

D. Optional Prepayment. The Borrowers may prepay any Loan in whole at any time or in part from time to time, without penalty or premium, each such prepayment to be accompanied by the payment of accrued interest to the date of such prepayment on the amount prepaid, provided that (i) each partial prepayment shall be in a principal amount equal to \$100,000 or an integral multiple thereof and (ii) one or both of the Borrowers shall give the Bank irrevocable written notice at least one (1) Business Day prior to the date of the prepayment of a Loan. Each notice of prepayment shall be irrevocable and shall specify the date and the amount of the prepayment and the Note being prepaid. Any amount of principal of a Loan prepaid may be reborrowed in accordance with Section II.A.

II

E. Mandatory Prepayment.

1. If Guarantor notifies the Bank in accordance with Section 5.H of the Pledge Agreement that the Guarantor is selling or otherwise disposing of any Art Collateral, and the Bank determines, based on the most recent appraisals delivered to the Bank pursuant to Section 5.F of the Pledge Agreement, either (I) that the aggregate principal amount of the outstanding Loans will continue to be less than an amount equal to the Margin Maintenance Limit immediately following such sale or other disposition, the Bank will deliver all necessary documents and instruments so as to terminate the Bank's security interest in the Art Collateral being sold or otherwise disposed of and the Borrowers will, if the Bank does not then hold Notes in an amount at least equal to the Advance Limit (as calculated by the Bank after giving effect to the release of such Art Collateral), execute and deliver to the Bank a Note in the principal amount equal to the Advance Limit (as calculated by the Bank after giving effect to the release of such Art Collateral), against delivery to the Borrowers of all Notes theretofore issued, or (II) that the aggregate principal amount of the outstanding Loans will exceed an amount equal to the Margin Maintenance Limit immediately following such sale or other disposition, then (a) the Borrowers shall, within three (3) Business Days following any such notice from the Bank, either (i) prepay the Loans by an amount such that, after such prepayment, the aggregate principal amount of the outstanding Loans does not exceed an amount equal to the Advance Limit or (ii) pledge to the Bank, as collateral security for the Obligations, a perfected, first priority security interest in, and lien or mortgage on, additional Collateral that is in such amounts and having such market values, liquidity, volatility, marketability and other characteristics as the Bank may, in its sole discretion, determine to be sufficient to cause, after the grant of such additional security interest, the aggregate principal amount of the outstanding Loans not to exceed an amount equal to the Advance Limit and (b) simultaneously with the Borrowers' action pursuant to either of the foregoing clauses (i) or (ii), the Bank will deliver all necessary documents and instruments so as to terminate the Bank's security interest in the Art Collateral being sold or otherwise disposed of and the Borrowers will, if the Bank does not then hold Notes in an amount at least equal to the Advance Limit (as calculated by the Bank after giving effect to the release of the Art Collateral being sold and the actions of the Borrowers pursuant to either of the foregoing clauses (i) or (ii)), execute and deliver to the Bank a Note in the principal amount equal to the Advance Limit (as calculated by the Bank after giving effect to the release of the Art Collateral being sold and the actions of the Borrowers pursuant to either of the foregoing clauses (i) or (ii)),

against delivery to the Borrowers of all Notes theretofore issued. In connection with such pledge, the Borrowers shall execute and deliver such agreements, financing statements, instruments, assignments, legal opinions and other documents that are, in the opinion of the Bank, necessary or advisable to grant and perfect a first priority security interest, lien or mortgage in favor of the Bank in such additional Collateral.

2. If at any time the Bank determines, based on the most recent appraisals delivered to the Bank pursuant to Section 5.F of the Pledge Agreement, that the aggregate principal amount of the outstanding Loans exceeds an amount equal to the Margin Maintenance Limit, the Borrowers shall, upon three (3) Business Days' written notice from the Bank, either (i) prepay the Loans by an amount such that, after such prepayment, the aggregate principal amount of the outstanding Loans does not exceed an amount equal to the Advance Limit or (ii) pledge to the Bank, as collateral security for the Obligations, a perfected, first priority security interest in, and lien or mortgage on, additional Collateral that is in such amounts and having such market values, liquidity, volatility, marketability and other characteristics as the Bank may, in its sole discretion, determine to be sufficient to cause, after the grant of such additional security interest, the aggregate principal amount of the outstanding Loans not to exceed an amount equal to the Advance Limit. Simultaneously with taking the actions specified in either of the foregoing clauses (i) or (ii), the Borrowers will, if the Bank does not then hold Notes in an amount at least equal to the Advance Limit (as calculated by the Bank after giving effect to the release of the Art Collateral being sold and the actions of the Borrowers pursuant to either of the foregoing clauses (i) or (ii)), execute and deliver to the Bank a Note in the principal amount equal to the Advance Limit (as calculated by the Bank after giving effect to the release of the Art Collateral being sold and the actions of the Borrowers pursuant to either of the foregoing clauses (i) or (ii)), against delivery to the Borrowers of all Notes theretofore issued. In connection with such pledge, the Borrowers shall execute and deliver such agreements, financing statements, instruments, assignments, legal opinions and other documents that are, in the opinion of the Bank, necessary or advisable to grant and perfect a first priority security interest, lien or mortgage in favor of the Bank in such additional Collateral.

3. If at any time the Bank determines reasonably and in good faith that the transactions contemplated by this Agreement or any of the other Loan Documents violate any provision of Regulations T, U or X of the Federal Reserve Board, the Borrowers will, upon three (3) Business Days' written notice from the Bank, either (i) prepay the Loans by an amount sufficient such that, after such prepayment, the transactions contemplated by the Loan Documents will not violate any provision of Regulations T, U or X of the Federal Reserve Board (as determined by the Bank in its sole discretion), or (ii) provide for a grant to the Bank, as collateral security for the Obligations, a perfected, first priority security interest in, and lien or mortgage on, additional Collateral that is in such amounts and having such market values, liquidity, volatility, marketability and other characteristics as the Bank may, in its reasonable discretion, determine to be sufficient to cause, after the grant of such additional security interest, the transactions contemplated by the Loan Documents not to violate any provision of Regulations T, U or X of the Federal Reserve Board. Simultaneously with taking the actions specified in either of the foregoing clauses (i) or (ii), the Borrowers

reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to file any certificate or document requested by the Borrowers if the making of such a filing would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the judgment of the Bank, be otherwise disadvantageous to the Bank. If the Bank makes a reasoned determination that it may not lawfully continue to maintain and fund the Loan at a rate based on Adjusted LIBOR and so specifies in such notice, then effective on the date specified in such notice the Loan shall bear interest at such interest rate as is determined by the Bank that is reasonably comparable to the sum of (i) Adjusted LIBOR and (ii) the Applicable Margin.

K. Funding Losses. The Borrowers agree to reimburse the Bank and to hold the Bank harmless from any loss or expense which the Bank may sustain or incur as a consequence of:

- (a) the failure of the Borrowers to make any payment or required prepayment of principal of the Loan (including payments made after any acceleration thereof);
- (b) the failure of the Borrowers to make any prepayment permitted hereunder after giving notice thereof; or
- (c) the repayment of the Loan on a day which is not the last day of an Interest Period (whether at maturity, due to acceleration or otherwise); or
- (d) the failure for any reason (other than a wrongful default by the Bank) of the Borrowers to borrow any Loan after notice has been given to the Bank in accordance with Section II A. hereof whether or not such notice is withdrawn;

including any such loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain the Loan hereunder at a rate based on Adjusted LIBOR or from fees payable to terminate the deposits from which such funds were obtained. Solely for purposes of calculating amounts payable by the Borrowers to the Bank under this section, the Loan shall be conclusively deemed to have been funded by a matching deposit in dollars in the interbank eurodollar market for a comparable amount and for the respective Interest Period, whether or not such Loan was in fact so funded.

L. Unavailability. If the Bank determines that for any reason adequate and reasonable means do not exist for ascertaining Adjusted LIBOR for any Interest Period, the Bank will forthwith give notice of such determination to the Borrowers. Commencing at the end of each Interest Period then in effect, the Loans shall bear interest at such interest rate as is determined by the Bank to be reasonably comparable to the sum of (i) Adjusted LIBOR and (ii) the Applicable Margin (rather than at a rate based on Adjusted LIBOR) until the Bank revokes such notice in writing.

II M. Release of Collateral. On each Adjustment Date, the Borrowers may notify the Bank that either (i) the Borrowers desire to have the Bank release specified items of Art Collateral, whereupon the Bank shall notify the Borrowers

within three (3) Business Days thereafter whether in the Bank's determination, based on the most recent appraisals delivered to the Bank pursuant to Section 5.F of the Pledge Agreement, the aggregate principal amount of the Loans then outstanding is less than an amount equal to the Margin Maintenance Limit, and if the Bank so determines that the aggregate principal amount of the Loans then outstanding is not less than the Margin Maintenance Limit (after giving effect to such proposed releases of Art Collateral), the Bank shall have no obligation to release such or any other Art Collateral, and if the Bank so determines that the aggregate principal amount of the Loans is less than an amount equal to the Margin Maintenance Limit (after giving effect to such proposed releases of Art Collateral), the Bank will deliver all necessary documents and instruments so as to terminate the Bank's security interest in the Art Collateral specified in the Borrowers' notice to the Bank and the Borrowers will, if the Bank does not then hold Notes in an amount at least equal to the Advance Limit (as calculated by the Bank after giving effect to the release of such Art Collateral), execute and deliver to the Bank a Note in the principal amount equal to the Advance Limit (as calculated by the Bank after giving effect to the release of such Art Collateral), against delivery to the Borrowers of all Notes theretofore issued, or (ii) the Borrowers desire to pledge to the Bank, as collateral security for the Obligations, a perfected, first priority security interest in, and lien or mortgage on, additional Collateral satisfactory to the Bank, whereupon the Borrowers will execute and deliver (A) such agreements, financing statements, instruments, assignments, legal opinions and other documents that are, in the opinion of the Bank, necessary or advisable to grant and perfect a first priority security interest, lien or mortgage in favor of the Bank in such additional Collateral and (B) if the Bank does not then hold Notes in an amount at least equal to the Advance Limit (as calculated by the Bank after giving effect to the pledge of such additional Collateral), a Note in such principal amount so that after delivery of such Note to the Bank the Bank will hold one or more Notes with an aggregate principal amount equal to the Advance Limit (as calculated by the Bank after giving effect to the pledge of such additional Collateral); provided, however, the Bank shall at no time have any obligation to make Loans to the Borrowers in an aggregate principal amount that exceeds the Commitment. The Bank shall have no obligation to respond to, or take any other action with respect to, any notice delivered pursuant to this Section II.M that is received by the Bank on a day other than an Adjustment Date.

III. CONDITIONS PRECEDENT

A. Conditions to Initial Loan. The obligation of the Bank to make the initial Loan hereunder is subject to the condition precedent that the Bank shall have received on or prior to the Closing Date the following, each duly executed and in form and substance reasonably satisfactory to the Bank and its counsel and, unless indicated otherwise, dated the Closing Date:

1. Agreement. This Agreement, duly executed by the Borrowers and dated as of the Closing Date.
2. Note. A Note, duly executed by the Borrowers and dated as of the Closing Date in the principal amount of \$150,000,000 and a Note, duly