

100 NORTH QUEEN STREET
Lancaster, PA 17603
Tel 717 291-3497
717 291-3580

**“On April 1, 2002 First Union National Bank
changed its name to Wachovia Bank, National Association”**

September 19, 2002

**Lancaster County Convention Center Authority
P. O. Box 567
Lancaster, PA 17608**

Attention: James Pickard, Chairman

Ladies and Gentlemen:

**Wachovia Bank (the “Bank”) is pleased to provide the
Lancaster County Convention Center Authority (the
“Authority) with this commitment to provide financing in
the amount of \$25,000,000. The terms and conditions of
this financing are set forth below:**

1. Amount

\$25,000,000

2. Interest Rate

**The interest rate will be determined at the time the
financing is accessed based on market conditions at the
time and the terms of the financing. Various options that
are available include (a) index based pricing using
various indexes such as LIBOR, commercial paper, and
United States Treasury Bills, (b) auction rate securities,
and (c) one or more fixed rates. Interest rate swaps are
also available to hedge against interest rate risk for any
portion of the financing for which the interest rate is not
fixed.**

3. Term

The final maturity of the financing will be 30 years from the date the securities are issued or the loan is funded. The amortization schedule and/or maturities of the securities will be structured to meet your financing needs.

4. Security

The revenues from the hotel room tax will be pledged to secure the financing in addition to other customary collateral and financing covenants for a transaction of this nature. Such pledge will remain in effect until the financing has been repaid in full.

5. Rating/Enhancement

This commitment is a contingent upon the issuance of bonds being rated "A" or better by either Moody's Investor's Service, Inc. or Standard & Poor's Corporation or the receipt of a municipal bond insurance policy (by any of the primary bond insurers) which will designate the bonds as "AAA" insured debt to the Authority.

6. Costs

The Authority will be responsible for paying all costs in connection with the financing, including without limitation rating agency fees, underwriting discounts or commissions and the reasonable fees and expenses of our legal counsel.

Any financing available under this commitment is contingent upon a final resolution acceptable to the Bank of the litigation relating to the validity of the hotel room tax being collected by the Authority. In addition, prior to any

financing being provided under this commitment, the Authority must provide us with a copy of a written approval issued by the Department of Commercial and Economic Development of the Commonwealth of Pennsylvania of a \$15,000,000 grant to the Authority.

This commitment is conditioned upon the Authority and the Bank entering into such agreements as are mutually acceptable to the Authority and the bank and on terms and conditions acceptable to the Bank. This commitment will remain in effect only if it is accepted by the Authority and returned to us by September 30, 2002.

If you have any questions regarding this commitment, please contact me at 717-291-3497.

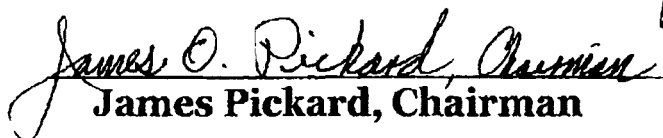
Sincerely,



Joseph M. Del Tito
Market President
Commercial Banking Sales Manager
Central PA Commercial Banking – West

First Union National Bank
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Joseph.deltito@wachovia.com

Accepted this 19th day of September, 2002.


James Pickard, Chairman

Potential Hotel Room Rental Tax as of Stabilized Year of Operation
(no annual increase in hotel tax revenues)

	<u>Rated Bond</u>	<u>Direct Issuance</u>
Hotel Room Revenues @ \$78 million (net of 80/20 split)	2.64%	2.80%
Rate from add'l. recurring costs (net of 80/20 split)	<u>1.09%</u>	<u>1.09%</u>
Proposed Tax	3.73%	3.89%

Potential Revenue Generation
(using 80/20 split criteria)

Hotel Tax @ 4.66%:

Convention Center Authority: 3.73% = \$2,909,400 annually
PDCVB: .93% = \$ 725,400 annually

Hotel Tax @ 4.89%:

Convention Center Authority: 3.89% = \$3,034,200 annually
PDCVB: .97% = \$ 756,600 annually

Hotel Tax @ 5%: (As recommended by the Conference Center Task Force)

Convention Center Authority: 4% = \$3,120,000 annually
PDCVB: 1% = \$ 780,000 annually

**Estimated Annual Expenses & Debt Service for Proposed
Convention/Conference Center**

Estimated Annual Bond Debt Service	\$1,325,000	*Using \$15M bond
<u>Convention Center Deficit(at stabilized years)</u>	<u>800,000</u>	
Total ADS & Deficit	\$2,125,000	
<u>Additional Recurring Costs</u>	<u>850,000</u>	
Total Needed	\$2,975,000	

*Minimum Percent Tax Necessary for
Convention Center*

3.81%