

AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM
OF

THE PENN SQUARE HOTEL AND CONVENTION CENTER, A CONDOMINIUM

Pursuant to the provisions of the
Pennsylvania Uniform Condominium Act,
68 Pa. C.S. §3101, et seq.

AMENDED AND RESTATED DECLARATION OF CONDOMINIUM
 THE PENN SQUARE HOTEL AND CONVENTION CENTER, A CONDOMINIUM

Table of Contents

	Page
ARTICLE I SUBMISSION	1
Section 1.1 Declarant; Property; Condominium Name; Amendment and Restatement.....	1
Section 1.2 Title	1
ARTICLE II DEFINITIONS	2
Section 2.1 Terms Defined in the Act.....	2
Section 2.2 Terms Specifically Defined in This Declaration	2
Section 2.3 Provisions of the Act.....	8
Section 2.4 Provisions of other governing law	8
ARTICLE III UNIT BOUNDARIES, MAINTENANCE RESPONSIBILITIES, RESERVES, CONVERSION OF UNITS AND EXCLUSION OF WARRANTY	8
Section 3.1 Unit Boundaries.	8
Section 3.2 Maintenance Responsibilities of Units and Common Elements.....	9
Section 3.3 Maintenance Responsibilities of Sidewalks.....	9
Section 3.4 Reserves.	10
Section 3.5 Conversion of Units	11
Section 3.6 Exclusion of Warranty	11
ARTICLE IV ALLOCATION OF PERCENTAGE INTERESTS; COMMON EXPENSES AND VOTING RIGHTS	11
Section 4.1 Percentage Interests	11
Section 4.2 Allocation of Unit Owner’s Voting Rights	11
ARTICLE V EASEMENTS; TITLE MATTERS	11
Section 5.1 Additional Easements	11
Section 5.2 Title Matters	14
Section 5.3 Naming Rights	14
Section 5.4 Use of Common Elements; Rooftops and Air Rights.....	15
ARTICLE VI RESTRICTIONS ON USE; LEASES OF UNITS	16
Section 6.1 Use of Units	16
Section 6.2 Lease of Units	17
Section 6.3 Lighting.....	17
ARTICLE VII MORTGAGES	17
Section 7.1 Restrictions on Mortgages	17
Section 7.2 Notice of Mortgages	17
Section 7.3 Register	17
Section 7.4 Notice of Unit Owner Default.....	18
Section 7.5 Liability for Use and Charges	18
Section 7.6 Condemnation Rights.....	18
Section 7.7 Approval of Mortgagees	18
Section 7.8 Books and Records	18

ARTICLE VIII INSURANCE; CASUALTY	19
Section 8.1 Types and Amounts of Insurance	19
Section 8.2 Insurance to be Maintained by the Association	19
Section 8.3 Policies.....	20
Section 8.4 Waiver of Subrogation.....	20
Section 8.5 Casualty.....	21
Section 8.6 Indemnification	21
ARTICLE IX LIMITATION OF LIABILITY	21
Section 9.1 Limited Liability of the Executive Board	21
Section 9.2 Indemnification	22
Section 9.3 Joint and Several Liability of Unit Owners and Lessees	22
Section 9.4 Defense of Claims.....	23
ARTICLE X UNITS SUBJECT TO CONDOMINIUM DOCUMENTS; RIGHTS RESERVED; EMINENT DOMAIN	23
Section 10.1 Applicability of Condominium Documents.....	23
Section 10.2 Right Reserved.....	23
Section 10.3 Eminent Domain	23
ARTICLE XI EXECUTIVE BOARD OF THE ASSOCIATION	24
Section 11.1 Members.	24
Section 11.2 Disputes.....	24
Section 11.3 Amendments to the Condominium Documents	24
Section 11.4 Abating and Enjoining Violations by Unit Owners	25
ARTICLE XII MANAGEMENT	25
Section 12.1 Common Manager	25
Section 12.2 Termination by a Unit Owner or the Association.....	25
Section 12.3 Termination by the Manager.....	26
Section 12.4 Replacement Management.....	26
Section 12.5 Third Party Service Contracts	26
Section 12.6 Indemnification	27
ARTICLE XIII ASSESSMENTS; LIABILITY OF UNIT OWNERS.....	27
Section 13.1 Power to Assess	27
Section 13.2 Special Assessments	27
Section 13.3 Payment of Assessments.....	27
Section 13.4 Failure to Fix New Assessments.....	27
Section 13.5 No Exemption by Waiver	28
Section 13.6 Personal Liability of Unit Owners	28
Section 13.7 Liability of Purchaser of Unit for Unpaid Assessments	28
Section 13.8 Subordination of Certain Charges.....	28
Section 13.9 Working Capital Fund.....	28
ARTICLE XIV GENERAL PROVISIONS	29
Section 14.1 Headings	29
Section 14.2 Severability	29
Section 14.3 Applicable Law	29
Section 14.4 Interpretation.....	29
Section 14.5 Effective Date	29
Section 14.6 Notices	29

Section 14.7	Exhibits	29
Section 14.8	Conflicts.....	29

EXHIBIT “A”	-	LEGAL DESCRIPTION OF ORIGINAL PROPERTY
EXHIBIT “A-1”	-	LEGAL DESCRIPTION OF ACCESS AND CONSTRUCTION EASEMENT
EXHIBIT “A-2”	-	LEGAL DESCRIPTION OF KING STREET PROPERTY
EXHIBIT “A-3”	-	LEGAL DESCRIPTION OF THE PROPERTY
EXHIBIT “B”	-	PLATS AND PLANS
EXHIBIT “C”	-	ADDITIONAL TITLE EXCEPTIONS
EXHIBIT “D”	-	PERCENTAGE INTERESTS
EXHIBIT “E”	-	QUALITY STANDARD
EXHIBIT “F”	-	ALLOCATION OF COMMON EXPENSES
EXHIBIT “G”	-	PROCEDURE FOR ALLOCATION OF COMMON EXPENSES

AMENDED AND RESTATED DECLARATION OF CONDOMINIUM

THE PENN SQUARE HOTEL AND CONVENTION CENTER, A CONDOMINIUM

2-10 East King Street, 14-18 East King Street, 19-21 South Queen Street, 40 South Christian Street, 27-29 South Queen Street, 31 South Queen Street, 33-35 South Queen Street, 37-43 South Queen Street, 45-49 South Queen Street and 21-23 East Vine Street
County and City of Lancaster
Commonwealth of Pennsylvania

THIS AMENDED AND RESTATED DECLARATION is made this [_____] day of [____], 2016, by LANCASTER COUNTY CONVENTION CENTER AUTHORITY, a body politic and corporate existing under the laws of the Commonwealth of Pennsylvania (the "LCCCA") and REDEVELOPMENT AUTHORITY OF THE CITY OF LANCASTER ("RACL"), a body politic and corporate existing under the laws of the Commonwealth of Pennsylvania (collectively, the "Declarant") as collective owners in fee simple of the Property (hereinafter described).

ARTICLE I

SUBMISSION

Section 1.1 Declarant; Property; Condominium Name; Amendment and Restatement. Declarant, the collective owners in fee simple of the property described in Exhibit "A" attached hereto (the "Original Property"), located in the City and County of Lancaster, Pennsylvania, by Declaration of Condominium of the Penn Square Hotel and Convention Center, a Condominium, dated March 26, 2007 and duly recorded in the Recorder of Deeds Office of Lancaster County on March 28, 2007 as Document No. 5605811 (the "Original Declaration of Condominium") submitted the Original Property, including all easements (including but not limited to the Access and Construction Easement (as hereinafter defined)), rights and appurtenances thereto belonging and the Buildings and improvements erected or to be erected thereon to the provisions of the Pennsylvania Uniform Condominium Act, 68 Pa. C.S. Section 3101 et seq. (the "Act"), and thereby created with respect to the Original Property a condominium, known as The Penn Square Hotel and Convention Center, a Condominium (the "Condominium"). RACL, as owner in fee simple of the property described in Exhibit "A-2" attached hereto (the "King Street Property"), located in the City and County of Lancaster, Pennsylvania, hereby submits the King Street Property to the Condominium created by the Original Declaration of Condominium. Declarant has agreed to make the King Street Property and the Buildings currently erected or to be erected on the King Street Property part of the Property (as defined below) and hereby amends and restates the Original Declaration of Condominium in its entirety to provide as set forth herein.

Section 1.2 Title. After the recording of the Original Declaration of Condominium, the Hotel Unit (less the King Street Property and the Guest Tower 2 (as hereinafter defined) to be erected thereon) was conveyed to RACL and subsequently leased pursuant to that certain Hotel Tower Lease Agreement, dated as of January 31, 2006 (the "Hotel Tower Lease Agreement"), to Penn Square Partners, a Pennsylvania limited partnership ("Penn

Square”) and the Convention Center Unit was conveyed to the LCCCA. After the recording of the Original Declaration of Condominium, the Hotel Unit (less the King Street Property and the Guest Tower 2 to be erected thereon) and the Convention Center Unit were developed and built pursuant to that certain Joint Development Agreement dated as of January 30, 2006 between Penn Square, RACL and the LCCCA (the “Joint Development Agreement”). After the recording of this Declaration, the Guest Tower 2 shall be developed and built pursuant to that certain Second Tower Development Agreement by and between RACL, Penn Square and High Associates Ltd. dated on or about the date hereof and the Hotel Tower Lease Agreement shall be amended to include the King Street Property and the Guest Tower 2 to be erected thereon as part of the Hotel Unit.

ARTICLE II

DEFINITIONS

Section 2.1 Terms Defined in the Act. Capitalized terms not otherwise defined herein or in the Plats and Plans shall have the meanings specified or used in the Act.

Section 2.2 Terms Specifically Defined in This Declaration. In addition to the terms hereinabove defined, the following terms shall have the following specific meanings in this Declaration, the Bylaws, and Plats and Plans:

(a) **“Access and Construction Easement”** means the access and construction easement over the property described in Exhibit A-1, together with all improvements on such property, including but not limited to, landscaping, paving, driveways, curb, sidewalk, signs, lighting, storm water management facilities, utilities, and a canopy as shown on the Plats and Plans.

(b) **“Act”** means the Act described in Section 1.1 above.

(c) **“Allocation of Common Expenses”** means the procedure for allocating costs for ongoing operation, repairs and maintenance of the Common Elements as set forth on Exhibit “F”.

(d) **“Association”** means the Unit Owners’ Association of the Condominium, which is known as the “The Penn Square Condominium Association.”

(e) **“Building(s)”** means the structure(s) currently erected and to be erected on the Property containing Units.

(f) **“Bylaws”** means the document having that name and providing for the governance of the Association, pursuant to Section 3308 of the Act, as such document may be amended from time to time.

(g) **“Common Elements”** means those parts of the Property either described in the Act as being Common Elements or described herein or in the Plats and Plans as being Common Elements, including but not limited to the following areas of the Property and the Building currently constructed or to be constructed on the Property and the furniture, fixtures and

equipment located in such areas, as more specifically depicted on the Plats and Plans: the Exterior of the Watt & Shand Building, the areas identified as Maintenance Storage, Engineering, W&S Staging and Receiving, Security, Fire Control Mechanical and Electrical Rooms, Personnel, Employee Lockers (Men), Employee Lockers (Women), Employee Entry Vestibule, Employee Dining, Fire Pump Room, Water Softener Room, Training, Boiler Room and Can Wash on the Exhibit Level; the areas identified as the Watt & Shand Lobby, Electrical Room, Computer, Generator, Lobby Restroom, Janitors Closets, Guest Elevator/Lobby, Service Elevator/Lobbies, Exit Stairs, Back of House (“BOH”) Corridors, Vestibule, Valet Key Storage, SDB View, Parking Entry Vestibule, Parking Entry and Mechanical on the Watt & Shand Lobby Level, all Interior and Exterior areas contained in the Parking Connector, all items of equipment that serve both Units (regardless of the physical location of any such items of equipment within a particular Unit, but excluding Kitchen equipment), all elevator cabs, elevator mechanical equipment and escalator equipment that services both Units or one or both Units and the Common Elements (exclusive of those elevators specifically included as part of the Convention Center Unit as set forth in subsection (m) below), the porte cochere, the Access and Construction Easement, the vacated portion of the Christian Street Alley, the foundation systems (including caissons, if any) that support the Watt & Shand Foundation Slabs, the Watt & Shand Foundation Slabs, all support columns on the Exhibit Level, any support columns on the Exhibit Level that support the Watt & Shand Lobby Level or any levels above the Watt & Shand Lobby Level located beneath the footprint of the Guest Tower, all support columns on the Watt & Shand Lobby Level, and those sidewalks referenced in Section 3.3(c) hereof.

(h) **“Common Expenses”** means those expenditures made or liabilities incurred by or on behalf of the Association in connection with the Common Elements and pursuant to Section 3.3(c) hereof plus the costs of the owner of the Hotel Unit of administering those certain Infrastructure Finance Improvement Program Bonds issued by RACL (the “Bond Costs”), all to be assessed against the Unit Owners in accordance with the Allocation of Common Expenses.

(i) **“Condominium”** means the Condominium described in Section 1.1. above.

(j) **“Condominium Documents”** include the Declaration, Plats and Plans, Bylaws, and Rules and Regulations, if any.

(k) **“Convention Center Entry Level”** means the portion of the Building identified on the Plats and Plans as “Convention Center Entry Level.”

(l) **“Convention Center Foundation Slabs”** means any Foundation Slabs other than the Watt & Shand Foundation Slab and the Historic Foundation Slabs.

(m) **“Convention Center Unit”** means Unit number 1 owned by the LCCCA which consists of the following areas of the Property and the Building currently constructed on the Property, as more specifically depicted on the Plats and Plans:

- (i) All Interior areas on the Watt & Shand Meeting/Administration Level;

- (ii) All Interior areas on the Watt & Shand Ballroom A Level, except the Hotel Business Center;
- (iii) All Interior areas on the Watt & Shand Ballroom B Level;
- (iv) Those Interior areas on the Watt & Shand Lobby Level identified as Kitchen (and notwithstanding anything to the contrary contained herein, including Kitchen equipment), Mechanical and Sound Control Room;
- (v) Those Interior areas within the Exhibit Level identified on the Plats and Plans as all Exhibit Halls, Show Manager Offices, VIP Lounge, Lounge Restroom, Comm. Stair, Freight Elevator, Exhibit Service, Escalator, Public Stair, Mezz. Access, Exhibit Vestibule, Exhibit Compactor, Exhibit Hall Dock, Exhibit Entry, Prefunction, A/V Room, A/V Storage, Storage, Men, Women and Family Restrooms, Janitors Closets, Public Elevator, Elevator Machine, Exit Stairs and BOH Corridors;
- (vi) All Exterior areas on the Exhibit Level;
- (vii) All Interior and Exterior areas on the Convention Center Entry Level;
- (viii) All roof areas on top of the Building, except those roof areas on top of the Guest Tower, the Guest Tower 2 and on top of the Montgomery House (which shall be included in the Hotel Unit);
- (ix) All foundation systems (including caissons, if any) that support the Convention Center Foundation Slabs;
- (x) The Convention Center Foundation Slabs;
- (xi) All support columns of the Exhibit Level, except those that support the Watt & Shand Lobby Level, or any levels above the Watt & Shand Lobby Level located beneath the footprint of the Guest Tower; and
- (xii) All Interior and Exterior areas of the K/S Areas.

(n) **“Declarant”** means the Declarant described in Section 1.1. above.

(o) **“Declaration”** means this document, as the same may be amended from time to time.

(p) **“Doors”** means interior doors together with door jambs, hardware and any electronic system that is used in the operation of a door.

- (q) **“Executive Board”** means the Executive Board of the Association.
- (r) **“Exhibit Level”** means the Building level extending from King Street to Vine Street and identified on the Plats and Plans as “Exhibit Level.”
- (s) **“Exterior”** means the exterior façade material on the Building.
- (t) **“Foundation Slabs”** means the floor slabs built immediately on top of any foundation system.
- (u) **“Guest Tower”** means those floors of the Building identified as the “Health Club” and “Guestroom Levels 6-19” on the Plats and Plans.
- (v) **“Guest Tower 2”** means the Building identified as “New Hotel Addition, Part of Unit Number 2 (must be built)” on the Plats and Plans.
- (w) **“Historic Foundation Slabs”** means the existing Foundation Slabs on top of which the existing Buildings comprising the K/S Areas and the Montgomery House were built.
- (x) **“Hotel Unit”** means Unit number 2 leased to Penn Square which will consist of the following areas of the Buildings currently constructed and to be constructed on the Property, as more fully depicted on the Plats and Plans:
- (i) All Interior and Exterior areas in the Guest Tower;
 - (ii) Those areas on the Watt & Shand Lobby Level identified as: Restaurant, Omelet Station, Lobby Bar, Bar Storage, Front Offices, AYS Dept., AYS Manager, Reserv/Operators, Front Office Manager, Concierge, Front Desk, Luggage and Sundries;
 - (iii) Those areas on the Exhibit Level identified as: MATV, Laundry and Laundry Receiving;
 - (iv) That area on the Watt & Shand Ballroom A Level identified as Hotel Business Center;
 - (v) All roof areas on top of the Guest Tower;
 - (vi) All Interior and Exterior Areas of the Montgomery House;
 - (vii) All Interior and Exterior areas in the Guest Tower 2;
 - (viii) All roof areas on top of the Guest Tower 2; and
 - (ix) All stormwater management facilities, including the green roof and related appurtenances, on top of the Guest Tower 2.

(y) **“Interior”** means all areas of the Building other than the Exterior, Foundation Slabs and foundation systems on which Foundation Slabs rest.

(z) **“K/S Areas”** means those areas within the Convention Center Unit which will consist of the following portions of the Building currently constructed and to be constructed on the Property, as more fully depicted on the Plats and Plans:

- (i) All Interior and Exterior areas of the Kleiss Saloon;
- (ii) All Interior and Exterior areas of the Stevens House;
- (iii) All Interior and Exterior areas of the Underground Interpretive Museum, except the support columns;
- (iv) All Interior and Exterior areas of the Smith House;
- (v) The Kleiss Saloon, Stevens House and Smith House portions of the Historic Foundation Slabs; and
- (vi) The foundation systems that support the Kleiss Saloon, Stevens House and Smith House portions of the Historic Foundation Slabs.

(aa) **“King Street Property”** means the King Street Property described in Section 1.1 above.

(bb) **“Manager”** means the Manager as defined in Section 12.1 of this Declaration.

(cc) **“Marriott”** means Marriott International, Inc.

(dd) **“Marriott License Agreement”** means that [Amended and Restated Marriott Hotel Franchise Agreement between Penn Square Partners and Marriott International, Inc. dated January 29, 2007, as has been and as may be further amended].

(ee) **“Montgomery House”** means that portion of the Hotel Unit consisting of all Interior and Exterior areas of the Montgomery House as more fully depicted on the Plats and Plans, the Montgomery House portion of the Historic Foundation Slabs and the foundation systems that support the Montgomery House portion of the Historic Foundation Slabs.

(ff) **“Monthly Assessment”** means a Unit’s individual share of the anticipated Common Expenses for each month of the Association’s fiscal year as reflected in the Budget adopted by the Executive Board for such year.

(gg) **“Mortgagee”** means a lender who holds a mortgage encumbering a Unit.

(hh) **“Original Declaration of Condominium”** means the Original Declaration of Condominium described in Section 1.1 above.

(ii) **“Original Property”** means the Original Property described in Section 1.1 above.

(jj) **“Parking Connector”** means that area of the Building identified as the “Parking Connector” on the Plats and Plans.

(kk) **“Percentage Interest”** means the undivided interest in the Common Elements appurtenant to a Unit, which shall be based approximately upon the square footage of each Unit in relation to the square footage of all the Units in the entire Condominium.

(ll) **“Plats and Plans”** means the Plats and Plans attached hereto as Exhibit “B” as such may be amended from time to time by mutual consent of the Unit Owners (unless any such amendment does not have a material adverse effect on any Unit and does not affect any Common Elements or any areas of the Building covered by the Allocation of Common Expenses).

(mm) **“Property”** means, collectively, the Original Property and the King Street Property, as consolidated pursuant to that certain Lot Consolidation Plan duly recorded in the Recorder of Deeds Office of Lancaster County on [_____] as Document No. [_____] and as more fully-described on Exhibit “A-3” attached hereto and made a part hereof.

(nn) **“Quality Standard”** means the standards for use, operation, maintenance, repair and housekeeping for the Units, including but not limited to standards regarding daily maintenance and routine upkeep, security, signage, temperature control and lighting, more fully described on Exhibit “E” attached hereto and made a part hereof.

(oo) **“Rules and Regulations”** means such rules and regulations as are promulgated by the Executive Board from time to time with respect to the use of all or any portion of the Property.

(pp) **“Special Assessment”** means a Unit’s individual share of any assessment made by the Executive Board in addition to the Monthly Assessment.

(qq) **“Unit”** means one of the two Units as described herein and in the Plats and Plans, which Units are the Hotel Unit and the Convention Center Unit.

(rr) **“Unit Owner”** means the person or entity holding title to a Unit.

(ss) **“Watt & Shand Ballroom A Level”** means that floor of the Building identified as “Watt & Shand Ballroom A Level” on the Plats and Plans.

(tt) **“Watt & Shand Ballroom B Level”** means that floor of the Building identified as “Watt & Shand Ballroom B Level” on the Plats and Plans.

(uu) **“Watt & Shand Building”** means the Building depicted on the Plats and Plans comprised of the foundation systems supporting the Watt & Shand Foundation Slabs, the Watt & Shand Foundation Slabs, the Exhibit Level, the Watt & Shand Lobby Level, the Watt & Shand Ballroom B Level, and the Watt & Shand Meeting/Administration Level.

(vv) **“Watt & Shand Foundation Slabs”** means the Foundation Slabs on the Exhibit Level.

(ww) **“Watt & Shand Lobby Level”** means that floor of the Building identified as “Watt & Shand Lobby Level” on the Plats and Plans.

(xx) **“Watt & Shand Meeting/Administration Level”** means that floor of the Building identified as “Watt & Shand Meeting/Administration Level” on the Plats and Plans.

Section 2.3 Provisions of the Act. The provisions of the Act shall apply to and govern the operation and governance of the Condominium, except to the extent that contrary provisions, not prohibited by the Act, are contained in one or more of this Declaration, the Plats and Plans or the Bylaws.

Section 2.4 Provisions of other governing law. Nothing in this Declaration, the Plats and Plans, or the Bylaws shall relieve any person from compliance with all applicable federal, state and local laws, regulations, ordinances or similar requirements or the lawfully granted waivers therefrom. The provisions of this Declaration are in addition to those federal, state and local laws, regulations, ordinances or similar requirements or the lawfully granted waivers therefrom.

ARTICLE III

UNIT BOUNDARIES, MAINTENANCE RESPONSIBILITIES, RESERVES, CONVERSION OF UNITS AND EXCLUSION OF WARRANTY

Section 3.1 Unit Boundaries.

(a) Each Unit consists of the space, excluding any Common Elements passing through such title lines as defined by Section 3202 of the Act, within the title lines or boundaries of each Unit, which are situated as shown on the Plats and Plans and described as follows:

1) Upper and Lower (horizontal) Boundaries: The upper and lower boundaries of the Units shall be the following boundaries extended to an intersection with the vertical boundaries:

a. Upper Boundary of the Convention Center Unit: the Exterior of the roof above the Convention Center Unit, except that the upper boundary of that portion of the Convention Center Unit directly beneath the Guest Tower shall be the uppermost horizontal plane of the surface that abuts the finished floor of the lowest level of the Guest Tower.

b. Upper Boundary of the Hotel Unit: with respect to the Guest Tower and the Guest Tower 2, the Exterior of the roof above the Guest Tower and the Guest Tower 2, as applicable, and with respect to all other portions of the Hotel Unit, the uppermost horizontal plane of the surface that abuts the finished floor of the Unit or Common Element (as the case may be) above it.

c. Lower Boundary of the Units: with respect to those portions of the Units located on the Exhibit Level, the horizontal plane immediately above the top of the Foundation Slabs (as the Foundation Slabs and foundation systems below the Exhibit Level are Common Elements); otherwise, at the lowest level of the Building, the Foundation Slabs, and with respect to those portions of the Units located above the lowest level of the Building, the horizontal plane of the surface beneath any finished flooring of such level of the Unit.

2) Vertical Boundaries: The vertical boundaries of the Units shall be the vertical planes, extended to the intersections with the upper and lower boundaries of the Unit, of (a) with respect to walls of Units that are on the interior of the Building, the centerline of the party walls which separate one Unit from another Unit or from the Common Elements if there is such a party wall, and otherwise as shown on the Plats and Plans and (b) with respect to the exterior walls of Units that are on the exterior of the Building, the Exterior, provided, however, that the vertical boundary of that portion of the Convention Center Unit within the Watt & Shand Building shall be the Unit-side surface of furring, to include the thickness of the finish material such as plaster or drywall.

3) A Unit shall include the Unit-side surface of furring around structural steel columns, utility shafts, and other Common Elements within or passing through such Unit, to include the thickness of the finish material such as plaster or drywall.

4) A Unit shall include the Unit-side surface of furring under and around utility lines, ducts and cables (all of which shall be Common Elements), to include the thickness of the finish material such as plaster or drywall.

5) Notwithstanding the location of the upper boundary of the Convention Center Unit directly beneath the Guest Tower, the Unit Owner of the Hotel Unit shall be responsible for any damage to the Convention Center Unit caused by any leak of the Hotel swimming pool located on the Health Club Level.

Section 3.2 Maintenance Responsibilities of Units and Common Elements.

Notwithstanding the location of the various portions of the Common Elements and the Units by virtue of the foregoing boundary descriptions, the Units shall be maintained and repaired by each Unit Owner and the Common Elements shall be maintained and repaired by the Association in accordance with the Quality Standard, the Allocation of Common Expenses, and the provisions of Section 3307 of the Act, except as expressly set forth to the contrary herein. In the event of any conflict between this Declaration, the Quality Standard, and the Allocation of Common Expenses, the order of priority for purposes of determining which document controls shall be first, the Allocation of Common Expenses, next, the Quality Standard, and last, this Declaration.

Section 3.3 Maintenance Responsibilities of Sidewalks. The following sidewalk and landscaped areas adjacent to the Condominium shall be maintained and repaired as follows:

(a) All sidewalks and landscaped areas from the southwest corner of the Montgomery House on Queen Street to the southeast corner of the Convention Center Unit on Vine Street shall be maintained and repaired by the Owner of the Convention Center Unit;

(b) All sidewalks and landscaped areas in front of the Montgomery House and the Guest Tower 2 shall be maintained and repaired by the Owner of the Hotel Unit;

(c) All other sidewalks and landscaped areas adjacent to the Condominium shall be maintained and repaired by the Association and all costs of such maintenance and repair shall be treated as Common Expenses hereunder.

Section 3.4 Reserves.

(a) Common Elements. The Association shall establish a reserve account (“Common Element Reserve”) in a bank or savings and loan association to cover the costs of (a) replacements and renewals to, or refurbishment of, the fixtures, furniture, furnishings and equipment (“FF&E”) that are Common Elements, and (b) to cover the costs of non-routine repairs, alterations, maintenance, and refurbishment to the Common Elements that are normally capitalized under generally accepted accounting principles, including, by way of example, but not limited to, exterior and interior repainting, mechanical systems, elevators, floors and roofs (“Capital Expenditures”). Each Unit Owner shall fund its share of the Common Element Reserve no less frequently than monthly in the amount set forth in the annual budget adopted by the Executive Board (the “Budget”) in order to operate the Condominium in accordance with the Quality Standard. Notwithstanding the foregoing, to the extent that the management agreement for the Common Elements requires a Common Element Reserve for either FF&E or Capital Expenditures, then the terms of such management agreement shall control, and no separate Common Element Reserve shall be required hereunder. The Association shall expend from amounts in the Common Element Reserve the amounts provided to be expended for refurbishment, replacement, repair, maintenance and alteration of the Common Elements as are provided in the Budget or the management agreement for the Common Elements.

(b) Units. Each Unit Owner shall establish a reserve account (“FF&E and Capital Reserve”) in a bank or savings and loan association to cover the costs of (a) replacements and renewals to, or refurbishment of the FF&E (excluding the Common Elements) installed in or located in its Unit, and (b) to cover the costs of Capital Expenditures for its Unit. Each Unit Owner shall fund its FF&E and Capital Reserve no less frequently than monthly in the amount set forth in its Unit annual operating budget and in order to operate the Unit in accordance with the Quality Standard. Notwithstanding the foregoing, to the extent that the management agreement for the Convention Center Unit, the management agreement for the Hotel Unit or the Marriott License Agreement requires a reserve for FF&E or a reserve for Capital Expenditures, then the terms of such management agreement or the Marriott License Agreement, as the case may be, shall control, and no separate FF&E and Capital Reserve shall be required hereunder. Each Unit Owner shall expend from amounts in the FF&E and Capital Reserve the amounts provided to be expended for refurbishment, replacement, repair, maintenance and alteration of FF&E (excluding the Common Elements) and Capital Expenditures for its Unit as are provided in each Unit annual operating budget or the provisions of the management agreement for the Convention Center Unit, the management agreement for the Hotel Unit or the Marriott License

Agreement, as applicable. Each Unit Owner shall, upon request, provide to the other evidence of the establishment, funding of and expenditure of any FF&E and Capital Reserve required hereunder.

Section 3.5 Conversion of Units. Pursuant to Section 3215 of the Act, the Convention Center Unit may be converted into two (2) units, one consisting of the K/S Areas and the other consisting of the Convention Center Unit less the K/S Areas (the “Converted Convention Center Unit”), and the Hotel Unit may be converted into two (2) units, one consisting of the Montgomery House and the other consisting of the Hotel Unit less the Montgomery House (the “Converted Hotel Unit”); provided, however, in such event, and notwithstanding anything to the contrary set forth in Section 3215 of the Act, the votes in the Association and Common Expense liability formerly allocated to the Converted Convention Center Unit or the Converted Hotel Unit, as the case may be, (a) shall be reallocated to the new units in the manner prescribed by the Executive Board, and (b) shall, in the aggregate, be equal to the votes in the Association and Common Expense liability formerly allocated to the Unit which was converted.

Section 3.6 Exclusion of Warranty. Each Unit shall be conveyed “AS IS” and “WITH ALL FAULTS.” The warranty against structural defects provided in Section 3411 of the Act is hereby expressly excluded.

ARTICLE IV

ALLOCATION OF PERCENTAGE INTERESTS; COMMON EXPENSES AND VOTING RIGHTS

Section 4.1 Percentage Interests. Each Unit shall have the respective Percentage Interest set forth on Exhibit “D”, which in the case of the Convention Center Unit and the Hotel Unit has been determined based upon the size of such Unit. Each Unit shall bear a share of the Common Expenses in accordance with the Allocation of Common Expenses.

Section 4.2 Allocation of Unit Owner’s Voting Rights. Each Owner of the Hotel Unit and the Convention Center Unit shall have 50 votes in the Association. Notwithstanding the foregoing, if all or substantially all of a Unit is leased to any person or entity, the Owner of such Unit may pursuant to its lease agreement with such person or entity grant such person or entity a proxy for control of the voting rights held by such Unit Owner.

ARTICLE V

EASEMENTS; TITLE MATTERS

Section 5.1 Additional Easements. In addition to and in supplementation of the easements provided for by Section 3216 of the Act, the following easements are hereby created:

(a) The Units and Common Elements shall be and are hereby made subject to easements in favor of appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to

serve any portion of the Property. The easements created in this Section 5.1(a) shall include, without limitation, rights of the providing utility or service company, or governmental agency or authority to install, lay, maintain, repair, inspect, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), electrical wires, conduits, equipment, transformers, switchgear, circuit breakers, conductors, chases, stand pipes, ventilation systems and ducts and vents over, under, through, along and on the Units and Common Elements. Notwithstanding the foregoing provisions of this Section 5.1(a), unless approved in writing by the Unit Owner or Unit Owners affected thereby, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities are shown on the Plats and Plans or so as not to materially interfere with the use or occupancy of the Unit by its occupants. The Executive Board shall have the right and power to convey easements over the Common Elements for the installation, maintenance, repair and replacement of same to any private or public utility company.

(b) The Units and Common Elements shall be and are hereby made subject to easements in favor of the Unit Owners and their agents, employees and independent contractors for the purpose of performing the construction of improvements contemplated herein or in the Plats and Plans; provided that such construction is performed in accordance with the Plats and Plans and in a manner so as not to materially interfere with the use or occupancy of any Unit by its occupants.

(c) The Common Elements shall be and hereby are made subject to an easement in favor of the Unit Owners and their invitees, licensees, permittees, customers, guests, agents, employees, tenants and servants, the Association and the agents, employees and independent contractors of the Association for access, egress and ingress over, through and across each portion thereof, and for the enjoyment and use thereof, pursuant to such requirements and subject to such charges as the Executive Board may from time to time prescribe.

(d) The Common Elements shall be and hereby are made subject to an easement in favor of the Association, and the agents, employees and independent contractors thereof for the purpose of the inspection, upkeep, maintenance, repair and replacement of the Common Elements.

(e) The Common Elements shall be and are hereby made subject to the following easements in favor of the Units benefited:

- 1) For the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, heating and air conditioning systems, electrical, telephone and other communication wiring and cables and all other utility lines and conduits which are a part of or exclusively serve a single Unit and which pass across or through a portion of the Common Elements;
- 2) For the installation, repair, maintenance, use, removal and/or replacement of overhead lighting fixtures, electrical receptacles and the like which are located in a portion of the ceiling, wall or floor adjacent to a Unit which is a part of the Common Elements; provided that the installation, repair,

maintenance, use, removal or replacement of such fixtures, receptacles, and the like does not unreasonably interfere with the common use of any part of the Common Elements or impair or structurally weaken the Building;

3) For driving and removing nails, screws, bolts and the like into the Unit-side surface of walls, ceilings, and floors which are part of the Common Elements; provided that such action will not unreasonably interfere with the common use of any part of the Common Elements or impair or structurally weaken the Building; and

4) For the maintenance or the encroachment of any lighting devices, outlets, exhaust fans, ventilation ducts, registers, grilles and similar fixtures which serve only one Unit but which encroach into any part of any Common Element on the date this Declaration is recorded.

(f) To the extent necessary, each Unit shall have an easement for structural support over every other Unit in the Building, the Common Elements, and each Unit and the Common Elements shall be subject to an easement for structural support in favor of every other Unit in the Building and the Common Elements.

(g) The Units are hereby made subject to the following easements:

1) In favor of the Association and its agents, employees and independent contractors, (i) for inspection of the Units in order to verify the performance by Unit Owners of all items of maintenance and repair for which they are responsible, (ii) for inspection, maintenance, repair, and replacement of the Common Elements situated in or accessible from such Units, and (iii) for correction of emergency conditions in one or more Units, or casualties to the Common Elements and/or the Units.

2) In favor of the Unit Owner benefited thereby and the Association and its agents, employees and independent contractors, for the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, electrical, telephone, telegraph or other communication systems and all other utility lines and conduits which are part of the Common Elements and which pass across or through a portion of one or more Units.

3) In the event of an emergency, such temporary easements as are reasonably necessary for the preservation of life and/or property, including the right to use all stairways, escalators, ramps, corridors, entrances and exits, including access thereto, located within a Unit for emergency ingress and egress of all occupants.

(h) The Convention Center Unit is hereby made subject to an easement for pedestrian ingress and egress in the areas identified on the Plats and Plans as public circulation, exit stair and BOH corridors, including but not limited to transporting such materials as can be carried by pedestrians.

(i) The Convention Center Unit is hereby made subject to an easement for the benefit of the Hotel Unit for uses reasonably necessary for the operation of the Hotel Unit, including but not limited to the use of AV rooms, MATV, sound control room, projection room, dimmer room, elevator machine room, and storage rooms or areas.

(j) The Convention Center Unit is hereby made subject to an easement for the use of all stairs, escalators, ramps, service elevators and public elevators located in the Convention Center Unit, to provide pedestrian ingress and egress and to transport materials, equipment and freight, in accordance with such reasonable rules and regulations as the Manager may, from time to time, promulgate in writing.

(k) All easements, rights and restrictions described and mentioned in this Declaration are easements appurtenant, running with the land and the Property, including (by way of illustration but not limitation) the Units and the Common Elements, and (except as may be expressly otherwise provided in the instrument creating the same), shall continue in full force and effect until the termination of this Declaration, as it may be amended from time to time.

(l) In the exercise of any rights pursuant to this Section 5.1, the Unit Owners, the Association, and their respective agents, employees and independent contractors shall take reasonable steps to minimize any interference with a Unit Owner's use of his Unit.

(m) Any Unit Owner exercising its rights pursuant to this Section 5.1 shall be responsible for any and all damage to the other Unit Owner's Unit caused by the exercising Unit Owner's agents, employees and independent contractors.

Section 5.2 Title Matters. In addition to those easements described in Section 5.1 above, title to the Property is subject to any additional restrictions and title exceptions set forth on Exhibit "C" attached hereto.

Section 5.3 Naming Rights.

(a) The Unit Owner of the Convention Center Unit shall have the exclusive right to sell, lease or license naming rights to the convention center facility to be constructed and operated within the Convention Center Unit (the "Naming Rights"), provided that all fees, charges and other revenues arising from the sale, lease or license of the Naming Rights shall first be used to fund any working capital or similar fund required by the Manager and the balance shall be distributed to the Unit Owners (a) in accordance with the Joint Development Agreement, and (b) if the Joint Development Agreement is no longer in effect, then, fifty percent (50%) to the Unit Owner of the Convention Center Unit and fifty percent (50%) to the Unit Owner of the Hotel Unit. The Unit Owner of the Convention Center Unit may enter into an agreement with a third party pursuant to which such third party will obtain a lease, license or similar right to designate the name of the Convention Center Unit (the "Naming Rights Agreement"), provided, however, that the Naming Rights Agreement shall provide that all marketing, promotional and advertising materials and all signage at the Convention Center Unit and Common Elements that is to include a reference to "Convention Center" shall be styled as follows: "Lancaster Marriott at Penn Square and Lancaster County Convention Center" when the convention center facility is marketed, promoted, advertised or referenced in conjunction with the Lancaster Marriott at Penn

Square and “Lancaster County Convention Center” when the convention center facility is marketed, promoted, advertised or referenced without the Lancaster Marriott at Penn Square. The Naming Rights Agreement may include, among other terms and conditions, provisions regarding (i) the payment of fees for the Naming Rights and (ii) the right to include the designated name on all signage, marketing, advertising, contracts and other communications and designations of recognition regarding the Convention Center Unit and to otherwise publicize the designated name of the convention center facility. If the Unit Owner of the Convention Center Unit enters into a Naming Rights Agreement, all signage at the Convention Center Unit and Common Elements that is to include a reference to “Convention Center” may also include the name designated by the holder of the Naming Rights under the Naming Rights Agreement.

(b) S. Dale High (who may nominate High Industries or any affiliate thereof to exercise the rights granted in this Section 5.3(b)) shall have a right of first offer with respect to all Naming Rights. If any time the Unit Owner of the Convention Center Unit desires to sell, lease or license the Naming Rights, then the Unit Owner of the Convention Center Unit shall send a written notice to S. Dale High at High Real Estate Group, 1853 William Penn Way, P.O. Box 10008, Lancaster, PA 17605-0008 (or such other address as the Unit Owner of the Convention Center Unit has been notified of in writing) stating all of the terms upon which the Naming Rights will be marketed (the “Naming Rights Notice”). S. Dale High shall, within fifteen (15) days of his receipt of the Naming Rights Notice, notify the Unit Owner of the Convention Center Unit in writing of his acceptance or rejection of the terms of the Naming Rights Notice. S. Dale High’s failure to respond within such fifteen (15) day period shall be deemed a rejection of the terms of the Naming Rights Notice. If S. Dale High shall reject the terms of the Naming Rights Notice or be deemed to have rejected the terms of the Naming Rights Notice, the Unit Owner of the Convention Center Unit may market and sell, lease or license the Naming Rights for a period of six (6) months on the same terms (or terms more favorable) as set forth in the Naming Rights Notice. After the expiration of such six-month period, if the Unit Owner of the Convention Center Unit has not sold, leased or licensed the Naming Rights during such six-month period, then the right of first offer granted herein shall be reinstated and the Unit Owner of the Convention Center Unit shall not market, sell, lease or license the Naming Rights except in accordance with the provisions of this Section 5.3(b).

Section 5.4 Use of Common Elements; Rooftops and Air Rights. In addition to the Common Elements as specifically referred to and described in the definition of Common Elements, all areas of the Property that are not part of a Unit are Common Elements, including the air space above the Units. The Association may, upon approval of the Executive Board, enter into agreements allowing others the use of Common Elements, including, without limitation, agreements allowing the use of rooftop areas and the air space above the roof lines of the Buildings. Unless otherwise agreed by the Unit Owners, any fees, charges or other revenues arising from any such agreements shall be distributed to the Unit Owners (a) in accordance with the Joint Development Agreement, and (b) if the Joint Development Agreement is no longer in effect, then, fifty percent (50%) to the Unit Owner of the Convention Center Unit and fifty percent (50%) to the Unit Owner of the Hotel Unit. Notwithstanding the foregoing, the rooftop area of and the air space above the Guest Tower 2 are part of the Hotel Unit and any fees, charges or other revenues arising from any agreements allowing others the use of rooftop areas and the air space above the roof lines of the Guest Tower 2 shall be distributed one hundred percent (100%) to the Unit Owner of the Hotel Unit; provided that any fees, charges or other

revenues arising from agreements for telecommunications uses (e.g. antenna leases) shall be distributed fifty percent (50%) to the Unit Owner of the Convention Center Unit and fifty percent (50%) to the Unit Owner of the Hotel Unit.

ARTICLE VI

RESTRICTIONS ON USE; LEASES OF UNITS

Section 6.1 Use of Units. The following restrictions shall apply to the use of the Units.

(a) The Units shall be used at all times only in accordance with the Quality Standard. The Hotel Unit may not be used for any purpose other than a full service hotel. The Convention Center Unit may not be used for any purpose other than a first-class urban convention center. Notwithstanding the foregoing, the K/S Areas and the Montgomery House may also be used for historic preservation, public viewing, education, gift shop and office (including the lease of space to a commercial tenant for private office use). Notwithstanding the foregoing, the Units may also be used for accessory uses which are customarily incidental to the foregoing uses and in accordance with all governmental requirements.

(b) No Unit Owner may obstruct the Common Elements in any way.

(c) No Unit Owner may carry on any practice or permit any practice to be carried on which unreasonably interferes with the quiet enjoyment by the occupants of any other Unit. The Property is to be maintained in a clean and sanitary condition in accordance with the Quality Standard. No Unit Owner may place any garbage, trash or rubbish anywhere on the Property other than in his own Unit and in or on such parts of the Common Elements as may be designated for such purpose by the Executive Board. No Unit Owner shall have the right to object to any operation of any other Unit that is within the ordinary course of business of the Owner of such Unit as described in Section 6.1(a) above, provided, however, that no Unit Owner shall permit occupancy of its Unit (unless such occupancy is required to be permitted by law) by any person or group of persons that has a documented history of causing property damage or liability to the owner of property.

(d) No Unit shall be used, occupied or kept in a manner which in any way increases the fire insurance premiums (but only if such increases would be payable by the Unit Owners) for the Property without the prior written permission of the Executive Board.

(e) No Unit Owner may erect any sign on or in his Unit which is visible from outside his Unit or from the Common Elements, without in each instance having obtained the prior written permission of the Executive Board. The sign pre-approved in accordance with the Marriott License Agreement and any other sign which is generally in use by Marriott for a hotel of the kind and quality present in the Hotel Unit is hereby approved. Signs consistent in size, materials and quality with the signs generally in use by Marriott are also hereby approved for the Convention Center Unit. A Unit Owner may locate signs only on or within its Unit, except as otherwise shown on the Plats and Plans or approved by the Executive Board. The primary identification sign at the entrance located at the intersection of King Street and Queen Street and

the primary identification sign at the entrance located on Queen Street shall identify both Units and shall otherwise be approved by the Executive Board.

(f) The Owner of a Unit shall be responsible for maintaining such Unit in accordance with the Quality Standard in good order and repair, at the expense of such Owner, including but not limited to cleaning and replacing glass panes in any window serving such Unit.

(g) As determined by the Executive Board in its sole discretion, no noxious or offensive activity shall be conducted in any Unit nor shall anything be done or any object placed in any Unit which is or may become a nuisance or cause disturbance or annoyance to other Unit Owners.

Section 6.2 Lease of Units. A Unit Owner may lease or sublease its Unit, including but not limited to the rental of hotel rooms, meeting rooms and ballrooms, at any time and from time to time provided that the rights of any lessee or sublessee of any Unit shall be subject to, and each such lessee or sublessee shall be bound by, the covenants, conditions and restrictions contained in this Declaration, the Bylaws and the Rules and Regulations. If any person or entity leases substantially all of a Unit, then such person or entity shall be deemed responsible, jointly and severally with the Unit Owner, for all duties, obligations and liabilities of the Unit Owner under this Declaration for so long as such lease is in effect. Except for the lease or sublease of a Unit in the ordinary course of business for such Unit and except for the lease of the Hotel Unit from RACL to Penn Square, no Unit Owner may lease all or substantially all of its Unit without the approval of the Executive Board.

Section 6.3 Lighting. The Unit Owner of the Hotel Unit shall be permitted to install and utilize external lighting on the Guest Tower 2 (including, without limitation, overhead lighting) without the prior written permission of the Executive Board.

ARTICLE VII

MORTGAGES

Section 7.1 Restrictions on Mortgages. Every mortgage encumbering a Unit shall provide generally, whether or not they so state, that the mortgage and the rights and obligations of the parties thereto shall be subject to the terms and conditions of the Act, the Declaration, the Plats and Plans and any Rules and Regulations.

Section 7.2 Notice of Mortgages. Every Unit Owner or prospective purchaser of a Unit shall notify the Executive Board of the name and address of its mortgagee or mortgagees.

Section 7.3 Register. Upon notification of the name of any mortgagee, the Secretary of the Association shall instruct the insurer of the Property to add the name of such mortgagee to the mortgagee loss payable provision of the hazard insurance policy covering the Property and to provide such mortgagee with a certificate of insurance showing that such

mortgagee's name has been so added. The Secretary shall maintain a register of mortgages, showing the name and address of the holder thereof and the amount secured thereby.

Section 7.4 Notice of Unit Owner Default. The Executive Board shall:

(a) Give prompt notice to a Unit mortgagee of any default in the Unit mortgagor's obligations under the Condominium Documents which is not cured within thirty (30) days after the occurrence of such default;

(b) Promptly after the Association has received written notice of any pending acquisition of any portion of the Property by means of eminent domain, give to all mortgagees written notice of any such proceedings; and

(c) Agree in writing to notify the appropriate mortgagee whenever (i) damage to a Unit covered by the mortgage held by such mortgagee exceeds \$100,000.00, and (ii) damage to Common Elements or related facilities exceeds \$100,000.00.

Section 7.5 Liability for Use and Charges. A mortgagee who obtains title to a Unit pursuant to the remedies provided in a mortgage for foreclosure of such mortgage shall not be liable for such Unit Owner's unpaid assessments or charges which accrue prior to the acquisition of such title to such Unit by the Mortgagee, except to the extent otherwise provided for under Section 3315 of the Act.

Section 7.6 Condemnation Rights. No provision of this Declaration shall give a Unit Owner, or any other party, priority over any rights of the mortgagee of a Unit pursuant to its mortgage in the case of distribution to such Unit Owner of insurance proceeds or condemnation awards for loss to or a taking of one or more Units and/or Common Elements.

Section 7.7 Approval of Mortgagees. The prior written approval of all Mortgagees must be obtained for the following:

(a) The abandonment of the condominium status of the Property, except for abandonment permitted by the Act in case of substantial loss to the Units and Common Elements;

(b) A change in the Percentage Interest allocated to each Unit other than any amendment made pursuant to Section 11.3 hereof;

(c) The abandonment, encumbrance, sale or transfer of the Common Elements; and

(d) Any amendment of the condominium documents that modifies any provision that is applicable to mortgagees.

Section 7.8 Books and Records. Any mortgagee shall have the right (exercisable by written notice to the Executive Board) to examine the books and records of the Association and to require that they be provided with a copy of each annual report of the Association and other financial data of the Association reasonably requested by such mortgagee.

ARTICLE VIII

INSURANCE; CASUALTY

Section 8.1 Types and Amounts of Insurance. Each Unit Owner shall maintain in effect at least the following insurance coverage with respect to its Unit:

(a) Commercial property insurance on the improvements constituting the Unit owned by such Unit Owner, any and all furniture, equipment, supplies and other property owned, leased, held or possessed by such Unit Owner and contained in its Unit, against all risk of physical loss in an amount not less than one hundred percent (100%) of the actual replacement cost of such improvements (excluding foundation); provided, however, that if the full insurable value of such improvements is less than the actual replacement cost of such improvements, then such Unit Owner may reduce the amount of such insurance coverage to one hundred percent (100%) of the full insurable value of such improvements (excluding foundation);

(b) Commercial liability insurance protecting and indemnifying the other Unit Owner against any and all claims for damages to person or property or for loss of life or of property occurring upon, in or about the land underlying the Unit owned by such Unit Owner, the improvements constituting such Unit and the adjoining streets, other than streets dedicated to the public and accepted for maintenance by the public, with a limit of not less than One Million Dollars (\$1,000,000) per occurrence with umbrella coverage of not less than Four Million Dollars (\$4,000,000);

(c) Worker's compensation (including employer's liability insurance) covering such Unit Owner's contractors' employees providing the statutory benefits required under Pennsylvania law; provided, however, that a Unit Owner shall be required to carry such insurance only during periods of construction by such Unit Owner in or about the Units;

(d) Such other insurance, and in such amounts, as the Unit Owners may from time to time be required to maintain pursuant to the terms of any mortgage with respect to either Unit.

Section 8.2 Insurance to be Maintained by the Association.

(a) The Association shall maintain in effect at least the following insurance coverage:

1) With respect to the Common Elements, the insurance required to be maintained by Unit Owners with respect to their Units pursuant to Section 8.1 (a), (b) and (c) above.

2) Insurance to satisfy the indemnification obligation of the Association and all Unit Owners set out in Section 9.2 hereof, if and to the extent available.

(b) The Executive Board shall review annually the adequacy of the insurance coverage and report the results of such review at each annual meeting.

(c) The name of the insured under each policy required pursuant to this Section 9.2 shall be stated in form and substance similar to the following:

The Penn Square Condominium Association, for the use and benefit of the individual Owners, or their authorized representatives, of the Units contained in The Penn Square Hotel and Convention Center, a Condominium.

(d) The insurer under each policy required pursuant to this Section 8.2 shall be required to waive its right to subrogation under the policy against any Unit Owner.

Section 8.3 Policies. All policies of insurance maintained pursuant to this Article shall comply with the following requirements:

(a) All of the policies of insurance provided for in this Agreement shall be with reputable companies licensed and authorized to issue such policies in such amounts in the Commonwealth of Pennsylvania with an A.M. Best rating of A- or better. Such insurance may be carried under blanket policies that include other properties and provide separate coverage for the insured Facility. Upon request, each Unit Owner shall deliver certificates showing such insurance to be in full force and effect to the other Unit Owner. Such certificates shall be endorsed to show the receipt by the issuer of the premiums for such insurance or shall be accompanied by other evidence of payment of such premiums. If the premium covers more than one (1) year and may be paid in installments, then only an annual installment must be paid in advance. Such policies shall contain express waivers by the insurer of any rights of subrogation against the other Unit Owners (including any tenant, occupant, guest or invitee) and the Association. The deductible amount for any insurance, coverage required to be carried by a Unit Owner shall not exceed two percent (2%) of the policy amount without approval of the other Unit Owner.

(b) All insurance required by this Article shall name the carrying Unit Owner as insured and the other Unit Owner and the Association as additional insureds and may, at the option of either Unit Owner, name any mortgagee or any other persons, all as their respective interests may appear.

(c) Each policy of insurance required to be maintained under this Agreement shall provide that it may not be cancelled by the insurer for nonpayment of premiums or otherwise until at least thirty (30) days after service of notice of the proposed cancellation upon the non-carrying Unit Owner.

Section 8.4 Waiver of Subrogation. To the extent permitted by applicable law, each Unit Owner releases the other from any and all liability or responsibility to the other or anyone claiming through or under it by way of subrogation or otherwise for any loss or damage to property caused by fire or any other perils insured in policies of insurance covering such property, even if such loss or damage shall have been caused by the fault or negligence of the other Unit Owner, or anyone for whom such Unit Owner may be responsible; provided, however, that this release shall be applicable and in force and effect only to the extent that such release shall be lawful at that time and in any event only with respect to loss or damage occurring

during such time as the releasor's policies shall contain a clause or endorsement to the effect that any such release shall not adversely affect or impair said policies or prejudice the right of the releasor to recover under such policies, and then only to the extent of the insurance proceeds payable under such policies.

Section 8.5 Casualty. Except as otherwise provided below, if all or any part of a Unit and/or the Common Elements shall be damaged or destroyed by fire or other casualty, then, with respect to a Unit the Unit Owner, and with respect to the Common Elements the Association, shall commence and thereafter proceed with reasonable diligence to repair, restore, replace or rebuild such Unit and/or Common Elements to a good, safe and sightly condition in accordance with the Quality Standard; provided, however, if (a) the insurance proceeds received by a Unit Owner or the Association are insufficient to pay the entire cost to repair, restore, replace or rebuild a particular Unit or the Common Elements, as the case may be, and (b) the cost to repair, restore, replace or rebuild a particular Unit or the Common Elements is reasonably estimated to exceed One Million Dollars (\$1,000,000), then the Owner of such Unit or the Association, as the case may be, shall be relieved of its obligations set forth above to repair, restore, replace or rebuild the Units or Common Elements. Notwithstanding the foregoing, if any mortgagee elects to require the insurance proceeds resulting from damage or destruction of a Unit to be paid to such mortgagee on account of the indebtedness secured by such mortgagee's mortgage, then, subject to the rights of any other mortgagees with respect to such insurance proceeds, such payment shall be made to such mortgagee, and the Association and Owner of the Unit which was damaged or destroyed shall be relieved of all obligations, monetary or otherwise, established under this Section 8.5. Notwithstanding anything in this Article to the contrary, if any local ordinance or regulation dictates the reconstruction or demolition of any Units or Common Elements or directs the disposition of insurance proceeds, the Association, Unit Owners and their insurers shall comply with those local ordinances or regulations.

Section 8.6 Indemnification. Subject to the provisions of Section 8.4 above, each Unit Owner shall defend, protect, indemnify and hold harmless the other Unit Owner, the Association, and any lessee or sublessee of substantially all of a Unit from and against all claims or demands, including any action or proceedings brought thereon, and all costs, losses, expense and liability of any kind relating thereto, including reasonable attorneys' fees and cost of suit, arising out of or resulting from (a) any breach or default by the indemnifying Unit Owner in the performance of its obligations under this Declaration or (b) any act, omission, event, or occurrence arising from or occurring within the indemnifying Unit Owner's Unit.

ARTICLE IX

LIMITATION OF LIABILITY

Section 9.1 Limited Liability of the Executive Board. The Executive Board, and its members in their capacity as members, officers and employees:

(a) Shall not be liable for the failure of any service to be obtained by the Executive Board and paid for by the Association, or for injury or damage to persons or property caused by the elements or by another Unit Owner or person on the Property, or resulting from electricity, gas, water, rain, dust or sand which may leak or flow from the outside or from any

part of the Building, or from any of the pipes, drains, conduits, appliances, or equipment, or from any other place unless in each such instance such injury or damage has been caused by the willful misconduct or gross negligence of the Association or the Executive Board;

(b) Shall not be liable to the Unit Owners as a result of the performance of the Executive Board members' duties for any mistake of judgment, negligence or otherwise, except for the Executive Board members' own willful misconduct or gross negligence;

(c) Shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, check, contract, deed, lease, mortgage, instrument or transaction entered into by them on behalf of the Executive Board of the Association in the performance of the Executive Board members' duties;

(d) Shall not be liable to a Unit Owner, or such Unit Owner's tenants, employees, agents, customers or guests, for loss or damage caused by theft of or damage to personal property left by such Unit Owner or his tenants, employees, agents, customers or guests in a Unit, or in or on the Common Elements, except for the Executive Board members' own willful misconduct or gross negligence;

(e) Shall have no personal liability in tort to a Unit Owner or any other person or entity, direct or implied, by virtue of acts performed by or for them, except for the Executive Board members' own willful misconduct or gross negligence in the performance of their duties; and

(f) Shall have no personal liability arising out of the use, misuse or condition of the Building, or which might in any other way be assessed against or imputed to the Executive Board members as a result of or by virtue of their performance of their duties, except for the Executive Board members' own willful misconduct or gross negligence.

Section 9.2 Indemnification. Each member of the Executive Board in his capacity as an Executive Board member, officer or both, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding in which he may become involved by reason of his being or having been a member and/or officer of the Executive Board, or any settlement of any such proceeding, whether or not he is an Executive Board member, officer or both at the time such expenses are incurred, except in such cases wherein such Executive Board member and/or officer is found to have engaged in willful misconduct or gross negligence in the performance of his duties. The indemnification by the Unit Owners set forth in this Section 9.2 shall be paid by the Association on behalf of the Unit Owners and shall constitute a Common Expense and shall be assessed and collectible as such. Such right of indemnification shall not be deemed exclusive of any other rights to which such Executive Board member and/or officer may be entitled as a matter of law or agreement or by vote of the Unit Owners or otherwise.

Section 9.3 Joint and Several Liability of Unit Owners and Lessees. Each Unit Owner shall be jointly and severally liable with any lessee or sublessee of the Unit owned by such Unit Owner for all liabilities arising out of the ownership, occupancy, use, misuse or condition of such Unit or any portion of the Common Elements.

Section 9.4 Defense of Claims. Complaints brought against the Association, the Executive Board or the officers, employees or agents thereof in their respective capacities as such, or the Condominium as a whole, shall be directed to the Executive Board of the Association, which shall promptly give written notice thereof to the Unit Owners and any Mortgagees and such complaints shall be defended by the Association. The Unit Owners and the Mortgagees shall have no right to participate other than through the Association in such defense. Complaints of a nature specified in Section 9.3 hereof against one or more but less than all Unit Owners or Units shall be defended by such Unit Owners who are defendants themselves and such Unit Owners shall promptly give written notice of the institution of any such suit to the Association and to the holders of any mortgages encumbering such Units.

ARTICLE X

UNITS SUBJECT TO CONDOMINIUM DOCUMENTS; RIGHTS RESERVED; **EMINENT DOMAIN**

Section 10.1 Applicability of Condominium Documents. Each present and future Owner, lessee, occupant and mortgagee of a Unit shall be subject to and shall comply with the provisions of the Act, this Declaration, the Plats and Plans, the Bylaws and the Rules and Regulations, and with the covenants, conditions and restrictions as set forth in this Declaration, the Plats and Plans, the Bylaws, the Rules and Regulations, and the deed to such Unit; provided that nothing contained herein shall impose upon any lessee or mortgagee of a Unit any obligation which the Act or one or more of such documents, or both, make applicable only to Unit Owners (including, without limitation, the obligation to pay assessments for Common Expenses) unless such obligations are expressly assumed by any lessee of a Unit. The acceptance of a deed or mortgage to any Unit, or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of the Act, this Declaration, the Plats and Plans, the Bylaws, the Rules and Regulations, and the covenants, conditions and restrictions set forth in the deed to such Unit are accepted and ratified by such grantee, mortgagee or lessee. All such provisions shall be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof.

Section 10.2 Right Reserved. The Association may allocate as a limited Common Element any Common Element not previously allocated as a limited Common Element. Such allocation shall be made by deeds or assignments executed by the Association, or by amendments to this Declaration.

Section 10.3 Eminent Domain. Whenever all or part of the Common Elements shall be taken, injured or destroyed by eminent domain, each Unit Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto, but in any proceedings for the determination of damages, such damages shall be determined for such taking, injury or destruction as a whole and not for each Unit Owner's interest therein.

ARTICLE XI

EXECUTIVE BOARD OF THE ASSOCIATION

Section 11.1 Members.

(a) The Executive Board shall consist of two (2) members, one (1) elected by each of the Owner of the Hotel Unit and the Owner of the Convention Center Unit. Notwithstanding the foregoing, if all or substantially all of a Unit is leased to any person or entity, such lessee, and not the Owner of such Unit, shall, upon designation in writing by the Unit Owner, be entitled to elect one of the members of the Executive Board.

(b) The Executive Board shall possess all of the duties and powers granted to the Executive Board by the Act.

Section 11.2 Disputes. In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any questions or interpretation or application of the provisions of this Declaration, the Plats and Plans, the Bylaws or the Rules and Regulations, the determination thereof by the Executive Board shall be final and binding on each and all such Unit Owners. In the event the Executive Board is unable to agree on any such determination, such dispute shall, in the event there is a common Manager managing both the Convention Center Unit and the Hotel Unit, be subject to mediation with a senior executive of the Manager serving as mediator. If the Executive Board is still unable to agree, such dispute shall be subject to mandatory arbitration as provided in the Bylaws. All costs and expenses of the arbitration proceedings shall be borne by the party not prevailing in the arbitration.

Section 11.3 Amendments to the Condominium Documents. After completion of construction of the Hotel Unit, the Condominium Documents shall be amended in accordance with the Act and revised Plats and Plans recorded to reflect the actual Unit boundaries and Percentage Interests and the costs associated with such amendment shall be borne by the Association as Common Expenses. Thereafter, in the event of an amendment to the Condominium Documents resulting from a permitted relocation of boundaries between adjoining Units undertaken by such Unit Owners as a result of the acquisition of an adjoining Unit or portion of an adjoining Unit, in accordance with and permitted by Sections 3213 and 3214 of the Act, the costs associated with any such amendment shall be borne by such Unit Owners. Notwithstanding any other provisions of this Declaration to the contrary, if any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provisions of the Condominium Documents that are defective, missing or inconsistent with any other provisions thereof, or if such amendment is necessary to conform to the requirements of any agency or entity that has established national or regional standards with respect to loans secured by mortgages on units in condominium projects, then at any time and from time to time the Executive Board may effect an appropriate corrective amendment without the approval of the Unit Owners or the holders of any liens on all or any part of the Property, upon receipt by the Executive Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this sentence. Each amendment of the type described in this Section 11.3 shall be effective upon the recording of an appropriate

instrument setting forth the amendment and its due adoption, which instrument has been executed and acknowledged by one or more officers of the Executive Board.

Section 11.4 Abating and Enjoining Violations by Unit Owners. The violation of any Rules and Regulations adopted by the Executive Board, the breach of any provision contained in the Bylaws or the breach of any provision of this Declaration or the Act by any Unit Owner or any tenant of such Unit Owner shall give the Executive Board the right, in addition to any other rights to which it may be entitled, to enjoin, abate or remedy by appropriate legal proceedings, either by law or in equity, the continuance of any such breach.

ARTICLE XII

MANAGEMENT

Section 12.1 Common Manager. It is intended that the Units initially shall be managed by a common professional managing agent (the “Manager”), however, each Unit Owner will have a separate management agreement with the Manager for the management of its Unit and the Association will have a separate management agreement with the Manager for the management of the Common Elements. Neither Unit Owner nor the Association shall amend, modify or supplement its management agreement with the Manager in any manner that will have a material adverse effect on any Unit Owner’s Unit without the approval of such Unit Owner, which shall not be unreasonably withheld, delayed or conditioned. Any such amendment, modification or supplement shall be provided to the other Unit Owner prior to execution to ensure compliance with this provision. In the event that the Convention Center Unit management agreement and the Hotel Unit management agreement require a single general manager, director of sales and marketing or person of similar position, then such person shall be subject to the approval of both Unit Owners, not to be unreasonably withheld, delayed or conditioned.

Section 12.2 Termination by a Unit Owner or the Association. The Unit Owners shall not terminate their respective management agreements except upon the occurrence of an event permitting termination as provided in the applicable management agreement . Each Unit Owner (for these purposes, the “First Unit Owner”) shall provide to the other (the “Second Unit Owner”) a copy of any notice of default it gives to the Manager under its management agreement and the Second Unit Owner shall have the right (but not the obligation) to cure such default of the Manager. Unless the Second Unit Owner provides written notice to the First Unit Owner, within five (5) days of the Second Unit Owner’s receipt of such default notice of the Second Unit Owner’s intent to cure such default of the Manager and thereafter proceeds diligently to commence and complete such cure, the First Unit Owner may terminate its management agreement (unless the default has been cured by Manager). If the First Unit Owner terminates its management agreement for breach by the Manager, and in the event the Second Unit Owner has the right to and elects to terminate its management agreement, then the Unit Owners shall proceed diligently and in good faith to identify and contract with a replacement Manager for the Units. If the First Unit Owner terminates its management agreement for breach by the Manager, and in the event the Second Unit Owner does not have the right to or elects not to terminate its management agreement, then the First Unit Owner shall proceed diligently and in good faith to identify and contract with a replacement Manager for its Unit and the identity of

such replacement Manager and the terms of the contract between the First Unit Owner and such replacement Manager, to the extent they impact the operation of the Units as contemplated by this Agreement, shall be subject to the approval of the Second Unit Owner, not to be unreasonably withheld, delayed or conditioned.

Section 12.3 Termination by the Manager. A Unit Owner, or the Association, as the case may be, (for these purposes, the “Defaulting Unit Owner”) shall provide to the other Unit Owner(s) (the “Non-defaulting Unit Owner”) a copy of any notice of default the Defaulting Unit Owner receives from the Manager under its management agreement and to the extent permitted by such management agreement the Non-defaulting Unit Owner(s) shall have the right (but not the obligation) to cure such default and the cost of effecting such cure shall be paid by the Defaulting Unit Owner within ten (10) days of presentation of a bill therefor together with such backup documentation that is reasonably requested in writing. If the Defaulting Unit Owner fails to pay such cost within ten (10) days as aforesaid, the Non-defaulting Unit Owner shall be entitled to interest from the date of expenditure by it effecting such cure through the date of reimbursement to it at a rate equal to four percent (4%) per annum over the “prime rate” as published in the *Wall Street Journal* under the heading “Prime Rate” on the “Money Rates” page.

Section 12.4 Replacement Management. Whenever a replacement Manager is selected hereunder and replacement management agreements entered into, such replacement Manager and such agreements shall be consistent with the provisions of this Agreement regarding the operation, maintenance and management of the Units.

Section 12.5 Third Party Service Contracts. The Owner of the Convention Center Unit shall not enter into any third party service contracts unless contracted pursuant to the management agreement for the Convention Center Unit in connection with the operation of the Convention Center Unit, including, but not limited to, contracts for management, maintenance and security, without the prior approval of the Owner of the Hotel Unit as to compliance with the Quality Standard and as to the qualifications of the contractor. The Owner of the Hotel Unit shall not enter into any third party service contracts (other than for retail, vending and food service) unless contracted pursuant to the management agreement for the Hotel Unit in connection with the operation of the public areas located within the Hotel Unit, including, but not limited to, contracts for management, maintenance and security, without the prior approval of the Owner of the Convention Center Unit, as to compliance with the Quality Standard and as to the qualifications of the contractor. Each Unit Owner shall submit any such third party service contracts to the other for approval and such Unit Owner shall have fifteen (15) days to approve or disapprove any such contract. If such Unit Owner does not disapprove any such contract within such fifteen (15) day period, such contract shall be deemed approved. If such Unit Owner disapproves any such contract within such fifteen (15) day period, then such Unit Owner shall provide the reasons for such disapproval to the other and the Unit Owners shall have fifteen (15) days from the date of disapproval to reach agreement. If the Unit Owners cannot reach agreement within such fifteen (15) day period, the dispute shall be submitted to binding arbitration pursuant to Section 3.3(d) of the Bylaws, and until resolved, the existing third party service contracts shall continue in full force and effect.

Section 12.6 Indemnification. Subject to the provisions of Section 8.4 of this Declaration, the Association shall defend, protect, indemnify and hold harmless the Unit Owners, and any lessee or sublessee of substantially all of a Unit from and against all claims or demands arising out of the management and operation of the Common Elements, including any action or proceedings brought thereon, and all costs, losses, expense and liability of any kind relating thereto, including reasonable attorneys' fees and cost of suit, arising out of or resulting from (a) any breach or default by the Association in the performance of its obligations under this Declaration or (b) any act, omission, event, or occurrence arising from or occurring within the Common Elements arising out of the operation or management of the Common Elements.

ARTICLE XIII

ASSESSMENTS; LIABILITY OF UNIT OWNERS

Section 13.1 Power to Assess. The Association, acting through the Executive Board in accordance with the Bylaws, shall have the power to fix and determine, from time to time, the sum or sums necessary and adequate to provide for the Common Expenses, including, but not limited to, such amounts as are necessary for uncollectible assessments, budget deficits, such reserves as are hereinafter described, and such additional reserves as the Executive Board shall deem necessary or prudent, and such other expenses as are specifically provided for in the Act, this Declaration or the Bylaws. The Association may establish an adequate reserve fund for maintenance, repair and replacement of those Common Elements which are anticipated to require replacement, repair or maintenance on a periodic basis. The reserve fund, if any, may be funded by monthly payments as a part of the Common Expenses.

Section 13.2 Special Assessments. If the cash requirement estimated at the beginning of any fiscal year shall prove to be insufficient to cover the actual Common Expenses for such fiscal year for any reason (including, by way of illustration and not limitation, any Unit Owner's nonpayment of his assessment), the Executive Board shall have the power, at any time (and from time to time) it deems necessary and proper, to levy one or more Special Assessments against each Unit Owner.

Section 13.3 Payment of Assessments. Each Unit Owner shall pay all assessments levied by the Association. Such assessments shall be due and payable on a monthly basis as designated by the Executive Board.

Section 13.4 Failure to Fix New Assessments. If the Executive Board shall fail to fix new Monthly Assessments for Common Expenses for the subsequent fiscal year before the expiration of any fiscal year, the Unit Owners shall pay the sums they were paying for such Monthly Assessments during the fiscal year just ended adjusted by the increase in the Consumer Price Index for all Urban Consumers (CPI-U), All Items, U.S. City Average (1982-1984 equals 100), published by the United States Department of Labor, Bureau of Labor Statistics, for such period, and such sums shall be deemed to be the new Monthly Assessments for the succeeding fiscal year. If the Executive Board shall change the Monthly Assessment at a later date, such new Monthly Assessment shall be treated as if it were a Special Assessment under Section 13.2 hereof.

Section 13.5 No Exemption by Waiver. No Unit Owner may exempt himself from liability with respect to the Common Expenses by waiver of the enjoyment of the right to use any of the Common Elements or by the abandonment of his Unit or otherwise.

Section 13.6 Personal Liability of Unit Owners. All sums assessed by the Association as a Monthly Assessment or Special Assessment shall constitute the personal liability of the Owner of the Unit so assessed and also shall, until fully paid, constitute a lien against such Unit pursuant to Section 3315 of the Act. The Association may take action for failure to pay any assessment or other charges pursuant to Section 3315 of the Act. The delinquent Owner shall be obligated to pay (a) all expenses of the Executive Board, including all fines, late fees, reasonable attorneys' fees and all other costs of collection permitted under Section 3315 of the Act, incurred in the collection of the delinquent assessment by legal proceedings or otherwise, and (b) any amounts paid by the Executive Board for taxes or on account of superior liens or otherwise to protect its lien, which expenses and amounts, together with accrued interest, shall be deemed to constitute part of the delinquent assessment and shall be collectible as such. Notwithstanding the foregoing, so long as any Unit is owned by RACL, RACL shall have no personal liability for any monthly Assessment or Special Assessment or any fines, late charges, attorneys' fees, collection costs or other costs permitted under Section 3315 of the Act.

Section 13.7 Liability of Purchaser of Unit for Unpaid Assessments. Subject to the provisions of Section 3407(c) of the Act, upon the voluntary sale, conveyance or any other voluntary transfer of a Unit or any interest therein, the grantee thereof shall be jointly and severally liable with the grantor thereof for all unpaid assessments for Common Expenses, Special Assessments, fines, late fees, reasonable attorneys' fees and all other costs of collection, which are a charge against the Unit as of the date of consummation of the sale, conveyance or transfer, but such joint and several liability shall be without prejudice to such grantee's right to recover from such grantor the amount of any such unpaid assessments which such grantee may have paid, and until any such assessments are paid, they shall continue to be a lien against the Unit which may be enforced in the manner set forth in Section 3315 of the Act.

Section 13.8 Subordination of Certain Charges. Any fees, charges, late charges, fines and interest that may be levied by the Association pursuant to the Act shall be subordinate to any Mortgage (provided that the liability for any such amounts shall remain the obligation of the affected Unit Owner and of any purchaser of a Unit pursuant to Section 13.7 above).

Section 13.9 Working Capital Fund. Upon the initial transfer of title from the Declarant to the purchaser of each Unit, the Association shall collect from such purchasers an amount equal to the greater of (a) two (2) months' estimated Common Expense liability and (b) the amount required by the Manager under the applicable management agreement to be deposited into a working capital or similar fund, which monies shall be deposited into a working capital fund under control of the Association.

ARTICLE XIV

GENERAL PROVISIONS

Section 14.1 Headings. The headings used in this Declaration and the Table of Contents are inserted solely as a matter of convenience for the readers of this Declaration and shall not be relied upon or used in construing the effect or meaning of any of the provisions of this Declaration.

Section 14.2 Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or unenforceability of any provision or portion hereof shall not affect the validity or enforceability of any other provision or portion hereof unless such deletions shall destroy the uniform plan of development and operation of the condominium project which this Declaration is intended to create.

Section 14.3 Applicable Law. This Declaration shall be governed by and construed according to the laws of the Commonwealth of Pennsylvania.

Section 14.4 Interpretation. The provisions of this Declaration shall be liberally construed in order to effect the Declarant's desire to create a uniform plan for development and operation of the condominium project.

Section 14.5 Effective Date. This Declaration shall become effective when it and the Plats and Plans have been recorded.

Section 14.6 Notices. All notices and other communications required or permitted to be given under or in connection with this Declaration shall be in writing and shall be deemed given when delivered in person or on the second business day after the day on which mailed by certified mail, return receipt requested, addressed at the address maintained in the register of current addresses established by the Association.

Section 14.7 Exhibits. All exhibits attached to this Declaration are hereby made a part of this Declaration.

Section 14.8 Conflicts. In any conflict in the descriptions of Units or the Common Elements between this Declaration and the Plats and Plans, the Plats and Plans shall govern.

IN WITNESS WHEREOF, Declarant, intending to be legally bound hereby has duly executed this Declaration, the day and year first above written.

ATTEST:

LANCASTER COUNTY CONVENTION
CENTER AUTHORITY

By: _____
Name:
Title:

ATTEST:

REDEVELOPMENT AUTHORITY OF THE
CITY OF LANCASTER

By: _____
Name:
Title:

COMMONWEALTH OF PENNSYLVANIA :
 : ss
COUNTY OF _____ :

ON THIS ____ day of _____, 2016, before me, an officer duly authorized in the County and State aforesaid to take acknowledgements, personally appeared _____, known to me (or satisfactorily proven) to be the _____ of Redevelopment Authority of the City of Lancaster, and as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of _____ as such _____.

WITNESS, my hand and official seal in the above County and State.

Notary Public

My Commission Expires: _____

COMMONWEALTH OF PENNSYLVANIA :
 : ss
COUNTY OF _____ :

ON THIS ____ day of _____, 2016, before me, an officer duly authorized in the County and State aforesaid to take acknowledgements, personally appeared _____, known to me (or satisfactorily proven) to be the _____ of the Lancaster County Convention Center Authority, and as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of _____ as such _____.

WITNESS, my hand and official seal in the above County and State.

Notary Public

My Commission Expires: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF ORIGINAL PROPERTY

ALL THAT CERTAIN tract, piece or lot SITUATE South of State Route 0462 East King Street and to the East of U.S. Route 0222 South Queen Street in The City of Lancaster, Lancaster County, Pennsylvania, being shown as Lot No. 1 on a Subdivision Plan for The Lancaster Marriott and Lancaster Convention Center at Penn Square (recorded in Subdivision Plan Book _____, page _____), said Lot No. 1 being more fully bounded and described as follows:

BEGINNING at a point of intersection with the northern right-of-way line of East Vine Street and the eastern right-of-way line of South Queen Street, thence along said right-of-way line the following course:

1. North 08 degrees, 41 minutes, 34 seconds West, a distance of 458.67 feet to a point;

Thence turning and running along the southern right-of-way line of East King Street, thence along said line the following three courses:

1. North 81 degrees, 54 minutes, 01 seconds East, a distance of 66.00 feet to a point;

1. North 08 degrees, 28 minutes, 10 seconds West, a distance of 65.00 feet to a point;

1. North 81 degrees, 33 minutes, 05 seconds East, a distance of 111.84 feet to a point;

Thence turning and running along the adjoining property line with John E. & Eric J. Gearhart, thence along said line the following course:

1. South 08 degrees, 23 minutes, 15 seconds East, a distance of 131.74 feet to a point;

Thence turning and running along the adjoining property line with a PP&L easement, thence along said line the following course:

1. North 81 degrees, 33 minutes, 09 seconds East, a distance of 69.34 feet to a point;

Thence turning and running along the western right-of-way line for South Christian Street, thence along said line the following course:

1. South 08 degrees, 39 minutes, 20 seconds East, a distance of 394.49 feet to a point;

Thence turning and running along the northern right-of-way line for East Vine Street, thence along said line the following course:

1. South 82 degrees, 14 minutes, 21 seconds West, a distance of 246.50 feet to a point; the point and place of **BEGINNING**.

TOGETHER WITH all rights under that certain Easement Agreement by and between the City of Lancaster and Penn Square Partners, dated _____, 2005, and recorded on _____, 2005, in Book _____, Volume ____, Page _____.

EXHIBIT "A-1"

LEGAL DESCRIPTION OF ACCESS AND CONSTRUCTION EASEMENT

**ACCESS & CONSTRUCTION EASEMENT
THE LANCASTER MARRIOTT AND LANCASTER
CONVENTION CENTER AT PENN SQUARE**

ALL THAT CERTAIN tract, piece or lot SITUATE South of State Route 462 East King Street and East of U.S. Route 72 South Queen Street in Lancaster City, Lancaster County, Pennsylvania, being shown as an Access & Construction Easement \Jon a Final Land Development Plan of The Lancaster Marriott and Lancaster Convention Center At Penn Square , said Easement being more fully bounded and described as follows:

BEGINNING at a point of intersection with the eastern right-of-way line for South Queen Street and the southern right-of-way line for East King Street, thence along said right-of-way line the following course:

1. South 81 degrees, 54 minutes, 00 seconds West, a distance of 78.32 feet to a point;

Thence turning and running across and within the right-of-way line for East King Street, thence along said line the following six courses:

1. North 06 degrees, 43 minutes, 33 seconds West, a distance of 31.08 feet to a point;
2. On a curve to the northeast with a delta angle of 16 degrees, 00 minutes, 16 seconds, a radius of 10.00 feet, an arc length of 2.79 feet, a tangent length of 1.41 feet and a chord bearing of North 01 degrees, 16 minutes, 35 seconds East, a distance of 2.78 feet to a point;
3. On a curve to the northeast with a delta angle of 48 degrees, 53 minutes, 30 seconds, a radius of 56.00 feet, an arc length of 47.79 feet, a tangent length of 25.46 feet and a chord bearing of North 33 degrees, 43 minutes, 28 seconds East, a distance of 46.35 feet to a point;
4. On a curve to the northeast with a delta angle of 23 degrees, 25 minutes, 09 seconds, a radius of 100.00 feet, an arc length of 40.87 feet, a tangent length of 20.73 feet and a chord bearing of North 69 degrees, 52 minutes, 47 seconds East, a distance of 40.59 feet to a point;
5. North 81 degrees, 35 minutes, 21 seconds East, a distance of 6.02 feet to a point;
6. South 08 degrees, 28 minutes, 11 seconds East, a distance of 76.84 feet to a point; the point and place of **BEGINNING**.

The area contained by this Access & Construction Easement is 5,181.85 S.F. or 0.1189 Acres.

EXHIBIT "A-2"

LEGAL DESCRIPTION OF KING STREET PROPERTY

PREMISES "A"

ALL THAT CERTAIN lot or tract of land situate on the South side of East King Street, between Penn Square and South Christian Street, in the City of Lancaster, County of Lancaster and Commonwealth of Pennsylvania, having thereon erected a three-story building known as No. 14 East King Street, bounded and described in a survey by H. E. Crawford, C.E., on February 24, 1941, as follows:

BEGINNING at a point on the South side of East King Street, a corner of premises now or late of A.A. and Marie Cauller, said point being 49 feet 3-3/8 inches West of the West side of South Christian Street; thence along the West side of 9 inch wall by property now or late of the said A.A. and Marie Cauller, South 00 degrees 15 minutes East, a distance of 38 feet 0 inches to a point; thence through the aforementioned 9 inch wall, North 89 degrees 45 minutes East, 0 feet 9 inches to a point; thence along the East side of said wall by property now or late of A.A. and Marie Cauller, South 00 degrees 26 minutes East, 27 feet 7½ inches to a point; thence by said property now or late of A.A. and Marie Cauller, South 45 degrees 26 minutes East, 1 foot 10 inches to a point; thence continuing further along the East side of the said wall, South 00 degrees 59 minutes East, 53 feet 5½ inches to a point on the North side of an 11 feet 2 inch common alley; thence along the North side of the said common alley, South 89 degrees 33 minutes West, 22 feet 3 3/8 inches to a point a corner of property now or late of Watt & Shand; thence continuing in and along the East wall of he said Watt & Shand property, North 00 degrees 36 minutes West, a distance of 120 feet 5 1/8 inches to a point on the South side of East King Street; thence along the South side of East King Street, North 89 degrees 42 minutes East, 19 feet 10 5/8 inches to the place of beginning.

BEING known as 14 East King Street.

BEING Tax Parcel No.: 333-12835-0-0000.

PREMISES "B"

ALL THAT CERTAIN lot or piece of land situate on the South side of East King Street, between Center Square and South Christian Street in the City of Lancaster, County of Lancaster and State of Pennsylvania, having thereon erected a three-story brick store, office and apartment building, No. 16 King Street, aforesaid and other improvements, and bounded and described as follows, to wit:

BEGINNING at the Northwest corner thereof at a point in the South side of East King Street aforesaid, and at the Northeast corner of property now or late of Harry M. Musser; thence extending Southwardly and along the face of the West wall of the said three-story brick building erected on the herein conveyed premises, a distance of thirty-eight (38) feet to the Southwest corner of said main building; thence extending Eastwardly along the South side of the South wall of said three-story brick main building, a distance of nine (9) inches to a point; thence extending

Southwardly and parallel with the West wall of the back building attached to said main building erected on the herein conveyed premises a distance of twenty-seven (27) feet seven and one-half (7½) inches to a point; thence extending Southeastwardly, a distance of one (1) foot ten (10) inches to a point; thence extending Southwardly a distance of fifty-four (54) feet, more or less, to a point in the North side of a ten (10) feet wide common alley, the said boundary line being the West face of the West wall of the brick warehouse or brick rear building erected on the herein conveyed premises; thence extending Eastwardly along the North side of said common alley, a distance of twenty-three (23) feet, more or less, to the Southeast corner of the herein conveyed premises and at the Southwest corner of premises, now or late of Joseph H. Esbenshade; thence extending Northwardly along the said premises, a distance of one hundred twenty (120) feet, four and one-half (4½) inches, more or less, to a point in the South side of East King Street aforesaid, at the Northeast corner of the herein conveyed premises; thence extending Westwardly along the South side of said East King Street, a distance of twenty-four (24) feet nine (9) inches to a point, the place of beginning.

BEING known as 16 East King Street.

BEING Tax Parcel No.: 333-15039-0-0000

PREMISES “C”

ALL THAT CERTAIN tract of land with improvements thereon erected known as 18 East King Street, situate on the Southwest corner of East King Street and South Christian Street, in the City of Lancaster, County of Lancaster and Commonwealth of Pennsylvania, bounded and described as follows:

CONTAINING in front of said East King Street, twenty-four (24) feet and six (6) inches, more or less, and extending in depth one hundred and twenty-two (122) feet more or less to a certain common alley on which said common alley the said property fronts twenty-three (23) feet and eleven and one-half (11-1/2) inches, more or less.

THE said property being bounded on the North by the said East King Street, on the South by said common alley, on the East by said South Christian Street and on the West by property now or late of Charles A. Heinitsh.

BEING known as 18 East King Street.

BEING Tax parcel No.: 333-17342-0-0000.

EXHIBIT "A-3"

LEGAL DESCRIPTION OF THE PROPERTY

ALL THAT CERTAIN tract of land situate south of East King Street (SR 0462), east of South Queen Street (SR0222), north of East Vine Street and west of South Christian Street in the City of Lancaster, Lancaster County, Pennsylvania, as shown on the Lot Consolidation Plan for Lancaster Marriott Expansion prepared by RETTEW Associates, Inc., drawing number 103102000, dated February 26, 2016, and being more fully bounded and described as follows:

BEGINNING AT A POINT at the intersection of the southerly right-of-way line of East King Street (64' wide) and the westerly right-of-way line of South Christian Street (14' wide), said point being the northeasterly corner of the herein described premises; thence along the westerly right-of-way line of South Christian Street S 08° 39' 20" E, a distance of 266.73' to a point at the intersection with the southerly right-of-way line of East Mifflin Street (14' wide); thence along said southerly right-of-way line of East Mifflin Street N 81° 40' 42" E, a distance of 14.00' to a point along lands now or formerly of Parking Authority of the City of Lancaster; thence along the same S 08° 39' 20" E, a distance of 259.64' to a point on the northerly right-of-way line of East Vine Street (62' wide); thence along the same S 82° 14' 21" W, a distance of 260.50' to a point at the intersection with the easterly right-of-way line of South Queen Street (66' wide); thence along said easterly right-of-way line of South Queen Street N 08° 41' 34" W, a distance of 458.67' to a point at the intersection with the southerly right-of-way line of East King Street; thence along said southerly right-of-way line of East king Street the following three (3) courses and distances: 1) N 81° 54' 01" E, a distance of 66.00' to a point, 2) N 08° 28' 10" W, a distance of 65.00' to a point and 3) N 81° 33' 05" E, a distance of 180.56' to the POINT AND PLACE OF BEGINNING.

CONTAINING: 2.956 acres.

EXHIBIT "B"
PLATS AND PLANS

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EXHIBIT B

EXHIBIT "C"

ADDITIONAL TITLE EXCEPTIONS

1. Rights granted to Pennsylvania Power & Light Company in Deed Book N, Volume 34, Pages 192 and 193.
2. Rights granted to Pennsylvania Power & Light Company in Deed Book A, Volume 41, Page 486.
3. Terms of Agreement as set forth in Deed Book U, Volume 72, Page 563.
4. Deed of Easement as set forth in Deed Book W, Volume 51, Page 1100.
5. Grant of Easement as set forth in Deed Book M, Volume 57, Page 318.
6. Redevelopment Contract as set forth in Deed Book H, Volume 51, Page 328.
7. Rights granted to Pennsylvania Power & Light Company in Record Book 4047, Page 0396.
8. Memorandum of Right of First Refusal granted to Marriott International, Inc., dated September 25, 2001 and recorded March 2, 2003 as Instrument Number 5164817 (references Tract No. 1 only).
9. City of Lancaster Ordinance in Deed Book K-53 page 1073.
10. Deed of Easement in Deed Book N-53 page 13.
11. Redevelopment Contract in Deed Book H-51 page 328.
12. Terms of Agreement in Deed Book U-72 page 563.
13. Wall rights, reservations, etc. as in Deed Book N, Volume 7, page 334; Deed Book U, Volume 7, page 184; Deed Book M, Volume 10, page 490; and Deed Book X, Volume 87, page 685. (Premises "A" of King Street Property)
14. Right of way granted to Pennsylvania Power & Light Company as in Deed Book L, Volume 34, page 245. (Premises "A" of King Street Property)
15. Agreement as in Deed Book S, Volume 21, page 208. (Premises "B" of King Street Property)
16. Right of way granted to Pennsylvania Power & Light Company as in Deed Book L, Volume 34, page 246. (Premises "B" of King Street Property)
17. Wall rights, etc. as in Deed Book L, Volume 34, page 551. (Premises "B" of King Street Property)

18. Agreement as in Deed Book S, Volume 21, page 208. (Premises "C" of King Street Property)
19. Right of way granted to Pennsylvania Power & Light Company as in Deed Book U, Volume 34, page 482. (Premises "C" of King Street Property)

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EXHIBIT "D"

PERCENTAGE INTERESTS

Convention Center Unit: [_____]%

Hotel Unit: [_____]%

lcccca.com

EXHIBIT "E"

QUALITY STANDARD

I. HOTEL STANDARDS

A. General Standards of Design, Construction and Operation.

The Hotel shall be a first class, full service hotel designed, developed and constructed in conformance with the standards established by Marriott International Inc. ("Marriott") for like facilities and contained in Marriott publications including, but not limited to, the Marriott Design Guide (the "Marriott Standards"). The Hotel shall be maintained, furnished and operated to a minimum standard equivalent to the Marriott Standards in effect on the date that the Hotel opens for business. The foregoing requirements apply regardless of whether the Hotel is subsequently operated under a flag other than Marriott, as an independent or otherwise and such requirements shall be binding on, and expressly assumed by, any subsequent owner, operator or lessee of the Hotel.

B. Deficiency Notifications and Cures

1. **Brand Inspection Deficiencies.**

The owners of the Hotel shall require that the Hotel Manager provide the LCCCA with copies of any inspection reports prepared by the brand within 30 days of the date which the Hotel Manager receives any such report. Deficiencies shall be cured within the timeframes prescribed in the inspection reports.

2. **Internal Monitoring.**

As long as the Hotel is operated under the Marriott flag, or under a flag, the licensor of which mandates quality assurance and guest satisfaction programs at least as strict as Marriott, then the owners of the Hotel shall comply, and cause the Hotel Manager to comply, with all quality assurance and guest satisfaction programs established from time to time by Marriott or by such successor licensor. Otherwise, the following procedures shall be followed:

The Hotel Manager as the agent of the owners of the Hotel shall periodically establish objective and commercially reasonable standards of guest satisfaction, which standards shall be subject to the reasonable approval of the LCCCA. To monitor adherence to these standards, the Hotel Manager as agent of the owners of the Hotel shall conduct ongoing guest satisfaction surveys and periodic (no less than annual) independent assessments of quality and service (i.e. mystery shoppers). The results of these surveys and assessments shall be communicated to the LCCCA on a timely basis. If the hotel fails to achieve a passing

grade in any area, the LCCCA may require the owners of the Hotel to prepare and implement an improvement plan (which plan shall be subject to the approval of the LCCCA) designed to cure the deficiencies.

II. CONVENTION CENTER STANDARDS

A. General Standards of Design, Construction and Operation of the Exhibit Hall and Areas that Support the Exhibit Hall.

In regard to design, construction and operations, the standards applicable to (i) the Convention Center's Exhibit Hall, (ii) the interior space that supports the Exhibit Hall and (iii) the Exhibit Hall's entry and pre-function areas shall be a standard that is generally equal to the standard under which any "comparable" convention center facility is designed, constructed and/or operated. By definition, a "comparable" facility (w) is publicly-owned, (x) is classified as a "convention" versus "conference" center, (y) has a minimum of 40,000 square feet and a maximum of 150,000 square feet of dedicated exhibit hall space, and (z) is within a 500 mile radius of Lancaster, Pennsylvania.

B. General Standards of Design, Construction and Operation of the Non-Exhibit Hall Areas of the Convention Center.

The areas of the Convention Center that are not part of (i) the Convention Center's Exhibit Hall, (ii) the space that supports the Exhibit Hall or (iii) the Exhibit Halls entry and pre-function areas (the "Non-Exhibit Hall Areas") shall be designed, developed and constructed in conformance with the Marriott Standards. The Non-Exhibit Hall Areas shall be maintained, furnished and operated to a minimum standard equivalent to the Marriott Standards in effect on the date that the Convention Center opens for business.

C. Deficiency Notifications and Cures.

As long as the Hotel is operated under a Marriott flag, or under a flag, the licensor of which mandates quality assurance and guest satisfaction programs at least as strict as Marriott, then the LCCCA shall cause the Convention Center Manager to conduct quality assurance and guest satisfaction programs consistent with those conducted by the Hotel. Otherwise, the following provisions shall be followed:

The Convention Center Manager as the agent of the LCCCA shall periodically establish objective and commercially reasonable standards of guest satisfaction, which standards shall be subject to the reasonable approval of the owners of the Hotel. To monitor adherence to these standards, the Convention Center Manager as agent of the LCCCA shall conduct ongoing guest satisfaction surveys and periodic (no less than annual) independent assessments of quality and service (i.e. mystery shoppers). The results of these surveys and assessments shall be communicated to the owners of the Hotel on a timely

basis. If the Convention Center fails to achieve a passing grade in any area, the owners of the Hotel may require the LCCCA to prepare and implement an improvement plan (which plan shall be subject to the approval of the owners of the Hotel) designed to cure the deficiencies.

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EXHIBIT "F"

ALLOCATION OF COMMON EXPENSES

1. Costs for ongoing operation, repairs, maintenance and replacement of the areas identified as Maintenance Storage, Engineering, Personnel, Training, Employee Lockers (Men), Employee Lockers (Women), Employee Entry Vestibule and Employee Dining (collectively, the "Employee Areas") shall be allocated between the owner of the Hotel Unit and the owner of the Convention Center Unit based on the number of employees each Unit Owner has which utilize the Employee Areas as determined by the Manager.
2. Costs for ongoing operation, repairs, maintenance and replacement of the areas identified as the foundation systems (including caissons, if any) that support the Watt & Shand Foundation Slabs, the Watt & Shand Foundation Slabs, all support columns on the Exhibit Level, any support columns on the Exhibit Level that support the Watt & Shand Lobby Level or any levels above the Watt & Shand Lobby Level located beneath the footprint of the Guest Tower, all support columns on the Watt & Shand Lobby Level (collectively, the "Common Foundations and Support Columns") shall be allocated between the Owner of the Hotel Unit and the Owner of the Convention Center Unit as follows:
 - (a) Common Foundations and Support Columns located within the footprint of the Watt & Shand Building and not beneath the footprint of the Guest Tower: twenty percent (20%) to the Owner of the Hotel Unit and eighty percent (80%) to the Owner of the Convention Center Unit; and
 - (b) Common Foundations and Support Columns located within the footprint of the Watt & Shand Building and beneath the footprint of the Guest Tower: seventy-nine percent (79%) to the Owner of the Hotel Unit and twenty-one percent (21%) to the Owner of the Convention Center Unit.
3. Costs for ongoing operation, repairs, maintenance and replacement of the following Doors (the "Specified Doors") shall be allocated one hundred percent (100%) to the owner of the Hotel Unit:
 - (a) The door to the Restaurant on the Watt & Shand Lobby Level;
 - (b) The door to the Lobby Bar on the Watt & Shand Lobby Level;
 - (c) The two (2) doors to the Front Offices on the Watt & Shand Lobby Level;
 - (d) The door to Laundry and Laundry Receiving on the Exhibit Level; and
 - (e) The door to the Guest Tower 2 on King Street.

4. Costs for ongoing operation, repairs, maintenance and replacement of the elevator cabs, elevator mechanical equipment and escalator equipment that services both Units or one or both Units and the Common Elements (the “Common Vertical Transportation Equipment”) shall be allocated between the Owner of the Hotel Unit and the Owner of the Convention Center Unit as follows:
 - A. Portion Allocated to Owner of Hotel Unit:

Number of stops in the Guest Tower and the Guest Tower 2
Plus: One (i.e., 50% of stops on the Watt & Shand Lobby Level and the Exhibit Level)
Divided: by total number of stops
 - B. Portion Allocated to Owner of Convention Center Unit:

Number of stops on Watt & Shand Ballroom A Level, Watt & Shand Ballroom B Level and Administration Level
Plus: One (i.e., 50% of stops on the Watt & Shand Lobby Level and the Exhibit Level)
Divided: by total number of stops
5. Costs for ongoing operation, repairs, maintenance and replacement of (i) all Common Elements other than the Employee Areas, the Common Foundations and Support Columns, the Common Vertical Transportation Equipment and the Specified Doors, and (ii) sidewalks and landscaped areas pursuant to Section 3.3(c) shall be allocated fifty percent (50%) to the owner of the Hotel Unit and fifty percent (50%) to the owner of the Convention Center Unit.
7. The Bond Costs shall be allocated fifty percent (50%) to the owner of the Hotel Unit and fifty percent (50%) to the owner of the Convention Center Unit.
8. Costs for electricity, gas, water, refuse removal, property & liability insurance premiums and other miscellaneous services that are incurred as the result of both Hotel Unit and Convention Center Unit operations and that are not billed on a segregated basis to each respective operation or not otherwise allocated herein or in the Bylaws shall be allocated among the Unit Owner of the Hotel Unit and the Unit Owner of the Convention Center Unit under the existing procedure developed jointly by the Manager and approved by the Association, as such procedure is adjusted to reflect additional square footage resulting from the addition of the King Street Property as attached hereto as Exhibit “G”.

EXHIBIT "G"

PROCEDURE FOR ALLOCATION OF COMMON EXPENSES

[to be inserted]

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