

SECOND AMENDMENTS TO THE JOINT DEVELOPMENT AGREEMENT, THE PROFESSIONAL SERVICES DEVELOPMENT AGREEMENT AND THE FOOD AND BEVERAGE CONCESSION AGREEMENT, AND AGREEMENT REGARDING PAYMENT FOR CONTRACTOR OVERTIME AND RESOLUTION OF CLAIMS

This Second Amendments to the Joint Development Agreement, the Professional Services Development Agreement and the Food and Beverage Concession Agreement, and Agreement Regarding Payment of Contractor Overtime and Resolution of Claims (the "Amendment Agreement") is made and entered into the 27th day of May, 2010, by and among the LANCASTER COUNTY CONVENTION CENTER AUTHORITY, a body politic and corporate existing under the laws of the Commonwealth of Pennsylvania ("LCCCA" or the "Owner"), the REDEVELOPMENT AUTHORITY OF THE CITY OF LANCASTER, a body politic and corporate existing under the laws of the Commonwealth of Pennsylvania ("RACL"), PENN SQUARE PARTNERS, a Pennsylvania limited partnership ("PSP"), and HIGH ASSOCIATES, LTD., a Pennsylvania limited liability company (the "Developer").

WHEREAS, LCCCA, RACL and PSP are parties to a Joint Development Agreement dated as of January 31, 2006, (the "JDA") and a First Amendment to Joint Development Agreement dated as of March 28, 2007 (the "JDA First Amendment"); and

WHEREAS, LCCCA and Developer are parties to a Professional Services Development Agreement dated as of December 20, 2001, a Professional Services Development Agreement dated as of January 31, 2006, and a First Amendment to Professional Services Development Agreement dated as of March 28, 2007 (collectively, the "PSDA"); and

WHEREAS, LCCCA and PSP are parties to a Food and Beverage Concession Agreement dated December 20, 2001, and a First Amendment to the Food and Beverage Concession Agreement dated March 28, 2007 (collectively, the "Food & Beverage Agreement"); and

WHEREAS, the parties have worked cooperatively as owners and developers to jointly develop and construct the Convention Center and Hotel (the “Project”) as those terms are defined in the JDA; and

WHEREAS, the construction of the Project is now approaching final completion; and

WHEREAS, the parties desire to clarify and/or modify the agreements between them and to resolve issues that have arisen during the development and construction of the Project.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Second Amendment to the JDA.

a. Section 2.1.7(d) of the JDA, as restated by Section 1(c) of the JDA First Amendment, including but not limited to provisions regarding allocation of any additional funding, is hereby deleted in its entirety and restated as follows:

LCCCA shall pay PSP One Hundred Twenty Two Thousand Five Hundred Dollars (\$122,500.00) as a reimbursement for project costs.

In the event that any additional funds are generated from Section 2.1.7(b)(i) and (ii), the funds shall be divided equally between LCCCA and PSP.

LCCCA reaffirms its obligation to pay PSP Seven Hundred Five Thousand Two Hundred Forty Five Dollars (\$705,245.00) as a reimbursement of the RACL/PSP contingency and shall use best efforts to ensure payment of the same. As full satisfaction of LCCCA’s obligation to pay PSP Seven Hundred Five Thousand Two Hundred Forty Five Dollars (\$705,245.00), beginning on March 31, 2015, LCCCA shall make payments to PSP totaling Seven Hundred Thousand Dollars (\$700,000.00) in fourteen (14) annual payments, each in the amount of Fifty Thousand Dollars (\$50,000.00), with the first annual payment being made on March 31, 2015, and the remaining thirteen (13) payments being made annually on the anniversary date of the first payment. LCCCA’s payment of any balance of the Seven Hundred Thousand Dollars (\$700,000.00) shall be accelerated only in the event that LCCCA, in its sole discretion, remarkets its existing bonds, and only to the extent that such remarketing yields sufficient funds to make payment

on account of this obligation in excess of that set forth in the payment schedule set forth above.

b. Except as modified, amended, supplemented, deleted or restated by this Second Amendment to the JDA, the terms, covenants and conditions of the JDA as amended by the JDA First Amendment shall continue in full force and effect in accordance with their terms and are hereby ratified, confirmed and reaffirmed as if fully set forth herein.

2. Second Amendment to the PSDA.

a. Sections 3.1 through 3.7 of the PSDA, as amended by the First Amendment to the PSDA, are hereby deleted in their entirety and restated as follows:

3.1 Development Fee and Reimbursement of Developer's Expenses and Reimbursable Costs. In consideration for the professional services that were and are to be provided as described in this Agreement, Owner has paid Developer all of Developer's fees and development costs incurred to date except for Three Hundred Twenty Eight Thousand Dollars (\$328,000.00). Owner shall pay the balance of Three Hundred Twenty-Eight Thousand Dollars (\$328,000.00) as follows: (1) Owner shall pay Developer One Hundred Fifty-Four Thousand Dollars (\$154,000.00) on or before May 28, 2010; and (2) Owner shall commence to pay Developer One Hundred Seventy Four Thousand Dollars (\$174,000.00) in five (5) annual payments, each in the amount of Thirty Four Thousand Eight Hundred Dollars (\$34,800.00), with the first annual payment being made on October 15, 2010, and the remaining four (4) payments being made annually on the anniversary date of the first payment. Payment of these amounts shall satisfy all LCCCA's obligations to Developer for Development Fees and Developer's Expenses and Reimbursable Costs except for pre-approved Expenses and Reimbursable Costs incurred after the date of this Agreement.

b. Except as modified, amended or supplemented by this Second Amendment to the PSDA, the terms, covenants and conditions of the PSDA shall continue in full force and effect in accordance with their terms and are hereby ratified, confirmed and reaffirmed as if fully set forth herein.

3. Allocation of Payment to Contractors for Overtime Work. Notwithstanding anything to the contrary in any other agreement, the parties agree that all payments to prime

contractors for overtime work completed between January 5, 2009, and the effective date of this Amendment Agreement shall be allocated between LCCCA and RACL/PSP as follows: 53.4% shall be allocated to and paid by LCCCA and 46.6% shall be allocated to and paid by PSP. All Change Orders for overtime work that LCCCA and RACL/PSP have executed as of the effective date of this Amendment Agreement shall be paid according to their terms. As a result of the reallocation of responsibility for overtime payments already memorialized by Change Orders executed by LCCCA and RACL/PSP, PSP shall reimburse LCCCA One Hundred Thirty-Four Thousand Three Hundred Twenty and 00/100 Dollars (\$134,320.00). PSP's obligation under the preceding sentence and LCCCA's obligation to pay PSP One Hundred Twenty Two Thousand Five Hundred Dollars (\$122,500.00) as a reimbursement for project costs under Paragraph 1 of this Amendment Agreement shall be satisfied by PSP crediting LCCCA's obligation to reimburse PSP for claim prosecution expenses relating to project close-out in the amount of Eleven Thousand Eight Hundred Twenty and 00/100 Dollars (\$11,820.00).

4. Second Amendment to the Food & Beverage Agreement.

a. Article 1, Paragraph (4) of the Food & Beverage Agreement is hereby deleted in its entirety and restated as follows:

(4) "Catering Services" shall mean providing, preparing, serving and clearing all food and beverages and all appropriate accoutrements, the setting up and taking down of all tables and chairs used by groups receiving the foregoing services, and post-event clean-up, for a fee, to any room of the Convention Center all in accordance with the Quality Standard, and shall specifically include "Concession Services."

b. New Paragraphs (4.5), (5.5) and (32) shall be added to Article 1 of the Food & Beverage Agreement as follows:

(4.5) "Common Elements" shall have the same meaning as defined in the Declaration of Condominium of the Penn Square Hotel and Convention Center, a Condominium.

(5.5) "Concession Services" shall mean the provision and sale of food and beverages on a cash and credit card basis over the counter without table service or advance order anywhere in the Facilities.

(32) "Soft Goods" shall include, and are limited to, linens, china, stemware, flatware, serving equipment, vases, candle holders and other such sundry items used in connection with table service to patrons.

c. Article 2, Section 2.1 is hereby deleted in its entirety and restated as follows:

SECTION 2.1. Grant. LCCCA hereby grants to PSP the exclusive right and privilege to provide Catering Services on the Convention Center Premises and in Common Elements during the term of this Agreement. In consideration of LCCCA's agreement to assume financial responsibility for fifty percent (50%) of the cost of the piano for use in the Common Elements, and the initial cost of door entry signage for each meeting room in the Leased Premises, but not the maintenance, replacement, repair or alteration of signage, the costs of which shall be charged as Additional Rent, as referenced in Exhibit E to the March 27, 2007 Amended and Restated Lease Agreement, PSP, in its absolute discretion, consents to LCCCA providing Concession Services through Interstate Hotels and Resorts or its successors ("IHR") on the Convention Center Premises, effective June 19, 2009. PSP shall have the right to revoke its consent at any time after May 27, 2010, upon thirty (30) days notice to LCCCA. PSP shall not give such notice of revocation without first conferring with LCCCA and giving LCCCA thirty (30) days to satisfy PSP's objections to the continuation of Concession Services by LCCCA. PSP's obligation to give notice shall not be deemed to lessen its absolute discretion to give or withdraw its consent to LCCCA providing Concession Services. Until PSP withdraws its consent, LCCCA has the right to receive the net income generated by the Concession Services IHR provides on the Convention Center Premises on LCCCA's behalf and fifty percent (50%) of the net income from Concession Services PSP provides in the Common Elements. PSP shall continue to receive all net income from the restaurant and from bar services in the lobby.

d. Section 2.3 (c) of the Food & Beverage Agreement is hereby deleted in its entirety and restated as follows:

(c) LCCCA shall purchase and maintain Soft Goods for use on the Convention Center Premises, including Leased Premises. With regard to the costs for the replacement of Soft Goods utilized on the Convention Center Premises because of loss or damage, the actual cost to maintain par established by the

Quality Standard shall be allocated eighty percent (80%) to LCCCA and twenty percent (20%) to PSP.

e. Except as modified, amended, supplemented, deleted or restated by this Second Amendment to the Food and Beverage Agreement, the terms, covenants and conditions of the Food and Beverage Agreement as amended by the First Amendment to the Food and Beverage Agreement shall continue in full force and effect in accordance with their terms and are hereby ratified, confirmed and reaffirmed as if fully set forth herein.

5. Allocation of Expenses. LCCCA and PSP have in good faith reviewed with Interstate Hotels and Resorts the agreements between LCCCA and PSP as they relate to the allocation of the expenses for operating the Facility and have prepared guidelines (the "IHR Guidelines") to assist the manager in making such allocations. It is LCCCA's and PSP's intent and belief that the IHR Guidelines accurately reflect the terms and conditions of those agreements as they relate to the allocation of expenses between LCCCA and PSP. LCCCA and PSP have directed the manager to utilize those guidelines in operating the Facility and allocating expenses. The IHR Guidelines shall be changed only with the express consent of both LCCCA and PSP. The manager shall apply the IHR Guidelines retroactively to June 19, 2009. If, based on the manager's retroactive application of the IHR Guidelines, either LCCCA or PSP has underpaid its share of expenses, the underpaying party shall reimburse the other in accordance with the IHR Guidelines.

6. Waivers and Releases. Except as otherwise provided herein, LCCCA hereby releases RACL, PSP and Developer, and their respective affiliates, members, partners, officers, directors, employees, shareholders, trustees, agents, successors, predecessors, attorneys, insurers and assigns, from all past, present and future claims, demands, damages, and causes of action, of any kind or nature, known or unknown, arising out of the development and construction of the

Project for conduct occurring before the effective date of this Amendment Agreement, and hereby waives and relinquishes all such claims, demands, damages, and causes of action. Except as otherwise provided herein, RACL, PSP and Developer hereby release LCCCA and its affiliates, members, partners, officers, directors, employees, shareholders, trustees, agents, successors, predecessors, attorneys, insurers and assigns, from all past, present and future claims, demands, damages, and causes of action, of any kind or nature, known or unknown, arising out of the development and construction of the Project for conduct occurring before the effective date of this Amendment Agreement, and hereby waive and relinquish all such claims, demands, damages, and causes of action. Expressly excluded from the scope of the foregoing releases are claims, demands, damages, and causes of action regarding the enforcement of this Amendment Agreement and claims, demands, damages, and causes of action between LCCCA and PSP regarding or arising out of the operation of the Facility.

This Amendment Agreement shall not be construed as amending or modifying any other agreements between the parties that are not expressly amended or modified herein. Except as provided in paragraph 3, above, this Amendment Agreement shall not be construed as changing the allocation of responsibility for the payment of contractor claims as set forth in, *inter alia*, Sections 4.8 and 4.9 of contracts between and among LCCCA and RACL/PSP and Project prime contractors, which provide that the allocation of liability, if any, among LCCCA and RACL/PSP shall be determined as part of the contractor claims process and that LCCCA and RACL/PSP shall be bound by that allocation. The parties acknowledge that LCCCA and RACL/PSP shall each be liable to a contractor only for their proportionate share of liability and that the releases in this Amendment Agreement shall not be construed as relieving LCCCA or RACL/PSP from their proportionate share of liability, as imposing upon LCCCA or RACL/PSP more than their

proportionate share of liability, or as limiting any right of contribution between LCCCA and RACL/PSP. Further, in the event claims are pursued by the Project Architect, the Project Construction Manager, or others, nothing in this Amendment Agreement shall be construed as relieving LCCCA or RACL/PSP from their proportionate share of liability to those claimants, as imposing upon LCCCA or RACL/PSP more than their proportionate share of liability to those claimants, or as limiting any right of contribution between LCCCA and RACL/PSP. In addition, to the extent LCCCA and RACL/PSP jointly prosecute claims against Project prime contractors, the Project Architect, the Project Construction Manager, or others, LCCCA and RACL/PSP agree to request the tribunal to allocate any recovery between them as part of the claim process and nothing in this Amendment Agreement shall be construed as limiting the right of LCCCA or RACL/PSP to assert a particular allocation.

In the event the waiver, relinquishment or release of claims by one or more parties is ever found to be unenforceable, then the waivers by all other parties shall also be unenforceable, and, in such case, the statute of limitations or other time-based defenses shall not be raised as defenses by any party against any other party.

7. Alternative Dispute Resolution. All claims, demands, damages, and causes of action shall be decided by the alternative dispute resolution provisions then in effect in the JDA.

8. Entire Agreement. The parties agree that this Amendment Agreement constitutes the entire agreement between them regarding the subject matter covered herein, superseding all prior inconsistent written and oral provisions and agreements.

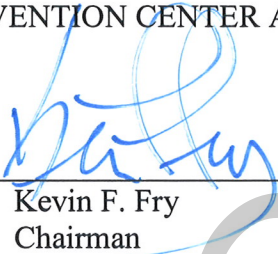
9. Controlling Law. This Amendment Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

10. Counterparts. This Amendment Agreement may be executed in multiple counterparts, each of which shall be treated as an original, but all of which shall together constitute one and the same instrument.

11. Amendment Only By Written Agreement. Neither this Amendment Agreement nor any provisions thereof may be changed, waived, discharged or terminated orally but only by an instrument in writing signed by the party against whom the enforcement of the change, waiver, discharge or termination is sought.

IN WITNESS WHEREOF, LCCCA, RACL, Developer and PSP have executed this Amendment Agreement as of the date first above written.

THE LANCASTER COUNTY
CONVENTION CENTER AUTHORITY

By:  _____
Kevin F. Fry
Chairman

REDEVELOPMENT AUTHORITY
OF THE CITY OF LANCASTER

By:  _____
Mark C. Fitzgerald
Authorized Representative

PENN SQUARE PARTNERS
By: Penn Square General, L.P.,
its general partner

By:  _____
Mark C. Fitzgerald
Executive VP & COO

HIGH ASSOCIATES, LTD

By:  _____
Mark C. Fitzgerald
President & COO

High Associates Ltd.
1853 William Penn Way
PO Box 10008
Lancaster, PA 17605-0008

INVOICE

TO:

Lancaster County Convention Center Authority
Lancaster County Convention Center
25 South Queen Street, Vine Street Lobby Level
Lancaster, PA 17603

INVOICE #0042010
Date: April 23, 2010

DESCRIPTION	AMOUNT
For Services Rendered per the Professional Services Development Agreement	\$ 154,000.00
TOTAL	\$ 154,000.00 ✓

RECEIVED
4-19-2010
LCCCA

Please make all checks payable to: High Associates Ltd., a limited liability company
PO Box 10008
Lancaster, PA 17605

Thank you!

 **PAID**
CL# 1962 WIS
5/3/2010

**LANCASTER COUNTY
CONVENTION CENTER AUTHORITY**
8 NORTH QUEEN STREET, SUITE 1102
LANCASTER, PA 17603-3878
(717) 399-7630



Wachovia Bank, N.A.
Lancaster, PA 17603
3-50/310

1962

5/3/2010

**154,000.00

PAY TO THE ORDER OF High Associates, Ltd. \$ _____

One Hundred Fifty-Four Thousand and 00/100 ***** DOLLARS

High Associates, Ltd.
1853 William Penn Way
P O Box 10008
Lancaster, PA 17605-0008

R. B. Campbell
Bentley

AUTHORIZED SIGNATURE



MEMO
Developer Fee

⑈001962⑈ ⑆031000503⑆ 2000018652875⑈

LANCASTER COUNTY CONVENTION CENTER AUTHORITY

1962

High Associates, Ltd.

5/3/2010

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
4/21/2010	Bill	Dev Fee	154,000.00	154,000.00		154,000.00
				Check Amount		154,000.00

Proj Fund Req Acct - Developer Fee 154,000.00

LANCASTER COUNTY CONVENTION CENTER AUTHORITY

1962

High Associates, Ltd.

5/3/2010

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
4/21/2010	Bill	Dev Fee	154,000.00	154,000.00		154,000.00
				Check Amount		154,000.00

Proj Fund Req Acct - Developer Fee 154,000.00