

REIMBURSEMENT AGREEMENT

THIS REIMBURSEMENT AGREEMENT, dated as of the 1st day of August, 2014, but effective as of the date of execution and delivery hereof, by and among the COUNTY OF LANCASTER, Pennsylvania (the "County"), being a political subdivision of the Commonwealth of Pennsylvania and LANCASTER COUNTY CONVENTION CENTER (the "Authority"), a body corporate and politic organized and existing under the Third Class County Convention Center Authority Act, as amended and supplemented, of the Commonwealth of Pennsylvania (the "Act").

WITNESSETH:

WHEREAS, the capitalized terms used herein which are not defined herein shall have the meaning given them in the Indenture (hereinafter defined) or the Guaranty Agreement (hereinafter defined); and

WHEREAS, the Authority intends to authorize and to issue its Hotel Room Tax Revenue Bonds – Series of 2014, in the aggregate principal amount of \$62,595,000 (the "Bonds", which term shall include any Bonds issued to refund said Series of 2014 Bonds), under and pursuant to the terms of that certain Trust Indenture dated as of August 1, 2014 (the "Indenture"), between the Authority and Manufacturers and Traders Trust Company, as trustee (the "Trustee"); and

WHEREAS, the proceeds derived from the issuance and sale of the Bonds will be applied, together with other funds available or to be available to the Authority, for and toward the payment the following project (the "Project") (i) the current refunding of the Authority's Amended and Restated Hotel Room Rental Tax Revenue Bonds, Series of 2003 (the "2003 Bonds") and the Authority's Amended and Restated Hotel Room Rental Tax Revenue Bonds, Series of 2007 (the "2007 Bonds" and together with the 2003 Bonds, the "Prior Bonds"); and (ii) payment of the costs and expenses associated with the issuance of the Bonds; and

WHEREAS, the Prior Bonds were originally issued to finance, among other things, the funding of the design, acquisition, construction, furnishing and equipping of a multi-purpose convention center facility and related and ancillary facilities containing approximately 200,000 square feet (the "Facilities"); and

WHEREAS, in order to further evidence the Authority's obligation to maintain certain of the reserve funds established under the Indenture (as more fully described in the Indenture), the Authority will issue and deliver to the Trustee its Guaranteed Debt Service Reserve Fund Replenishment Note in the principal amount of \$3,935,147.47 (the "Note"); and

WHEREAS, the County as an inducement to the Authority to authorize and issue the Bonds and the Note, and as an inducement to the Purchaser and any and all subsequent Owners of the Bonds to purchase such Bonds and to further enhance and ensure the marketability of the Bonds and thereby achieve interest costs and other savings to the Authority, desires to execute and deliver its Guaranty Agreement (the "Guaranty Agreement") with respect to the payment of the County Obligation with respect to the Note and, under the conditions set forth in the Guaranty Agreement, the timely payment of the principal of and interest on the Bonds, all as

permitted by and in accordance with the terms and conditions of the Local Government Unit Debt Act (the "Debt Act") of the Commonwealth of Pennsylvania (the "Commonwealth") and to enter into this Reimbursement Agreement in connection therewith; and

WHEREAS, the Board of Commissioners (the "Board") of the County is acting in the public interest by assisting in providing a multi-purpose convention center at the lowest possible cost to the users of such facilities, and by assisting in preserving, protecting and promoting the general health and welfare of the inhabitants of the County and of the Commonwealth.

NOW, THEREFORE, intending to be legally bound hereby, the County and the Authority hereby agree as follows:

1. Execution and Delivery of Guaranty Agreement. Subject to the terms and conditions hereinafter set forth, the County hereby agrees to execute, attest, seal and deliver to the Authority and the Trustee, on or before the date of issuance and delivery of the Bonds by the Authority, the Guaranty Agreement. The Guaranty Agreement, substantially in the form approved by the Board, is incorporated herein by reference.

2. Reimbursement and Other Payments.

(a) Subject to Section 7 hereof, the Authority covenants and agrees that it shall pay to the County, on demand, an amount equal to any amount at any time paid by the County under the Guaranty Agreement, plus an additional amount equal to any and all reasonable charges and expenses which the County pays or incurs in connection with making payments under the Guaranty Agreement or enforcing reimbursement hereunder. Notwithstanding the foregoing, the parties hereby agree that those funds reimbursed to the County hereunder resulting from the County's payment of the County Obligation shall be paid by the Authority solely from Hotel Tax Revenues and other Revenues, as such terms are defined in the Indenture, at the times and in the amounts authorized under the Indenture, and that all payment obligations of the Authority hereunder shall be subordinated in all respects to the obligations of the Authority to pay the principal of and interest on the Bonds as and when due and all other obligations payable by the Authority under subsections (i) and (ii) of Section 5.01(b) of the Indenture and shall otherwise be subject to the provisions of Section 7 hereof.

(b) All payments at any time made by the Authority to the County hereunder shall be made in lawful currency of the United States of America in immediately available funds in such manner and at such place as the County may direct.

3. Conditions Precedent. As conditions precedent to the obligation of the County to execute and deliver the Guaranty Agreement, the County shall have received each of the following in form and substance satisfactory to it:

(a) A copy of the resolution of the Authority authorizing, among other things, the issuance of the Bonds;

(b) A certificate of duly authorized officers of the Authority stating that (i) the representations and warranties of the Authority set forth in this Agreement and in the Guaranty Agreement are true, correct and complete as of the date of issuance of the Bonds; and (ii) no

event of default under this Agreement or the Indenture has occurred and is continuing or would result from the issuance and sale of the Bonds and the issuance of the Note, and no event has occurred and is continuing which, with the giving of notice or lapse of time or both, would constitute an event of default under this Agreement or the Indenture;

(c) An opinion of Russell, Krafft & Gruber LLP, Counsel to the Authority, as to:
(i) the due existence of the Authority; (ii) the power of the Authority to enter into and perform its obligations under this Agreement, the Bonds and the Note and such other agreements, documents, instruments executed and delivered by the Authority in connection therewith; and
(iii) the due validity, binding effect and enforceability of this Agreement, the Bonds and the Note and such other agreements, documents, instruments executed and delivered by the Authority in connection therewith, subject, however, to laws and equitable principles affecting the enforcement of creditors rights;

(d) The opinion of McNees Wallace & Nurick LLC, Special Counsel to the County, regarding (i) the due existence of the County; (ii) the valid incumbency of the officers of the County; and (iii) the legal, valid and binding enactment of the Ordinance approving the Guaranty Agreement and this Agreement and authorizing and directing, among other things, the execution, attestation and delivery thereof by proper officers of the County;

(e) Executed copies of this Agreement and all related documentation delivered in connection therewith; and

(f) The approval of the Department of Community and the Economic Development, as required by the Debt Act, with respect to the execution and delivery of the Guaranty Agreement and the incurrence of lease rental debt by the County.

4. Obligations Absolute. The obligations of the Authority to the County under this Agreement shall be absolute, unconditional and irrevocable, and shall be fully performed strictly in accordance with the terms and conditions of this Agreement, under all circumstances whatsoever, including, without limitation, the foregoing: (i) any lack of validity or enforceability of the Guaranty Agreement, the Note, the Bonds or any other agreement or document relating thereto; (ii) any amendment or waiver of or any consent to or departure from the terms and conditions of the Guaranty Agreement, the Note, the Bonds or any documents relating thereto; or (iii) the existence of any claim, set-off, defense or other right which the Authority may have at any time against the Trustee (or any person or entities for whom the Trustee may be acting), the County or any other person or entity, whether in connection with this Agreement, the transactions described herein or any unrelated transaction.

5. Representations and Warranties. The Authority hereby represents and warrants as follows:

(a) The Authority is a convention center authority duly organized and validly existing under the Act, as amended and supplemented. Each of the individuals executing and delivering this Agreement, the Guaranty Agreement, the Indenture, the Note, the Bonds and all related documents and instruments possesses full power and authority to execute and deliver such documents and such execution and delivery does not contravene the terms or provisions of

any document, agreement or instrument to which the Authority or any of its properties or assets is or may be bound;

(b) The execution, delivery and performance by the Authority of this Agreement, the Guaranty Agreement, the Indenture, the Note, the Bonds and related documents and instruments has been duly authorized by all necessary action, do not contravene the provisions of the Articles of Incorporation or By-Laws of the Authority or of any other agreement or instrument binding on or affecting the Authority or any of its assets or properties, and does not result in or require the creation of any lien, security interest or other charge or encumbrance (other than pursuant to this Agreement, the Guaranty Agreement, or any other collateral security document or instrument executed and delivered at the closing held this day) upon or with respect to any of the Authority assets or properties;

(c) No authorization, approval or other consent or action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Authority of this Agreement, the Guaranty Agreement, the Note, the Bonds or any related document or instrument, except such as have been obtained.

(d) This Agreement, the Guaranty Agreement, the Indenture, the Note, the Bonds and any related document or instrument, executed and delivered by or on behalf of the Authority constitute the legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms, subject, however, to the application by a court of general principles of equity and to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting the enforcement of creditors' rights generally; and

(e) There is no pending action or proceeding before any court, governmental agency or arbitrator against or directly involving the Authority and, to the best of the knowledge of the Authority, there is no threatened action or proceeding against the Authority before any court, governmental agency or arbitrator which, in any case, may materially and adversely affect the financial condition or operations of the Authority or any other material contingent liability of any kind (which has not heretofore been disclosed to the County).

6. Covenants of the Authority. So long as the Guaranty Agreement shall remain in full force and effect, or any amount is due and owing to the County under the provisions of this Agreement, the Authority covenants and agrees that it shall, unless the County shall have otherwise consented in writing:

(a) Preservation of Existence. Preserve and maintain its due existence, and its right to do business and its good standing in the Commonwealth, and will maintain (and obtain) all licenses, permits and other authorizations necessary, proper or desirable for the ownership and operations of its facilities.

(b) Compliance with Laws, Etc. Comply in all material respects with all applicable laws, rules, regulations and orders of any governmental authority the non-compliance with which would materially and adversely affect its operations or condition.

(c) Keeping of Books. Keep proper, accurate and complete books of record and account, in which full and correct entries shall be made of financial transactions and the assets and operations of the Authority.

(d) Guaranty Agreement. Observe, in all respects, its obligations under the Guaranty Agreement.

(e) Repayment of Amounts Advanced. At any time after the County shall have paid such amount or amounts as at that time shall be required to pay the County Obligation, in accordance with the provisions of the Guaranty Agreement or shall have paid any costs, fees or expenses guaranteed thereby, to repay to the County the amount or amounts actually advanced by the County, together with interest on such amounts, all in accordance with the terms of this Agreement and the Indenture.

7. Subrogation. To the extent that it makes any payments to fund the Required Reserve Amount in respect of the Note or any payments of principal of or interest on the Bonds, the County shall be subrogated to all rights of the holder receiving such payments as against the Authority in respect thereof; provided that the County shall not be entitled to enforce or to receive any payments from the Authority except pursuant to the provisions of Section 5.01(b)(iii) of the Indenture.

8. Amendments, Etc. No amendment, waiver or consent of any provision of this Agreement shall in any event be effective unless the same shall be in writing and executed by the County, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

9. No Waiver; Remedies Cumulative. No failure on the part of the County to exercise, and no delay in exercising, any right hereunder or elsewhere shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder or elsewhere preclude any other or further exercise thereof or the exercise of any other right.

10. Continuing Obligation. This Agreement and the Guaranty Agreement are continuing obligations and shall: (i) be binding upon the Authority and the County and their respective successors and assigns; and (ii) inure to the benefit of and be enforceable by the Authority and the County and their respective successors and assigns; provided that the Authority may not assign all or any part of this Agreement without the prior written consent of the County.

11. Indemnification. The Authority hereby indemnifies and holds harmless the County from and against any and all claims, damages, losses, liabilities, costs or expenses whatsoever which the County may incur (or which may be claimed against the County by any person or entity whatsoever) by reason of or in connection with the execution and delivery of, or payment or failure to pay under, the Guaranty Agreement; provided the Authority shall not be required to indemnify the County for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by: (a) the willful misconduct or gross negligence of the County; or (b) the County's willful failure to pay under the Guaranty Agreement. Nothing in this Section is intended to limit the Authority's reimbursement obligation contained in paragraph (a) of Section 2 hereof. Notwithstanding anything contained herein to the contrary, any payments

made to satisfy the obligations of the Authority under this Section 11 may only be made from monies available in the Operating and Administrative Expense Account of the Surplus Fund.

12. No Recourse. No recourse under or upon any obligation, covenant or agreement contained herein, in the Indenture, in the Note, or in the Bonds, or because of any indebtedness secured hereby shall be had against any past, present or future member, officer or employee of the Authority or the County or of any successor of the Authority or the County under any rule of law, statute or constitutional provision, or by enforcement of any assessment or by any legal or equitable proceeding or otherwise, it expressly being agreed and understood that the obligations of the Authority hereunder, under the Note, and under the Bonds and elsewhere are solely corporate obligations of the Authority and that no personal liability whatsoever shall attach to or shall be incurred by such members, officers or employees of the Authority or of any successor of the Authority, or any of them, because of such indebtedness or by reason of any obligation, covenant or agreement contained herein, in the Note, in the Bonds or elsewhere, or implied therefrom.

13. Conflicts. Insofar as possible the provisions of this Agreement shall be deemed complementary to the terms of the Guaranty Agreement but in the event of conflict the terms hereof shall control to the extent such are enforceable under applicable law, provided, however, that nothing herein contained shall limit or alter the County's obligations under the Guaranty Agreement.

14. Severability. If any provision hereof is found by a court of competent jurisdiction to be prohibited or unenforceable, it shall be ineffective only to the extent of such prohibition or unenforceability, and such prohibition or unenforceability shall not invalidate the balance of such provision to the extent that it is not prohibited or unenforceable, nor invalidate the other provisions hereof, all of which shall be liberally construed in favor of the County in order to effect the provisions of this Agreement.

15. Governing Law. This Agreement shall be governed by, and construed in accordance with, the domestic internal laws (but not the law of conflicts of law) of the Commonwealth.

16. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Authority and the County have each caused this Agreement to be duly executed by its duly authorized officers, and its seal affixed hereon, and this Agreement delivered in its name as of the date first above written.

COUNTY OF LANCASTER, PENNSYLVANIA

By: *P. Stekey*
Chair

(SEAL)

Attest: *Audra McCall*
Chief Clerk

LANCASTER COUNTY CONVENTION
CENTER AUTHORITY

By: *[Signature]*
Chair

(SEAL)

Attest: *Sharon V. Nelson*
Secretary

Acknowledged by:

MANUFACTURERS AND TRADERS
TRUST COMPANY

By: *[Signature]*
Authorized Officer

[Signature page to Reimbursement Agreement]

IN WITNESS WHEREOF, the Authority and the County have each caused this Agreement to be duly executed by its duly authorized officers, and its seal affixed hereon, and this Agreement delivered in its name as of the date first above written.

COUNTY OF LANCASTER, PENNSYLVANIA

By: *James P. Stucky*
Chair

(SEAL)

Attest: *Andrea Miller*
Chief Clerk

**LANCASTER COUNTY CONVENTION
CENTER AUTHORITY**

By: *Debra*
Chair

(SEAL)

Attest: *Sharon V. Nelson*
Secretary

Acknowledged by:

MANUFACTURERS AND TRADERS
TRUST COMPANY

By: _____
Authorized Officer

[Signature page to Reimbursement Agreement]