

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

December 20, 2001

The Lancaster County Convention Center  
Authority  
P.O. Box 1622  
Lancaster, PA 17608  
Attn: James O. Pickard, Chairman

Ladies and Gentlemen:

This letter (the "Governing Letter") will set forth certain additional agreements among The Lancaster County Convention Center Authority (the "Authority"), Penn Square Partners ("Penn Square") and High Associates, Ltd. ("High Associates") regarding the proposed development of the planned Lancaster County Convention Center (the "Convention Center") and the planned Lancaster Marriott Hotel (the "Hotel") intended to be developed in conjunction with one another on property located at Penn Square, Lancaster, Pennsylvania. Concurrently with the execution and delivery of this Governing Letter, the Authority, Penn Square and High have executed and delivered to one another the agreements listed on Exhibit A attached hereto (the "Governing Agreements"). The Governing Agreements are being executed at the commencement of the process for development of the Convention Center and the Hotel, without attachment of all Exhibits referred to therein, and the Authority, Penn Square and High consider it possible that, as the process of development of the Convention Center and Hotel proceeds, it may be necessary to make certain modifications to the Governing Agreements.

In consideration of the foregoing, and the covenants and agreements of the parties contained in the Governing Agreements, the parties further acknowledge and agree that:

1. The Governing Agreements constitute the binding and enforceable agreement of each of the parties thereto, on and subject to the terms and provisions therein contained.

2. The Exhibits to the Governing Agreements which have not been completed and are not attached thereto as of the date of this Governing Letter shall be completed when the information required therefor is available, in a manner consistent with the terms and provisions of the Governing Agreements and, at such time, shall be attached to and made a part of the respective Governing Agreements.

3. In addition to the Governing Agreements, the parties must negotiate and enter into (i) a Land Sale Agreement, pursuant to which Penn Square will convey to the Authority an approximately .25 acre +/- portion of the land owned by Penn Square which will be required by the Authority for the development of the Convention Center, (ii) a Parking Agreement among some or all of the Authority, Penn Square and The Lancaster County Parking Authority, and others, pursuant to which parking required for the use and operation of the Convention Center and the Hotel will be made available to the Authority and Penn Square, (iii) a Booking Policy Agreement for the Convention Center and Room Block Agreement for the Hotel relating to the booking of events for the Convention Center on the terms and conditions contained in the Outline of Booking Policy and Room Block Agreement listed on Exhibit A, and (iv) such other agreements and arrangements as the parties shall mutually determine to be necessary and appropriate for the development of the Convention Center and the Hotel consistent with the Governing Agreements (collectively the "Additional Agreements"). The parties agree to negotiate in good faith and in a manner consistent with the Governing Agreements the terms, conditions and provisions of the Additional Agreements such that the Additional Agreements will be entered into and effective as and when required for the continued uninterrupted development of the Convention Center and the Hotel.

4. In the event any of the parties determines, during the course of the development of the Convention Center and the Hotel, that any one or more of the provisions of the Governing Agreements require modification to accommodate the then facts and circumstances, the parties shall negotiate in good faith such modifications; provided, however, that no party shall be under any obligation to agree to any modification to the Governing Agreements which would (i) change the economic terms set forth in the Governing Agreements, (ii) impose on such party any material additional burden or obligation, or (iii) have a Material Adverse Effect (as defined in the Governing Agreements), as to the Authority on the Convention Center, and as to High or Penn Square on the Hotel, or the development, use, occupancy or operation of the Convention Center or Hotel, respectively.

5. In the event of any dispute between or among the parties under this Governing Letter such dispute shall be resolved by Alternate Dispute Resolution as set forth in the Governing Agreements and the prevailing party shall be entitled to recover the cost of the proceeding, as well as reasonable attorneys' fees and expenses, in the manner set forth in the Governing Agreements.

6. This Governing Letter (i) together with the Governing Agreements, constitutes the entire agreement of the parties with respect to the subject matter hereof, (ii) shall

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be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, (iii) shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, (iv) shall be subject to the confidentiality provisions contained in the Governing Agreements, and (v) may be executed in one or more counterparts which shall for all purposes be deemed one and the same agreement.

Please signify your acknowledgement of and agreement with the foregoing by executing this Governing Letter in the space provided below. We each intend to be legally bound hereby.

Very truly yours,

PENN SQUARE PARTNERS  
By: Penn Square General Corporation, its  
general partner

By: \_\_\_\_\_  
Thomas D. Smithgall  
Vice President

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The Lancaster County Convention Center  
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HIGH ASSOCIATES, LTD.

By: \_\_\_\_\_  
Mark C. Fitzgerald  
Executive Vice President and Chief  
Operating Officer

Agreed and Accepted:

THE LANCASTER COUNTY CONVENTION CENTER AUTHORITY

By: \_\_\_\_\_  
James O. Pickard  
Chairman

EXHIBIT A

GOVERNING AGREEMENTS

(EACH DATED DECEMBER 20, 2001)

1. Professional Services Development Agreement between the Authority and High Associates.
2. Joint Development Agreement between the Authority and Penn Square.
3. Reciprocal Easement, Operating and Use Agreement between the Authority and Penn Square.
4. Lease Agreement (Hotel Facilities Area) between the Authority and Penn Square.
5. Food and Beverage Concession Agreement between the Authority and Penn Square.
6. Outline of Booking Policy & Room Block Agreement between the Authority and Penn Square.