

FIRST AMENDMENT TO MANAGEMENT AGREEMENT

This First Amendment to Management Agreement (the "Amendment") is made this 19th day of June, 2009, by and between LANCASTER COUNTY CONVENTION CENTER AUTHORITY, a body politic and corporate existing under the laws of the Commonwealth of Pennsylvania (hereinafter referred to as "Authority"), and INTERSTATE HOTELS COMPANY, a Delaware corporation (hereinafter referred to as "Manager").

RECITALS

WHEREAS, the Authority and Manager have entered into that certain Qualified Convention Center Management Agreement (the "QMA") dated as of January 23, 2002, pursuant to which the Manager will manage the Convention Center on behalf of the Authority; and

WHEREAS, the Authority and Manager now desire to amend the QMA, all upon the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Capitalized Terms. Capitalized terms used but not defined in this Amendment shall have the meanings ascribed to them in the QMA.
2. Amendment of 5th Recital. The fifth (5th) Recital of the QMA is hereby deleted in its entirety and replaced in lieu thereof with the following:

WHEREAS, although the Hotel, which shall be owned by the Redevelopment Authority of the City of Lancaster ("RACL") and leased to the Hotel Operator, and the Convention Center will be operated as separate business enterprises (with Manager operating the Convention Center on behalf of the Authority and Manager operating the Hotel on behalf of the Hotel Operator), they will be owned as condominium units subject to that certain Declaration of Condominium made the 28th day of March, 2007 by and between the Authority and RACL (the "Declaration") and utilizing certain shared systems, equipment and facilities, so that both facilities may be efficiently and effectively operated.

3. Amendment of Section 1.1. Section 1.1 of the QMA shall be revised as follows:

- a. The following definitions shall be added to Section 1.1:

"Association shall mean the Penn Square Condominium Association."

"Common Elements shall have the meaning as set forth in the Declaration."

- b. The following definitions shall be amended and restated in their entirety as follows:

“Convention Center” means the planned meeting space complex that has been developed on the Land which shall include, without limitation, approximately 160,000 to 180,000 gross square feet of space, including a grand ballroom, a junior ballroom, exhibit space, meeting rooms, support pre-function and circulation areas and supporting back-of-house areas and related furniture, fixtures, operating supplies and equipment excluding any of the foregoing which are part of the Common Elements.”

“Joint Development Agreement” shall mean that certain agreement, dated November 9, 2005, as has been and shall be amended from time to time, entered into between the Authority and the Hotel Owner pertaining to the joint development, construction and management of the Convention Center and the Hotel.”

c. The definition of “REOU Agreement” shall be deleted in its entirety.

4. Amendment of QMA (generally). All references throughout the QMA to “REOU Agreement” shall be replaced with “Declaration”.

5. Amendment of Section 2.1(b)(vii). Section 2.1(b)(vii) of the QMA shall be amended and restated in its entirety as follows:

“(vii) any other agreement entered into between the Authority and Hotel Owner, or by and among the Association, the Authority and the Hotel Owner, or any of them and RACL so long as a copy of such agreement is provided to Manager.”

6. Amendment of Section 2.3(D). The last sentence of Section 2.3(D) of the QMA shall be amended and restated as follows: “Such joint Approval shall be as provided in the Hotel Management Agreement and the Declaration.” The remainder of Section 2.3(D) shall remain unchanged.

7. Amendment of Section 2.10. Section 2.10 of the QMA shall be amended and restated in its entirety as follows:

“2.10 Joint Contract Services. The Authority and Manager acknowledge that certain service contracts or vendor agreements may be entered into on a combined basis with those of the Hotel and Common Elements in order to consolidate purchasing, maximize utilization, and create efficiency of such operations in the Convention Center. Such service contracts or vendor agreements which are entered into on a joint basis with the Hotel, the Association and the Authority shall also be subject to Section 2.9 hereof (including, without limitation, the notice requirements of sub-section 2.9.5).”

8. Amendment of Section 4.2(b)(iii). Section 4.2(b)(iii) of the QMA shall be amended and replaced with “[Intentionally Deleted]”.

9. Amendment of Section 5.2. Section 5.2 of the QMA shall be amended and restated in its entirety as follows:

“5.2 Annual Operating Projection Disputes. If Manager and the Authority are unable to agree upon an Annual Operating Projection or any details thereof, the final Annual Operating Projection shall be determined by arbitration in accordance with the provisions of Section 16.17 hereof, it being understood that only those details, line items or portions of the Annual Operating Projection which are in dispute shall be the subject of such arbitration. It is also understood that the Authority may not dispute any expenses in the Annual Operating Projection which are determined in accordance with the terms of the Declaration or which have otherwise been agreed to by the Authority, Hotel Owner and Manager. Until such arbitration is completed and a decision has been issued by the arbiter overseeing such arbitration, the temporary Annual Operating Projection for all purposes under this QMA shall be the Annual Operating Projection for the prior Fiscal Year, modified by increasing the Convention Center's expenses by: (i) the greater of three percent (3%) per annum or the percentage change in the CPI in effect as of the first day of the applicable Fiscal Year as compared to the CPI in effect on the first day of the prior Fiscal Year for which the Authority Approved such line item in the Annual Operating Projection, plus (ii) the effects of changes in law or regulation plus (iii) to the extent such line item varies directly with a change in revenue, an amount equal to the previous year's expense ratio multiplied by the change in the corresponding revenue amount over the previous year. Once such arbitration has been completed and a ruling has been issued by said arbiter, the temporary Annual Operating Projection shall be fully cancelled and replaced with the originally-proposed Annual Operating Projection for the given Fiscal Year as modified by such arbitration. The Authority and Manager agree that arbitration shall be the sole procedure for resolving any dispute regarding the Annual Operating Projection.”

10. Amendment of Exhibit B. Exhibit B of the QMA shall be amended so that the list of pre-approved attorneys shall be amended and restated in its entirety as follows:

“Eckert Seamans Cherin & Mellott, LLC
Holland & Knight LLP
Littler Mendelson
Seyfarth Shaw LLP
Edward Taraskus, Esq.”

11. No Other Amendment. All other provisions of the QMA not specifically referenced in this Amendment shall remain in full force and effect.

12. Entire Agreement. The QMA, as amended by this Amendment, constitutes the entire agreement between the parties hereto with respect to the subject matter thereof and together supersede all prior agreements and understandings, whether oral or written, between the parties hereto with respect to the subject matter thereof.

13. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to its conflicts of law provisions.

14. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall, when executed, be deemed to be an original and all of which shall be deemed to be one and the same instrument. Signatures on this Amendment transmitted by facsimile shall be deemed to be original signatures for all purposes of this Amendment.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered effective as of the date first above written.

WITNESS:

Mary Ellen Davis

AUTHORITY:

LANCASTER COUNTY CONVENTION
CENTER AUTHORITY

By: Kevin F. Fry
Name: Kevin F. Fry
Title: Chairman

WITNESS:

Cristina Richechi

MANAGER:

INTERSTATE HOTELS COMPANY

By: Erica H. Hagerman
Name: Erica H. Hagerman
Title: Senior Corporate Counsel