

FIRST AMENDMENT TO JOINT DEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT TO JOINT DEVELOPMENT AGREEMENT (this "Amendment") is dated as of this 28 day of March, 2007, by and among THE LANCASTER COUNTY CONVENTION CENTER AUTHORITY, a body politic and corporate existing under the laws of the Commonwealth of Pennsylvania ("LCCCA"), THE REDEVELOPMENT AUTHORITY OF THE CITY OF LANCASTER, a body politic and corporate existing under the laws of the Commonwealth of Pennsylvania ("RACL") and PENN SQUARE PARTNERS, a Pennsylvania limited partnership ("PSP").

WITNESSETH

WHEREAS, LCCCA, RACL and PSP are parties to that certain Joint Development Agreement dated as of January 31, 2006 (the "Development Agreement"); and

WHEREAS, LCCCA, RACL and PSP desire and intend to amend the Development Agreement as more particularly set forth herein.

NOW THEREFORE, in consideration of 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. Amendments to Development Agreement.

(a) Section 2.1.7(a)(i) is hereby deleted in its entirety and restated as follows: "No later than forty (40) days of the receipt of item (v) below, execute one or more forward starting variable to fixed interest rate swaps to lock in favorable interest rates. The obligation to undertake this action shall be conditioned on the approval of the lender to the Authority and any swap Counterparty."

(b) Section 2.1.7(a)(ii) is hereby deleted in its entirety and restated as follows: "To obtain a surety bond in lieu of cash for an amount not less than 50% of the debt reserve fund. In the event that debt service reserve fund requirements are less than: (i) 10% of the original bond issue proceeds, (ii) 125% of average annual debt service or (iii) 100% of maximum annual debt service (collectively the "Debt Service Reserve Fund Requirement"), the difference between the Debt Service Reserve Fund Requirement and the amount of non-surety funding for the requirement shall be allocated in accordance with Section 2.1.7(d) below."

(c) Section 2.1.7(d) is hereby deleted in its entirety and restated as follows: "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. Any additional funds received by the LCCCA other than those provided for in the first sentence hereof excluding a proposed \$1.5 million state grant to be received in the future ("Additional State Grant") shall be utilized as follows x: (1) towards funding the following reserves required by Wachovia Bank NA prior to the remarketing of the LCCCA bonds (A) a \$2 million FF&E Reserve, (B) a \$1.475 million working capital reserve, (C) \$450,000 Rate Stabilization fund and (D) a \$500,000 Debt Service Fund; (2) \$705,245 to PSP to restore the RACL/PSP contingency contained in Exhibit D, provided, however, RACL/PSP agree to use any funds received under this subsection (2) to

either complete the Project or to be deposited into the FF&E Reserve Fund for the Hotel; (3) \$174,182 to Developer on account of development fees forgiven by the Developer with regard to the Convention Center Development Agreement, as applicable, (4) in the event Project hard costs and/or FF&E cost increase above the costs shown on Exhibit D, RACL, PSP and LCCCA shall work cooperatively to procure additional governmental funding to complete construction of the Project; any additional funding received (other than the Additional State Grant) shall be equally allocated between RACL/PSP and LCCCA to be utilized in accordance with this Agreement.

(d) Section 2.1.7(a)(iv) is hereby deleted in its entirety and restated as follows: "Request Manager to reduce cash deposit requirements into the Agency Account and the Emergency Reserve Account (as defined in the Qualified Convention Center Management Agreement dated January 23, 2002 between LCCCA and Interstate Hotels Company (the "Convention Center Management Agreement")) to an aggregate of fifty percent (50%) of budgeted Operating Expenses (as defined in the Convention Center Management Agreement)."

(e) Section 2.1.16 is hereby amended as follows:

(i) The term "\$10,000,000" shall be replaced with "\$11,000,000."

(ii) Section 2.1.16(a) is hereby revised by replacing the clause "(the "Schedule")" with "(the "Investment Schedule")" and the term "Exhibit 'A'" in clause (ii) with the term "Exhibit O".

(iii) The end of Section 2.1.16(a) shall be revised by adding the following sentence at the end thereof: "Notwithstanding anything contained herein to the contrary, the parties acknowledge that the Investment Schedule represents only a preliminary, best estimate of the expenditure schedule for the Investment, shall not be binding on PSP, and may be varied in PSP's sole discretion."

(iv) The second paragraph of section 2.1.16 shall be deleted in its entirety and replaced with the following:

"PSP shall be permitted to use the Investment in order to pay for expenditures in accordance with the Schedule, including the purchase of furniture, fixtures and equipment to be installed for use at the Hotel, to pay for soft costs of the nature contemplated by the Schedule and to pay for other costs incurred by PSP included in the Project Budget; the Investment may also be used by PSP to pay cost overruns. The Investment may be used in addition to the uses set forth above to pay for hard costs incurred in the construction of the Project or of the operating reserve, the Debt Service Reserve, the FF&E Reserve or such other reserves as PSP deems appropriate. To the extent that the entire Investment is not invested into the Hotel prior to the completion of the Hotel punch list, PSP shall expend the balance of the Investment as follows: (i)

within one (1) year of substantial completion of the Hotel punch list, PSP shall invest the remaining funds into additional construction costs, FF&E or OS&E; or (ii) if not completely expended after expiration of one (1) year from substantial completion of the Hotel punch list, then immediately thereafter into reduction of debt secured by the Hotel Unit.”

following: (f) Section 2.2.6 is deleted in its entirety and replaced with the

“Convention Center costs in excess of the final Project Budget shall be funded by LCCCA;. All Hotel Costs in excess of the final Project Budget resulting from non-performance by Contractors shall be funded by RACL. All other Hotel Costs in excess of the final Project Budget unless directly or indirectly arising out of non-performance by Contractors shall be funded by PSP. Project Budget savings directly attributable to the Convention Center shall belong to the LCCCA; Project Budget savings directly attributable to the Hotel shall belong to RACL in accordance with the terms of the Hotel Tower Lease Agreement; Project Budget savings attributable to Shared Space shall belong to both LCCCA or RACL in accordance with the methodology for sharing costs for Shared Space. All Project Budget savings realized by RACL shall be used by RACL in accordance with the provisions of the Hotel Lease.”

(g) Section 2.2.7, Laundry Site Cost Overruns is added as follows:

“Lancaster Parking Authority (“LPA”) has agreed to construct and install Site Improvements (as that term is defined in that certain Sales Agreement between LCCCA and LPA (the “Sale Agreement”)) on a parcel of land owned by LCCCA (the “Laundry Site”) subject to the terms and conditions of the Sale Agreement. As a condition to LCCCA entering into the Sale Agreement, Lancaster Newspapers, Inc. (“LNI”) will make, and LCCCA will accept, a non-recourse loan in the amount not to exceed \$3,000,000 (the “LNI Loan”) in accordance with the terms and conditions of the loan documents governing the LNI Loan (which shall include, without limitation, a promissory note, a collateral assignment of the Sale Agreement and a mortgage). The Sale Agreement shall provide, among other things, that LCCCA, out of the LNI Loan proceeds, shall contribute to LPA an amount up to \$450,000 towards the costs of the Site Improvements. As a further condition to LCCCA entering into the Sale Agreement, the City of Lancaster shall contribute \$250,000 (out of funds previously committed to PSP), prior to the LCCCA contribution, to LPA towards the costs of the Site Improvements. Pursuant to the Sale Agreement, LPA will acquire the Laundry Site from LCCCA for

\$3,000,000 on June 30, 2010 in an “as is, where is” condition. LNI shall be an express third party beneficiary of the Sale Agreement.”

(h) Section 3.2.3, Remedies is hereby deleted and the following is added in lieu thereof:

“Pursuit by a party hereto of any of the foregoing remedies shall not preclude the pursuit of any damages incurred, or any of the other remedies available at law or in equity including without limitation, consequential and special damages, provided however that the parties hereto waive all rights to claim or assert punitive damages in connection with this Agreement and any other Agreement affecting the Project to which they are a party.”

2. Amendments to Exhibits.

(a) Exhibit D to the Joint Development Agreement is hereby deleted in its entirety and replaced by Exhibit D attached hereto.

(b) Exhibit E to the Joint Development Agreement is hereby deleted in its entirety and replaced by Exhibit E attached hereto.

(c) Exhibit L to the Joint Development Agreement is hereby amended by deleting section IV.k and by adding the following Section XIII:

“XIII. Hotel Unit Parking Lease Expenses.

The capital expenses required of PSP as defined in the Modification of the King Street Garage agreement between the City of Lancaster Parking Authority and PSP dated March 28, 2007 shall be allocated in this Exhibit as either Parking Connector Costs or Garage Renovation Hard Costs and shall be allocated 100% to the Convention Center Unit.”

(d) Exhibit O to the Joint Development Agreement is hereby deleted in its entirety and replaced by Exhibit O attached hereto.

(e) In the event of any inconsistency between Exhibit D and Exhibit L to the Joint Development Agreement, as the same are amended hereby, Exhibit D shall prevail.

3. Miscellaneous.

(a) Except as modified, amended and supplemented by this Amendment, the terms, covenants and conditions of the Joint Development 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.

(b) This Amendment shall not be binding upon the parties hereto unless and until it is signed by the parties hereto and a signed copy thereof is delivered to each party.

(c) This Amendment constitutes the entire agreement among the parties hereto with respect to the matters stated herein and may not be amended or modified unless such amendment or modification shall be in writing and signed by the party against whom enforcement is sought.

(d) This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

(e) The terms, covenants and conditions contained in this Amendment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

[Signature Page Follows]

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

REDEVELOPMENT AUTHORITY OF
THE CITY OF LANCASTER

By: Chris H. St...
Its: Chairman

THE LANCASTER COUNTY
CONVENTION CENTER AUTHORITY

By: Ted Darcus
Ted Darcus
Chairman

PENN SQUARE PARTNERS, a
Pennsylvania limited partnership

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

By: Penn Square General Corporation, its general partner

By: Mark C. Fitzgerald
Mark C. Fitzgerald
Executive Vice President

Lancaster County Convention Center & Marriott Hotel
Exhibit D

	RACL	LCCCA	Total
Site Acquisition	1,250,000	1,440,000	2,690,000
Sunk Cost/Line Reimbursement	2,901,181	1,006,245	3,907,426
Site Cost	4,151,181	2,446,245	6,597,426
Abatement	339,456	544,544	884,000
General Conditions	173,269	226,646	399,915
Demolition	485,335	1,248,004	1,733,339
Façade Stabilization	1,433,046	1,642,160	3,075,206
Caissons	343,945	741,055	1,085,000
General Trades	16,916,525	19,003,629	35,920,155
Site & Utilites	439,416	1,712,883	2,152,299
Concrete	6,836,400	9,023,400	15,859,800
Precast Concrete	2,647,448	157,052	2,804,500
Steel	610,942	5,915,034	6,525,976
Roofing	272,279	1,394,806	1,667,085
Food Service Hood	0	0	0
Conveying system	1,031,294	1,285,486	2,316,780
Plumbing	2,542,914	1,722,759	4,265,673
Fire Protection	467,548	645,662	1,113,210
HVAC	4,339,183	6,536,100	10,875,283
Electrical	2,844,115	5,558,951	8,403,066
Telecommunication/AV	459,040	907,149	1,366,189
Construction Management	1,308,528	2,243,593	3,552,121
Hard Cost	43,490,684	60,508,913	103,999,598
FF&E	7,942,856	7,662,901	15,605,757
A&E Fees	2,485,977	2,514,466	5,000,443
Developer Fees	2,281,933	3,056,992	5,338,925
Professional & Legal-RACL	850,000	0	850,000
Professional & Legal-PSP	1,333,328	0	1,333,328
Deal Legal- LCCCA	0	3,902,430	3,902,430
Administrative Legal- LCCCA	0	466,573	466,573
Technical Services Fee	100,000	120,000	220,000
Pre-Opening Expense	1,200,000	1,500,000	2,700,000
Administration Budget (11/06-12/08)	0	1,417,425	1,417,425
Working Capital	500,000	1,475,000	1,975,000
Rate Stabilization Fund	0	450,000	450,000
Builders Risk Insurance	130,287	194,298	324,585
Contingency	2,422,449	1,300,938	3,723,387
Soft Cost	19,246,830	24,061,023	43,307,853
Placement Fees & Legal: IFIP	418,283	0	418,283
Debt Service Reserve: IFIP	1,000,000	0	1,000,000
Capitalized Interest: IFIP	2,000,000	0	2,000,000
Parking Expense	0	47,000	0
Placement Fees & Legal	672,000	828,729	1,500,729
Capitalized Interest	1,294,738	5,504,416	6,799,154
Debt Service Reserve: LCCCA	0	4,111,130	4,111,130
Financing Cost	5,385,021	10,491,275	15,876,296
Total	72,273,716	97,507,456	169,781,172

Lancaster County Convention Center & Marriott Hotel
Exhibit E

Sources of Funds	PSP/ RACL	LCCCA	Total
Equity	11,000,000	10,524,564	21,524,564
LCCCA Bed Tax	0	5,840,228	5,840,228
Sale of Parking Lot Site	0	442,664	442,664
OGP Grant	2,000,000	0	2,000,000
UDP Grant	3,000,000	0	3,000,000
IDP Grant	2,250,000	0	2,250,000
\$5 M RACP	5,000,000	0	5,000,000
\$7 M RACP	7,000,000	0	7,000,000
\$15 M RACP	0	15,000,000	15,000,000
\$1.5M Façade Grant	1,500,000	0	1,500,000
LCCCA Line of Credit	0	0	0
LCCCA Interest Income	0	1,780,000	1,780,000
IFIP Mortgage	14,523,716	0	14,523,716
IFIP Grant	2,000,000	0	2,000,000
Hotel Mortgage	24,000,000	0	24,000,000
LCCCA Bond	0	63,920,000	63,920,000
Total	72,273,716	97,507,456	169,781,172

EXHIBIT O

(See attached)

LCCCA.com

March 27 2007
Lancaster Marriott
PRELIMINARY DRAW SCHEDULE

	2007												Totals	
	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec				
Pre-opening	\$0	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$285,000
FF&E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000	\$2,200,000
Technical Services Fees	\$0	\$0	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$40,000
Contingency	\$0	\$0	\$0	\$0	\$0	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000
Legal/Admin/Taxes	\$1,000,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$33,328	\$0	\$0	\$0	\$0	\$1,333,328
Working Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$1,000,000	\$75,000	\$80,000	\$80,000	\$80,000	\$105,000	\$120,000	\$103,328	\$270,000	\$2,070,000	\$3,983,328	\$3,983,328	\$3,983,328	

	2008												Totals	
	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct				
Pre-opening	\$40,000	\$40,000	\$40,000	\$95,000	\$100,000	\$100,000	\$120,000	\$120,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$1,200,000
FF&E	\$1,200,000	\$10,000	\$50,000	\$50,000	\$500,000	\$600,000	\$700,000	\$850,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$7,516,672
Technical Services Fees	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$100,000
Contingency	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$350,000
Legal/Admin/Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,333,328
Working Capital	\$0	\$0	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000
Total	\$1,270,000	\$80,000	\$620,000	\$175,000	\$630,000	\$730,000	\$850,000	\$1,000,000	\$1,065,000	\$596,672	\$11,000,000	\$11,000,000	\$11,000,000	

Notwithstanding anything contained herein to the contrary, the parties acknowledge that the Investment Schedule represents only a preliminary, best estimate of the expenditure schedule for the Investment, shall not be binding on PSP, and may be varied in PSP's sole discretion.