and made a part hereof (the "Tax Rebate Agreement").

D. The LPFC, in the very near future, will be the fee simple owner of the SUBJECT PROPERTY.

E. The VILLAGE has long desired to encourage the development of a hotel and convention hall with associated banquet facilities, restaurants and other facilities (the "Hotel and Convention Hall") as a means of promoting tourism and other business activity within the VILLAGE.

F. The VILLAGE has determined that the optimal financial structure for the financing of a Hotel and Convention Hall development will include, among other things, the issuance of tax exempt revenue bonds through the LPFC, coupled with the rebate by the VILLAGE of all hotel/motel taxes, all retailers' occupation taxes, all service occupation taxes and all places of eating taxes generated by the Hotel and Convention Hall or the operation thereof as security for a portion of said bonds.

G. The LPFC has indicated its desire to issue exempt revenue bonds (the "Bond Financing"), develop a Hotel and Convention Hall on the SUBJECT PROPERTY (collectively the "Project"), all as described in EXHIBIT B attached to EXHIBIT 1 hereto (the "Project Description"), and otherwise construct the Project in accordance with VILLAGE Ordinance Nos. 5396 and 5397, adopted on November 20, 2003.

H. In regard to the aforementioned rebate of taxes to the LPFC for the Project, Harp Lombard, LLC, an Illinois limited liability company, (hereinafter referred to as "HARP") has agreed to provide the VILLAGE with a letter of credit backing, in the form of the "Letter of Credit Agreement" attached hereto as EXHIBIT 2 and made part hereof, in further satisfaction of HARP'S obligations to the VILLAGE as more fully set forth in the agreement between HARP and the VILLAGE dated December 1, 2003, and approved pursuant to Resolution No. R-64-04, adopted November 20, 2003.

I. In connection with the Project, the VILLAGE and the LPFC, with the assistance of consultants and advisors, have prepared a proforma showing the sources and uses of funds and a projected cash flow summary through the year 2035 for the Project (the "Project Proforma") and a project budget estimating and itemizing costs and expenses relating to the Project (the "Project Budget"), copies of which Project Proforma and Project Budget are attached to EXHIBIT 1 hereto as EXHIBIT C and EXHIBIT D, respectively.

J. The Bond Financing requires the LPFC to issue senior lien tax exempt revenue bonds and subordinate lien tax exempt revenue bonds in a sufficient amount to provide funds to construct the Hotel and Convention Hall, establish various reserves and pay the costs of issuance and otherwise complete the Project, all as generally described in the Project Description.

K. In regard to the SUBJECT PROPERTY, the VILLAGE has determined as follows:

1. The SUBJECT PROPERTY is vacant and has remained vacant for at least one (1) year;

2. The Project is expected to create job opportunities within the VILLAGE;

3. The Project will serve to further the development of adjacent areas;

4. Without the Tax Rebate Agreement, the Project would not be possible;

5. The operator of the Hotel and Convention Hall, as selected by the LPFC to operate the Hotel and Convention Hall on behalf of the LPFC, meets/will meet the criteria set forth in 65 ILCS 5/8-11-20(6)(A) and/or (B);

6. The Project will strengthen the commercial sector of the VILLAGE;

7. The Project will strengthen the tax base of the VILLAGE; and

8. The rebate of hotel/motel taxes, as provided for by 65 ILCS 5/8-3-14 and Sections 98.60 through 98.63 of the Lombard Village Code, will promote overnight stays within the VILLAGE at the hotel portion of the Project.

L. Article VII, Section 10 of the Illinois Constitution of 1970 authorizes municipalities to contract and otherwise associate with individuals, associations and corporations in any manner not prohibited by law or ordinance.

M. The VILLAGE is authorized to proceed with the Project pursuant to the Illinois Compiled Statutes, 65 ILCS 5/11-65-1, et. seq., in that the VILLAGE will become the owner of the Hotel and Convention Hall upon the repayment of all the bonds issued by the LPFC.

N. As the VILLAGE will become the owner of the Hotel and Convention Hall upon the repayment of all the bonds issued by the LPFC, the VILLAGE will benefit from the tax rebates referenced in subsection F above.

O. It is anticipated that the Project will generate increased hotel/motel tax revenues, places of eating tax revenues, retail occupation tax revenues and service occupation and tax revenues for the VILLAGE.

P. It is anticipated that the Project will generate increased employment opportunities for residents of the VILLAGE.

Q. Construction of the Project would not be economically feasible for the LPFC without the VILLAGE'S economic assistance.

R. The VILLAGE is desirous of having the SUBJECT PROPERTY rehabilitated, developed and redeveloped in order to serve the needs of the VILLAGE, increase employment opportunities, stimulate commercial growth and stabilize the tax base of the VILLAGE and in furtherance thereof, the VILLAGE is willing to undertake certain incentives, under the terms and conditions set forth in EXHIBIT 1 and subject to EXHIBIT 2, to assist the LPFC.

S. The President and Board of Trustees of the VILLAGE have determined that it is in the best interests of the VILLAGE to approve the agreements attached hereto as EXHIBIT 1 and EXHIBIT 2 and pursue the development of the Project.

SECTION 2: That based on Section 1 above, the President and Board of Trustees hereby approve the "Tax Rebate Agreement Between the Lombard Public Facilities Corporation and the Village of Lombard, DuPage County, Illinois, in Regard to the Development of a Convention Hall and Hotel in the Village of Lombard" attached hereto as EXHIBIT 1, and hereby authorize and direct the Village President and Deputy Village Clerk to execute same, on behalf of the

VILLAGE, as well execute any and all additional documents necessary to carry out the terms and provisions of said EXHIBIT 1.

SECTION 3: That based on Section 1 above, the President and Board of Trustees hereby approve the "Letter of Credit Agreement" attached hereto as EXHIBIT 2, and hereby authorize and direct the Village President and Deputy Village Clerk to execute same, on behalf of the VILLAGE, as well execute any and all additional documents necessary to carry out the terms and provisions of said EXHIBIT 2.

SECTION 4: That Resolution No. 31-05, adopted July 29, 2004, entitled, "A Resolution Approving a Tax Rebate Agreement and Letter of Credit Agreement in Regard to the Development of a Convention Hall and Hotel in the Village of Lombard, DuPage County, Illinois," is hereby repealed.

ADOPTED this 21st day of October, 2004, pursuant to a roll call vote as follows:

AYES: ______________________________

NAYS: ______________________________

ABSENT: ______________________________

APPROVED by me this 21st day of October, 2004.

____
William J. Mueller
Village President

ATTEST:

____
Barbara A. Johnson
Deputy Village Clerk

TAX REBATE AGREEMENT BETWEEN THE LOMBARD PUBLIC FACILITIES CORPORATION AND THE VILLAGE OF LOMBARD, DUPAGE COUNTY, ILLINOIS, IN REGARD TO THE DEVELOPMENT OF A CONVENTION HALL AND HOTEL IN THE VILLAGE OF LOMBARD

THIS TAX REBATE AGREEMENT (hereinafter referred to as the "Agreement") is between the VILLAGE OF LOMBARD, DuPage County, Illinois, an Illinois municipal corporation (hereinafter referred to as the "VILLAGE"), and the LOMBARD PUBLIC FACILITIES CORPORATION, an Illinois not-for-profit corporation (hereinafter referred to as the "LPFC"), and is dated this 21st day of October, 2004.

WITNESSETH

IN CONSIDERATION of the Preliminary Statements, the mutual covenants herein contained, and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties hereto agree as follows:

I. PRELIMINARY STATEMENTS

Among the matters of mutual inducement which have resulted in this Agreement are the following:

A. The VILLAGE is an Illinois municipality pursuant to Section 7 of Article VII of the Constitution of the State of Illinois of 1970.

B. Within the corporate limits of the VILLAGE, is an approximately 6.69 acre parcel of real estate generally located at the Northeast corner of the Yorktown Shopping Center and legally described in EXHIBIT A attached hereto and made a part hereof (hereinafter referred to as the "SUBJECT PROPERTY").

C. The LPFC is, or in the very near future will be, the fee simple owner of the SUBJECT PROPERTY.

D. The VILLAGE has long desired to encourage the development of a hotel and convention hall with associated banquet facilities, restaurants and other facilities (the "Hotel and Convention Hall") as a means of promoting tourism and other business activity within the VILLAGE.

E. The VILLAGE has determined that the optimal financial structure for the financing of a Hotel and Convention Hall development will include, among other things, the issuance of tax exempt revenue bonds through the LPFC, coupled with the rebate by the VILLAGE of all hotel/motel taxes, all retailers' occupation taxes, all service occupation taxes and all places of eating taxes generated by the Hotel and Convention Hall or the operation thereof, along with the provision of additional reserve funds, as security for a portion of said bonds.

F. The LPFC has indicated its desire to issue tax exempt revenue bonds (the "Bond Financing") and develop a Hotel and Convention Hall on the SUBJECT PROPERTY (collectively the "Project"), all as described in EXHIBIT B attached hereto and made part hereof (the "Project Description").

G. In connection with the Project, the VILLAGE and the LPFC, with the assistance of consultants and advisors, have prepared a proforma showing the sources and uses of funds and a projected cash flow summary through the year 2035 for the Project (the "Project Proforma") and a project budget estimating and itemizing costs and expenses relating to the Project (the "Project Budget"), preliminary copies of which Project Proforma and Project Budget are attached hereto as EXHIBIT C and EXHIBIT D, respectively, and made part hereof, with final copies of said Project Proforma and Project Budget to be substituted for EXHIBIT C and EXHIBIT D, respectively, upon the final pricing of the Bond Financing.

H. The Bond Financing requires the LPFC to issue senior lien tax exempt revenue bonds and subordinate lien tax exempt revenue bonds in a sufficient amount to provide funds to construct the Hotel and Convention Hall, establish various reserves and pay the costs of issuance and otherwise complete the Project, all as generally described in the Project Description.

I. In regard to the SUBJECT PROPERTY, the VILLAGE has determined as follows:

1. The SUBJECT PROPERTY is vacant and has remained vacant for at least one (1) year;

2. The Project is expected to create job opportunities within the VILLAGE;

3. The Project will serve to further the development of adjacent areas;

4. Without this Agreement, the Project would not be possible;

5. The operator of the Hotel and Convention Hall, as selected by the LPFC to operate the Hotel and Convention Hall on behalf of the LPFC, meets/will meet the criteria set forth in 65 ILCS 5/8-11-20(6)(A) and/or (B);

6. The Project will strengthen the commercial sector of the VILLAGE;

7. The Project will strengthen the tax base of the VILLAGE; and

8. The rebate of hotel/motel taxes, as provided for by 65 ILCS 5/8-3-14 and Sections 98.60 through 98.63 of the Lombard Village Code, will promote overnight stays within the VILLAGE at the hotel portion of the Project, and will promote conventions within the VILLAGE at the convention hall portion of the Project.

J. Article VII, Section 10 of the Illinois Constitution of 1970 authorizes municipalities to contract and otherwise associate with individuals, associations and corporations in any manner not prohibited by law or ordinance.

K. The VILLAGE is authorized to proceed with the Project pursuant to the Illinois Compiled Statutes, 65 ILCS 5/11-65-1, et. seq., in that the VILLAGE will become the owner of the Hotel and Convention Hall upon the repayment of all the bonds issued by the LPFC.

L. As the VILLAGE will become the owner of the Hotel and Convention Hall upon the repayment of all the bonds issued by the LPFC, the VILLAGE will benefit from the tax rebates referenced in subsection I.E. above.

M. It is anticipated that the Project will generate increased hotel/motel tax revenues, places of eating tax revenues, retail occupation tax revenues and service occupation tax revenues for the VILLAGE.

N. It is anticipated that the Project will generate increased employment opportunities for residents of the VILLAGE.

O. Construction of the Project would not be economically feasible for the LPFC without the VILLAGE'S economic assistance.

P. The VILLAGE is desirous of having the SUBJECT PROPERTY rehabilitated, developed and redeveloped in order to serve the needs of the VILLAGE, increase employment opportunities, stimulate commercial growth and stabilize the tax base of the VILLAGE and in furtherance thereof, the VILLAGE is willing to undertake certain incentives, under the terms and conditions hereinafter set forth, to assist the LPFC.

Q. The President and Board of Trustees of the VILLAGE have determined that it is in the best interests of the VILLAGE to enter into this Agreement and pursue the development of the Project.

II. CONDITIONS PRECEDENT TO THE UNDERTAKINGS ON THE PART OF THE VILLAGE

This Agreement is contingent upon the occurrence of the following within sixty, (60) days of the effective date of this Agreement (said term being defined below in Section VII.M.), subject to any extensions of such time period as may be agreed to between the parties:

A. The LPFC proceeding with the Bond Financing;

B. The LPFC becoming the fee simple owner of the SUBJECT PROPERTY;

C. The LPFC entering into the following agreements relative to the Project:

1. A master development agreement with Harp Lombard, LLC, d.b.a Harp Mid-America, L.L.C., an Illinois limited liability company (hereinafter referred to as "HARP");

2. An asset management agreement with HARP;

3. Pre-opening, technical services and management/operator agreements with a hotel company;

4. One (1) or more restaurant management agreement(s).

D. All obligations of HARP, as provided for in the agreement between HARP and the VILLAGE dated December 1, 2003 (the "Harp/Lombard Agreement") being satisfied by HARP; said Harp/Lombard Agreement being incorporated herein by reference.

E. The LPFC entering into a construction monitor agreement and hotel consultant agreement, relative to the Project, with a construction monitor and hotel consultant, respectively.

F. In the event that the hotel consultant referenced in subsection E above cannot also provide restaurant and insurance consulting services relative to the Project, the LPFC entering into a restaurant consultant agreement and/or insurance consultant agreement, relative to the Project, with a restaurant consultant and/or insurance consultant.

III. UNDERTAKINGS ON THE PART OF THE VILLAGE

Upon complete satisfaction of all conditions itemized in Section II above, the VILLAGE shall undertake the following:

A. The VILLAGE will expeditiously issue such approvals, consents, permits, licenses and authorizations as the LPFC may require to cause the construction of the Project, or any portion thereof, provided the Project complies with the applicable VILLAGE codes and ordinances.

B. The VILLAGE shall approve or reject, in writing, any construction plans submitted within ninety (90) days after submittal by the LPFC to the VILLAGE. Immediately upon approval of any construction plans, the VILLAGE shall issue a building permit for the work covered by said construction plans. If the VILLAGE rejects the construction plans, said rejection shall specify any and all deficiencies in the construction plans based on applicable VILLAGE codes and ordinances. Following receipt of the rejection, the LPFC shall submit new or corrected construction plans within thirty (30) days after the date the LPFC receives written notice of the VILLAGE'S rejection of the construction plans referred to in the latest such notice. The provisions of this subsection relating to such approval, rejection and resubmittal of the construction plans shall continue to apply to resubmittal of corrected construction plans until the construction plans have been approved by the VILLAGE and a building permit for the work covered by said construction plans is issued. Said approval shall not be unreasonably withheld or delayed by the VILLAGE. The LPFC agrees that all construction work by the LPFC or its agents or independent contractors shall be in conformity with the construction plans as finally approved by the VILLAGE.

C. Promptly after completion of the Project, in accordance with the provisions of this Agreement and all applicable VILLAGE codes and ordinances, the VILLAGE will furnish the LPFC with a certificate of occupancy so certifying, which certificate of occupancy shall not be unreasonably withheld. Issuance by the VILLAGE of a certificate of occupancy for the Project shall be a conclusive determination of the satisfaction of the conditions precedent to the LPFC receiving the TAX REVENUES (as said term is defined below) hereunder. If the VILLAGE shall refuse or fail to provide a certificate of occupancy, the VILLAGE shall, within ten (10) days after written request by the LPFC, provide to the LPFC a written statement setting forth in detail how the LPFC has failed to complete the Project in reasonable accordance with the provisions of this Agreement or is otherwise in default, and what reasonable measures or acts the LPFC must take or perform, in the opinion of the VILLAGE, to obtain such certificate of occupancy.

D. Notwithstanding the foregoing, the VILLAGE agrees to issue a conditional certificate of occupancy, subject to appropriate terms and conditions as deemed reasonably necessary by the VILLAGE, so as to allow for the installation of computer equipment related to the Project and the training of employees who will work for the entity operating the Hotel and Convention Hall on behalf of the LPFC, prior to the issuance of an unconditional certificate of occupancy.

IV. UNDERTAKINGS ON THE PART OF THE LPFC

Upon complete satisfaction of all conditions itemized in Section II above, the LPFC shall undertake the following:

A. The LPFC shall cause construction of the Project to begin within sixty (60) days after the LPFC has closed on the purchase of the SUBJECT PROPERTY, and to be completed in full compliance with the approved plans therefor within one thousand ninety-five (1095) days after the LPFC has closed on the purchase of the SUBJECT PROPERTY, subject to delays caused by force majeure.

B. The LPFC shall submit (or cause the submittal of) construction plans, for VILLAGE approval, in sufficient completeness and detail to show that construction of the Project will be in accordance with the provisions of this Agreement and in compliance with all applicable VILLAGE codes, ordinances and regulations. The construction plans shall be prepared by a professional engineer(s) and a professional architect(s) licensed to practice in the State of Illinois. Construction plans and all construction practices and procedures with respect to the Project shall be in conformity with all applicable state and local laws, ordinances and regulations.

C. The LPFC shall construct the Project in compliance with VILLAGE Ordinance Nos. 5396 and 5397, approved on November 20, 2003.

V. REFUND OF TAXES/ADDITIONAL RESERVES

A. The VILLAGE hereby pledges and shall semi-annually refund to the LPFC, or pay as directed by the LPFC, within ninety (90) days after the end of each SEMI-ANNUAL PERIOD (as said term is defined in subsection B below), an amount equal to the amount the VILLAGE has received from the collection of the TAX REVENUE (as said term is defined in subsection C below) generated by the Hotel and Convention Hall during said SEMI-ANNUAL PERIOD, solely for the purpose of securing the Series "B" Bonds as referenced in the Project Proforma.

B. The aforementioned refund of TAX REVENUE to the LPFC shall take place beginning in 2006 and ending at such time as the Series "B" Bonds are defeased or redeemed in their entirety, even if said defeasance or redemption occurs prior to the date shown in the Project Proforma. For purposes of this Agreement, the semi-annual refund periods shall be from January 1st through June 30th and from July 1st through December 31st (each semi-annual refund period being hereinafter referred to as a "SEMI-ANNUAL PERIOD"). The LPFC and the VILLAGE agree to cooperate with each other in ascertaining the amount of TAX REVENUE generated by the Hotel and Convention Hall and received by the VILLAGE during each SEMI-ANNUAL PERIOD, with the LPFC to release such information in its possession and control, and use reasonable efforts to cause HARP, the hotel manager and restaurant manager(s) to release information and execute such documents as necessary to allow the VILLAGE to comply with its tax rebate obligations as set forth in Section V.A. above.

C. For purposes of this Agreement, "TAX REVENUE" shall be construed to refer to that net portion of taxes imposed by the State of Illinois for distribution to the VILLAGE pursuant to the Retailers' Occupation Tax Act, 35 ILCS 120/1, et seq. and the Service Occupation Tax Act, 35 ILCS 115/1, et seq. (and any amendments thereto), which are collected by the State of Illinois and distributed to the VILLAGE, along with hotel/motel taxes collected by the VILLAGE pursuant to Sections 98.60 through 98.63 of the Lombard Village Code (as authorized by 65 ILCS 5/8-3-14) and places of eating taxes collected by the VILLAGE pursuant to Section 98.111 of the Lombard Village Code (as authorized by 65 ILCS 5/11-42-5), plus all future revenues derived during the period of this Agreement from taxes enacted by law or ordinance by any governmental authority which are intended to replace any one or more of the aforementioned taxes generated by the Project.

D. In addition to the rebate of TAX REVENUE as set forth in Section V.A. above, the VILLAGE hereby commits, subject to the requirement of a prior appropriation therefor, to provide funds to reconcile the difference between the amounts of said TAX REVENUE shown in the Project Proforma for each calendar year, and the actual amounts received in each calendar year, if (i) the total of such TAX REVENUE in any given calendar year is less than projected in the Project Proforma (see the line item in the Project Proforma labeled, "HOT, F & B, Sales Tax Contribution"), (ii) the subordinate lien bond debt service payment for the "Series B Bonds" as set forth in the Project Proforma cannot be paid from Project revenues in said given calendar year, (iii) all reserve funds available for the payment of such bond debt service (the Operating Reserve Fund, the Cash Trap Fund, the Sinking Fund and Series B Debt Service Reserve Fund as shown on the Project Proforma) have been exhausted, and (iv) funds available pursuant to the Harp/Lombard Agreement for the payment of such bond debt service have been exhausted. Notwithstanding the foregoing commitment, once the debt service payment for the "Series B Bonds" is made for a particular calendar year, the VILLAGE shall not be required to make up any shortfall in TAX REVENUE for said calendar year, even if the TAX REVENUE for said calendar year was less than as shown on the Project Proforma.

E. In addition to the rebate of TAX REVENUE as set forth in Section V.A. above and the additional reserve provided for in Section V.D. above, the VILLAGE hereby commits, subject to the requirement of a prior appropriation therefor, to provide for the Supplement Reserve Fund (Series A Bonds only), as shown in the Project Proforma, in an annual amount not to exceed Nine Hundred Thousand and No/100 Dollars ($900,000.00), from the VILLAGE'S Hotel/Motel Tax Fund or from such other fund(s) as determined by the VILLAGE, if (i) the bond debt service payment for the "Series A Bonds" as set forth in the Project Proforma cannot be paid from Project revenues in a given calendar year and (ii) all reserve funds (the Operating Reserve Fund, the Cash Trap Fund and the Sinking Fund as shown on the Project Proforma) available for the payment of such bond debt service, other than the Series A Debt Service Reserve Fund, have been exhausted. The foregoing commitment by the VILLAGE shall begin upon the Opening Date for the Project and shall cease upon (y) the end of the tenth (10th) Operating Year after the Opening Date or (z) the end of the second successive Operating Year in which the First Tier Debt Service Coverage Ratio for the Operating Year equals or exceeds one hundred forty percent (140%) of the Net Debt Service on the Outstanding First Tier Bonds (Series "A" Bonds), whichever occurs first.

VI. ADDITIONAL COVENANTS, UNDERTAKINGS AND AGREEMENTS OF THE PARTIES

A. This Agreement, together with the Exhibits attached thereto (all of which are attached hereto or incorporated herein by this reference), contains the entire agreement and understanding between the parties and supersedes any prior understanding or written or oral agreements between them with respect to the subject matter of this Agreement. To the extent that there is an inconsistency between the text of the Agreement and an Exhibit hereto, the Exhibit shall be controlling. There are no representations, agreements, arrangements or understandings, oral or written, between and among the parties hereto relating to the subject matter of this Agreement which are not fully expressed herein or set forth in the Exhibits hereto. No oral modification, amendment, or change shall be allowed to this Agreement. Any modification, amendment, or change hereto shall be in writing and approved by the VILLAGE and LPFC. To the extent that a capitalized term used herein is not defined herein, it shall be construed to have the meaning as assigned to said term pursuant to the "Master Glossary of Terms for Lombard Public Facilities Corporation Conference Center and Hotel Revenue Bond Transaction" relative to the Project and the Bond Financing.

B. Time is of the essence in the performance of this Agreement.

C. This Agreement may be executed simultaneously in two (2) or more counterparts, each of which shall be deemed an original, and such counterparts together shall constitute one and the same Agreement.

D. This Agreement shall be in full force and effect, and legally binding, after it is signed by the duly authorized officers of each party. Each of the signatories to this Agreement are the duly authorized representatives of their respective corporate entity and each such person has signed this Agreement pursuant to the authority duly granted to him or her by the corporate authorities of said corporate entity, who have acted by motion or approved a resolution that authorized and directed the representatives to sign this Agreement.

E. This Agreement shall be binding upon and shall inure to the benefit of the parties agreeing hereto and to their successor corporations, officers, officials, trustees, successors in office or interest, heirs, representatives, and assigns. Notwithstanding the foregoing, except for transfers or assignments to a receiver, master, sheriff, trustee in bankruptcy or other assignee by operation of law, the LPFC shall not assign this Agreement or any interest therein, or sublet the same, without the prior written consent of the VILLAGE; provided, however, at the time of such assignment, there is no default under this Agreement by the LPFC.

F. If the time for performance falls upon a Saturday, Sunday or legal holiday, such time for performance shall be extended to the next business day.

G. All notices and requests, if any, required pursuant to this Agreement shall be sent by certified mail, return receipt requested, by personal service, or by a national overnight/next day delivery courier (e.g., Federal Express) addressed as follows:

If to the LPFC:

Lombard Public Facilities Corporation
c/o Leonard Flood, Registered Agent
255 East Wilson Avenue
Lombard, Illinois 60148

with copy to:

Gerard E. Dempsey
Donald E. Renner
Klein, Thorpe & Jenkins, Ltd.
20 North Wacker Drive, Suite 1660
Chicago, IL 60606

If to the VILLAGE:

William T. Lichter
Village Manager
Village of Lombard
255 East Wilson Avenue
Lombard, Illinois 60148

with copy to:

Thomas P. Bayer,
Klein, Thorpe and Jenkins, Ltd.
20 North Wacker Drive, Suite 1660
Chicago, Illinois 60606

H. This Agreement relates to the development of real estate located in the State of Illinois. Accordingly, this Agreement, and all questions of interpretation, construction and enforcement hereof, and all controversies hereunder, shall be governed by the applicable statutory and common law of the State of Illinois. The parties agree that for the purpose of any litigation relative to this Agreement and its enforcement, venue shall be in either the Circuit Court of DuPage County, Illinois, or the U.S. District Court for the Northern District of Illinois, Eastern Division, and the parties consent to the in personam jurisdiction of either of said Courts for any such action or proceeding.

I. The captions at the beginning of the several Sections herein are for convenience only, and shall not affect the construction of this Agreement.

J. If any provision of this Agreement or an Exhibit hereto, or any paragraph, sentence, clause, phrase or word or the application thereof is held invalid, the remainder of this Agreement or such Exhibit shall be construed as if such invalid part was never included and this Agreement or said Exhibit and shall be and remain valid and enforceable to the fullest extent permitted by law, provided that the Agreement and/or any Exhibit hereto, in its entirety as so reconstituted, does not represent a material change to the rights or obligations of the parties. In the event of any conflict or inconsistency between the terms set forth in the body of this Agreement and the terms set forth in any Exhibit hereto, the terms set forth in the Exhibit shall govern and control.

K. The VILLAGE and LPFC agree to fully cooperate with each other and to do all things reasonably necessary or appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in furthering the objectives of this Agreement and the intent of the parties as reflected by the terms of this Agreement.

L. True and correct copies of the below-listed Exhibits are attached hereto and made a part of this Agreement:

1. EXHIBIT A - Legal Description for the SUBJECT PROPERTY.

2. EXHIBIT B - Project Description.

3. EXHIBIT C - Project Proforma.

4. EXHIBIT D - Project Budget

M. This Agreement shall be deemed dated and become effective on the date that the last signatory signs this Agreement.

N. No recourse under or upon any obligation, covenant, or agreement of this Agreement or for any claim based thereon or otherwise in respect thereof shall be had against the VILLAGE in any amount in excess of any specific sum, agreed by the VILLAGE to be paid to the LPFC hereunder, subject to the terms and conditions herein, and no liability, right or claim at law or in equity shall attach to or shall be incurred by the VILLAGE'S officers, officials, trustees, agents and/or employees and any such rights or claims of the LPFC against the VILLAGE'S officers, officials, trustees, agents and/or employees are hereby expressly waived and released as a condition of and as consideration for the execution of the Agreement by the VILLAGE.

O. The LPFC hereby covenants and agrees to promptly pay or cause to be paid as the same become due, any and all taxes and governmental charges of any kind that may at any time be lawfully assessed with respect to the Project.

P. Neither the VILLAGE nor the LPFC nor any successor in interest or assign shall be considered in breach or default of their respective obligations under this Agreement, and time for performance of obligations hereunder shall be extended, in the event of any delay caused by force majeure, including, without limitation, damage or destruction by fire or other casualty; condemnation; strike; lockout; civil disorder; war; restrictive government regulations; issuance of any permits and/or legal authorization (including engineering approvals) by any governmental entity necessary for the LPFC to proceed with construction; shortage or delay in shipment of material or fuel; acts of God; unusually adverse weather or wet soil conditions; or other causes beyond the parties' reasonable control, included by not limited to, any court order of judgment resulting from any litigation affecting the Project or this Agreement.

Q. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof. Any previous agreements or understandings between the parties regarding the subject matter hereof are merged into and superseded by this Agreement.

VII. REPRESENTATIONS AND WARRANTIES OF THE LPFC

A. The LPFC hereby represents and warrants that it is an Illinois not-for-profit corporation in good standing with proper authority to execute this Agreement pursuant to its Articles of Incorporation, By-Laws and the laws of the State of its organization.

B. The LPFC hereby represents and warrants that the Project shall be constructed and fully completed in a good and workmanlike manner and in accordance with all applicable laws, rules and regulations of the VILLAGE, the State of Illinois and the United States of America, and all agencies thereof.

C. The LPFC hereby represents and warrants that it shall comply with all terms, provisions and conditions and shall not knowingly permit a default under any document or agreement relating to the Project to which it is a party, including, but not limited to this Agreement and all agreements and documentation in connection with the Bond Financing.

D. The LPFC hereby represents and warrants that it will use commercially reasonable efforts to alert VILLAGE residents to the employment opportunities available as a result of the Project.

VIII. REPRESENTATIONS AND WARRANTIES OF THE VILLAGE

A. The VILLAGE hereby represents and warrants to the LPFC that subject to its compliance with the Illinois Statutes and its own Ordinances, it has the power and authority to execute, deliver and perform the terms and obligations of this Agreement and the Exhibits hereto.

B Subject to the terms and conditions of Section V of this Agreement, the VILLAGE has full authority to refund to the LPFC the TAX REVENUE generated by the Hotel and Convention Hall as distributed to the VILLAGE by the Illinois Department of Revenue or as collected directly by the VILLAGE.

C. The VILLAGE agrees that during the term of this Agreement, the VILLAGE shall not further encumber or pledge any portion of the TAX REVENUE or take any action inconsistent with the terms of this Agreement.

IX. DEFAULTS

Subject to Force Majuere, failure on the part of either party to comply with any term, representation, warranty, obligation, provision or condition of this Agreement, within thirty (30) days from the date of written notice thereof from the other party, shall constitute an event of default. Notwithstanding the foregoing, in the event that the non-compliance cannot be corrected within said thirty (30) day period because of matters not within the reasonable control of the defaulting party, the defaulting party shall be given a reasonable period of time to correct said non-compliance provided, however, that the defaulting party diligently pursues the correction of said non-compliance within said reasonable period of time and that said reasonable period of time does not exceed an additional ninety (90) days beyond said initial thirty (30) day period; with non-compliance after said one hundred twentieth (120^{th}) day being deemed to constitute an even of default. Upon an occurrence of an event of default, and after notice and expiration of all cure periods, the non-defaulting party may institute such proceedings as may be necessary or desirable, in its opinion, to cure and remedy such default, including, but not limited to, proceedings to compel specific performance by the defaulting party, but specifically excluding the right to terminate this Agreement. Further, upon an occurrence of any event of default the defaulting party shall be responsible to the non-defaulting party for reimbursement of all costs incurred by the non-defaulting party seeking to enforce the performance and observance of any obligation, understanding, covenant or agreement as aforesaid, including, but not limited to, costs and fees incurred by use of its employees, officers, consultants and attorneys, provided the non-defaulting party is the prevailing party in any such enforcement proceeding.

X. AGREEMENT TERM

The term of this Agreement shall commence as of the date of its execution by the last signatory hereto and shall expire upon the cessation of LPFC'S right to receive a refund of TAX REVENUE under Section V above.

IN WITNESS WHEREOF, the President and Board of Trustees of the VILLAGE have approved this Agreement by passage of a Resolution and the Village President and Deputy Village Clerk of the VILLAGE, pursuant to the authority granted by the passage of said Resolution, have signed this Agreement, and the Board of Directors of the LPFC have approved this Agreement by passage of a Resolution and the President and Secretary of the LPFC, pursuant to authority granted by the passage of said Resolution have signed this Agreement.

VILLAGE OF LOMBARD
An Illinois Municipal Corporation corporation

BY:______________________
William J. Mueller
Village President
Date: ______________

ATTEST:

BY:______________________
Barbara A. Johnson
Deputy Village Clerk
Date: ______________

LOMBARD PUBLIC FACILITIES CORPORATION, an Illinois not-for-profit

BY:______________________
Jeff Mills
President
Date: ______________

ATTEST:

BY:______________________
Toni Sherman
Secretary
Date: ______________

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that the above-named William J. Mueller and Barbara A. Johnson, personally known to me to be the Village President and Deputy Village Clerk of the Village of Lombard, and also known to me to be the same persons whose names are subscribed to the foregoing instrument as such Village President and Deputy Village Clerk, respectively, appeared before me this day in person and severally acknowledged that as such Village President and Deputy Village Clerk they signed and delivered the said instrument, pursuant to authority given by said Village, as their free and voluntary act, and as the free and voluntary act and deed of said Village, for the uses and purposes therein set forth, and that said Deputy Village Clerk as custodian of the corporate seal of said Village caused said seal to be affixed to said instrument as said Deputy Village Clerk's own free and voluntary act and as the free and voluntary act of said Village, for the uses an purposes therein set forth.

GIVEN under my hand and Notary Seal, this ____ day of _______________, 2004.

____
Notary Public

My Commission Expires: __________________________

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that the above-named Jeff Mills and Toni Sherman, personally known to me to be the President and Secretary of the Lombard Public Facilities Corporation and also known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and Secretary, respectively, appeared before me this day in person and severally acknowledged that as such President and Secretary they signed and delivered the said instrument, pursuant to authority given by said Corporation, as their free and voluntary act, and as the free and voluntary act and deed of said Corporation, for the uses and purposes therein set forth, and that said Secretary as custodian of the corporate seal of said Corporation caused said seal to be affixed to said instrument as said Secretary's own free and voluntary act and as the free and voluntary act of said Corporation, for the uses an purposes therein set forth.

GIVEN under my hand and Notary Seal, this ____ day of ______________, 2004.

____
Notary Public

My Commission Expires: ________________________

EXHIBIT A

(Legal Description for Subject Property

LOT 2 IN YORKTOWN PERIPHERAL/TARGET SUBDIVISION, BEING A PART OF THE NORTHEAST ¼ OF SECTION 29, TOWNSHIP 39 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED NOVEMBER 17, 1995 AS DOCUMENT R95-162762, IN DUPAGE COUNTY, ILLINOIS.

EXHIBIT B

(Project Description)

(A) Project. It is currently contemplated that the Project will consist of a convention hall ("Convention Center" or the " Convention Hall") containing approximately 50,000 square feet of net meeting space and a Hilton Hotel containing approximately 500 rooms.

1. The Hotel will consist of the above conference space and the following:
   - Approximately 500 guest rooms, which will include an appropriate mix of King rooms, Double Queens, and several types of suites
   - Spacious lobby
   - Up to two restaurants, each with full cocktail capabilities with a total area of no more than 16,000 sf, exclusive of the Hotel cafe
   - Swimming pool and workout facilities
   - Gift shop
   - Kitchens and Back-of-House areas to support all of the above guest areas
   - Employee spaces
   - Security offices
   - Executive offices for Hotel Management
   - Storage facilities as appropriate
   - Laundry facility for all Hotel requirements

2. The Convention Center is currently designed to encompass the following:
   - +/- 20,000 SF Grand Ballroom; divisible
   - +/- 10,000 SF Ballroom; divisible
   - +/- 10,000 SF Breakout Meeting Rooms; divisible
   - +/- 10,000 SF of small meeting rooms and boardroom space
   - Pre-function space and support facilities for all of the above

3. Based on the floor areas described above, the Project will also include surface parking for approximately 300 cars and in a parking structure that will contain approximately 610 parking stalls. This is determined pursuant to parking ratio requirements of the Declaration that is outlined in Exhibit 7.2(b) to the Purchase and Sale Agreement to which this is itself an Exhibit, and in accordance with the following:

   - 500 guest rooms at 1 automobile parking space for each guest room which requires 500 spaces

- 16,000 square feet of restaurant space at 10 automobile parking spaces for each 1,000 square feet of restaurant area which requires 160 spaces
- 50,000 square feet of Convention Center at 5 automobile parking spaces for each 1,000 square feet of Convention Center area which requires 250 spaces
- a retail space of less than 1,000 square feet which requires no spaces

(B) Structure. The Project consisting of a Convention Hall and Hotel facility as described above, will be constructed and equipped with proceeds of bonds to be issued by a corporation to be formed under the Illinois not for profit corporation statute (the "Public Facilities Corporation" or the "PFC"). The Public Facilities Corporation will be organized in compliance with federal tax law to enable it to issue tax exempt bonds on behalf of the Village of Lombard. All of the PFC directors will be appointed by and serve at the pleasure of the Village. Upon the retirement of the bonds, unencumbered fee title to all facilities constructed with bond proceeds will pass to the Village.

The bonds will be issued in three series, all secured by a pledge of the net revenues of the Hotel and Convention Hall, the Village's hotel/motel tax receipts and sales taxes generated by the Hotel and Convention Hall. Series A will be the senior bonds, Series B will be junior to Series A, and Series C will be junior to Series B. Neither the taxing power nor the full faith and credit of the Village will be pledged as security for any of the bonds.

Bond proceeds will be used to acquire the Property and construct and equip the Hotel and Convention Hall on the Property and the parking structure. An escrow will be created at the time of closing on the bonds to pay for off-site improvements that will benefit the Hotel and Convention Hall and adjacent areas. Bond proceeds will also provide for the payment of interest on the bonds through the completion of construction of the facilities and costs of issuance of the bonds.

The bonds will be issued pursuant to a trust indenture with a bank. The trust indenture will provide all of the details of the bonds and how the proceeds will be invested and applied. The trust indenture will be approved by resolution of the board of directors of the Public Facilities Corporation following the execution of a bond purchase contract providing for the sale of the bonds to an investment banking firm. The investment banking firm will then resell the bonds to the public. At the bond closing, the investment banking firm will deliver cash in exchange for the bonds. The Public Facilities Corporation will commence with the Project following the bond closing. Harp Lombard LLC will have a Development Agreement and Asset Management Agreement with the PFC.

The Public Facilities Corporation will enter into a management contract with an entity to operate the Hotel and Convention Hall on a day to day basis. The management company will be responsible for the successful operation of the facilities so as to generate the revenues and sales taxes to discharge the Public Facilities Corporation's debt service obligations on the bonds. As indicated above, when the bonds are fully discharged, the Public Facilities Corporation will deed the facilities to the Village and cease to exist.

EXHIBIT C

(Project Proforma)

Project Cash Flow Summary - Preliminary Draft Base Case Cash Flows
Lombard Conference Center and Hotel
(Dollars in Thousands)

Calendar Year	2005	2006	2007	2008	2009	2010	2011	2012
Room Summary								
Occupancy	-	-	57.00%	64.00%	67.00%	70.00%	70.00%	70.00%
Average Daily Rate	-	-	129.76	136.65	145.13	149.86	154.36	158.99
TOTAL NET REVENUES (1)								
Net Operating Income	-	-	11,798	14,710	16,407	18,310	18,836	19,376
Administrative Expense	-	-	(481)	(516)	(542)	(570)	(587)	(604)
Total Investment Earnings	-	140	145	438	514	614	665	722
TOTAL NET REVENUES	-	140	11,462	14,633	16,378	18,354	18,914	19,494
CASH FLOW EXPENDITURES (REVENUES)								
Series "A" Debt Service	9,493	7,594	7,594	7,594	7,594	7,594	7,594	8,469
Series "A" Capitalized Interest and DSRF Earnings	(9,493)	(7,594)	(6,265)	(514)	(514)	(514)	(514)	(514)
SERIES "A" NET DEBT SERVICE	-	-	1,329	7,080	7,080	7,080	7,080	7,955
Hotel FF&E Reserve Deposit (2%, 3%, 4%...)	-	-	469	829	1,218	1,299	1,337	1,372
Restaurant FF&E Reserve Deposit (1%)	-	-	227	240	250	269	277	285
Restaurant Subordinate Mgmt. Fee	-	-	735	893	932	1,218	1,261	1,319
HOT, F&B, Sales Tax Contribution	-	-	(653)	(1,398)	(1,553)	(1,677)	(1,763)	(1,814)
Series "B" Debt Service	2,717	2,173	2,173	2,173	2,173	2,173	2,173	2,503
Series "B" Capitalized Interest and DSRF Earnings	(2,717)	(2,173)	(1,793)	(173)	(173)	(173)	(173)	(173)
SERIES "B" NET DEBT SERVICE	-	-	380	2,000	2,000	2,000	2,000	2,330
CASH FLOW REMAINING	-	140	8,976	4,988	6,451	8,164	8,721	8,047
Subordinate Asset Manager Fee	-	-	231	258	277	297	306	314
Subordinate Management Fee	-	-	234	276	305	325	334	343
Subordinate FF&E Reserve Deposit (1% in 10th yr & out)	-	-	-	-	-	-	-	-
SERIES "C" NET DEBT SERVICE	-	-	-	-	-	4,485	4,485	4,487
CASH FLOW REMAINING	-	140	8,511	4,454	5,869	3,057	3,595	2,903
Supersubordinate Asset Manager Fee	-	-	115	129	139	148	153	157
Supersubordinate Management Fee	-	-	-	-	-	-	167	171
EXCESS REVENUE	-	140	8,395	4,325	5,730	2,909	3,275	2,574
APPLICATION OF EXCESS REVENUE								
Deposit to Operating Reserve	-	140	3,500	-	-	-	-	-
Deposit to Cash Trap			4,860	-	-	-	-	
Deposit to Sinking Fund	-	-	18	2,163	2,865	1,454	1,638	1,287
Distribution to the Government	-	-	18	2,163	2,865	1,454	1,638	1,287
Total Distributions from Excess Revenue	-	140	8,395	4,325	5,730	2,909	3,275	2,574
COVERAGE RATIOS								
Series A (Incl. Balance in Supplemental Reserve)	-	-	8.62	2.19	2.31	2.59	2.67	2.45
Series B (Coverage from Tax Revenues Only)	-	-	1.72	0.70	0.78	0.84	0.88	0.78
Series B	-	-	3.86	1.45	1.56	1.69	1.73	1.61
Series C	-	-	-	-	-	1.18	1.21	1.16
RESERVE FUND BALANCES								
Operating Reserve Fund Balance	4,000	4,000	7,500	7,500	7,500	7,500	7,500	7,500
Cash Trap Fund Balance	-	140	5,000	5,000	5,000	5,000	5,000	5,000
Sinking Fund Balance	-	-	18	2,180	5,046	6,500	8,137	9,425
Supplemental Reserve Fund		-	900	900	-	-	-	-
Total Reserve Fund Balances	4,000	4,140	13,418	15,580	17,546	19,000	20,637	21,925
BOND FUNDED DEBT SERVICE RESERVES								
Series A Debt Service Reserve Fund (2)	9,350	9,350	9,350	9,350	9,350	9,350	9,350	9,350
Series B Debt Service Reserve Fund (2)	3,147	3,147	3,147	3,147	3,147	3,147	3,147	3,147
Total Bond Funded DSR	12,497	12,497	12,497	12,497	12,497	12,497	12,497	12,497
TOTAL RESERVE FUND BALANCE	16,497	16,637	25,915	28,077	30,042	31,497	33,134	34,422
PRINCIPAL BALANCES								
Series A	104,750	104,750	104,750	104,750	104,750	104,750	104,750	103,875
Series B	45,005	45,005	45,005	45,005	45,005	45,005	45,005	44,675
Series C	23,451	26,350	29,606	33,266	37,378	37,378	37,378	37,376
Total Principal Balance	173,206	176,105	179,361	183,021	187,133	187,133	187,133	185,926

(1) NOI projections provided by HVS International.
(2) The debt service reserve funds can be released to the Village when the Series A and Series B Bonds have been redeemed.

Project Cash Flow Summary -
Preliminary Draft Base Case Cash Flows
Lombard Conference Center and Hotel
(Dollars in Thousands)

Calendar Year	2013	2014	2015	2016	2017	2018	2019	2020
Room Summary								
Occupancy	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Average Daily Rate	163.76	168.67	173.73	178.94	184.31	189.84	195.53	201.40
TOTAL NET REVENUES (1)								
Net Operating Income	20,372	20,581	21,166	21,836	22,491	23,166	23,861	24,577
Administrative Expense	(625)	(642)	(660)	(680)	(700)	(721)	(743)	(765)
Total Investment Earnings	767	825	882	946	1,010	1,081	1,159	1,245
TOTAL NET REVENUES	20,515	20,764	21,389	22,102	22,800	23,525	24,277	25,057
CASH FLOW EXPENDITURES (REVENUES)								
Series "A" Debt Service	8,551	8,632	8,712	8,795	8,879	8,965	9,051	9,140
Series "A" Capitalized Interest and DSRF Earnings	(514)	(514)	(514)	(514)	(514)	(514)	(514)	(514)
SERIES "A" NET DEBT SERVICE	8,037	8,118	8,198	8,280	8,365	8,451	8,536	8,625
Hotel FF&E Reserve Deposit (2%, 3%, 4%...)	1,417	1,454	1,501	1,550	1,596	1,644	1,694	1,744
Restaurant FF&E Reserve Deposit (1%)	298	306	310	320	329	339	350	360
Restaurant Subordinate Mgmt. Fee	1,394	1,446	1,480	1,545	1,591	1,639	1,688	1,739
HOT, F&B, Sales Tax Contribution	(1,872)	(1,930)	(1,982)	(2,039)	(2,101)	(2,165)	(2,229)	(2,296)
Series "B" Debt Service	2,577	2,651	2,722	2,794	2,871	2,953	3,040	3,125
Series "B" Capitalized Interest and DSRF Earnings	(173)	(173)	(173)	(173)	(173)	(173)	(173)	(173)
SERIES "B" NET DEBT SERVICE	2,403	2,478	2,549	2,621	2,698	2,780	2,867	2,952
CASH FLOW REMAINING	8,838	8,893	9,333	9,825	10,322	10,836	11,372	11,932
Subordinate Asset Manager Fee	326	335	343	354	364	375	386	398
Subordinate Management Fee	354	363	375	387	399	411	423	436
Subordinate FF&E Reserve Deposit (1% in 10th yr & out)	-	-	-	387	399	411	423	436
SERIES "C" NET DEBT SERVICE	4,532	4,577	4,623	4,669	4,716	4,763	4,811	4,859
CASH FLOW REMAINING	3,625	3,618	3,992	4,028	4,444	4,876	5,329	5,804
Supersubordinate Asset Manager Fee	163	167	171	177	182	188	193	199
Supersubordinate Management Fee	177	182	188	194	200	206	212	218
EXCESS REVENUE	3,285	3,269	3,633	3,657	4,062	4,483	4,924	5,387
APPLICATION OF EXCESS REVENUE								
Deposit to Operating Reserve	-	-	-	-	-	-	-	-
Deposit to Cash Trap								
Deposit to Sinking Fund	1,643	1,635	1,816	1,829	2,031	2,241	2,462	2,693
Distribution to the Government	1,643	1,635	1,816	1,829	2,031	2,241	2,462	2,693
Total Distributions from Excess Revenue	3,285	3,269	3,633	3,657	4,062	4,483	4,924	5,387
COVERAGE RATIOS								
Series A (Incl. Balance in Supplemental Reserve)	2.55	2.56	2.61	2.67	2.73	2.78	2.84	2.90
Series B (Coverage from Tax Revenues Only)	0.78	0.78	0.78	0.78	0.78	0.78	0.78	0.78
Series B	1.65	1.64	1.66	1.69	1.71	1.73	1.75	1.77
Series C	1.19	1.19	1.21	1.20	1.22	1.23	1.25	1.27
RESERVE FUND BALANCES								
Operating Reserve Fund Balance	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Cash Trap Fund Balance	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Sinking Fund Balance	11,067	12,702	14,518	16,347	18,378	20,619	23,081	25,774
Supplemental Reserve Fund	-	-	-	-	-	-	-	-
Total Reserve Fund Balances	23,567	25,202	27,018	28,847	30,878	33,119	35,581	38,274
BOND FUNDED DEBT SERVICE RESERVES								
Series A Debt Service Reserve Fund (2)	9,350	9,350	9,350	9,350	9,350	9,350	9,350	9,350
Series B Debt Service Reserve Fund (2)	3,147	3,147	3,147	3,147	3,147	3,147	3,147	3,147
Total Bond Funded DSR	12,497	12,497	12,497	12,497	12,497	12,497	12,497	12,497
TOTAL RESERVE FUND BALANCE	36,064	37,699	39,515	41,344	43,375	45,616	48,078	50,771
PRINCIPAL BALANCES								
Series A	102,855	101,680	100,340	98,820	97,105	95,180	93,030	90,635
Series B	44,260	43,755	43,160	42,470	41,675	40,765	39,730	38,565
Series C	37,329	37,232	37,077	36,857	36,564	36,189	35,721	35,149
Total Principal Balance	184,444	182,667	180,577	178,147	175,344	172,134	168,481	164,349

(1) NOI projections provided by HVS International.

(2) The debt service reserve funds can be released to the Village when the Series A and Series B Bonds have been redeemed.

Project Cash Flow Summary -
Preliminary Draft Base Case Cash Flows
Lombard Conference Center and Hotel
(Dollars in Thousands)

Calendar Year	2021	2022	2023	2024	2025	2026	2027	2028
Room Summary								
Occupancy	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Average Daily Rate	207.44	213.67	220.08	226.68	233.48	240.48	247.70	255.13
TOTAL NET REVENUES (1)								
Net Operating Income	25,314	26,073	26,856	27,661	28,491	29,346	30,226	31,133
Administrative Expense	(788)	(812)	(836)	(861)	(887)	(914)	(941)	(969)
Total Investment Earnings	1,340	1,442	1,554	1,675	1,806	1,947	2,099	2,263
TOTAL NET REVENUES	25,865	26,704	27,574	28,475	29,410	30,379	31,384	32,427
CASH FLOW EXPENDITURES (REVENUES)								
Series "A" Debt Service	9,226	9,314	9,406	9,496	9,587	9,679	9,773	9,867
Series "A" Capitalized Interest and DSRF Earnings	(514)	(514)	(514)	(514)	(514)	(514)	(514)	(514)
SERIES "A" NET DEBT SERVICE	8,712	8,799	8,892	8,982	9,073	9,164	9,258	9,353
Hotel FF&E Reserve Deposit (2%, 3%, 4%...)	1,797	1,851	1,906	1,963	2,022	2,083	2,145	2,210
Restaurant FF&E Reserve Deposit (1%)	371	382	393	405	417	430	443	456
Restaurant Subordinate Mgmt. Fee	1,791	1,845	1,900	1,957	2,016	2,076	2,139	2,203
HOT, F&B, Sales Tax Contribution	(2,365)	(2,436)	(2,509)	(2,585)	(2,662)	(2,742)	(2,824)	(2,909)
Series "B" Debt Service	3,214	3,305	3,399	3,493	3,593	3,698	3,707	3,709
Series "B" Capitalized Interest and DSRF Earnings	(173)	(173)	(173)	(173)	(173)	(173)	(173)	(173)
SERIES "B" NET DEBT SERVICE	3,041	3,132	3,225	3,320	3,420	3,525	3,534	3,536
CASH FLOW REMAINING	12,520	13,131	13,766	14,432	15,123	15,842	16,689	17,579
Subordinate Asset Manager Fee	410	422	435	448	461	475	490	504
Subordinate Management Fee	449	463	477	491	506	521	536	552
Subordinate FF&E Reserve Deposit (1% in 10th yr & out)	449	463	477	491	506	521	536	552
SERIES "C" NET DEBT SERVICE	4,907	4,956	5,006	5,056	5,106	5,158	5,209	5,261
CASH FLOW REMAINING	6,304	6,828	7,372	7,947	8,544	9,168	9,918	10,709
Supersubordinate Asset Manager Fee	205	211	217	224	231	238	245	252
Supersubordinate Management Fee	225	231	238	245	253	260	268	276
EXCESS REVENUE	5,874	6,385	6,917	7,477	8,061	8,670	9,405	10,180
APPLICATION OF EXCESS REVENUE								
Deposit to Operating Reserve	-	-	-	-	-	-	-	-
Deposit to Cash Trap								
Deposit to Sinking Fund	2,937	3,193	3,458	3,739	4,030	4,335	4,702	5,090
Distribution to the Government	2,937	3,193	3,458	3,739	4,030	4,335	4,702	5,090
Total Distributions from Excess Revenue	5,874	6,385	6,917	7,477	8,061	8,670	9,405	10,180
COVERAGE RATIOS								
Series A (Incl. Balance in Supplemental Reserve)	2.97	3.03	3.10	3.17	3.24	3.31	3.39	3.47
Series B (Coverage from Tax Revenues Only)	0.78	0.78	0.78	0.78	0.78	0.78	0.80	0.82
Series B	1.80	1.82	1.84	1.87	1.89	1.92	1.95	1.99
Series C	1.29	1.31	1.32	1.34	1.36	1.38	1.41	1.43
RESERVE FUND BALANCES								
Operating Reserve Fund Balance	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Cash Trap Fund Balance	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Sinking Fund Balance	28,711	31,904	35,362	39,101	43,131	47,466	52,169	57,259
Supplemental Reserve Fund	-	-	-	-	-	-	-	-
Total Reserve Fund Balances	41,211	44,404	47,862	51,601	55,631	59,966	64,669	69,759
BOND FUNDED DEBT SERVICE RESERVES								
Series A Debt Service Reserve Fund (2)	9,350	9,350	9,350	9,350	9,350	9,350	9,350	9,350
Series B Debt Service Reserve Fund (2)	3,147	3,147	3,147	3,147	3,147	3,147	3,147	3,147
Total Bond Funded DSR	12,497	12,497	12,497	12,497	12,497	12,497	12,497	12,497
TOTAL RESERVE FUND BALANCE	53,708	56,901	60,359	64,098	68,128	72,463	77,166	82,256
PRINCIPAL BALANCES								
Series A	87,980	85,045	81,805	78,240	74,325	70,035	65,340	60,210
Series B	37,260	35,805	34,190	32,405	30,435	28,265	25,980	23,580
Series C	34,460	33,638	32,669	31,534	30,211	28,679	26,911	24,879
Total Principal Balance	159,700	154,488	148,664	142,179	134,971	126,979	118,231	108,669

(1) NOI projections provided by HVS International.
(2) The debt service reserve funds can be released to the Village when the Series A and Series B Bonds have been redeemed.

Project Cash Flow Summary -
Preliminary Draft Base Case Cash Flows
Lombard Conference Center and Hotel
(Dollars in Thousands)

Calendar Year	2029	2030	2031	2032	2033	2034	2035
Room Summary							
Occupancy	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Average Daily Rate	262.78	270.67	278.79	287.15	295.76	304.64	313.78
TOTAL NET REVENUES (1)							
Net Operating Income	32,067	33,029	34,020	35,040	36,092	37,174	38,290
Administrative Expense	(998)	(1,028)	(1,059)	(1,091)	(1,124)	(1,157)	(1,192)
Total Investment Earnings	2,442	2,634	2,841	3,064	3,303	3,559	3,832
TOTAL NET REVENUES	33,510	34,635	35,802	37,013	38,271	39,576	40,930
CASH FLOW EXPENDITURES (REVENUES)							
Series "A" Debt Service	9,960	10,060	10,152	10,251	10,353	10,450	19,648
Series "A" Capitalized Interest and DSRF Earnings	(514)	(514)	(514)	(514)	(514)	(514)	(9,607)
SERIES "A" NET DEBT SERVICE	9,446	9,545	9,638	9,737	9,839	9,936	10,041
Hotel FF&E Reserve Deposit (2%, 3%, 4%...)	2,276	2,344	2,415	2,487	2,562	2,638	2,718
Restaurant FF&E Reserve Deposit (1%)	470	484	498	513	529	545	561
Restaurant Subordinate Mgmt. Fee	2,269	2,337	2,407	2,479	2,554	2,630	2,709
HOT, F&B, Sales Tax Contribution	(2,996)	(3,086)	(3,179)	(3,274)	(3,372)	(3,473)	(3,578)
Series "B" Debt Service	3,709	3,708	3,705	3,705	3,708	3,708	6,765
Series "B" Capitalized Interest and DSRF Earnings	(173)	(173)	(173)	(173)	(173)	(173)	(3,234)
SERIES "B" NET DEBT SERVICE	3,536	3,535	3,532	3,532	3,535	3,535	3,531
CASH FLOW REMAINING	18,510	19,476	20,491	21,539	22,626	23,766	24,947
Subordinate Asset Manager Fee	519	535	551	568	585	602	620
Subordinate Management Fee	569	586	604	622	640	660	679
Subordinate FF&E Reserve Deposit (1% in 10th yr & out)	569	586	604	622	640	660	679
SERIES "C" NET DEBT SERVICE	5,314	5,367	5,421	5,475	5,530	5,585	5,641
CASH FLOW REMAINING	11,539	12,402	13,312	14,253	15,231	16,259	17,327
Supersubordinate Asset Manager Fee	260	267	276	284	292	301	310
Supersubordinate Management Fee	284	293	302	311	320	330	340
EXCESS REVENUE	10,994	11,841	12,735	13,659	14,618	15,629	16,677
APPLICATION OF EXCESS REVENUE							
Deposit to Operating Reserve	-	-	-	-	-	-	-
Deposit to Cash Trap							
Deposit to Sinking Fund	5,497	5,921	6,367	6,829	7,309	7,814	8,339
Distribution to the Government	5,497	5,921	6,367	6,829	7,309	7,814	8,339
Total Distributions from Excess Revenue	10,994	11,841	12,735	13,659	14,618	15,629	16,677
COVERAGE RATIOS							
Series A (Incl. Balance in Supplemental Reserve)	3.55	3.63	3.71	3.80	3.89	3.98	4.08
Series B (Coverage from Tax Revenues Only)	0.85	0.87	0.90	0.93	0.95	0.98	1.01
Series B	2.03	2.07	2.11	2.15	2.19	2.23	2.28
Series C	1.46	1.49	1.52	1.55	1.58	1.61	1.64
RESERVE FUND BALANCES							
Operating Reserve Fund Balance	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Cash Trap Fund Balance	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Sinking Fund Balance	62,756	68,677	75,044	81,873	89,183	96,997	105,336
Supplemental Reserve Fund	-	-	-	-	-	-	-
Total Reserve Fund Balances	75,256	81,177	87,544	94,373	101,683	109,497	117,836
BOND FUNDED DEBT SERVICE RESERVES							
Series A Debt Service Reserve Fund (2)	9,350	9,350	9,350	9,350	9,350	9,350	-
Series B Debt Service Reserve Fund (2)	3,147	3,147	3,147	3,147	3,147	3,147	-
Total Bond Funded DSR	12,497	12,497	12,497	12,497	12,497	12,497	-
TOTAL RESERVE FUND BALANCE	87,753	93,674	100,041	106,870	114,179	121,994	117,836
PRINCIPAL BALANCES							
Series A	54,615	48,515	41,880	34,665	26,825	18,320	-
Series B	21,060	18,415	15,640	12,725	9,660	6,440	-
Series C	22,551	19,890	16,856	13,404	9,483	5,036	-
Total Principal Balance	98,226	86,820	74,376	60,794	45,968	29,796	-

(1) NOI projections provided by HVS International.

(2) The debt service reserve funds can be released to the Village when the Series A and Series B Bonds have been redeemed.

EXHIBIT D

(Project Budget)

Sources and Uses of Funds -
Preliminary Draft
Base Case Cash Flows
Lombard Conference Center and Hotel
(Dollars in Thousands)

Sources of Funds	Total	Series A Bonds	Series B Guaranteed Bonds	Series C Manager/ Developer Bonds
Par Amount of Bonds	$ 170,205	$ 104,750	$ 45,005	$ 20,450
Hotel Operator Guarantee	$ 3,000	$ -	$ -	$ 3,000
Interest Earnings on Project Construction Fund	$ 1,821	$ 1,005	$ 529	$ 287
Accrued Interest from 10/01/2004 to 10/28/2004	$ 733	$ 570	$ 163	$ -
TOTAL SOURCES OF FUNDS	**$ 175,758**	**$ 106,325**	**$ 45,697**	**$ 23,737**
Uses of Funds				
Deposit to Project Construction Fund	$ 124,387	$ 68,901	$ 35,379	$ 20,108
Deposit to Capitalized Interest (CIF) Fund	$ 25,947	$ 20,235	$ 5,712	$ -
Debt Service Reserve Fund	$ 12,497	$ 9,350	$ 3,147	$ -
Pre-Opening Expenses	$ 3,500	$ 3,500	$ -	$ -
Costs of Issuance (including UD)	$ 4,495	$ 3,018	$ 1,297	$ 180
Operating Capital	$ 3,000	$ -	$ -	$ 3,000
Corporation Construction Period Expenses	$ 750	$ 750	$ -	$ -
Deposit to Debt Service Fund	$ 733	$ 570	$ 163	$ -
Series C Placement Fee	$ 450	$ -	$ -	$ 450
Rounding Amount	$ (0)	$ 2	$ (1)	$ (1)
TOTAL USES OF FUNDS	**$ 175,759**	**$ 106,323**	**$ 45,698**	**$ 23,738**
Dated Date		10/1/04	10/1/04	10/1/04
True Interest Cost	7.705%	7.427%	5.026%	12.000%
All-In-Cost	7.783%	7.510%	5.092%	12.072%
Average Life	24.527 Years	24.511 Years	23.908 Years	25.825 Years

Interest is capitalized for 12 months after the hotel opening.
The total project budget is $124,386,743.
The first construction draw occurs on 10/28/04.

LETTER OF CREDIT AGREEMENT

This LETTER OF CREDIT AGREEMENT ("Agreement") is made and entered into as of October ___, 2004 by and among Lombard Public Facilities Corporation, an Illinois not-for-profit corporation ("LPFC"), the Village of Lombard, a non-home-rule municipal corporation located in DuPage County, Illinois (the "Village") and Harp Lombard, LLC., an Illinois limited liability company ("Harp").

RECITALS:

A. The Village has long desired to encourage the development of a hotel and convention hall with associated banquet facilities, restaurants and other facilities (the "Hotel and Convention Hall") as a means of promoting tourism and other business activity within the Village.

B. The LPFC was formed to be in the business, directly or indirectly, in whole or in part, of owning, developing, managing and operating the Hotel and Convention Hall and is now, or soon will be the fee simple owner of certain property on which the Hotel and Convention Hall will be developed (the "Property"), which Property is generally located at the northeast corner of the Yorktown Shopping Center and is legally described in Exhibit A attached hereto and made a part hereof.

C. Harp is developing the Hotel and Convention Hall pursuant to, among other things, the terms of that certain Agreement dated December 1, 2003 between the Village and Harp and that certain Master Development Agreement dated as of August 1, 2004 by and between Harp and the LPFC (the "Master Development Agreement").

D. The Village has determined that the optimal financial structure for the financing of the Hotel and Convention Hall development will include, among other things, the issuance of tax exempt revenue bonds through the LPFC, coupled with the rebate by the Village of all hotel/motel taxes, all retailers' occupation taxes and all places of eating taxes generated by the Hotel and Convention Hall or the operation thereof as security for a portion of said bonds.

E. The LPFC has indicated its desire and intent to issue tax exempt revenue bonds (the "Bond Financing") and develop a Hotel and Convention Hall on the Property (collectively the "Project"), all as described in Exhibit B attached hereto and made part hereof (the "Project Description").

F. Harp will provide certain asset management services to LPFC pursuant to the terms of that certain Asset Management Agreement between Harp and LPFC dated of even date herewith (the "Asset Management Agreement").

G. In connection with the Project, Harp, the Village and LPFC, with the assistance of consultants and advisors, have prepared a proforma showing the sources and uses of funds related to the Bond Financing and a projected cash flow summary of the Project through the year

2035 (the "Project Proforma") and a project budget estimating and itemizing costs and expenses relating to the Project (the "Project Budget"), copies of which Project Proforma and Project Budget are attached hereto as Exhibit C and Exhibit D, respectively, and made part hereof.

H. The Bond Financing requires the LPFC to issue senior lien tax exempt bonds and subordinate lien tax exempt bonds in an amount sufficient to provide funds for constructing the Hotel and Convention Hall, establish various reserves, pay the costs of issuance and otherwise complete the Project, all as generally described in the Project Description and as more particularly set forth in the trust indenture and other documents relating to the issuance of the bonds (collectively, the "Bond Documents").

I. The Village has determined that it is in the best interest of the Village to pursue the development of the Project, and thus, it is willing to undertake certain incentives to assist LPFC with the development of the Project.

J. Among other things, the Village has entered into that certain Tax Rebate Agreement with the LPFC dated August 1, 2004 (the "Tax Rebate Agreement") pursuant to which the Village has agreed to rebate all hotel/motel taxes, all retailers' occupation taxes and all places of eating taxes generated by the Hotel and Convention Hall or the operation thereof.

K. The parties hereto are willing to enter into this Letter of Credit Agreement upon the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing, and the mutual covenants and agreements contained herein, the Village, LPFC and Harp covenant and agree as follows:

1. Letter of Credit. In consideration of the Village's entering into the Tax Rebate Agreement and performing its obligations thereunder and the LPFC entering into the Asset Management Agreement and the Master Development Agreement and performing its obligations thereunder, Harp agrees to furnish to the Village on or before the date that is the earlier of (a) the Date of Final Completion or (b) the date two (2) years from the date hereof, a renewable letter of credit in the amount of $2,000,000 (the "Letter of Credit"), to be used as a source of funds that can be drawn upon by the Village in the event that the Village is required to use its general revenues not related to the Project in order to fulfill its obligations as set forth in Section V.D. of the Tax Rebate Agreement, in which case, any and all proceeds of the Letter of Credit shall be used by the Village solely to fulfill such obligations.

2. Village's Ability to Draw on the Letter of Credit. Provided that the Village is not in default under the Tax Rebate Agreement, and further that the Asset Management Agreement remains in full force and effect, and further provided that the LPFC (i) collects all taxes, refunds and rebates that it is entitled to collect pursuant to, and as contemplated by, the Tax Rebate Agreement, (ii) makes all such taxes, refunds and rebates available for distribution in accordance with the terms of the Bond Documents and (iii) is not in default under the Master Development Agreement or the Asset Management Agreement, then the Village shall be entitled to draw upon the Letter of Credit, if and only if the Village would have to go Out of Pocket (as defined below) in order to fulfill its obligations under Section V.D. of the Tax Rebate Agreement. The Village

shall be deemed to be "Out of Pocket" at such time as (w) the total amount projected to be paid by the Village in tax rebate revenues (as set forth in the Project Proforma) in any given year exceeds the amount of available tax rebate revenues, (x) all debt service reserves available for payment of the Series "B" bond debt service from the Operating Reserve Fund, the Cash Trap Fund, the Sinking Fund, and the Series B Debt Service Reserve Fund (as set forth in the Project Proforma) have been drawn on such that none remain, (y) there is not sufficient net cash flow available from the Project to pay the Series "B" Bond debt service, and (z) the Village, but for the Letter of Credit, would be required to use its general revenues to fulfill its obligations as set forth in Section V.D. of the Tax Rebate Agreement in said year.

3. Amount of Draw. The Village shall only be entitled to draw on the Letter of Credit such amount as necessary for the Village to satisfy its obligations under Section V.D. without having to go Out of Pocket.

4. Replenishment of Letter of Credit. To the extent that the Village draws on the Letter of Credit in any one year, Harp shall use asset management fees paid to it, as the "Asset Manager" under the Asset Management Agreement during such year ("Replenishment Amount") to replenish the Letter of Credit or provide additional or substitute letters of credit (the "New LC's") so that the amount available under the Letter of Credit and New LC's is equal to \$2,000,000. To the extent that the Replenishment Amount does not cause the Letter of Credit and New LC's to equal \$2,000,000, then Harp shall, in future years, upon receipt of additional asset management fees, continue to replenish the Letter of Credit or provide New LC's until the Letter of Credit and New LC's provide \$2,000,000 in available funds.

5. Amounts Drawn Treated as Loan to LPFC. All amounts drawn from the Letter of Credit or New LC's shall be treated as a loan from Harp to LPFC since such amounts are being used to fulfill LPFC's obligations under the Bond Financing. Such amounts shall be repaid, to the extent available, on an annual basis by LPFC to Harp, without interest (until such time that the loans have been repaid in full) from the Project's cash flow prior to subsequent "Distributions to Government" as shown in the Project Proforma. The parties shall execute such documents as necessary or appropriate to evidence any such loans.

6. LPFC Obligations. The LPFC agrees and covenants to comply with and fulfill all of its obligations under documents relating to the Bond Financing, specifically including its obligations under the Tax Rebate Agreement. LPFC specifically covenants and agrees to use all applicable debt service revenues established pursuant to the Bond Financing and all Tax Revenues (as defined in the Tax Rebate Agreement) to secure or pay amounts due with respect to the Series "B" Bonds as referenced in the Project Proforma.

7. Term. Harp shall cause the Letter of Credit to remain outstanding until such time as any of the following shall have occurred: (i) the defeasance or redemption of the 2004 Series "B" Bonds, (ii) a default by the Village under the Tax Rebate Agreement or this Agreement subject to any applicable cure periods, (iii) the failure of the LPFC to collect taxes, refunds and rebates which it is entitled to collect pursuant to, and as contemplated by, the Tax Rebate Agreement and to make such taxes, refunds and rebates available for distribution in accordance with the terms of the Bond Documents, or (iv) the expiration or termination of the Asset

Management Agreement. Upon the occurrence of any of (i) through (iv) above, the Letter of Credit or New LC, as the case may be, shall be returned to Harp.

8. General Provisions.

(a) Entire Agreement. This Agreement, and the other agreements and documents referred to herein, and the attachments hereto, if any, constitute the entire understanding of the parties with respect to the subject matter hereof. Any previous agreements or understandings between the parties regarding the subject matter hereof are merged into and superseded by this Agreement. This Agreement shall specifically replace and supercede that certain prior Letter of Credit Agreement dated August 1, 2004 by and between Harp, LPFC and the Village.

(b) Waiver. No failure by LPFC, Harp or the Village to insist upon strict performance of any covenant, agreement, term or condition of this Agreement, or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or any subsequent breach of such covenant, agreement, term or condition of this Agreement, and no breach thereof shall be waived, altered or modified, except by written instrument signed by the party or parties waiving same. No waiver of any breach shall affect or alter this Agreement, but each and every covenant, agreement, term and condition of this Agreement shall continue in full force and effect with respect to any other existing or subsequent breach thereof.

(c) Amendments. This Agreement may be amended, supplemented or interpreted at any time only by written instrument duly executed by each of the parties hereto.

(d) Notices. Except as otherwise provided in this Agreement, all notices, demands, requests, consents, approvals and other communications (collectively, "Notices"), required or permitted to be given hereunder, or which are to be given with respect to this Agreement, shall be in writing and personally delivered, or sent by facsimile (with a confirming copy sent by regular mail), or by a nationally recognized overnight courier service, or by registered or certified mail, postage prepaid, return receipt requested, addressed to the party to be so notified as follows:

If to LPFC: Lombard Public Facilities Corporation
c/o Leonard Flood, Registered Agent
255 East Wilson Avenue
Lombard, IL 60148

Copy to: Klein Thorpe & Jenkins, Ltd.
20 N. Wacker Drive, Suite 1660
Chicago, IL 60606
Attention: Gerard Dempsey/Donald E. Renner, Esq.
Fax No.: 312-984-6444

If to Harp: Harp Lombard L.L.C.
377 E. Butterfield Road, 6th Floor
Lombard, IL 60148
Attention: Thomas McGuigan or Peter Dumon
Fax No.: 630-321-9239

Copy to: Lord, Bissell & Brook LLP
115 South LaSalle Street
Chicago, Illinois 60603
Attention: Donald J. Manikas, Esq.
Fax No.: 312-896-6548

If to Lombard: William Lichter
Village Manager
255 East Wilson Avenue
Lombard, IL 60148

Copy to: Klein Thorpe & Jenkins, Ltd.
20 N. Wacker Drive, Suite 1660
Chicago, IL 60606
Attention: Thomas Bayer, Esq.
Fax No.: 312-984-6444

Notices shall be deemed received (i) on the date of delivery if personally delivered, (ii) one (1) business day after sending if sent by facsimile or overnight courier service, or (iii) three (3) business days after sending if sent by registered mail.

(e) Assignment. Except as provided herein, neither this Agreement nor any of the rights and obligations hereunder may be assigned by any party without the prior written consent of the other party hereto. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective heirs, legal representatives, successors and permitted assigns of the parties hereto.

(f) Severability. The provisions of this Agreement are severable. If any provision in this Agreement is found invalid, illegal or unenforceable, such provision shall be severable from the remainder of this Agreement and the validity, legality and enforceability of the remaining provisions shall not in anyway be affected or impaired thereby.

(g) Construction. This Agreement is a commercial agreement between sophisticated parties which has been entered into by the parties in reliance upon the economic and legal bargains contained herein. This Agreement shall be interpreted and construed in a fair and impartial manner without regard to which party prepared the instruments, the relative bargaining powers of the parties or the domicile of any party.

(h) Headings. The various headings used in this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of this Agreement or any provision hereof.

(i) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one agreement.

(j) Time is of the Essence. Time is of the essence of this Agreement and each and every provision hereof.

(k) No Partnership. Nothing in this Agreement is intended to constitute any party as a partner or joint venturer of any other party for any purpose.

(l) Exhibits. All Exhibits identified in this Agreement are incorporated herein by reference.

(m) Instruments of Further Assurance. Each of the parties hereto agrees, upon the request of any of the other parties hereto, from time to time to execute and deliver to such other party or parties all such instruments and documents of further assurance or otherwise as shall be reasonable under the circumstances, and to do any and all such acts and things as may reasonably be required to carry out the obligations of such requested party hereunder.

(n) No Third Party Beneficiaries. Nothing in this Agreement is intended nor shall it be construed to give any person, firm, corporation or other entity, other than the parties hereto and their respective successors and permitted assigns, any right, remedy or claim under or in respect of this Agreement or any provisions hereof.

(o) Governing Law. This Agreement shall be governed, construed and enforced in accordance with the internal substantive laws of the State of Illinois, excluding any choice of law rules which may direct the application of the laws of another jurisdiction, and any court proceeding in relation hereto shall be brought in DuPage County, Illinois.

(p) Attorneys' Fees. If any party takes legal action to enforce its rights or pursue its remedies hereunder, then the non-prevailing party or parties in such litigation shall be required to pay or reimburse the prevailing party for all fees, costs and expenses incurred by the prevailing party in connection therewith, including without limitation, reasonable attorneys' fees and court costs.

(q) Any capitalized term that is not expressly defined herein shall have the meaning as ascribed to such term in the Master Glossary of Terms for Lombard Public Facilities Conference Center and Hotel Revenue Bond Transaction dated as of October ___, 2004 (the "Master Glossary").

[THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed, effective as of the date first set forth above.

LOMBARD PUBLIC FACILITIES CORPORATION

By: ______________________________
Its: ___________________________

HARP LOMBARD, LLC

By: ______________________________
Its: ___________________________

VILLAGE OF LOMBARD

By: ______________________________
Its: ___________________________

EXHIBIT A
(Legal Description for Subject Property

LOT 2 IN YORKTOWN PERIPHERAL/TARGET SUBDIVISION, BEING A PART OF THE NORTHEAST ¼ OF SECTION 29, TOWNSHIP 39 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED NOVEMBER 17, 1995 AS DOCUMENT R95-162762, IN DUPAGE COUNTY, ILLINOIS.

EXHIBIT B

(Project Description)

(A) Project. It is currently contemplated that the Project will consist of a convention hall ("Convention Center" or the " Convention Hall") containing approximately 50,000 square feet of net meeting space and a Hilton Hotel containing approximately 500 rooms.

1. The Hotel will consist of the above conference space and the following:
   - Approximately 500 guest rooms, which will include an appropriate mix of King rooms, Double Queens, and several types of suites
   - Spacious lobby
   - Up to two restaurants, each with full cocktail capabilities with a total area of no more than 16,000 sf, exclusive of the Hotel cafe
   - Swimming pool and workout facilities
   - Gift shop
   - Kitchens and Back-of-House areas to support all of the above guest areas
   - Employee spaces
   - Security offices
   - Executive offices for Hotel Management
   - Storage facilities as appropriate
   - Laundry facility for all Hotel requirements

2. The Convention Center is currently designed to encompass the following:
   - +/- 20,000 SF Grand Ballroom; divisible
   - +/- 10,000 SF Ballroom; divisible
   - +/- 10,000 SF Breakout Meeting Rooms; divisible
   - +/- 10,000 SF of small meeting rooms and boardroom space
   - Pre-function space and support facilities for all of the above

3. Based on the floor areas described above, the Project will also include surface parking for approximately 300 cars and in a parking structure that will contain approximately 610 parking stalls. This is determined pursuant to parking ratio requirements of the Declaration that is outlined in Exhibit 7.2(b) to the Purchase and Sale Agreement to which this is itself an Exhibit, and in accordance with the following:

- 500 guest rooms at 1 automobile parking space for each guest room which requires 500 spaces

- 16,000 square feet of restaurant space at 10 automobile parking spaces for each 1,000 square feet of restaurant area which requires 160 spaces
- 50,000 square feet of Convention Center at 5 automobile parking spaces for each 1,000 square feet of Convention Center area which requires 250 spaces
- a retail space of less than 1,000 square feet which requires no spaces

(B) Structure. The Project consisting of a Convention Hall and Hotel facility as described above, will be constructed and equipped with proceeds of bonds to be issued by a corporation to be formed under the Illinois not for profit corporation statute (the "Public Facilities Corporation" or the "PFC"). The Public Facilities Corporation will be organized in compliance with federal tax law to enable it to issue tax exempt bonds on behalf of the Village of Lombard. All of the PFC directors will be appointed by and serve at the pleasure of the Village. Upon the retirement of the bonds, unencumbered fee title to all facilities constructed with bond proceeds will pass to the Village.

The bonds will be issued in three series, all secured by a pledge of the net revenues of the Hotel and Convention Hall, the Village's hotel/motel tax receipts and sales taxes generated by the Hotel and Convention Hall. Series A will be the senior bonds, Series B will be junior to Series A, and Series C will be junior to Series B. Neither the taxing power nor the full faith and credit of the Village will be pledged as security for any of the bonds.

Bond proceeds will be used to acquire the Property and construct and equip the Hotel and Convention Hall on the Property and the parking structure. An escrow will be created at the time of closing on the bonds to pay for off-site improvements that will benefit the Hotel and Convention Hall and adjacent areas. Bond proceeds will also provide for the payment of interest on the bonds through the completion of construction of the facilities and costs of issuance of the bonds.

The bonds will be issued pursuant to a trust indenture with a bank. The trust indenture will provide all of the details of the bonds and how the proceeds will be invested and applied. The trust indenture will be approved by resolution of the board of directors of the Public Facilities Corporation following the execution of a bond purchase contract providing for the sale of the bonds to an investment banking firm. The investment banking firm will then resell the bonds to the public. At the bond closing, the investment banking firm will deliver cash in exchange for the bonds. The Public Facilities Corporation will commence with the Project following the bond closing. Harp Lombard LLC will have a Development Agreement and Asset Management Agreement with the PFC.

The Public Facilities Corporation will enter into a management contract with an entity to operate the Hotel and Convention Hall on a day to day basis. The management company will be responsible for the successful operation of the facilities so as to generate the revenues and sales taxes to discharge the Public Facilities Corporation's debt service obligations on the bonds. As indicated above, when the bonds are fully discharged, the Public Facilities Corporation will deed the facilities to the Village and cease to exist.

EXHIBIT C

(Project Proforma)

Project Cash Flow Summary -
Preliminary Draft Base Case Cash Flows
Lombard Conference Center and Hotel
(Dollars in Thousands)

Calendar Year	2005	2006	2007	2008	2009	2010	2011	2012
Room Summary								
Occupancy	-	-	57.00%	64.00%	67.00%	70.00%	70.00%	70.00%
Average Daily Rate	-	-	129.76	136.65	145.13	149.86	154.36	158.99
TOTAL NET REVENUES (1)								
Net Operating Income	-	-	11,798	14,710	16,407	18,310	18,836	19,376
Administrative Expense	-	-	(481)	(516)	(542)	(570)	(587)	(604)
Total Investment Earnings	-	140	145	438	514	614	665	722
TOTAL NET REVENUES	-	140	11,462	14,633	16,378	18,354	18,914	19,494
CASH FLOW EXPENDITURES (REVENUES)								
Series "A" Debt Service	9,493	7,594	7,594	7,594	7,594	7,594	7,594	8,469
Series "A" Capitalized Interest and DSRF Earnings	(9,493)	(7,594)	(6,265)	(514)	(514)	(514)	(514)	(514)
SERIES "A" NET DEBT SERVICE	-	-	1,329	7,080	7,080	7,080	7,080	7,955
Hotel FF&E Reserve Deposit (2%, 3%, 4%...)	-	-	469	829	1,218	1,299	1,337	1,372
Restaurant FF&E Reserve Deposit (1%)	-	-	227	240	250	269	277	285
Restaurant Subordinate Mgmt. Fee	-	-	735	893	932	1,218	1,261	1,319
HOT, F&B, Sales Tax Contribution	-	-	(653)	(1,398)	(1,553)	(1,677)	(1,763)	(1,814)
Series "B" Debt Service	2,717	2,173	2,173	2,173	2,173	2,173	2,173	2,503
Series "B" Capitalized Interest and DSRF Earnings	(2,717)	(2,173)	(1,793)	(173)	(173)	(173)	(173)	(173)
SERIES "B" NET DEBT SERVICE	-	-	380	2,000	2,000	2,000	2,000	2,330
CASH FLOW REMAINING	-	140	8,976	4,988	6,451	8,164	8,721	8,047
Subordinate Asset Manager Fee	-	-	231	258	277	297	306	314
Subordinate Management Fee	-	-	234	276	305	325	334	343
Subordinate FF&E Reserve Deposit (1% in 10th yr & out)	-	-	-	-	-	-	-	-
SERIES "C" NET DEBT SERVICE	-	-	-	-	-	4,485	4,485	4,487
CASH FLOW REMAINING	-	140	8,511	4,454	5,869	3,057	3,595	2,903
Supersubordinate Asset Manager Fee	-	-	115	129	139	148	153	157
Supersubordinate Management Fee	-	-	-	-	-	-	167	171
EXCESS REVENUE	-	140	8,395	4,325	5,730	2,909	3,275	2,574
APPLICATION OF EXCESS REVENUE								
Deposit to Operating Reserve	-	140	3,500	-	-	-	-	-
Deposit to Cash Trap			4,860	-	-	-	-	
Deposit to Sinking Fund	-	-	18	2,163	2,865	1,454	1,638	1,287
Distribution to the Government	-	-	18	2,163	2,865	1,454	1,638	1,287
Total Distributions from Excess Revenue	-	140	8,395	4,325	5,730	2,909	3,275	2,574
COVERAGE RATIOS								
Series A (Incl. Balance in Supplemental Reserve)	-	-	8.62	2.19	2.31	2.59	2.67	2.45
Series B (Coverage from Tax Revenues Only)	-	-	1.72	0.70	0.78	0.84	0.88	0.78
Series B	-	-	3.86	1.45	1.56	1.69	1.73	1.61
Series C	-	-	-	-	-	1.18	1.21	1.16
RESERVE FUND BALANCES								
Operating Reserve Fund Balance	4,000	4,000	7,500	7,500	7,500	7,500	7,500	7,500
Cash Trap Fund Balance	-	140	5,000	5,000	5,000	5,000	5,000	5,000
Sinking Fund Balance	-	-	18	2,180	5,046	6,500	8,137	9,425
Supplemental Reserve Fund		-	900	900	-	-	-	-
Total Reserve Fund Balances	4,000	4,140	13,418	15,580	17,546	19,000	20,637	21,925
BOND FUNDED DEBT SERVICE RESERVES								
Series A Debt Service Reserve Fund (2)	9,350	9,350	9,350	9,350	9,350	9,350	9,350	9,350
Series B Debt Service Reserve Fund (2)	3,147	3,147	3,147	3,147	3,147	3,147	3,147	3,147
Total Bond Funded DSR	12,497	12,497	12,497	12,497	12,497	12,497	12,497	12,497
TOTAL RESERVE FUND BALANCE	16,497	16,637	25,915	28,077	30,042	31,497	33,134	34,422
PRINCIPAL BALANCES								
Series A	104,750	104,750	104,750	104,750	104,750	104,750	104,750	103,875
Series B	45,005	45,005	45,005	45,005	45,005	45,005	45,005	44,675
Series C	23,451	26,350	29,606	33,266	37,378	37,378	37,378	37,376
Total Principal Balance	173,206	176,105	179,361	183,021	187,133	187,133	187,133	185,926

(1) NOI projections provided by HVS International.
(2) The debt service reserve funds can be released to the Village when the Series A and Series B Bonds have been redeemed.

Project Cash Flow Summary -
Preliminary Draft Base Case Cash Flows
Lombard Conference Center and Hotel
(Dollars in Thousands)

Calendar Year	2013	2014	2015	2016	2017	2018	2019	2020
Room Summary								
Occupancy	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Average Daily Rate	163.76	168.67	173.73	178.94	184.31	189.84	195.53	201.40
TOTAL NET REVENUES (1)								
Net Operating Income	20,372	20,581	21,166	21,836	22,491	23,166	23,861	24,577
Administrative Expense	(625)	(642)	(660)	(680)	(700)	(721)	(743)	(765)
Total Investment Earnings	767	825	882	946	1,010	1,081	1,159	1,245
TOTAL NET REVENUES	20,515	20,764	21,389	22,102	22,800	23,525	24,277	25,057
CASH FLOW EXPENDITURES (REVENUES)								
Series "A" Debt Service	8,551	8,632	8,712	8,795	8,879	8,965	9,051	9,140
Series "A" Capitalized Interest and DSRF Earnings	(514)	(514)	(514)	(514)	(514)	(514)	(514)	(514)
SERIES "A" NET DEBT SERVICE	8,037	8,118	8,198	8,280	8,365	8,451	8,536	8,625
Hotel FF&E Reserve Deposit (2%, 3%, 4%...)	1,417	1,454	1,501	1,550	1,596	1,644	1,694	1,744
Restaurant FF&E Reserve Deposit (1%)	298	306	310	320	329	339	350	360
Restaurant Subordinate Mgmt. Fee	1,394	1,446	1,480	1,545	1,591	1,639	1,688	1,739
HOT, F&B, Sales Tax Contribution	(1,872)	(1,930)	(1,982)	(2,039)	(2,101)	(2,165)	(2,229)	(2,296)
Series "B" Debt Service	2,577	2,651	2,722	2,794	2,871	2,953	3,040	3,125
Series "B" Capitalized Interest and DSRF Earnings	(173)	(173)	(173)	(173)	(173)	(173)	(173)	(173)
SERIES "B" NET DEBT SERVICE	2,403	2,478	2,549	2,621	2,698	2,780	2,867	2,952
CASH FLOW REMAINING	8,838	8,893	9,333	9,825	10,322	10,836	11,372	11,932
Subordinate Asset Manager Fee	326	335	343	354	364	375	386	398
Subordinate Management Fee	354	363	375	387	399	411	423	436
Subordinate FF&E Reserve Deposit (1% in 10th yr & out)	-	-	-	387	399	411	423	436
SERIES "C" NET DEBT SERVICE	4,532	4,577	4,623	4,669	4,716	4,763	4,811	4,859
CASH FLOW REMAINING	3,625	3,618	3,992	4,028	4,444	4,876	5,329	5,804
Supersubordinate Asset Manager Fee	163	167	171	177	182	188	193	199
Supersubordinate Management Fee	177	182	188	194	200	206	212	218
EXCESS REVENUE	3,285	3,269	3,633	3,657	4,062	4,483	4,924	5,387
APPLICATION OF EXCESS REVENUE								
Deposit to Operating Reserve	-	-	-	-	-	-	-	-
Deposit to Cash Trap								
Deposit to Sinking Fund	1,643	1,635	1,816	1,829	2,031	2,241	2,462	2,693
Distribution to the Government	1,643	1,635	1,816	1,829	2,031	2,241	2,462	2,693
Total Distributions from Excess Revenue	3,285	3,269	3,633	3,657	4,062	4,483	4,924	5,387
COVERAGE RATIOS								
Series A (Incl. Balance in Supplemental Reserve)	2.55	2.56	2.61	2.67	2.73	2.78	2.84	2.90
Series B (Coverage from Tax Revenues Only)	0.78	0.78	0.78	0.78	0.78	0.78	0.78	0.78
Series B	1.65	1.64	1.66	1.69	1.71	1.73	1.75	1.77
Series C	1.19	1.19	1.21	1.20	1.22	1.23	1.25	1.27
RESERVE FUND BALANCES								
Operating Reserve Fund Balance	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Cash Trap Fund Balance	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Sinking Fund Balance	11,067	12,702	14,518	16,347	18,378	20,619	23,081	25,774
Supplemental Reserve Fund	-	-	-	-	-	-	-	-
Total Reserve Fund Balances	23,567	25,202	27,018	28,847	30,878	33,119	35,581	38,274
BOND FUNDED DEBT SERVICE RESERVES								
Series A Debt Service Reserve Fund (2)	9,350	9,350	9,350	9,350	9,350	9,350	9,350	9,350
Series B Debt Service Reserve Fund (2)	3,147	3,147	3,147	3,147	3,147	3,147	3,147	3,147
Total Bond Funded DSR	12,497	12,497	12,497	12,497	12,497	12,497	12,497	12,497
TOTAL RESERVE FUND BALANCE	36,064	37,699	39,515	41,344	43,375	45,616	48,078	50,771
PRINCIPAL BALANCES								
Series A	102,855	101,680	100,340	98,820	97,105	95,180	93,030	90,635
Series B	44,260	43,755	43,160	42,470	41,675	40,765	39,730	38,565
Series C	37,329	37,232	37,077	36,857	36,564	36,189	35,721	35,149
Total Principal Balance	184,444	182,667	180,577	178,147	175,344	172,134	168,481	164,349

(1) NOI projections provided by HVS International.
(2) The debt service reserve funds can be released to the Village when the Series A and Series B Bonds have been redeemed.

Project Cash Flow Summary -
Preliminary Draft Base Case Cash Flows
Lombard Conference Center and Hotel
(Dollars in Thousands)

Calendar Year	2021	2022	2023	2024	2025	2026	2027	2028
Room Summary								
Occupancy	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Average Daily Rate	207.44	213.67	220.08	226.68	233.48	240.48	247.70	255.13
TOTAL NET REVENUES (1)								
Net Operating Income	25,314	26,073	26,856	27,661	28,491	29,346	30,226	31,133
Administrative Expense	(788)	(812)	(836)	(861)	(887)	(914)	(941)	(969)
Total Investment Earnings	1,340	1,442	1,554	1,675	1,806	1,947	2,099	2,263
TOTAL NET REVENUES	25,865	26,704	27,574	28,475	29,410	30,379	31,384	32,427
CASH FLOW EXPENDITURES (REVENUES)								
Series "A" Debt Service	9,226	9,314	9,406	9,496	9,587	9,679	9,773	9,867
Series "A" Capitalized Interest and DSRF Earnings	(514)	(514)	(514)	(514)	(514)	(514)	(514)	(514)
SERIES "A" NET DEBT SERVICE	8,712	8,799	8,892	8,982	9,073	9,164	9,258	9,353
Hotel FF&E Reserve Deposit (2%, 3%, 4%...)	1,797	1,851	1,906	1,963	2,022	2,083	2,145	2,210
Restaurant FF&E Reserve Deposit (1%)	371	382	393	405	417	430	443	456
Restaurant Subordinate Mgmt. Fee	1,791	1,845	1,900	1,957	2,016	2,076	2,139	2,203
HOT, F&B, Sales Tax Contribution	(2,365)	(2,436)	(2,509)	(2,585)	(2,662)	(2,742)	(2,824)	(2,909)
Series "B" Debt Service	3,214	3,305	3,399	3,493	3,593	3,698	3,707	3,709
Series "B" Capitalized Interest and DSRF Earnings	(173)	(173)	(173)	(173)	(173)	(173)	(173)	(173)
SERIES "B" NET DEBT SERVICE	3,041	3,132	3,225	3,320	3,420	3,525	3,534	3,536
CASH FLOW REMAINING	12,520	13,131	13,766	14,432	15,123	15,842	16,689	17,579
Subordinate Asset Manager Fee	410	422	435	448	461	475	490	504
Subordinate Management Fee	449	463	477	491	506	521	536	552
Subordinate FF&E Reserve Deposit (1% in 10th yr & out)	449	463	477	491	506	521	536	552
SERIES "C" NET DEBT SERVICE	4,907	4,956	5,006	5,056	5,106	5,158	5,209	5,261
CASH FLOW REMAINING	6,304	6,828	7,372	7,947	8,544	9,168	9,918	10,709
Supersubordinate Asset Manager Fee	205	211	217	224	231	238	245	252
Supersubordinate Management Fee	225	231	238	245	253	260	268	276
EXCESS REVENUE	5,874	6,385	6,917	7,477	8,061	8,670	9,405	10,180
APPLICATION OF EXCESS REVENUE								
Deposit to Operating Reserve	-	-	-	-	-	-	-	-
Deposit to Cash Trap								
Deposit to Sinking Fund	2,937	3,193	3,458	3,739	4,030	4,335	4,702	5,090
Distribution to the Government	2,937	3,193	3,458	3,739	4,030	4,335	4,702	5,090
Total Distributions from Excess Revenue	5,874	6,385	6,917	7,477	8,061	8,670	9,405	10,180
COVERAGE RATIOS								
Series A (Incl. Balance in Supplemental Reserve)	2.97	3.03	3.10	3.17	3.24	3.31	3.39	3.47
Series B (Coverage from Tax Revenues Only)	0.78	0.78	0.78	0.78	0.78	0.78	0.80	0.82
Series B	1.80	1.82	1.84	1.87	1.89	1.92	1.95	1.99
Series C	1.29	1.31	1.32	1.34	1.36	1.38	1.41	1.43
RESERVE FUND BALANCES								
Operating Reserve Fund Balance	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Cash Trap Fund Balance	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Sinking Fund Balance	28,711	31,904	35,362	39,101	43,131	47,466	52,169	57,259
Supplemental Reserve Fund	-	-	-	-	-	-	-	-
Total Reserve Fund Balances	41,211	44,404	47,862	51,601	55,631	59,966	64,669	69,759
BOND FUNDED DEBT SERVICE RESERVES								
Series A Debt Service Reserve Fund (2)	9,350	9,350	9,350	9,350	9,350	9,350	9,350	9,350
Series B Debt Service Reserve Fund (2)	3,147	3,147	3,147	3,147	3,147	3,147	3,147	3,147
Total Bond Funded DSR	12,497	12,497	12,497	12,497	12,497	12,497	12,497	12,497
TOTAL RESERVE FUND BALANCE	53,708	56,901	60,359	64,098	68,128	72,463	77,166	82,256
PRINCIPAL BALANCES								
Series A	87,980	85,045	81,805	78,240	74,325	70,035	65,340	60,210
Series B	37,260	35,805	34,190	32,405	30,435	28,265	25,980	23,580
Series C	34,460	33,638	32,669	31,534	30,211	28,679	26,911	24,879
Total Principal Balance	159,700	154,488	148,664	142,179	134,971	126,979	118,231	108,669

(1) NOI projections provided by HVS International.
(2) The debt service reserve funds can be released to the Village when the Series A and Series B Bonds have been redeemed.

Project Cash Flow Summary -
Preliminary Draft Base Case Cash Flows
Lombard Conference Center and Hotel
(Dollars in Thousands)

Calendar Year	2029	2030	2031	2032	2033	2034	2035
Room Summary							
Occupancy	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Average Daily Rate	262.78	270.67	278.79	287.15	295.76	304.64	313.78
TOTAL NET REVENUES (1)							
Net Operating Income	32,067	33,029	34,020	35,040	36,092	37,174	38,290
Administrative Expense	(998)	(1,028)	(1,059)	(1,091)	(1,124)	(1,157)	(1,192)
Total Investment Earnings	2,442	2,634	2,841	3,064	3,303	3,559	3,832
TOTAL NET REVENUES	33,510	34,635	35,802	37,013	38,271	39,576	40,930
CASH FLOW EXPENDITURES (REVENUES)							
Series "A" Debt Service	9,960	10,060	10,152	10,251	10,353	10,450	19,648
Series "A" Capitalized Interest and DSRF Earnings	(514)	(514)	(514)	(514)	(514)	(514)	(9,607)
SERIES "A" NET DEBT SERVICE	9,446	9,545	9,638	9,737	9,839	9,936	10,041
Hotel FF&E Reserve Deposit (2%, 3%, 4%...)	2,276	2,344	2,415	2,487	2,562	2,638	2,718
Restaurant FF&E Reserve Deposit (1%)	470	484	498	513	529	545	561
Restaurant Subordinate Mgmt. Fee	2,269	2,337	2,407	2,479	2,554	2,630	2,709
HOT, F&B, Sales Tax Contribution	(2,996)	(3,086)	(3,179)	(3,274)	(3,372)	(3,473)	(3,578)
Series "B" Debt Service	3,709	3,708	3,705	3,705	3,708	3,708	6,765
Series "B" Capitalized Interest and DSRF Earnings	(173)	(173)	(173)	(173)	(173)	(173)	(3,234)
SERIES "B" NET DEBT SERVICE	3,536	3,535	3,532	3,532	3,535	3,535	3,531
CASH FLOW REMAINING	18,510	19,476	20,491	21,539	22,626	23,766	24,947
Subordinate Asset Manager Fee	519	535	551	568	585	602	620
Subordinate Management Fee	569	586	604	622	640	660	679
Subordinate FF&E Reserve Deposit (1% in 10th yr & out)	569	586	604	622	640	660	679
SERIES "C" NET DEBT SERVICE	5,314	5,367	5,421	5,475	5,530	5,585	5,641
CASH FLOW REMAINING	11,539	12,402	13,312	14,253	15,231	16,259	17,327
Supersubordinate Asset Manager Fee	260	267	276	284	292	301	310
Supersubordinate Management Fee	284	293	302	311	320	330	340
EXCESS REVENUE	10,994	11,841	12,735	13,659	14,618	15,629	16,677
APPLICATION OF EXCESS REVENUE							
Deposit to Operating Reserve	-	-	-	-	-	-	-
Deposit to Cash Trap							
Deposit to Sinking Fund	5,497	5,921	6,367	6,829	7,309	7,814	8,339
Distribution to the Government	5,497	5,921	6,367	6,829	7,309	7,814	8,339
Total Distributions from Excess Revenue	10,994	11,841	12,735	13,659	14,618	15,629	16,677
COVERAGE RATIOS							
Series A (Incl. Balance in Supplemental Reserve)	3.55	3.63	3.71	3.80	3.89	3.98	4.08
Series B (Coverage from Tax Revenues Only)	0.85	0.87	0.90	0.93	0.95	0.98	1.01
Series B	2.03	2.07	2.11	2.15	2.19	2.23	2.28
Series C	1.46	1.49	1.52	1.55	1.58	1.61	1.64
RESERVE FUND BALANCES							
Operating Reserve Fund Balance	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Cash Trap Fund Balance	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Sinking Fund Balance	62,756	68,677	75,044	81,873	89,183	96,997	105,336
Supplemental Reserve Fund	-	-	-	-	-	-	-
Total Reserve Fund Balances	75,256	81,177	87,544	94,373	101,683	109,497	117,836
BOND FUNDED DEBT SERVICE RESERVES							
Series A Debt Service Reserve Fund (2)	9,350	9,350	9,350	9,350	9,350	9,350	-
Series B Debt Service Reserve Fund (2)	3,147	3,147	3,147	3,147	3,147	3,147	-
Total Bond Funded DSR	12,497	12,497	12,497	12,497	12,497	12,497	-
TOTAL RESERVE FUND BALANCE	87,753	93,674	100,041	106,870	114,179	121,994	117,836
PRINCIPAL BALANCES							
Series A	54,615	48,515	41,880	34,665	26,825	18,320	-
Series B	21,060	18,415	15,640	12,725	9,660	6,440	-
Series C	22,551	19,890	16,856	13,404	9,483	5,036	-
Total Principal Balance	98,226	86,820	74,376	60,794	45,968	29,796	-

(1) NOI projections provided by HVS International.
(2) The debt service reserve funds can be released to the Village when the Series A and Series B Bonds have been redeemed.

EXHIBIT D

(Project Budget)

Sources and Uses of Funds -
Preliminary Draft
Base Case Cash Flows
Lombard Conference Center and Hotel
(Dollars in Thousands)

Sources of Funds	Total	Series A Bonds	Series B Guaranteed Bonds	Series C Manager/ Developer Bonds
Par Amount of Bonds	$ 170,205	$ 104,750	$ 45,005	$ 20,450
Hotel Operator Guarantee	$ 3,000	$ -	$ -	$ 3,000
Interest Earnings on Project Construction Fund	$ 1,821	$ 1,005	$ 529	$ 287
Accrued Interest from 10/01/2004 to 10/28/2004	$ 733	$ 570	$ 163	$ -
TOTAL SOURCES OF FUNDS	**$ 175,758**	**$ 106,325**	**$ 45,697**	**$ 23,737**
Uses of Funds				
Deposit to Project Construction Fund	$ 124,387	$ 68,901	$ 35,379	$ 20,108
Deposit to Capitalized Interest (CIF) Fund	$ 25,947	$ 20,235	$ 5,712	$ -
Debt Service Reserve Fund	$ 12,497	$ 9,350	$ 3,147	$ -
Pre-Opening Expenses	$ 3,500	$ 3,500	$ -	$ -
Costs of Issuance (including UD)	$ 4,495	$ 3,018	$ 1,297	$ 180
Operating Capital	$ 3,000	$ -	$ -	$ 3,000
Corporation Construction Period Expenses	$ 750	$ 750	$ -	$ -
Deposit to Debt Service Fund	$ 733	$ 570	$ 163	$ -
Series C Placement Fee	$ 450	$ -	$ -	$ 450
Rounding Amount	$ (0)	$ 2	$ (1)	$ (1)
TOTAL USES OF FUNDS	**$ 175,759**	**$ 106,323**	**$ 45,698**	**$ 23,738**
Dated Date		10/1/04	10/1/04	10/1/04
True Interest Cost	7.705%	7.427%	5.026%	12.000%
All-In-Cost	7.783%	7.510%	5.092%	12.072%
Average Life	24.527 Years	24.511 Years	23.908 Years	25.825 Years

Interest is capitalized for 12 months after the hotel opening.
The total project budget is $124,386,743.
The first construction draw occurs on 10/28/04.