

Outline of Booking Policy & Room Block Agreement Lancaster County Convention Center ("Center")

This document sets forth the framework for and outlines the principal terms of the booking policy and room block agreement that will help ensure the Center meets the LCCCA's goal for community-wide economic benefit. It is the Authority's desire that the Center's objectives include helping to revitalize downtown Lancaster, serve the local community, and encourage overnight stays by attendees that could benefit county-wide hotels, restaurants, retail merchants, and other segments of the economy.

It is our understanding that most convention centers throughout the country grant first priority to conventions and trade shows that attract the highest number of non-resident attendees, thereby generating higher levels of incremental spending in their community. Lesser priority is granted to events that primarily attract local residents, although many facilities have several major consumer shows (home & garden, auto, boat, etc.) that are treated as exceptions due to their high number of non-resident exhibitors or their long history in the community.

Booking Policy

When booking the Center, consideration shall be given by the LCCCA, the Pennsylvania Dutch Convention and Visitors Bureau ("PDCVB"), and Convention Center Manager ("Interstate") to the following factors:

1. Projected economic impact on Lancaster County.
2. Total number of hotel rooms utilized.
3. Projected revenue to the Center both in terms of direct space rental revenue and projected ancillary revenues such as food & beverage and other building services.
4. Potential for repeat bookings.
5. Previous history and experience of potential customer with respect to use of similar facilities.

First Scheduling Priority shall be given to multiple – day state, regional, and national conventions, tradeshows, corporate meetings and similar activities that use a minimum of 500 hotel rooms on the event's peak night. Facility scheduling commitments for First Priority Events may be made as far in advance as necessary or appropriate and may supersede requests for other events and activities, unless a license agreement has been previously executed by the Convention Center and other customer for such other event. The Authority holds full and final authority to execute license agreements with First Priority Events as far in advance as deemed appropriate and/or necessary.

Second Scheduling Priority shall be given to multiple – day smaller conventions, trade shows and corporate, meetings and similar activities that use a minimum of 300 hotel rooms on the event's peak night. License agreements for Second Priority Events will not normally be

executed more than thirty-six (36) months in advance and are subject to change to accommodate First Priority Events unless Center management has already executed a rental agreement.

Third Scheduling Priority shall be given to multiple-day, annual consumer or public exhibitions such as sport shows, home & garden shows, auto shows, and similar events. Third Priority Events will not normally be issued a license agreement more than eighteen (18) months in advance. Large consumer and public exhibitions and trade shows held on an annual basis may, at the discretion of the Authority, obtain tentative scheduling reservations for facilities and dates on a long-term basis. Such long-term reservations shall be subject to rescheduling or termination to accommodate First and Second Priority Events or may become confirmed with Authority approval.

Fourth Scheduling Priority shall be given to local multiple-day events. When space is available, reservations will be taken for local multiple-day events. License agreements for Fourth Priority Events may not be issued until twelve (12) months prior to the event date.

Fifth Scheduling Priority shall be given to single-day local events. Reservations for Fifth Priority Events may be taken no sooner than twelve (12) months prior to the event date. License agreements for Fifth Priority Events may not be issued until six (6) months prior to the event date. There may be exceptions to this process for holiday season or special events, which may be granted fourth priority status.

Subject to the provisions hereinafter regarding the Hotel Facilities Area (as defined in the Reciprocal Easement, Operating and Use Agreement), the Authority shall control the booking of groups and events in the Convention Center. The Authority shall control the award or denial of dates for future shows to Licensees based upon criteria including actual attendance at previous sites/dates versus estimated attendance, actual versus estimated number of exhibitors, compliance of Licensees with event booking agreements and other factors.

In booking groups and events, the Authority will (i) endeavor to maximize First and Second Priority Events and food and beverage revenues from the operation of the Convention Center, and (ii) be guided by to the extent relevant the recommendations contained in the Market and Economic Analyses for the Proposed Convention Center in Downtown Lancaster, dated November 2000, prepared by PricewaterhouseCoopers LLP.

Notwithstanding the foregoing, the Hotel Facilities Area may be booked by the Authority and the Hotel only in accordance with the following protocols:

1. The Authority may book the Hotel Facilities Area for First and Second Priority Events at any time prior to twenty four months from the commencement date of any such event (the "Block Period"). Otherwise, the Hotel shall control the booking of events in the Hotel Facilities Area, including First and Second Priority Events after the Block Expiration (defined below) and Third, Fourth and Fifth Priority Events at any time.
2. During the Block Period, each of the Authority and the Hotel shall have the right to book the Hotel Facilities Area for a mutually agreed upon pre-selected seven consecutive day period in any given month until an event in such period is booked

by either party. If the Hotel has made the booking, its right to make further bookings during the Block Period for such month shall be subject to the absolute prior right of the Authority to book for the remainder of such month. If the Authority has made such booking, the Hotel's right for such week shall shift to another mutually agreed upon week in such month.

3. The Authority and the Hotel jointly shall establish each year as part of the Annual Business Plan for each of the Convention Center and the Hotel the weeks which will be subject to the provisions of paragraph 2, above.
4. On the first to occur of the end of the Block Period or at such time during the Block Period as the Authority has booked into the Hotel Facilities Area for a given month the lesser of 10 event days or the average number of event days booked into the Hotel Facilities Area for the corresponding month during the preceding three calendar years (or such lesser period if the Convention Center has not been in operation for three full years) (the "Block Expiration"), the provisions of this paragraph shall no longer apply with respect to such month and thereafter the Hotel shall control the booking of events in the Hotel Facilities Area.

Other than as set forth heretofore, the Authority shall control the issuance, modification, or termination of scheduling reservations.

Room Block Agreement

It is expected that the headquarters hotel to be developed by Penn Square Partners ("PSP") ("Hotel"), the PDCVB, other county-wide hotels and other parties that identify and desire to book potential First and Second Priority Events will cooperate to maximize the effort to attract those events. The terms set forth herein shall be incorporated into a Room Block Agreement containing terms and conditions mutually agreed to by LCCCA and PSP (which shall be binding upon PSP, LCCCA and their respective successors and assigns).

- During the Block Period, and until the Block Expiration, the Hotel will make available for each event night of First and Second Priority Events the Room Block (defined below). For such events the Hotel may be designated as the "Headquarters Hotel." For the purpose hereof "Room Block" is defined as (i) for the period ending with the third complete calendar year of operation of the Convention Center, 200 rooms in the applicable month, and (ii) for each calendar year of operation of the Convention Center after such third calendar year, the lesser of 200 rooms or 100% of the rooms occupied for such events and booked by the Authority in the applicable month of the prior calendar year of operation of the Convention Center.
- For these events, the Authority can require the Hotel to limit its room rate to 120 percent of past one-year average daily rate for group business. For the first year, the rate limit would be based on the Hotel pro forma.

The provisions of this Outline and any agreement entered into pursuant hereto may be modified only upon the written agreement of the Authority and PSP.

The Lancaster County Convention Center
Authority

By: _____
James O. Pickard
Chairman

Acknowledged:

Penn Square Partners

By: Penn Square General Corporation,
its general partner

By: _____
Thomas D. Smithgall
Vice President