

2. Baltimore City and the Authority will each own a 50% leasehold interest as tenants in common in the improvements comprising the existing Baltimore Convention Center and the Baltimore Convention Center expansion for the duration of any bonds issued as authorized under § 13-712(a)(1) of this subtitle, with neither Baltimore City nor the Authority entitled to sell, assign, mortgage, pledge, or encumber the Baltimore Convention Center facility (or any leasehold interest therein) without the prior consent of the other, except for liens in favor of Baltimore City's and the Authority's respective bondholders;

(ii) A deed, lease, or written agreement with Baltimore City permitting the Authority to design and construct, or contract for the design and construction of, the Baltimore Convention Center facility, and to pledge the Baltimore Convention Center facility and the Baltimore Convention Center site or the leasehold interest therein, as security for the Authority's bonds; and

(iii) A written agreement with Baltimore City:

1. Whereby Baltimore City agrees to operate the Baltimore Convention Center facility in a manner which maximizes the Baltimore Convention Center's economic return and to maintain and repair the Baltimore Convention Center facility so as to keep the Baltimore Convention Center facility in first class operating condition; and

2. That includes provisions that:

A. Protect the Authority's, the State's and the City's respective investment in the Baltimore Convention Center facility;

B. Require the Authority and Baltimore City to each contribute to operating deficits and a capital improvement reserve fund, for the period beginning upon the completion of the expanded and renovated Baltimore Convention Center facility and ending on June 30, 2008, as follows:

I. The Authority shall contribute two-thirds and Baltimore City shall contribute one-third to annual operating deficits;

II. The Authority and Baltimore City shall each annually contribute \$200,000 to the Capital Improvement Reserve Fund; and

III. Baltimore City shall be solely responsible for all operating deficits and capital improvements:

1. Prior to the completion of the expanded and renovated Baltimore Convention Center facility; and

2. After June 30, 2008; and

C. Provide for remedies upon default which include the right of the Authority or the State, in the event of a material default by Baltimore City which has not been corrected after a reasonable notice and cure period, to immediately assume responsibility for maintenance and repairs of the Baltimore Convention Center facility