

^{skating}
RESOLUTION OF THE CITY COUNCIL

No. 660

Approved November 23, 1998

WHEREAS, a skating facility has been designed and constructed by the Parks Department of the City of Providence in Kennedy Plaza between Biltmore and Burnside Parks; and

WHEREAS, the Parks Commission of the City of Providence has approved a management agreement with Ogden Entertainment for the skating facility on November 17, 1998, substantially in the form attached as Exhibit "A"; and

WHEREAS, the Parks Commission of the City of Providence has approved a concession license with GFM Food Services, Inc. for the snack bar and restaurant facilities on November 17, 1998, substantially in the form attached as Exhibit "B"; and

WHEREAS, the Parks Commission of the City of Providence has approved a lease agreement with WJAR NBC 10/Outlet Broadcasting for a studio on location and has approved a marketing promotion agreement with WJAR NBC 10/Outlet Broadcasting on November 17, 1998, substantially in the form attached as Exhibits "C" and "D," respectively; and

WHEREAS, the Parks Commission of the City of Providence has approved a naming rights agreement with Fleet Bank for 15 years for a sum of \$500,000.00 on November 17, 1998, substantially in the form attached as Exhibit "E," and

WHEREAS, the Providence Economic Development Corporation has approved a loan in the amount of \$500,000.00, supported by a \$0.25 cent surcharge on each admission ticket and the Parks Commission of the City of Providence has approved the dedication of the \$0.25 surcharge to the repayment of the loan on November 17, 1998, substantially in the form attached as Exhibits "F" and "G," respectively; and

WHEREAS, the Parks Commission has approved the terms of the loan with Fleet Bank in the amount of 1.8 million dollars, including bridge loans, supported solely by the revenues of the skating facility, substantially in the form attached as Exhibit "H."

IN CITY COUNCIL
NOV 5 1998
FIRST READING
REFERRED TO COMMITTEE ON
FINANCE

CLERK

THE COMMITTEE ON
FINANCE
Approves Passage of
The Within Resolution *as amended*
Claude Pettibone
Nov 9, 1998 Clerk

Councilwoman Nolan

NOW, THEREFORE, BE IT RESOLVED, that the Mayor, His Honor, is hereby authorized to execute documents relative to the Fleet Loan and to dedicate revenue from the skating facility to the repayment of that loan.

IN CITY COUNCIL
NOV 19 1998
READ AND PASSED
Edgardo V. Fargnoli
PRES.
Michael S. Clement
CLERK

APPROVED
NOV 23 1998
James E. Quinn
MAYOR

OGDEN MANAGEMENT AGREEMENT

Parties: Parks Commision
Ogden Entertainment

Fee: \$48,000/ per year plus incentive of 50% of net
operating surplus

Note: this management fee is only paid if revenue
streams are sufficient. It is paid only after the loan and the
operating costs are paid.

Term: 6 years

Option: 6 year option to renew

Note: Ogden as current managers of the civic center will be
able to coordinate the two facilities and the City can
enjoy a cost savings in operations of both facilities.

Final
MANAGEMENT AGREEMENT
November 19, 1998

THIS MANAGEMENT AGREEMENT ("Agreement") is made and entered into on this _____ day of _____, 1998 by and between **OGDEN ENTERTAINMENT, INC.**, Two Penn Plaza, New York, New York 10121 a corporation existing under the laws of the state of Delaware and authorized to do business in the State of Rhode Island, ("**OGDEN**") and the **Parks Commission of the City of Providence, ("PC")**, Dairymple Boathouse, Roger Williams Park, Providence, RI 02905.

RECITALS

WHEREAS, PC is in the process of constructing a multi-use, year round outdoor skating facility, **The Fleet Skating Center ("FSC")**

WHEREAS, OGDEN is in the business of managing such skating facilities and other public assembly facilities.

WHEREAS, the PC believes that Ogden can maximize efficiency, cooperation, synergy and joint marketing of the City Facilities.

WHEREAS, PC desires Ogden to staff, manage, operate and maintain FSC at the highest industry standards and in the best interest of the PC; to operate FSC in the public interest with complete and accurate financial records of all business transactions; to protect PC's capital investments through high-quality maintenance and supervision of major repairs as the needs arise; to establish a system of communication that encourages networking and collaborative efforts between and among other segments of the tourism, hospitality, entertainment and sports industries; to create an open, clear and responsive reporting system that enhances all operations of FSC;

WHEREAS, PC underwent an RFP process and OGDEN submitted the most competitive response proposal and therefore PC has determined to grant to OGDEN, and OGDEN has agreed to accept, the authority and responsibility to manage, operate and market FSC in accordance with the terms of this Agreement.

NOW, THEREFORE, incorporating the foregoing recitals herein, PC and OGDEN mutually agree as follows:

1. **DEFINITIONS.** The following words shall, unless the context otherwise requires, have the meanings ascribed to them below.

1.1 "Advertising" shall mean all announcements, acknowledgments, banners, signs, showbills, promotional materials, handouts and promotional product sampling give-aways, and other printed material, audio or visual commercial messages displayed, announced or otherwise presented in FSC including, without limitation, video messages.

1.2 "Agreement" shall mean this Management Agreement.

1.3 "Authorized Representative" shall mean any officer, agent, employee of or independent contractor retained or employed by either party, acting within the scope of authority given such person by such party.

1.4 "Budget" shall mean any budget to be prepared by OGDEN under the provisions of this Agreement and approved by PC

1.5 "Capital Expenditure" shall mean any expenditure exceeding \$2,500 for building additions, alterations or improvements, and for purchases of additional or replacement furniture, machinery or equipment, the depreciable life of which, according to accepted accounting principles, is in excess of five (5) years and expenditures for maintenance or repairs which extend the useful life of the assets being maintained or repaired for a period in excess of five (5) years. Each Annual Budget shall set forth the anticipated Capital Expenditures to be made during the Fiscal Year which shall be part of a five (5) year Capital Expenditures forecast.

1.6 "Commencement Date" shall mean the date of execution of this Agreement by all parties.

1.7 "Depository" shall mean the place in which OGDEN shall maintain its bank accounts for the funds required to be maintained under this Agreement.

1.8 "Emergency Expenditure" shall mean any Operating Expense to the extent not included within a Budget and not expected by OGDEN to be incurred but which OGDEN believes in good faith to be an immediately necessary Operating Expense to continue the operation or secure the safety of FSC or its patrons.

1.9 "Event(s)" shall mean all sports, entertainment, cultural, community oriented skating attractions and activities which are conducted at FSC and scheduled by OGDEN.

1.10 "Fiscal Year" shall mean the period of time beginning on (July 1st) and ending on the immediately following (June 30th) inclusive.

1.101 "Governmental Entities" shall mean the federal government, the State of Rhode Island or any county, the PC of Providence (or any entity created by the PC of Providence), governmental or quasi-governmental entities having jurisdiction or other authority over FSC.

1.112 "Gross Concessions Receipts" means total cash receipts and credits derived from the sale of Concessions and Catering services, including commissions from third party vendors

1.123 "Gross Novelties Receipts" means total cash receipts and credits derived from the sale of Novelties and other items as they are defined in Section 2.3.2.1.3 herein, less (i) all sales taxes.

1.134 "Gross Operating Revenues" see definition of "Operating Revenues" herein.

1.15 "Management Fees" shall mean those fees payable to OGDEN under this Agreement.

1.16 "OGDEN" shall mean Ogden Entertainment, Inc., a corporation organized under the laws of the State of Delaware.

1.17 "Material Breach" shall have the meaning provided in Section 7 herein.

1.18 "Net Novelties Receipts" means Gross Novelties Receipts minus the percentage of Gross Novelties Receipts which must, pursuant to written agreement, be paid to the artist, entity or act whose Novelties are being sold.

1.19 "Net Operating Loss" shall mean that amount by which Operating Expenses exceed Operating Revenues in any Fiscal Year.

1.20 "Net Operating Surplus" shall mean that amount by which Operating Revenues exceed Operating Expenses in any Fiscal Year, subject to the provisions of Section 4.1 as well as Schedule "A" (attached).

1.21 "Operating Expenses" shall mean and include all expenditures or obligations of whatever kind or nature made or incurred by OGDEN in any specified period during the Term of this Agreement, as approved by PC in the Budget for that same period, or approved by OGDEN and PC to be within the scope of OGDEN's authority or responsibility under this Agreement. Operating Expenses include, but are not limited to, on-the-job payroll costs, including wages, bonus(es), incentive commissions, holidays, vacations, severance benefits, sick leave and auto allowances. Additionally, employer contribution costs such as social security, pension/retirement fund contributions, unemployment insurance, benefits for medical and hospital care, disability, death, termination, or insurance or annuity contracts, employee benefits acceptable to OGDEN and the PC or under any state or federal law or any regulations promulgated thereunder; cost of medical and security examination for employees on OGDEN's payroll; cost of purchasing, renting, maintaining and cleaning equipment; cost of uniforms, equipment, office equipment, materials, supplies and service contractors; cost of insurance, permits, licenses and fees; taxes directly assessed by the Federal and/or any level of Rhode Island government against FSC; cost of marketing, promotions and advertising; cost of utilities, telephones and telephone repairs; cost and fees of approved third party professionals such as lawyers, accountants, architects and engineers; box office operating costs (credit card fees, armored car service, etc.); the annual ONE HUNDRED AND TWENTY THOUSAND DOLLARS (\$120,000.00) per year for Years One (1) through Three (3); ONE HUNDRED TWENTY FIVE THOUSAND

DOLLARS (\$125,000.00) per year for Years Four (4) and Five (5) and ONE HUNDRED FORTY THOUSAND DOLLARS (\$140,000.00) per year thereafter, the Fleet Bank loan amortization payment, event costs; payroll and bank charges; waste removal costs; all other expenses, including OGDEN's annual FORTY EIGHT THOUSAND DOLLARS (\$48,000.00) management fee and any deferred OGDEN management fee, relating to the services provided by OGDEN such as staff training, and related expenses of direct FSC employees; and the cost, if any of the PC, of providing required insurance on FSC.

1.22 "Operating Fund" shall mean a fund maintained by OGDEN under Section 5 of this Agreement.

1.23 "Operating Revenues" shall mean all rental income; concessions and novelties receipts; parking income; Advertising and sponsorship income; including income from the sale of pouring and branding rights, reimbursement of Event expenses from promoter(s) including mark-ups; broadcasting and television hook-up fees; interest income; box office revenues; ticketing system rebates and commissions; any income derived from any third party lease, a sub lease or on-going use of any portion of FSC, and miscellaneous income, but exclusive any per ticket surcharges.

1.24 "Operations Start Date" shall be November 1, 1998.

1.25 "Term" shall mean the Term of this Agreement.

2. OGDEN'S RESPONSIBILITIES.

2.1 General

2.1.1 Standard of Care. OGDEN shall perform its obligations hereunder in conformity with the standard to which an operator of a comparable ice rink facility would operate, given the limitations of the Budget and other provisions herein. OGDEN shall exercise its diligent, good faith efforts in managing and operating FSC so as to minimize Operating Expenses and maximize Operating Revenues, subject, however, to OGDEN's right to act in light of the objectives stated in the Recitals to this Agreement. In this connection, the parties agree that OGDEN, in establishing and implementing its booking policies, may schedule not only those events that generate substantial direct revenue to FSC, but also those events that produce less direct revenue but generate either a significant economic, cultural, or other benefit to PC or otherwise serve the public interest.

2.1.2 Duty and Liability. OGDEN shall owe to PC a duty to perform all its obligations under this Agreement. In exercising its duties hereunder, OGDEN shall act in a manner which is consistent with industry practices, PC practices, in conformance with federal, state and local laws, and for the financial success of FSC consistent with the well being of the City of Providence.

2.1.3 Books and Records. OGDEN shall maintain at FSC, adequate books of accounts and records with respect to its management and operation of FSC in accordance with generally accepted accounting principles and industry standards. Additionally, OGDEN shall maintain at FSC copies of all contracts, payroll logs, and other records readily kept pursuant to industry standards or law.

2.1.4 Access to Information. PC, or its authorized agent, shall have the right to obtain from OGDEN, at any time upon reasonable prior notice, such information and to inspect such books and records concerning the management and operation of FSC as may be necessary to fully inform PC concerning the finances of FSC and its operations.

2.1.5 Annual Audit of FSC Operations. As soon as practicable at the close of each Fiscal Year, but no later than sixty (60) days, OGDEN shall furnish to PC a balance sheet, a statement of the profit or loss and a statement of changes in financial condition, prepared in accordance with generally-accepted accounting principles and accompanied by an auditor's report containing an opinion letter of the independent certified public accountant preparing the report, which shall be a firm of national reputation selected by OGDEN. All costs incurred in complying with this Section 2.1.5 shall be Operating Expenses. OGDEN's obligation to provide such audited reports to PC shall be contingent upon inclusion of funding in the Budget for same.

2.1.6 Financial Reports. Within a timely period at the end of each calendar month, the OGDEN shall furnish to PC a report ("Report") regarding FSC's financial performance during the prior month, including all Operating Expenses and Operating Revenues.

2.1.7 Capital Improvements Budgets. As part of the PC's required budget process and budget submission schedule, OGDEN shall submit to PC a budget for projected Capital Expenditures for such Fiscal Year. In addition, not later than February 15, 1999, OGDEN shall submit to PC a budget for projected Capital Expenditures for the next five (5) years, which budget shall be subject to mutual agreement of the parties. In addition, if OGDEN at any time becomes aware of any condition that jeopardizes the structural soundness or the capability the safely operation the FSC, or the public safety, OGDEN shall so advise PC in writing within seven (7)

days, and PC shall, within such time as is reasonable under the circumstances, make available the funds (each an "Emergency Expenditure") necessary to correct such condition; provided, however, that OGDEN shall have the right to expend any available funds to prevent or attempt to prevent or mitigate an imminent danger of damage to property or injury or death to persons; and provided further, that in the event PC shall elect not to provide such Emergency Expenditures, PC shall indemnify and hold harmless OGDEN against any and all claims by third parties relating to such conditions. The Capital Expenditures budgets shall be contained in and comprise a part of the Budget.

2.1.8 Annual Operating Budget. As part of the PC'S required budget process and budget submission schedule, OGDEN shall submit an Annual Operating Budget for the next Fiscal Year on or before February 15th of each year, listing all projected Operating Revenues and Operating Expenses by category (and, as provided above, the Capital Expenditures budget). OGDEN may at any time submit to PC for its approval amendments to a Budget to reflect unanticipated revenues or expenses or other changes.

2.1.9 Budget Approval.

2.1.9.1 OGDEN shall, no later than February 15th of each year submit to the PC an Annual Operating Budget ("the Annual Operating Budget") for the coming fiscal year of the PC (which fiscal year commences on (July 1st) and ends on (June 30th); listing all projected Operating Revenues and Operating Expenses on a line item basis. The term "Operating Revenues" is defined in Section 1.25 and the term "Operating Expenses" is defined in Section 1.23.

2.1.9.2 The Annual Operating Budget shall be approved on a line item and bottom line basis by the PC by August 1st of each contract year. The PC shall have final approval of the Annual Operating Budget. If the Annual Operating Budget is not approved prior to the start of new Fiscal Year then the most recently

approved Fiscal Year Budget shall remain in effect. Without limiting the foregoing, the PC may approve or reject line items in the Annual Operating Budget.

2.1.9.3 If the PC objects in writing to Ogden's proposed Annual Operating Budget or any line item therein within sixty (60) days after Ogden submits same, the parties shall confer in good faith to settle the disagreement. If the parties fail to agree within thirty (30) days, the Annual Operating Budget shall be the actual budget for the previous fiscal year.

2.1.9.4 Ogden and the PC may revise the Annual Operating Budget at any time by mutual agreement.

The following Insurance & Indemnity Sections are subject to further discussions by both parties (Ogden & PC).

2.1.10 Insurance OGDEN shall procure and maintain for the duration of this Agreement the following types and limits of insurance ("basic insurance requirements" herein):

2.1.9.1 Automobile liability Insurance, providing coverage on an occurrence basis for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of One Million Dollars (\$1,000,000) per occurrence; and the policy shall:

2.1.9.1.1 Provide coverage for owned, non-owned and hired autos.

2.1.9.1.2 Contain an additional insured endorsement in favor of PC, agents, employees and designated volunteers.

2.1.9.2 General liability Insurance, covering premises and operations, providing coverage on an occurrence basis for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of One Million Dollars (\$1,000,000) per occurrence; and the policy shall:

2.1.9.2.1 Provide contractual liability coverage for the terms of this Agreement.

2.1.9.2.2 Contain an additional insured endorsement in favor of PC, City of Providence, its Mayor, Aldermen, officers, agents, employees and designated volunteers.

2.1.9.3 Workers' compensation Insurance with statutory limits as set forth by the State of Rhode Island and employer's liability insurance with limits of One Million Dollars (\$1,000,000) per occurrence, and the policy shall contain a waiver of subrogation endorsement in favor of PC, City of Providence, its Mayor, Aldermen, officers, agents, employees and designated volunteers.

2.1.9.4. Crime and Fidelity Coverage. One Hundred Thousand Dollars \$100,000 per occurrence of coverage for (i) employee dishonesty; (ii) forgery or alteration (iii) theft, disappearance and destruction inside and outside FSC; and (iv) robbery and safe burglary inside and outside FSC.

2.1.10.5 Other Insurance. Any other insurance reasonably required by PC in writing (i.e., liquor liability insurance).

Insurance is to be placed with insurers with a Bests' rating of no less than A:VII. The insurance required hereunder shall be maintained throughout the term of the Agreement. The cost of providing such insurance shall be a Direct "Operating Expense".

OGDEN shall furnish the PC's Risk Manager with a certificate of insurance evidencing the insurance required.

2.1.101 Indemnity. OGDEN shall indemnify, defend, and hold harmless PC, PC of Providence, its Mayor, Councilmen, officers, agents and employees against any and all liability, claims, actions, causes of action or demands whatsoever against them, or any of them, before administrative or judicial tribunals of any kind whatsoever, arising out of, connected with, or caused by OGDEN, OGDEN's employees, agents or independent contractors or companies in the performance of, or in any way arising from, the terms and provisions of this Agreement to the extent of OGDEN's negligence.

PC shall indemnify, defend and hold harmless OGDEN, its officers, agents and employees from and against all liability, claims, actions, causes of action, or demands whatsoever against them, before administrative or judicial tribunals of any kind whatsoever, arising out of, connected with the operation of FSC whether arising from Ogden, PC or any other source.

2.1.112 Compliance with the Law: Duty. Subject to the Budget and availability of funds provided to OGDEN therefore, OGDEN shall comply with all applicable laws, rules, regulations and ordinances relating to the use and operation of FSC. OGDEN shall perform its obligations hereunder in conformity with the standard to which an operator of a comparable multi-purpose public entertainment facility would operate, given the limitations of the Budget and herein. OGDEN shall promptly and fully discharge all of its obligations under this Agreement.

2.1.13 Destruction of the Facilities. In the event that FSC or any part of FSC shall be destroyed by fire, explosion or other casualty so that all or a substantial portion of FSC cannot be operated, and FSC is not rebuilt, repaired and reopened for business within sixty (60) days after the happening of said fire or other casualty, then and in said event, either OGDEN or the PC shall have the right (but not the obligation) to cancel and terminate this Agreement.

2.2 Ogden's Management (Operations) Responsibilities

Subject to the limitations set forth in this Agreement, OGDEN shall assume management responsibilities for FSC on November 1, 1998.

2.2.1 OGDEN Operations Services OGDEN's responsibilities will include, but not be limited to, the following:

2.3.1.1 Marketing and Promotion: OGDEN will provide all marketing activities which shall be undertaken in a manner consistent with optimizing the use of FSC. OGDEN will pursue an aggressive promotional campaign for FSC. OGDEN will be responsible for coordinating with PC to ensure that appropriate skating events are booked into FSC and that suitable press coverage is obtained. OGDEN shall prepare and submit to PC an annual marketing plan (the "Annual Marketing Plan") on a date reasonably required by PC, which shall set forth in detail OGDEN's strategy

for marketing and promoting FSC for such time period, including the types and quantity of Events to be pursued and booked to FSC, attendance goals, and other relevant information. PC and OGDEN shall reasonably agree on a final Annual Marketing Plan not later than sixty (60) days following submission thereof.

2.3.1.2 Booking and Scheduling. OGDEN shall be responsible for booking and scheduling of all Events held at FSC. However, PC shall approve the general skating types of Events OGDEN intends to schedule. If more than twenty (20) dates per year are involved or if the safety of the public is jeopardized, OGDEN shall contact PC or its designee for approval prior to booking such Event(s). OGDEN shall attempt to optimize the use of FSC. OGDEN shall submit a calendar (the "Scheduling Calendar") setting forth the scheduled Events and tentatively scheduled Events for the coming twelve (12) month period, and with the submission of the Annual Budget each year thereafter. The Scheduling Calendar shall be updated and extended by OGDEN on an annual basis.

2.3.1.3 Event License Agreements. OGDEN will be responsible for negotiating and entering into Event license agreements with the outside users of FSC. Such agreements shall be approved by the PC as to general form and content. This shall include the development of user policies for approval by the PC, booking priorities, and rules and regulations.

2.3.1.4 Location Maintenance. OGDEN will be responsible for all maintenance to all of the facilities at FSC, including, without limitation, elevators, elements of the electrical and mechanical systems, all furniture, fixtures and equipment, the ice rink, plumbing systems, building exterior, drains, roof, sidewalks, entranceways, exterior lighting, interior promenades and walkways, as well as custodial cleaning services, pest control and trash removal.

SECTION 2.3.1.5 subject to further discussion between Ogden & PC

2.3.1.5 Operational Services. OGDEN will be responsible for all services required to stage (set up and tear down) FSC FOR each event, including but not limited to services involving the public and stage areas, sound system, lighting system, dress areas, and loading in and loading out. OGDEN will be responsible for providing all management staff, ticket sales personnel and other personnel (except as otherwise to be provided by the PC) required for the operation of FSC. OGDEN shall also be responsible to ensure a timely changeover from ice skating events to summer season event activities.

2.3.1.6 Ticket Sales. OGDEN will be responsible for all aspects of ticket sales for FSC including the supervision of arrangements with computerized ticketing services. Ticket sales policy is subject to the approval of PC. These services shall include ordering, selling and accounting for tickets, reporting ticket revenues for a given Event for each user of FSC, cash and credit card processing, complete auditing and accounting for each event, and timely exchange of income less expenses at the end of each Event in accordance with industry practice.

2.3.1.7 Security. OGDEN will arrange for security for Events at FSC and for general facility security when Events are not in progress. Representatives from OGDEN shall meet with representatives from PC to develop a security plan (the "Security Plan") for FSC for event and day-to-day security. OGDEN shall coordinate security for FSC with the PC in order to ensure that there are no gaps in security (nor unnecessary overlaps). The Security Plan shall include both emergency and non-emergency procedures and protocols to be followed by both OGDEN-contracted security in all aspects of the Security Plan so that all security personnel are fully familiar with the security protocols.

2.3.1.8 Other Responsibilities. In addition, OGDEN shall be responsible for the following services:

- 2.3.1.8.1** Manage and operate FSC and any facilities ancillary thereto and contract for its use in a manner that will promote and further the purposes for which FSC is to be and was constructed;
- 2.3.1.8.2** Negotiate, execute, and perform all contracts, use agreements, licenses and other agreements (i) with persons who desire to schedule Events, performances, telecasts, broadcasts or other transmissions in, from or to FSC or who desire otherwise to use FSC or any part thereof or (ii) that otherwise pertain to the use, operation and occupancy of FSC or any part thereof;
- 2.3.1.8.3** Coordinate (and participate in, where necessary or applicable) all Advertising, licensing, promotional activities, marketing, and public relations for or at FSC;
- 2.3.1.8.4** Subject to the overall approval of PC, negotiate, execute and perform all contracts, use agreements, licenses and other agreements (i) for the use of Advertising space in or about FSC and all Advertising rights of whatever kind or nature related to FSC or (ii) for the sale, promotion, marketing and use of all names, trademarks, trade names, logos and similar intangible property relating to FSC;

- 2.3.1.8.5** Supervise the sale of food, beverage, and novelties.
- 2.3.1.8.6** Select, schedule, and coordinate the efforts of all parties involved in the operation of FSC and establish and maintain consistent procedures for cost estimating and reporting, maintenance and payment of invoices, including preparation of Budgets and reports;
- 2.3.1.8.7** Plan, coordinate, and administer the operation of FSC AND continue to select, and train FSC's staff;
- 2.3.1.8.8** Retain legal counsel in connection with the discharge of its duties hereunder and cause such counsel to coordinate with PC's legal counsel where necessary or appropriate. The cost of such legal counsel shall be considered an operating expense. PC, however, may elect at its sole discretion to have such work performed by the City of Providence own Law Department.
- 2.3.1.8.9** Coordinate the work of all parties performing work in connection with the operation of FSC;
- 2.3.1.8.10** Monitor actual and projected Operating Expenses and advise PC if projected costs exceed the amounts set forth in the Budgets;
- 2.3.1.8.11** Make prompt payment of the Operating Expenses from funds available for that purpose under this Agreement;

2.3.1.8.12 Furnish all services necessary to accomplish the foregoing requirements of this Section;

2.3.1.8.13 Perform such other consulting, administrative or management services as reasonably requested by PC;

2.3.1.8.14 Devise and implement procedures (including preventive maintenance procedures) reasonably designed to keep FSC in good order and condition, subject to ordinary wear and tear, and maintain FSC in such order and condition;

2.3.1.8.15 Promptly notify PC of any damage to Ice Rink.

2.3.2 Concessions and Catering

2.3.2.1 PC confers upon OGDEN the right at FSC throughout the term of this Agreement, to supervise or contract with a third party(s) vendor(s), limited by approval by the PC to operate, and conduct a Concession and Catering business through manual service and other methods for the sale of the commodities set forth below:

2.3.2.1.1 Foods of all kinds, including but not limited to candies, cooked foods, prepared foods, ready-to-serve foods, sweets, desserts, potato chips, nachos, pretzels, ice cream and popcorn. The sale of tobacco and/or liquor is expressly prohibited unless approved in advance in writing by PC;

2.3.2.1.2 Beverages of all kinds, including alcoholic beverages, subject to approval by PC (as defined in Section 6.1.2) to the extent that they may legally be sold now, or hereafter may become legally able to be sold, in accordance with

applicable laws, ordinances, rules and regulations during the term of this Agreement. If OGDEN becomes the liquor licensee for FSC and OGDEN's Management Agreement is

terminated for any reason the liquor licensee shall remain with the PC and OGDEN shall cooperate to the fullest extent in transferring such license;

2.3.2.1.3 When requested, sales of novelties of all kinds, including, but not limited to, tee-shirts, clothing, posters, pictures, flags, pennants, and written material, such as programs, year books and other souvenirs.

2.3.2.3 The quality, quantity, price and brands of all items of food, beverages and other items to be sold under this Agreement shall be established by PC.

3. OGDEN'S RIGHTS AND POWERS.

3.1 Grant of Authority. PC hereby grants to OGDEN, and OGDEN hereby accepts, the exclusive rights and obligations, in its own name, as an independent contractor and not as an agent of PC, to provide those management services to PC as are set forth in this Agreement in connection with OGDEN's management, operation and administration of FSC and, in connection therewith, to perform or furnish or cause to be performed or furnished, subject to the provisions hereof, and subject to the availability of funds, all of such management services upon the terms and subject to the limitations of this Agreement.

3.2 Property. OGDEN shall have no authority to sell, make alterations to, remove from the premises, or otherwise dispose of, or to encumber or alienate any personal or real property owned, leased, or otherwise controlled or maintained by the PC.

3.3 Capital Improvements. Except for the Capital Expenditures set forth in the Budget and Emergency Expenditures, OGDEN shall have no authority to make any material alterations or any capital improvements to FSC without the prior written consent of PC. OGDEN shall obtain the PC's prior written approval before making any Capital Expenditure in excess of TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500.00), unless (i) OGDEN believes in good faith that the emergency nature of the needed expenditure makes it imprudent to delay action by the time needed to seek such prior approval or (ii) there is an adequate amount in the Budget for such purpose.

3.4 Contracts. Except as set out in this Agreement, OGDEN shall have no authority, without the prior written consent of PC, to enter into: (I) any contract for more than FIVE THOUSAND DOLLARS (\$5,000.00) per fiscal year for the provision of goods and/or services to FSC provided, however, that PC agrees to cooperate with OGDEN in connection with the execution of such contracts that would extend beyond the term of this Agreement by executing and delivering agreements with the providers of such goods and services whereby PC agrees to honor and observe such contracts following termination of this Agreement. OGDEN shall have the right to enter into, execute, and deliver contracts with users of FSC which extend beyond or relate to dates falling after the expiration of the term of this Agreement. Such Contracts must be approved by PC in advance. All contracts entered into by OGDEN shall provide that the same are assignable to PC without the vendor's prior consent and, notwithstanding any contrary provision hereof, upon termination of this Agreement for any reason, OGDEN agrees that PC shall have the right to and the PC shall assume in writing any or all then outstanding contracts approved by PC affecting FSC. All parties agree that Event license agreements, computerized ticketing contracts and Advertising and sponsorship contracts are not included in this Section 3.4.

Following Section subject to further discussion by both parties (Ogden & PC).

3.5 PERSONNEL OGDEN shall on an on-going basis recruit, hire and train all full-time, part-time and contractual service personnel required for the safe and efficient operation of FSC. OGDEN's employees are the sole responsibility of OGDEN. All personnel matters shall be handled in accordance with OGDEN's personnel procedures set out in its Personnel Policy Manual.

3.5.1 EMPLOYEE DISMISSAL Any dismissal shall be in accordance with OGDEN's corporate policy and with any applicable federal, state or local laws which may be in effect and further, shall be in compliance with any applicable union or labor organization agreements which may be in effect at the time of said dismissal. OGDEN will notify PC in advance of any such dismissals.

3.6 Purchase of Supplies and Services. OGDEN shall comply with all laws (federal, state and local) involving the purchase of equipment, materials, supplies and inventories reasonably required by it in the management of FSC.

3.7 Settlement of Claims and Suits. OGDEN will be advised by PC (and PC shall continually keep OGDEN apprised of) of PC's procedures and requirements in respect to settlement of third party claims filed with and lawsuits filed against PC with respect to FSC. OGDEN agrees to comply with such settlement procedures as it has been advised of by PC. Further, OGDEN and PC agree that such settlement of claims, all costs and expenses thereof, including the settlement thereof,

shall be deemed not to be an Operating Expense in accordance with the terms and provisions of this Agreement. Both parties agree that they will immediately notify the other party in writing of any claim or lawsuit filed which relates to FSC OR the operation thereof in any way.

4. FEES AND EXPENSES.

4.1. MANAGEMENT FEE

OGDEN shall be paid a Management Fee of up to FORTY EIGHT THOUSAND DOLLARS (\$48,000.00) per year; however, OGDEN's Management Fee shall be for annual reconciliation purposes considered the final expense deducted from Annual Operating Revenues (per Section 1.23) prior to any split between PC and OGDEN of Net Operating Surplus (per Section 1.20) in the Annual Fiscal Year.

OGDEN's willingness to place its FORTY EIGHT THOUSAND DOLLARS (\$48,000.00) Annual Management Fee at risk is predicated on OGDEN's own estimate of Revenue and Expenses as reflected in Schedule "A" of this Management Agreement. Expenses outlined in Schedule "A" may increase by normal inflationary percentages and expense categories may change to reflect current and industry standard operational realities; however, no other City, PC or City Department's expenses, including personnel, equipment and supplies and other services, may be charged in whole or in part to the FSC Annual Operating Budget.

OGDEN's willingness to put its FORTY EIGHT THOUSAND DOLLARS (\$48,000.00) Management Fee at risk in any way impose any obligation OGDEN to cover any Operating Loss(es).

Further, OGDEN's Willingness to put its Management Fee at risk is predicated on OGDEN being allowed to schedule events as outlined in Schedule "B" (attached) as well as OGDEN's ability to operate FSC under policies outlined in Schedule "C" (attached).

4.2. Incentive. For each Fiscal Year of this Agreement, OGDEN and PC shall receive fifty (50%) percent each of any Fiscal Year Net Operating Surplus.

5. FUNDS and ACCOUNTS

5.7 Operating Fund. After the Operations Start Date, OGDEN shall collect all Operating Revenues and deposit them in an account maintained by OGDEN in PC's name in the Depository (the "Operating Fund"). Said Operating Fund shall remain the property of PC. OGDEN shall have the right to designate the signature for such Operating Fund, subject only to the provisions of this Agreement. If, at the end of any Fiscal Year, there shall be a balance in the Operating Fund in an amount in excess of the anticipated working capital and Operating Expenses for the first month of the ensuing year, OGDEN shall disburse such excess to PC on or before the fifteenth (15) day of such month, subject to the provisions of this Agreement.

5.2 No Obligation of OGDEN to Advance Funds PC is solely responsible for and shall promptly pay, or provide funds to OGDEN to enable OGDEN to pay, all Operating Expenses, Emergency Expenditures, and Capital Expenditures within two (2) business days of notification. OGDEN shall not be obligated to make any advance of its own funds to or for the account of PC or to pay any sums incurred for the performance of services or goods delivered to FSC, nor shall OGDEN be obligated to incur any liability or obligation for the account of PC. PC shall provide to OGDEN from time to time all such sums as are needed to pay Operating Expenses of FSC which are not paid from Operating Revenues available for the purpose as contemplated in this Agreement.

Notwithstanding anything to the contrary set forth in this Agreement, PC recognizes and agrees that performance by OGDEN of its responsibilities under this Agreement is in all respects subject to and conditioned upon PC's provision of funds to OGDEN for such purposes as hereinafter provided, in addition to the Management Fees (subject to the provisions of Section 4) payable to OGDEN hereunder, to enable

OGDEN to fulfill such responsibilities, and in all respects is limited by the Budgets approved by PC from time to time.

6. PC'S RIGHTS AND POWERS

6.1 Powers Reserved to PC. In addition to the other powers, rights and privileges given or reserved to PC elsewhere in this Agreement, PC shall have the following powers:

6.1.1 To approve OGDEN's choice for Ice Rink Manager and Program Coordinator. Such approval not to be unreasonably withheld.

6.1.2 To approve the kind and quality and pricing of event rental and service charges, established skating fees and rental, discount and group rates, food and beverages and other products or services and items to be sold or provided at FSC, as suggested by OGDEN from time to time.

6.1.3 To approve the prices of items to be sold and the rent structure and other fees and charges to FSC users, as suggested by OGDEN from time to time.

6.1.4 To approve OGDEN's Annual Marketing Plan, Bookings and Scheduling Calendar, Security Plan, Emergency Plan, Form Lease, Annual Operating Budget and hours of operation.

6.1.5 To enter FSC at any time for any purpose whatsoever without notice.

6.1.6 To cause OGDEN to deal with the PC, or its designee on all issues.

6.1.7 To review and approve all bid specifications for purchases and

contracts in excess of FIVE THOUSAND DOLLARS (\$5,000.00).

6.1.8 Approve all alterations to the ice rink.

PC reserves to itself, in addition to the above-numerated rights, all other rights not expressly granted to OGDEN. In exercising its right hereunder, PC and OGDEN shall act in a manner which is consistent with industry practices, PC practices, in conformance with federal, state and local laws, and for the financial success of FSC consistent with the well-being of the City of Providence.

Any PC approvals required under this Agreement with not be unreasonably withheld nor unreasonably delayed.

7. BREACH.

7.1 Material Breach. Each of the following shall constitute a "Material Breach" under this Agreement:

7.1.1 Failure to pay when due any amount required to be paid under this Agreement, if the failure continues for ten (10) days after written notice has been given to the breaching party.

7.1.2 Failure to perform any other obligation under this Agreement, if the failure to perform is not cured within thirty (30) days after written notice has been given to the breaching party, except that if the breach cannot reasonably be cured within thirty (30) days, a Material Breach shall not be deemed to have occurred if the breaching party begins to cure the breach within the thirty (30) day period and diligently and in good faith continues to pursue the cure of the breach.

7.1.3 Notice of Breach. Each party shall promptly notify the other party in writing of any act or omission believed to be a breach of this Agreement. In order to be effective for purposes of this Agreement, a notice of a breach must state that it is a notice of breach and must specify in detail the act or omission alleged to constitute a breach of this Agreement.

7.1.4 Rights of Non-Breaching Party. If a material breach occurs and is not waived in writing by the non-breaching party, then the non-breaching party shall have the following remedies which are not exclusive, but cumulative, in addition to any other remedies now or later allowed by law or in equity:

7.1.4.1 The right to cure, at the breaching party's cost and expense, any Material Breach and recover such costs together with interest thereon as provided in this Section 7, together with costs of court.

7.1.4.2 The right to sue to collect any sums not paid when due and costs of court incurred in collecting the same.

7.1.4.3 The right to sue to collect damages suffered by the non-breaching party by reason of the occurrence of a Material Breach other than breach in the payment of money and costs of court incurred in such proceedings.

8. TERM AND TERMINATION.

8.1 Term. This Agreement will terminate October 31, 2004. Ogden shall have at its sole discretion the right to renew this Agreement for an additional six (6) year period.

8.2 Termination for Cause. Either party may terminate this Agreement for cause by written notice upon the occurrence of a Material Breach, as defined in Section 7.1, entitled, "Material Breach, by the other party and the failure of the breaching party to cure the Material Breach in accordance with Section 7, entitled "Breach".

8.3 Automatic Termination. This Agreement shall terminate automatically, without action or notice by either party, upon the occurrence of any of the following: OGDEN files or has filed against it a voluntary or involuntary petition in bankruptcy or a voluntary or involuntary petition or an answer seeking reorganization, an arrangement, readjustment of its debts, or for any other relief under the Bankruptcy Code, as amended, or under any other state or federal insolvency act or law not dismissed within sixty (60) days thereof, or any action by OGDEN indicating its consent to, approval of, or acquiescence to the appointment of a receiver or trustee for all or a substantial part of its property; the making by such party of an assignment for the benefit of creditors, the inability of OGDEN or its admission in writing of its inability to pay its debts as they mature, or the liquidation, dissolution or termination of the corporate or partnership existence of OGDEN.

9. MISCELLANEOUS.

9.1 Contract Administration. PC hereby appoints Superintendent of Parks as its respective Authorized Representative, who shall act as liaison and contact person between the parties in matters concerning the administration of this Agreement. PC shall have the right to designate a substitute Authorized Representative by providing written notice to OGDEN of such designation. Except for Budget matters, if either party desires to do any act hereunder which requires the other party's approval, such request shall be submitted in writing to the other party's Authorized Representative. The Authorized Representative shall respond to such request within fourteen (14) days after submittal.

9.2 Notices. Unless expressly otherwise provided elsewhere in this Agreement, any election, notice or other communication required or permitted to be given under this Agreement shall be in writing and deemed to have been duly given if and when delivered personally (with receipt acknowledged) or three (3) days after mailing the same by certified mail, return receipt required with proper postage prepaid, or when sent by a national commercial courier service (such as Federal Express or DHL Worldwide Express) for expedited delivery, to be confirmed in writing by such courier, at such party's address set forth below or at such other address as a party may designate by notice given to the other in accordance with the foregoing. Facsimile mailing shall not constitute notice.

PC: Department of Public Parks
City of Providence
Roger Williams Park Boathouse
Providence, RI 0295

ATTENTION: Supertintendent

CITY: City of Providence
City Hall
100 Fountain Street
Providence, RI 02903

ATTENTION: Director of Finance

CITY: City of Providence
City Hall
100 Fountain Street
Providence, RI 02903

ATTENTION: City Solicitor

OGDEN: OGDEN ENTERTAINMENT, INC.
Two Pennsylvania Plaza
New York, New York 10121

ATTENTION: General Counsel

9.3 Force Majeure. Except as otherwise provided, neither party shall be obligated to perform hereunder, and neither shall be deemed to be in default, if performance is prevented by fire, earthquake, flood, act of God, riot, civil commotion or other matter or condition of like nature, including the unavailability of sufficient fuel or energy to operate FSC, or any law, ordinance, rule, regulation or order of any public or military authority stemming from the existence of economic controls, riot, hostilities, war or governmental law and regulations.

9.3.1 In the event of a labor dispute which results in a strike, picket or boycott affecting FSC or the services described in this Agreement, Ogden shall not be deemed to be in default or to have breached any part of this Agreement.

9.4 Counterparts. This Agreement may be executed in one or more counterparts and each of such counterparts, for all purposes, shall be deemed to be an original, but all of such counterparts together shall constitute but one and the same instrument, binding upon the parties, notwithstanding that all of the parties may not have executed the same counterpart.

9.5 No Third Party Beneficiary. Any agreement to perform any obligation or pay any amount and any assumption of liability herein contained, express or implied, shall be only for the benefit of OGDEN, PC and the respective successors and permitted assigns (as expressly permitted in this Agreement), and such agreements and assumptions shall not inure to the benefit of any obligee, whomever, it being the intention of the undersigned that no one shall be or be deemed to be a third party beneficiary of this Agreement.

9.6 Acceptance of Work or Services. The acceptance of work or services, or payment for work or services, by PC shall not constitute a waiver of any provisions of this Agreement.

9.7 Assignment. This Agreement shall not be assigned by any party, or any party substituted, without prior written consent of all the parties.

9.8 Binding Effect. The rights and obligations of this Agreement shall inure to the benefit of, and be binding upon, the parties to the Agreement and their heirs, administrators, executors, personal representatives, successors and assigns.

9.9 Corporate Authority. Each individual executing this Agreement represents and warrants they are duly authorized to execute and deliver this Agreement on behalf of the corporation or organization, if any, named herein and this Agreement is binding upon said corporation or organization in accordance with its terms.

9.10 Execution. This Agreement is effective upon execution. It is the product of negotiation and all parties are equally responsible for authorship of this Agreement. It shall be interpreted under the laws of the State of Rhode Island.

9.11 Independent Contractor. This Agreement calls for the performance of the services of OGDEN as an independent contractor. OGDEN is not an agent or employee of the PC for any purpose and is not entitled to any of the benefits provided by PC to its employees. This Agreement shall not be construed as forming a partnership or any other association with OGDEN other than that of an independent contractor.

9.12 Merger and Modification. All prior agreements between the parties are incorporated in this Agreement which constitutes the entire agreement. Its terms are intended by the parties as a final expression of their agreement with respect to such terms as are included herein and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. The parties further intend this Agreement constitutes the complete and exclusive statement of its terms and no extrinsic evidence whatsoever may be introduced in any judicial or arbitration proceeding involving this Agreement. This Agreement may be modified only in a writing.

9.13 No Tenancy Created. The only relationship created by this Agreement is that of OGDEN-PC. This Agreement is not intended to create a landlord-tenant relationship, and no such relationship shall be inferred from any provision hereof.

9.14 Title to Documents. All documents, plans, and drawings, maps, photographs, and other papers, or copies thereof prepared by OGDEN pursuant to the terms of this Agreement, shall, upon preparation, become the property of the PC.

9.15 Waiver of Default. The failure of any party to enforce against another a provision of this Agreement shall not constitute a waiver of that party's right to enforce such a provision at a later time, and shall not serve to vary the terms of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed, the day and year first above written.

FLEET SKATING CENTER

at Kennedy Plaza, Providence, Rhode Island
 Managed by Ogden Entertainment

SCHEDULE A

10-Nov-98

REVENUE AND EXPENSES SUMMARY**ANNUAL ESTIMATED REVENUE****PUBLIC SKATING**

Sub total \$ 202,500

PRIVATE ICE RENTAL

Patch ice \$ 187,500

Group ice \$ 135,000

PUBLIC SKATING LESSONS

Group \$ 150,000

Private \$ 83,000

SPECIAL EVENTS

Sub total \$ 18,000

TOTAL ESTIMATED SURFACE REVENUE \$ 788,000

EQUIPMENT RENTALS ESTIMATE

Ice Skate rentals \$ 36,000

Ice Skate sharpening \$ 18,000

In Line Skates rentals \$ 22,500

Sub total \$ 76,500

FOOD & BEVERAGE \$ 36,800

MERCHANDISE & MISCELLANEOUS \$ 6,000

ADVERTISING & SIGNAGE (Includes Zamboni funds) \$ 131,000 (Includes \$75,000 portion
 of Zamboni advertising
 agreement)

Equipment/Food & Beverage/Merchandise Total \$ 250,100

ESTIMATED PROJECTED TOTAL OF ALL REVENUE \$ 1,008,100

SCHEDULE A

Page 2

REVENUE AND EXPENSES SUMMARY**ANNUAL ESTIMATED EXPENSES**

Administration Salaries and Benefits	\$ 187,112
Rink Staff Wages and Benefits	\$ 127,535
Administrative	\$ 28,800
Marketing and Advertising	\$ 30,000
Operations	\$ 97,000
Utilities	\$ 75,000

Total Estimated Projected Expenses	\$ 845,447
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Pre-opening expenses (Nov 1, 1998-Jun 30, 1999)*	\$ 124,699
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* This line is for Stub year one of operation only.

Annual Payment	\$ 120,000
Ogden Management Fee	\$ 48,000

Total Expenses & Management Fee	\$ 838,145
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Estimated Revenues less All Expenses	\$ 167,954
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Distribution to City	\$ 83,977
Distribution to Ogden	\$ 83,977

FLEET SKATING CENTER

Schedule B

Page B

Events Description

- Fleet Skating Center will conduct both private and public skating events.
- Fleet Skating Center may hold professional skating exhibitions and events.
- Fleet Skating Center may hold ice-carving events.
- Fleet Skating Center will have adult and children learn to skate programs.
- Fleet Skating Center will have freestyle, moves in the field, and ice dancing sessions.
- Fleet Skating Center will have adult swing night events.
- Fleet Skating Center will have in-line skating events and exhibitions.
- Fleet Skating Center will hold outdoor concerts along with some ballroom dancing events.
- Fleet Skating Center will hold school group outings.
- Fleet Skating Center may provide figure skating elective for colleges.
- Fleet Skating Center will develop a Special Olympics learn to skate program.
- Fleet Skating Center may participate in Mega-Cities Program.
- The Fleet Skating Center may be used for other approved special events.

FLEET SKATING CENTER Schedule C

Usage Policies

- Fleet Skating Center will be used for public and private skating sessions.
- Fleet Skating Center may occasionally be used for youth hockey with an age limit of 7 years old.
- Fleet Skating Center will hold small parties and birthday parties.
- Fleet Skating Center will be used by local figure skating clubs to promote and teach figure skating.
- Fleet Skating Center will be used for in-line skating sessions.
- Fleet Skating Center may be used for approved concerts and ballroom dancing under the stars.
- Fleet Skating Center may be used for approved tennis and volleyball events.
- The Fleet Skating Center may be used for other approved special events.

FLEET SKATING CENTER Managed by CCMST Administration **BLOCK SCHEDULE**

SCHEDULE B
 Page 2

Session
 1998

TIME	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	WEDNESDAY	THURSDAY
7:00 AM	Ice Play	Ice Play	Ice Play	Ice Play	Ice Play	Ice Play	Ice Play
8:00 AM	Open Skate	Open Skate	Ice Play	Open Skate	Open Skate	Ice Play	Ice Play
9:00 AM			Ice Play			Ice Play	Ice Play
10:00 AM	Open Skate	Public Skate	Public Skate	Public Skate	Public Skate	Public Skate	Public Skate
11:00 AM						Public Skate	
12:00 PM							
1:00 PM							
2:00 PM							
3:00 PM							
4:00 PM		Public Skate					
5:00 PM		Public Skate					
6:00 PM	Public Skate	Public Skate	Public Skate	Public Skate			Public Skate
7:00 PM							
8:00 PM	Public Skate	Public Skate	Public Skate	Public Skate			Public Skate
9:00 PM							
10:00 PM							

The Fleet Skating Center will offer group rates to clubs, associations and private parties during public skating nights on Wednesdays and Thursdays.

During Fleet Skating Center's operations we will offer Skate, Skate in the Field (entry) and Foreign Skate.

LICENSE AGREEMENT

THIS LICENSE AGREEMENT made and entered into this _____ day of _____, 19 ____, by and between the CITY OF PROVIDENCE, by and through its Board of Park Commissioners a municipal corporation, created by the General Assembly of the State of Rhode Island, (hereinafter referred to as the "LICENSOR") and GFM FOOD SERVICES, INC., d/b/a ANYBUDDY'S having a principal address at 134 Atwells Avenue, Providence, Rhode Island 02903 (hereinafter referred to as the "LICENSEE").

This License Agreement is upon the following covenants, terms and conditions:

1. DESCRIPTION:

1.1. The LICENSOR in consideration of the fees and charges hereinafter reserved, does hereby grant and license unto the LICENSEE, subject to the conditions, reservations and covenants hereinafter specified, the use of that certain building located in Kennedy Plaza in the City of Providence.

1.2. The Premises are licensed subject to the rights of any parties thereof and the State of the title thereof as of the commencement of this License Agreement, and to any state of facts which an accurate survey or physical inspection thereof might show, and to all zoning regulations, restrictions, easements, rules and ordinances, building restrictions, easements, rules and regulations governmental authority having authority.

1.3. LICENSEE has examined the title of the Subject Premises and has found the same to be satisfactory to it.

2. TERM:

2.1. The original term of this License Agreement shall be for a five (5) year period commencing on _____ and expiring on _____. Capital improvements and investment shall be based upon a five (5) year term.

2.2 The LICENSEE may have a five (5) year option to renew the License Agreement if terms are mutually negotiated by the licensee and the City.

3. FEES:

3.1. LICENSEE agrees to pay to the LICENSOR, without any prior demands therefor and, except as expressly provided herein, without deduction or set-off whatsoever the following fees:

Snack Bar: \$2,000.00 per month

Carts: \$200.00 per cart/per month
(Note: If a major third party is involved in a cart concession the city shall reserve the right to renegotiate the cart fee.

Catering: 15% of gross

3.2. All fees shall be payable in advance on the first business day of each calendar month during the term hereof.

4. USE AND OCCUPANCY:

4.1. Use - The Premises are licensed for use by the LICENSEE to operate a snack bar. LICENSEE agrees to be in operation for at least the hours the skating facility is open.

4.2. LICENSEE shall be responsible for the purchase of all kitchen equipment and furniture for the party rooms.

4.3. In addition, Licensee, as a condition to this License Agreement, is required to design and build a restaurant in conjunction with the Board of Park Commissioners in Biltmore Park, by the next winter operating season after the commencement of the License Agreement. It is the intention of the parties that all food services at the rink be handled by the same licensee. Therefore, failure to build the restaurant or to continue to operate it for the term of this License Agreement is reason for termination by the City. The decision to terminate shall be in the sole discretion of the City.

4.4. LICENSEE shall have exclusivity on catering of all birthday parties at the facility. For parties in excess of 100 people, however, individuals may use any caterer. In the event, the LICENSEE is not the caterer, the individual must pay a 20% fee, half of which shall go to the LICENSEE and half of which shall go to the LICENSOR.

4.5. LICENSOR reserves the right to exclusively utilize the facility for up to four (4) events per year at no cost to LICENSOR.

4.6. Occupancy - After initial build-out, the LICENSEE accepts said premises in their present condition.

4.7 The City shall have access to the Pavilion building for inspections and repairs and shall schedule access to the licensee. The City shall have access to the space for up to four special events per year, subject to availability.

4.8. Nothing herein shall imply any duty upon the part of the LICENSOR to do any work and performance thereof by LICENSOR shall not constitute a waiver of LICENSEE'S default in failing to perform same.

4.9. The LICENSEE shall not mutilate, damage, misuse or suffer waste in the premises, but shall keep the same, and, upon the termination hereof, deliver them up in a good condition as they are now in, or may be put in, by the LICENSOR; ordinary wear and tear expected.

4.10. The LICENSEE shall keep the Subject Premises in a neat and orderly condition at all times according to the requirements of the Department of Public Parks of the City of Providence, and no refuse or discarded materials shall be allowed to accumulate thereon.

5. UTILITIES AND SANITATION.

5.1. The LICENSEE agrees it will pay for all utility costs used or consumed upon the premises as and when the charges for the same become due and payable.

5.2 Trash Removal: The Licensee shall provide for the storage and removal of all trash and garbage associated with its operation.

5.3 Sanitation. The Licensee is responsible for cleaning all interior spaces of the snack bar area of the Pavilion building, including floor, walls, and windows. Licensee shall also keep the area utilized for carts clean and free from debris.

6. TERMINATION AND CANCELLATION

6.1 Termination - Upon the termination of the terms hereof, or of any extensions thereof, the LICENSEE covenants to surrender and yield up peacefully and quietly to the LICENSOR possession of the premises in as good condition as they were at the time of delivery of possession as herein provided, reasonable wear and tear excepted. LICENSEE may remove items which are temporarily attached to premises so long as the premises are restored to a condition which is acceptable to the Superintendent of Parks.

6.2. On the termination of this License Agreement for any cause, the LICENSOR may re-enter and take possession of the whole or any part of the premises and expel all persons therefrom and remove their effects without being taken or deemed guilty of any manner of trespass, without prejudice to its other rights or remedies against the LICENSEE, and demand for fees and notice to quit

or of intention to re-enter is hereby expressly waived on the part of the LICENSEE.

6.3. In case the LICENSEE shall fail to perform any stipulation or condition herein, or shall be declared bankrupt, or insolvent according to law or shall make an assignment for the benefit of creditors, then and in either of said cases, this LICENSE AGREEMENT shall be terminated and the premises shall automatically revert to the LICENSOR.

6.4. Upon termination or expiration of this License Agreement for whatsoever cause, or the vacating of the premises by LICENSEE, the LICENSEE shall have the privilege to remove and upon the request of the LICENSOR shall remove (at the LICENSEE'S own expense) its movable business fixtures, trade fixtures, furniture, machinery, equipment, signs, insignia and other indica of the LICENSEE'S occupancy or use.

6.5. Any property not removed within sixty (60) days by the LICENSEE upon the expiration or other termination of this License Agreement shall, upon such termination or expiration become the absolute property of the LICENSOR, and the LICENSOR may sell or dispose of the same as it may see fit;

6.6. Cancellation - Upon a finding by two thirds of the City Council that the Subject Premises are needed for public use, the City Council may cancel this License Agreement; provided, that LICENSEE is given at least one (1) year notice prior to the date of cancellation. Said cancellation operates as a termination of this License Agreement.

7. BREACH OR DEFAULT.

7.1. In the event of any failure on the part of the LICENSEE to pay said fees and charges at the time and in the manner aforesaid, or in case of failure on its part to perform any or all of the covenants and agreements herein contained or its part to be kept and performed, and if such failure shall continue for twenty (20) days after written notice thereof, the LICENSOR, by any agent duly authorized, shall be at liberty to declare this License Agreement at an end, and may thereupon enter and take immediate and full possession of said premises and repossess the same as of its former estate, without prejudice to its right to recover full fees and charges for the time for which the LICENSEE has been in possession, and any damages, including but not limited to costs and attorneys' fees, which the LICENSOR may have suffered by reason of any breach of the terms or conditions of this License Agreement on the part of the LICENSEE

7.2. As indicated in Section 4.3, Licensee as a condition to this License Agreement, is required to design and build a restaurant in conjunction with the Board of Park Commissioners. Failure to build the restaurant or to continue to operate in for the term of this License Agreement shall be a reason for termination by the LICENSOR.

7.3 No such expiration or termination of this License Agreement shall relieve LICENSEE of its liability and obligations under this License Agreement, and such liability and obligations shall survive any such expiration or termination.

8. INDEMNIFICATION AND INSURANCE.

8.1. LICENSEE shall make no claim against LICENSOR for any loss, damage or injury to LICENSEE or LICENSEE'S property arising out of any fire, theft or casualty in the Subject Premises except in cases of the omission, fault, negligence or other misconduct of the LICENSOR'S servants, agents or employees subsequent to the execution of this License Agreement.

8.2 The LICENSEE shall indemnify, protect and accept all liability of the LICENSOR, if any, from and against all demands, claims, actions, cost, expense or losses resulting from any and all personal injuries or property damage sustained by any person or persons on or about the Subject Premises which occurs during the term of this License Agreement, and indemnify the City of Providence from any and all claims of individuals claiming right to said property under their rights of redemption or any other legal claim to title to said real estate.

8.3. LICENSEE shall apply for and cause to be issued a public liability insurance policy in the name of the LICENSOR and the LICENSEE. Such insurance policy shall be issued by a reputable insurance company licensed to do business in the State of Rhode Island, and shall be in the sum of not less than \$1,000,000.00 in case of damage or injury to any one person not less than \$1,000,000.00 for any one accident and \$500,000.00 with respect to damage to property, such policy or policies insuring both the LICENSEE and LICENSOR from liability imposed by law upon the LICENSOR or LICENSEE, or both, for any damages suffered by any person or persons for injuries to their person or persons or property in and about the premises.

8.4. Certificates evidencing the existence of the insurance coverage shall be delivered to the LICENSOR upon request prior to the commencement of the term of the License Agreement and thereafter at least thirty (30) days prior to the expiration of any existing policy. Such policies shall provide that the LICENSOR

shall receive thirty (30) days notice of any material change or cancellation thereof. Such policies shall also name the LICENSOR as an additional party insured on the Certificate of Insurance.

8.5. In the event of any damage or destruction of the premises resulting from a cause of casualty covered by insurance as herein before provided, the LICENSEE shall promptly notify the LICENSOR and the insurer and within sixty (60) days file proof of the loss with the insurer and proceed with the collection of the claim without delay.

9. REPAIR, ALTERATIONS OF IMPROVEMENTS.

9.1. After the initial build-out, the LICENSEE accepts said premises in their present condition, and it is further understood and agreed that it shall be the sole duty of the LICENSEE, at the LICENSEE'S own sole cost and expense for any and all repair, renovations, modifications, alterations, improvements or additions made in the premises, which alterations shall, upon LICENSEE'S default or termination or expiration of said License Agreement, become the property of the LICENSOR.

9.2. Other than during the initial build-out LICENSEE shall notify and obtain written consent from the LICENSOR before it makes any improvements or alterations in or to the premises.

9.3. LICENSEE shall promptly pay all amounts owing to its contractors and material men, so as to avoid the possibility of a lien attaching to the Subject Premises, and should any such lien be made or filed, the LICENSEE shall bond against or discharge the same within thirty (30) days after written notice by the LICENSOR.

In the event that LICENSEE does not bond against or discharge any lien filed against the Subject Premises by contractors or material man supplying labor or materials to the Subject Premises on behalf of LICENSEE, LICENSEE, shall reimburse the LICENSOR for attorneys' fees incurred in defense of proceedings to enforce or foreclose such lien(s).

9.4. LICENSEE shall, at his sole expense, to keep the interior of the premises clean, neat and in good order, repair and condition and to keep all refuse, rubbish and debris in covered containers. The City and/or State shall assume the responsibility for maintaining and repairing the following items associated with the Pavilion building.

9.5. LICENSEE shall not injure, overload, deface or otherwise harm the Subject Premises or commit any nuisance thereon.

9.6. Other than during the initial build-out, LICENSEE hereby waives any rights to make repairs at the expense of LICENSOR which it may have under any present or future laws, ordinances, orders, rules and regulations of all federal, state and municipal governments.

10. TRANSFER AND ASSIGNMENT.

LICENSEE shall not assign nor in any manner transfer this License Agreement or any estate or interest therein, nor permit any transfer thereof by operation of law, nor permit any use or occupancy of the same other than by LICENSEE, nor transfer the Subject Premises or any part thereof, nor grant any license, concession or other right of occupancy of any portion of the Subject Premises. However, the LICENSOR, in its sole discretion, may agree to an assignment or transfer by the LICENSEE. Such agreement must be in writing. No assignment or transfer of the whole or any part of the Subject Premises nor the permitting of other use or occupancy of the same shall in any way affect or reduce LICENSEE'S obligations under this LICENSE AGREEMENT.

11. INTEREST OF PUBLIC OFFICIAL.

No member of the City Council of the City of Providence and no other public official or employee of the City of Providence who exercises any functions or responsibilities in the review or approval of the carrying out of this License Agreement shall have any financial interest, direct or indirect, in the License Agreement. Nor shall any of the above mentioned be employed by the LICENSEE.

12. TAXES.

LICENSEE represents that all real estate and personal property taxes assessed by the City of Providence against LICENSEE are current as of the date of the execution of this License Agreement and that as a condition to this License Agreement LICENSEE must remain current in his payment of all taxes assessed against said real and personal property. A failure to be current or remain current in the payment of taxes owed to the City of Providence shall constitute a breach of this License Agreement.

13. NOTICES

13. 1. All notices to the LICENSEE shall be sent by registered or certified mail addressed to the LICENSEE c/o John Morocco, 134 Atwells Avenue,

Providence, Rhode Island 02903 or at such other address as the LICENSEE, shall designate in writing to LICENSOR.

Contact Person: John Morocco

13.2. All notices to the LICENSOR shall be sent by registered or certified mail addressed to the LICENSOR at the Office of the Controller, Providence City Hall, 25 Dorrance Street, Providence, Rhode Island 02903, a copy to the Providence Law Department, 100 Fountain Street, Providence, Rhode Island 02903.

13.3. Notwithstanding any provisions in this License Agreement to the contrary concerning modifications, a change in address may be effected by a registered or certified letter sent by either party to the other.

14. MISCELLANEOUS

14.1 If LICENSEE shall hold possession of the Subject Premises beyond the term specified herein, LICENSEE shall pay to LICENSOR, for each month or portion thereof as LICENSEE shall retain possession, 150% of the fees and other charges specified herein, and shall be liable to the LICENSOR for any and all lost fees and other damages sustained by LICENSOR by virtue of such continued occupancy. In the absence of any express, written agreement between LICENSOR and LICENSEE, no act or failure to act by LICENSOR shall be deemed an acceptance of LICENSEE'S occupancy for any fixed term (beyond the term fixed herein) in excess of one month. Nothing herein shall preclude LICENSOR from the exercise of any right of re-entry or other remedy under this License Agreement or under law.

14.2 It is understood and agreed by the parties hereto that this License Agreement does not create a fiduciary relationship between them, that LICENSEE shall be an independent contractor, and that nothing in this agreement is intended to constitute, either party an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of the other for any purpose whatsoever, and neither shall have power to bind or obligate the other except as set forth herein.

14.3. All reference herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable.

14.4. This License Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute but one and the same agreement.

14.5. The captions appearing in this License Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit or construe or describe the scope or intent of any provisions of this License Agreement nor in any way affect this License Agreement.

14.6 The terms, covenants and conditions contained in this License Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns and any person or persons, natural or corporate, claiming through or under them, or any of them; provided, however, that as used herein, "LICENSOR" shall mean the owner for the time being of the LICENSEE'S estate and the property in the Subject Premises. If such estate and property is sold or transferred, the seller or transferor shall thereupon be relieved of all obligations and liabilities thereafter arising or occurring under this License Agreement, and the purchase or transferee shall thereupon be deemed to have assumed and agreed to perform and observe all obligations and liabilities thereafter arising or occurring under this License Agreement, or based upon occurrences or situations thereafter arising or occurring.

14.7. No acceptance by LICENSOR of a lesser sum than the stipulated fees provided for herein, or any other charge then due shall be deemed to be other than on account of the earliest installment or such fees or charge due, nor shall any endorsement or statement or any check or letter accompanying any check or payment as fees or the charge be deemed an accord and satisfaction, and LICENSOR may accept such check or payment without prejudice or LICENSOR'S right to recover the balance of such installment or pursue any other remedy in this License Agreement provided.

14.8. If the whole of the Subject Premises shall be taken for any public or quasi-public use under any statute or by right of eminent domain then this License Agreement shall automatically terminate as of the date that possession has been taken, neither party hereto incurring any liability to the other therefore and LICENSEE shall not be entitled to any monies for any portion of the License Agreement term which would exist but for the condemnation of the Subject Premises.

14.9. That the failure of the LICENSOR to insist in any one or more instance upon the strict and literal performance of any of the covenants, terms or conditions of this License Agreement, or to exercise any option or election of the LICENSOR therein contained shall not be construed as a waiver or a

relinquishment for the future of such covenant, term, condition, option or election, but the same shall continue and remain in full force and effect. The receipt by the LICENSOR of fees with knowledge of the breach of any covenant, term or condition hereof by the LICENSEE shall not be deemed to be a waiver of such breach and not waiver by the LICENSOR of any covenant, term or condition or other provision of this License Agreement or the breach thereof shall be deemed to have been made by the LICENSOR, unless in writing signed on behalf of LICENSOR.

14.10. That provided, and this License Agreement is made on the express condition that if the LICENSEE shall become bankrupt or insolvent according to law, or if any assignment shall be made a receiver shall be appointed due to its financial condition, then the LICENSOR, unless and only to the extent restrained by law, may immediately, or at any time thereafter and without notice or demand, enter upon said premises or any part thereof, in the name of the whole, and declare ended, and thereby end this License Agreement and repossess said premises and expel therefrom the LICENSEE and those claiming under it, and remove their effects, if necessary, without being guilty of any manner of trespass, and without prejudice to any remains which may be used for the recovery of fees or damages for breach of covenant.

14.11. In the event any provision or clause of this License Agreement be declared invalid by act of any public authority or in the course of judicial or arbitration proceedings, such invalidity shall not affect the continuing validity of the remaining clauses and paragraphs hereof.

14.12. WRITTEN MODIFICATIONS. No modifications of any provisions of this License Agreement shall be of any force or effect unless in writing signed by the parties hereto.

14.13. GOVERNING LAW. This License Agreement shall be governed by and construed in accordance with the laws of the State of Rhode Island.

15. DISPUTE:

15.1. In the event that any dispute shall arise regarding the interpretation of or the performance of any of the terms of this License Agreement which cannot be resolved between LICENSOR and LICENSEE, then a determination of the dispute shall be made upon majority vote of the Board of Park Commissioners of the City of Providence which shall be binding upon the parties and may be entered in a court of competent jurisdiction; provided that LICENSEE shall have an

opportunity to be heard before the full Board of Park Commissioners prior to its determination. LICENSOR and LICENSEE must provide each other with at least thirty (30) day notice of any hearing before said Board.

16. COVENANT OF QUIET ENJOYMENT.

16.1. LICENSEE, upon the performance of all the terms of this License Agreement, shall at all times during the License Agreement term, if not earlier due to termination, cancellation or to condemnation proceedings, peaceably and quietly enjoy the Subject Premises without disturbance from the LICENSOR.

This License Agreement was authorized by the BOARD OF PARK COMMISSIONERS on November 17, 1998.

IN WITNESS WHEREOF, the CITY OF PROVIDENCE by and through its Parks Commission has caused these presents to be executed in duplicate, and its corporate seal to be thereunto affixed by VINCENT A. CIANCI, JR., its MAYOR, and duly authorized.

CITY OF PROVIDENCE

By: _____
Vincent A. Cianci, Jr.
Mayor

By: _____
JOHN MOROCCO

STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

In Providence, on the _____ day of _____, 1998, before me personally appeared VINCENT A. CIANCI, JR., Mayor of the City of Providence, to me known and known by me to be the person executing the foregoing instrument, and he acknowledged said instrument, by him executed, to be his free act and deed in said capacity and the free act and deed of the City of Providence.

Notary Public
My Commission Expires: _____

STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

In _____, on the _____ day of _____, 1998, before me personally appeared JOHN MOROCCO, to me known and known by me to be the person executing the foregoing instrument, and they acknowledged said instrument, by him executed, to be his free act and deed in said capacity and the free act and deed of the corporation.

Notary Public
My Commission Expires: _____

LEASE -- NBC 10

LESSOR: City of Prov. by and through the Parks Commission

LESSEE: NBC/WJAR 10

TERM: 5 years (no option)

RENTAL: \$300.00 per month--plus:

- marketing agreement (6 promotions per year plus weather and sport segments)
- buildout (incl. fiber optics)

PREMISES: 300 square foot building in Biltmore Park plus 2 parking spaces

SPECIAL PROVISIONS:

- no assignment/subletting
- lease is either terminated or renegotiated if marketing agreement is terminated; rent is also terminated or renegotiated if market share drops below 49%

LEASE

THIS LEASE (this "Lease") made and entered into this _____ day of _____, 1998 by and between the CITY OF PROVIDENCE, by and through its Board of Park Commissioners, a municipal corporation created by the General Assembly of the State of Rhode Island (hereinafter referred to as the "LESSOR") and OUTLET BROADCASTING, INC., WJAR TELEVISION, a corporation organized and existing under the laws of the State of Rhode Island having its principal place of business at 23 Kenney Drive, Cranston, Rhode Island 02920 (hereinafter referred to as the "LESSEE").

This Lease is upon the following covenants, terms and conditions:

1. DESCRIPTION:

1.1. The LESSOR in consideration of the rent and charges hereinafter reserved, does hereby grant, unto the LESSEE, subject to the conditions, reservations and covenants hereinafter specified the use of, that certain tract and parcel of land (the "Demised Premises") currently known as Biltmore Park adjacent to the Fleet Skating Center as part of Assessor's Plat ____ of Lot _____, in the City of Providence, as more particularly described on the attached Exhibit "A";

1.2 The Demised Premises are leased subject to the rights of the State to the title thereof as of the commencement of this Lease, and to any state of facts which an accurate survey or physical inspection thereof might show, and to all zoning regulations, restrictions, easements, rules, ordinances building restrictions, easements, rules and regulations of any applicable governmental authority having authority.

1.3. LESSEE has examined the title of the Demised Premises and has found the same to be satisfactory to it.

2. TERM:

2.1. The term of this Lease (the "Term") shall be for a five (5) year period commencing on November 24, 1998 (the "Commencement Date") and ending on November 30, 2003 (the "Termination Date").

3. RENT:

3.1. LESSEE agrees to pay to the LESSOR, without any prior demands therefor and, except as expressly provided herein, without deduction or set-off whatsoever, a sum of Three Hundred Dollars (\$300.00) per month.

3.2. All rent shall be payable in advance on the first business day of each calendar month during the term hereof. Rent for the calendar month contains the Commencement Date (and the Termination Date, if such date is not the last day of a calendar month) shall be prorated.

LESSEE shall install, a part of LESSEE'S improvements, the weather station (including the antenna therefor) described in Exhibit B hereto, and shall, during the Term, broadcast regular temperature and (to the extent available) other weather information from the Demised Premises (identifying such information as being received from the Demised Premises), as part of its 5:00 pm, 5:30 pm, 6:00 pm and 11:00pm weekday news programs, provided that there is sufficient broadcast time in such news programs. LESSOR shall determine the language which the Demised Premises are identified and inform LESSEE of same prior to November 24, 1998 and shall update LESSEE if and when appropriate.

LESSOR agrees not to allow any use of the skating facility or the surrounding area which shall block the view of the skating facility from the Demised Premises. Also, LESSOR agrees to include LESSEE in all opening ceremonies of the Fleet Skating Center.

4. USE AND OCCUPANCY:

4.1. Use- The Demised Premises are leased for use by the LESSEE as a studio for television broadcasts and two (2) parking spaces.

4.2. Occupancy- The LESSEE accepts the Demised Premises in their present condition. LESSEE agrees to incur all costs associated with the installation of a studio, including, but not limited to the installation of an antenna, fiber optics, interior renovation and signage. LESSEE shall be required under this agreement to install fiber optics at this location and to incur all related costs. LESSEE shall also be required to incur the cost of a "Talk-Back To 10" Kiosk on the exterior of the building. All exterior reservations and construction are subject to local laws and ordinances, including but not limited to, DOWNCITY Design Review Committee approval and approval of the chairman of the Parks Commission for the City of Providence..

4.3. Nothing herein shall imply any duty upon the part of the LESSOR to do any work to the Demised Premises, and performance thereof by LESSOR shall not constitute a waiver of LESSEE'S default in failing to perform same.

4.4 Except for the performance of the LESSEE'S improvements, the LESSEE shall not mutilate, damage, misuse or suffer waste in the Demised Premises, but shall keep the same, and upon the termination hereof, deliver them

up in as good a condition as they may be in upon the completion of LESSEE'S improvements, ordinary wear and tear and damage by casualty, excepted.

4.5. The LESSEE shall keep the Demised Premises in a neat and orderly condition at all times according to the requirements of the Department of Public Parks of the City of Providence, and no refuse or discarded materials shall be allowed to accumulate thereon.

5. UTILITY.

5.1. The LESSEE agrees to pay for all utility costs used or consumed upon the Demised Premises and when the charges for the same become due and payable.

6. TERMINATION AND CANCELLATION:

6.1. Termination- Upon the termination of the term hereof, or of any extensions thereof, the LESSEE covenants to surrender and yield up peacefully and quietly to the LESSOR possession of the Demised Premises in as good condition as they were at the time of completion of LESSEE'S improvements, reasonable wear and tear and damage by casualty excepted. Subject to Section 6.4, any and all renovations to the Demised Premises shall become the property of the LESSOR. In the event the Lease is terminated by LESSOR pursuant to Section 6.6 hereof, the LESSEE shall be entitled to compensation for LESSEE'S work in accordance with the terms of such section.

6.2 On the termination of this Lease, for any cause the LESSOR may re-enter and take possession of the whole or any part of the Demised Premises and expel all persons therefrom and remove their effects without being deemed guilty of any manner of trespass, without prejudice to its other rights or remedies against the LESSEE, and demand for rent and notice to quit or of intention to re-enter is hereby expressly waived on the part of the LESSEE.

6.3. RESERVED.

6.4. Upon termination or expiration of this Lease for whatsoever cause, or the vacating of the Demised Premises by LESSEE, the LESSEE shall have the privilege to remove and upon the request of the LESSOR shall remove (at the LESSEE'S own expense) its movable business fixtures, trade fixtures, furniture, machinery, equipment, signs, insignia and other indica of the LESSEE'S occupancy or use.

6.5. Any of the above specified property not promptly removed by the LESSEE upon the expiration or other termination of this Lease shall become the absolute property of the LESSOR, and the LESSOR may sell or dispose of the same as it may see fit.

6.6. Cancellation- Upon a finding by two thirds of the City Council that the Demised Premises are needed for public use, the City Council may cancel this Lease; provided, that LESSEE is given at least one (1) year notice prior to the date of cancellation. Said cancellation operates as a termination of this Lease. In the event of a cancellation pursuant hereto, LESSOR agrees to reimburse LESSEE for the unamortized portion of the cost of LESSEE'S improvements.

7. BREACH OR DEFAULT.

7.1. In the event of (i) any failure on the part of the LESSEE to pay said rent and charges at the time and in the manner aforesaid which failure shall continue for five (5) days after written notice thereof or (ii) failure on the part of LESSEE to perform any or all of the covenants and agreements herein contained on its part to be kept and performed, and if such failure shall continue for twenty (20) days after written notice thereof, (iii) an event of default shall have occurred under the Promotion Agreement dated November __, 1998 between LESSOR and LESSEE or (iv) LESSEE shall be declared bankruptcy or insolvent according to law, or shall make an assignment for the benefit of creditors then, the LESSOR by any agent duly authorized, shall be at liberty to declare this Lease at an end, and may thereupon enter and take immediate and full possession of the Demised Premises and repossess the same without prejudice to its right to recover full rent and charges for the time for which the LESSEE has been in possession, and any damages, including but not limited to costs and attorneys' fees, which the LESSOR may have suffered by reason of any breach of the terms or conditions of this Lease on the part of the LESSEE.

7.2. No termination of this Lease, in the event of a default, shall relieve LESSEE of its liability and obligations under this Lease and such liability and obligations shall survive any such termination.

8. INDEMNIFICATION AND INSURANCE:

8.1. LESSEE shall make no claim against LESSOR for any loss, damage or injury to LESSEE or LESSEE'S property arising out of any fire, theft or casualty in the Demised Premises except in cases of the omission, fault, negligence or other misconduct of the LESSOR'S servants, agents or employees subsequent to the execution of this Lease.

8.2. The LESSEE shall indemnify, protect and accept all liability of the LESSOR from and against all demands, claims, actions, cost, expense or losses resulting from any and all personal injuries or property damage sustained by any person or persons on or about the Demised Premises which occurs during the term

of this Lease and not arising from the gross negligence or willful misconduct of the LESSOR or its agents, employees or representatives.

8.3. LESSEE shall apply for and cause to be issued a public liability insurance policy in the name of the LESSEE with the LESSOR named as an additional party insured. Such insurance policy shall be issued by a reputable insurance company licensed to do business in the State of Rhode, and shall be in the sum of not less than \$500,000.00 in the case of damage or injury to any one person, not less than \$500,000.00 for any one accident and \$100,000.00 with respect to damage to property, such policy or policies insuring both the LESSEE and LESSOR from liability imposed by law upon the LESSOR or LESSEE, or both, for any damages suffered by any person or persons for injuries to their person or persons or property in and about the Demised Premises.

8.4. Certificates evidencing the existence of such insurance coverage shall be delivered to the LESSOR upon request prior to the Commencement Date and thereafter at least thirty (30) days prior to the expiration of any existing policy. Such policies shall provide that the LESSOR shall receive thirty (30) days notice of any material change or cancellation thereof.

8.5. In the event of any damage or destruction of the Demises Premises resulting from a cause of casualty covered by insurance as herein before provided, the LESSEE shall promptly notify the LESSOR and the insurer and within sixty (60) days file proof of the loss with the insurer and proceed with the collection of the claim without delay.

8.6. LESSEE shall be responsible only of the Demised Premises and shall not be liable for any injury caused at the Skating Facility.

9. REPAIR, ALTERATIONS OF IMPROVEMENTS:

9.1. The LESSEE accepts the Demised Premises in their present condition, and it is further understood and agreed that it shall be the sole duty of the LESSEE, at the LESSEE'S own sole cost and expense, to make any and all repairs, renovations, modifications, alterations, improvements or additions required to be made in the Demised Premises, which alterations shall, upon termination or expiration of this Lease, become the property of the LESSOR.

9.2. LESSEE shall notify and obtain written consent from the LESSOR before it makes any improvements or alterations in or to the Demised Premises.

9.3. LESSEE shall promptly pay all amounts owing to its contractors and materialmen, so as to avoid the possibility of a lien attaching to the Demised Premises, and should any such lien be made or filed, the LESSEE shall bond

against or discharge the same within thirty (30) days after written notice by the LESSOR.

In the event that LESSEE does not bond against or discharge any lien filed against the Demised Premises by contractors or materialmen supplying labor or materials to the Demised Premises on behalf of LESSEE, LESSEE shall reimburse the LESSOR for reasonable attorneys' fees incurred in defense of proceedings to enforce or foreclose such lien(s).

9.4. LESSEE shall at its sole expense, to keep the interior of the Demised Premises clean, neat and in good order, repair and condition and to keep all refuse, rubbish and debris in covered containers.

9.5. LESSEE shall not injure, overload, deface or otherwise harm the Demised Premises or commit any nuisance thereon.

9.6. LESSEE hereby waives any rights to make repairs at the expense of LESSOR which it may have under any present or future laws, ordinances, orders, rules and regulations of all federal, state and municipal governments.

10. TRANSFER AND ASSIGNMENT.

LESSEE shall not assign nor in any manner transfer this Lease or any estate or interest therein, nor permit any transfer thereof by operation of law, nor permit any use or occupancy of the Demised Premises other than by LESSEE, nor transfer the Demised Premises or any part thereof, nor grant any license, concession or other right of occupancy of any portion of the Demised Premises. However, the LESSOR in its sole discretion may agree to an assignment or transfer of lease by the LESSEE. Such agreement must be in writing. No assignment or transfer of the whole or any part of the Demised Premises nor the permitting of other use or occupancy of the same shall in any way affect or reduce LESSEE'S obligations under this Lease.

11. INTEREST OF PUBLIC OFFICIAL:

No member of the City Council of the City of Providence or any other public official or employee of Providence who exercises any functions or responsibilities in the review or approval of the carrying out of this Lease to have any financial interest, direct or indirect, in the Lease. LESSEE further covenants that none of the above mentioned persons shall be employed by the LESSEE during the Term.

12. TAXES:

LESSEE represents that all real estate and personal property taxes assessed by the City of Providence against LESSEE are current as of the date of the

execution of this Lease and that as a condition to this Lease LESSEE shall remain current in the payment of all taxes assessed against said real and personal property, provided that LESSEE shall be entitled to contest, by all lawful means, the imposition or amount of such taxes. The failure to be current or remain current in the payment of real estate and personal property taxes owed to the City of Providence shall constitute a breach of this Lease.

13. NOTICES:

13.1. All notices to the LESSEE shall be sent by registered or certified mail, hand delivery or overnight courier addressed to the LESSEE at its business offices at 23 Kenney Drive, Cranston, Rhode Island 02920, Attention: Lisa Churchville, General Manager, with a copy to National Broadcasting Company, Inc., 30 Rockefeller Plaza, New York, New York, 10112, Attention: Senior Vice President, Law Department or at such other address as the LESSEE shall designate in writing to LESSOR.

13.2. All notices to LESSOR shall be sent by registered or certified mail, hand delivery or overnight courier addressed to the LESSOR at the Office of the Superintendent of Parks, Roger Williams Park, Dalrymple Boathouse, Providence, Rhode Island 02907, a copy to the Providence Law Department, 100 Fountain Street, Providence, Rhode Island 02903, Attention: City Solicitor.

13.3. Notwithstanding any provisions in this Lease to the contrary concerning modifications, a change in address may be effected by a registered or certified letter hand delivery, or overnight courier sent by either party to the other.

14. MISCELLANEOUS:

14.1. If LESSEE shall hold possession of the Demised Premises beyond the term specified herein, LESSEE shall pay to LESSOR, for each month or portion thereof as LESSEE shall retain possession 150% of the rent and other charges specified herein, and shall be liable to the LESSOR for any and all lost rent and other damages sustained by LESSOR by virtue of such continued occupancy after the 1st month of such occupancy. In the absence of any express written agreement between LESSOR and LESSEE, no act or failure to act by LESSOR shall be deemed an acceptance of LESSEE'S occupancy for any fixed term (beyond the Term fixed herein) in excess of one (1) month. Nothing herein shall preclude LESSOR from the exercise of any right of re-entry or other remedy under this Lease or under law.

14.2. It is understood and agreed by the parties hereto that this Lease does not create a fiduciary relationship between them, that LESSEE shall be an

independent contractor, and that nothing in this Lease is intended to constitute either party or agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purposes whatsoever, and neither shall have power to bind or obligate the other except as set forth herein.

14.3. All reference herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural where applicable.

14.4. This Lease may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, by such counterparts together shall constitute but one and the same Lease.

14.5. The captions appearing in this Lease are inserted only as a matter of convenience and for reference, and in no way define, limit or construe or describe the scope or intent of any provisions of this Lease nor in any way affect this Lease.

14.6. The terms, covenants and conditions contained in this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns and any person or persons, natural or corporate, claiming through or under them, or any of them; provided, however, that as used herein "LESSOR" shall mean the owner for the time being of the LESSOR'S estate in the Demised Premises. If such estate and property is sold or transferred, the seller or transferor shall thereupon be relieved of all obligations and liabilities thereafter arising or occurring under this Lease, and the purchaser or transferee shall thereupon be deemed to have assumed and agreed to perform and observe all obligations and liabilities thereafter arising or occurring under this Lease, or based upon occurrences or situations thereafter arising or occurring.

14.7. No acceptance by LESSOR of a lesser sum than the stipulated rent provided for herein or any other charge then due shall be deemed to be other than on account of the earliest installment of such rent or charge due, nor to the extent permitted by law shall any endorsement or statement on any check or letter accompanying any check or other payment be deemed an accord and satisfaction and LESSOR may accept such check or payment without prejudice to LESSOR'S right to recover the balance of such rent or charge or pursue any other remedy provided in this Lease.

14.8. If the whole of the Demised Premises shall be taken for any public or quasi-public use under any statute or by right of eminent domain then this Lease shall automatically terminate as of the date that possession is taken, neither party hereto incurring any liability to the other therefor and LESSEE shall not be entitled

to any monies for any portion of the Lease Term which would exist but for the condemnation of the Demised Premises.

14.9 LESSEE shall be entitled to any portion of the award constituting compensation for LESSEE'S improvements or any of LESSEE'S equipment or personal property. The failure of the LESSOR to insist in any one or more instance upon the strict and literal performance of any of the covenants, terms or conditions of this Lease, or to exercise any option or election of the LESSOR herein contained shall not be construed as a waiver or a relinquishment in the future to enforce such covenant, term, condition, option or election, but the same shall continue and remain in full force and effect. The receipt by the LESSOR of rent with knowledge of the breach of any covenant, term or condition hereof by LESSEE shall not be deemed to be a waiver of such breach and no waiver by the LESSOR of any covenant, term or condition or other provision of this Lease or the breach thereof shall be deemed to have been made by the LESSOR, unless in writing signed by or on behalf of LESSOR.

14.10. RESERVED.

14.11. In the event any provision or clause of this Lease is declared invalid by act of any public authority or in the course of judicial or arbitration proceedings, such invalidity shall not affect the continuing validity of the remaining clauses and paragraphs hereof.

14.12. WRITTEN NOTIFICATIONS:

No modifications of any provision of this Lease shall be of any force and effect unless in writing and signed by the parties hereto.

14.13. GOVERNING LAW.

This Lease shall be governed by and construed in accordance with the laws of the State of Rhode Island.

15. COVENANT OF QUIET ENJOYMENT:

15.1. LESSEE, upon the performance of all the terms of this Lease, shall at all times during the Lease Term, unless terminated, canceled or taken pursuant to condemnation proceedings, peaceably and quietly enjoy the Demised Premises without disturbance from LESSOR or from anyone claiming by, through or under the LESSOR.

This Lease is authorized by the BOARD OF PARK COMMISSIONERS.

IN WITNESS WHEREOF, the CITY OF PROVIDENCE has caused these presents to be executed in duplicate by VINCENT A CIANCI, JR., its MAYOR, duly authorized , by City Council Resolution, No. _____ approved _____ and has caused it corporate seal to be hereunto affixed by _____ day and year first above written.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

CITY OF PROVIDENCE

WITNESS

BY _____
(MAYOR)

OUTLET BROADCASTING, INC.
AS LESSEE OF WJAR-TV

By: _____
Name:
Title:

CORRECT IN FORM AND SATISFACTORY TO ME.

CITY SOLICITOR

PROMOTION AGREEMENT

AGREEMENT made this _____ day of November, 1998 by and between OUTLET BROADCASTING, INC. (hereinafter referred to as "Outlet"), AS LICENSEE OF WJAR-TV (hereinafter referred to as "Station"), a corporation organized under the laws of the State of Rhode Island having an address at 23 Kenney Drive, Cranston, Rhode Island 02920 and the CITY OF PROVIDENCE, by and through its Board of Park Commissioners (hereinafter referred to as "City"), a municipal corporation created by the General Assembly of the State of Rhode Island having an address at Dalrymple Boathouse, Roger Williams Park, Providence, Rhode Island.

WHEREAS, By Lease Agreement dated concurrently herewith (hereinafter referred to as "Lease Agreement") the City is licensing to Outlet the use of a certain building located in Biltmore Park adjacent to the Fleet Skating Center (hereinafter referred to as "Skating Facility"); and

WHEREAS, in consideration for the City's leasing said premises to Outlet, the City has requested, and Outlet has agreed to provide, certain promotional and marketing services with respect to the Skating Facility;

NOW THEREFORE, in consideration of the mutual promises and conditions set forth herein, the parties hereto hereby agree as follows:

1. Grand Opening Promotion.

(a) During the ten (10) day period immediately prior to the Grand Opening of the Skating Center, Station shall create and air :04 Countdown Promotional Identifications no fewer than three (3) times each day at such times as mutually agreed upon by the parties.

(b) During the one-week period immediately prior to the Grand Opening of the Skating Facility (the Grand Opening Week), Station shall create and air a :30 promotional spot to promote the Grand Opening activities taking place at the Skating Facility on the initial opening week-end, which spot shall air at least thirty (30) times during such Grand Opening Week at such times as mutually agreed upon by the parties.

2. Celebrity Skating Clinics. Each year, Station shall create and air a promotional spot, no longer than :30 in duration, promoting Celebrity Skating

Clinics. Such spot shall be aired on Station at such times as mutually agreed upon by the parties, approximately thirty-five (35) times, with an approximate value of \$17,500 during a two-week period to be mutually determined by the Skating Facility and Station. Such spot shall consist of promotion of a mail-in contest for viewers to have the opportunity to participate in free skating clinics with celebrity skaters, subject to such contest rules as may be mutually determined by the Skating Facility and Station. Subject to such rules, it is intended that there will be ten (10) winners chosen from all of the eligible entries submitted and that the Skating Facility will have access to the data contained in all entries that are submitted.

3. Thanksgiving Promotion. Each year Station shall include in connection with Station's "A 10 Thanksgiving" food drive a random drawing for a total of ten (10) viewers to be chosen to have milk and cookies with Santa Claus at the Skating Facility on a particular day to be jointly designated by Station and the Skating Facility. Such drawing shall be conducted under such rules as Station shall determine.

4. Tree Lighting. Each year, Station shall include promotion of the tree lighting scheduled to take place at the Skating Facility in promotional spots created and aired in connection with Station "10 Ways to Celebrate the Holidays" campaign, which promotional spot shall air for no less than fifteen (15) times during a one (1) week period at such times as agreed upon by the parties.

5. General Promotion. Station shall provide not less than one (1) promotion (hereinafter referred to as "General Promotion") for the Skating Facility during each calendar quarter during the term of the Lease Agreement. Each General Promotion shall have a duration of not less than two (2) weeks and shall have a minimum value of approximately \$20,000. General Promotions may consist of sponsorships, production of promotional spots and air time on Station in any daypart. This minimum amount of General Promotion does not limit the arrangement to four (4) promotions per year.

6. Weather Reports and Sports. During the term of the Lease Agreement, Station shall broadcast from the Skating Facility at least once a week weather statistics and sport segments during Station's local news programs and shall identify the Skating Facility as the location of Station's weather instruments for such information pursuant to Section 8 of this agreement.

7. Other Promotions. City reserves the right to permit news coverage and special events at the Skating Facility even if promotional arrangements have been

made with other media outlets separate and apart from this Agreement. In the event such an event is scheduled at the rink, Licensee is under no obligation to promote the event under the terms of this agreement which is being promoted by another media outlet.

8. Identification. City shall determine the language by which the Skating Facility is identified and inform Station and/or Outlet of same prior to November 17, 1998 and shall update Station and/or Outlet if and when appropriate.

9. Approval. City reserves the right to review and approve any and all promotions prior to airing.

10. Termination. The term of this Agreement shall be for five (5) years and run co-terminus with the Lease Agreement and upon termination of the Lease Agreement for any reason whatsoever, any and all of Stations and Outlets obligations under this Agreement shall immediately terminate. If the Station and/or Outlet default under the Lease Agreement, this Agreement is automatically terminated. If the Station and/or Outlet fail to perform the promotions described in this Agreement, City may terminate this Agreement and the Lease Agreement.

11. Notices. All notices required or desired to be given under this Agreement shall be in writing and sent by certified mail, return receipt requested, national overnight courier service, by personal delivery or by facsimile, with confirmation of receipt, to the parties at the addresses noted below or such other address as such party may notify the other party in accordance with the terms hereof:

If to Outlet or Station:

Outlet Broadcasting, Inc.
c/o WJAR-TV
23 Kenney Drive
Cranston, RI 02920

Attn: _____
Fax: _____

If to City:

City of Providence
Superintendent of Parks
Roger Williams Park
Dalrymple Boathouse
Providence, RI 02905

Attn: _____
Fax: _____

Copy to: Law Department
100 Fountain Street
Providence, RI 02903
Attn: City Solicitor
Fax: (401) 351-7596

12. General Terms and Conditions. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and may not be amended or modified, except in a writing signed by both parties. This agreement shall be governed by and construed in accordance with the Laws of the State of Rhode Island, without giving effect to conflict of laws principles thereof. A condition of this Agreement is that the Station currently has a local television broadcasting share of forty-nine (49%) percent. In the event this market share changes substantially, the City reserves the right to terminate this Agreement, and to either terminate the Lease Agreement or to renegotiate the fee.

13. Written modifications. No modifications of any provision of this Agreement shall be of any force or effect unless in writing and signed by the parties hereto.

14. Assignment. Station and/or Outlet shall not assign nor in any manner transfer this Agreement or any interest therein, nor permit any transfer by operation of law. However, City at its sole discretion may agree to an assignment in writing. This agreement shall also not be assigned or transferred to any entity which succeeds to the broadcast license of Licensee.

OUTLET BROADCASTING, INC.
AS LICENSEE OF WJAR-TV

By: _____
Name:
Title:

CITY OF PROVIDENCE

By: _____
Name:
Title:

TERM SHEET -- FLEET SKATING CENTER AGREEMENT

This Agreement (the "Agreement") between Fleet Services Corporation, on its own behalf and on behalf of its banking affiliates ("Fleet") and The City of Providence ("Providence") concerning (i) Fleet's right to choose the name for the new skating rink being constructed in the area of Providence known as Kennedy Plaza ("Rink") and (ii) certain other advertising, promotional and marketing rights of Fleet at the New Rink. This Agreement shall be effective from the date last executed until fifteen (15) years from the date hereof (the "Term").

A. Right to Name the New Rink

Upon receipt of a payment of five hundred thousand dollars (\$500,000) in cash, to be paid as set forth below, Fleet shall have the right to choose the name for the Rink (the "Rink Name"). The Rink Name will be: *Fleet Skating Center*.

Fleet shall also have the right to choose a logo (the "Rink Logo") for the Rink from a series of possible logos developed by Fleet at its own expense that are mutually acceptable to Fleet and Providence. Fleet may choose whether to incorporate the Rink Name in the Rink Logo. The Rink Name and Rink Logo shall be the only name and logo to appear in the following places during the Term:

1. the building signs containing the name of the Rink appearing, whether outside or inside the Rink; provided, however, the pavilion may be named and the City of Providence may put its name on the building. In addition, a donor's plaque and commemorative signs may be placed on the buildings;
2. the principal marquee of the Rink;

3. all Providence-initiated communications, including press releases and advertising, regarding the Rink, provided, however, that Providence may also use its own name and logo on any such communication; and
4. all tickets issued by the Rink, uniforms of Rink employees, and cups and napkins provided at concession areas by any concessionaire at the Rink and other items produced by or on behalf of the Rink that would customarily contain the name of the Rink; provided, however, that the tickets and uniforms shall not contain any name or logo other than the Rink Name and Rink Logo and if the cups, napkins and other items contain a name or logo other than the Rink Name or Rink Logo, that the Rink Name and Rink Logo shall be of equal or greater size than such other name or logo, provided, however, concessionaire is allowed to utilize donated cups and napkins without the logo as long as it is a non-competitor of Fleet.

The foregoing rights of Fleet to choose the Rink Name and Logo are hereinafter referred to as the "Naming Rights."

Providence shall also have the right to use the Rink Name and Rink Logo, provided, however, that Providence shall not use the Rink Name or Rink Logo in any manner which would be detrimental to the rights of Fleet under this Agreement.

B. Fleet Logo

The Rink Logo shall be prominently displayed with respect to the Rink in the following locations:

1. at the primary entrances and exits to the Rink;
2. in all skate-changing rooms and areas;
3. imbedded in the ice at center ice during the ice-skating season, which shall be the only logo so displayed other than the City of Providence; and
4. Fleet shall be responsible for all costs and expenses of design as to its exercise of the Naming Rights.

C. Advertising

Fleet shall have exclusive advertising rights, the Financial Services Provider category during the term of the Naming Rights Agreement. For purposes of this Agreement, the Financial Services Provider category shall mean any state or federally chartered financial institution or credit union wherever located or any affiliated company thereof engaged in the provision of financial services.

The Naming Rights described herein cannot be assigned by Fleet, except that Fleet may assign such Naming Rights in connection with a merger of or sale of assets by Fleet Financial Group, Inc. Such assignment shall not release Fleet from its obligations under this Agreement. If the Rink Name contains the term "Fleet," and the assignee does not have "Fleet" in its name, the assignee will have the right to require Providence to change the Rink Name and Logo, provided that all costs and expenses associated with changing the Rink Name and Logo on building signs, the marquee, tickets, uniforms, cups, napkins, letterhead and all other items bearing the Rink Name and Logo will be the sole responsibility of Fleet and its assignee. Any assignee of Fleet shall have no right to assign this Agreement without the prior written consent of Providence.

D. Other Rights

Fleet shall also receive the following benefits during the Term at no additional charge to Fleet:

1. right to sell to Fleet-Rhode Island employees nontransferable, discounted annual passes to the Rink, the amount of such discount to be at least ten (10) percent less than the cost of annual passes that can be purchased by the general public;
2. right to host on an annual basis, (a) one annual "open house" session entitling the general public free admittance to the Rink each year for the first five (5) years of this Agreement, and (b) five (5) private party sessions each year during the

first five (5) years of this Agreement, three (3) private party sessions each year during the second five (5) years of this Agreement, and two (2) private party sessions each year during the last five (5) years of this Agreement, provided that such parties must be held during the week and during normal operating hours and Fleet shall be responsible for all costs associated with such events, including but not limited to, the costs for food and beverages;

3. right to receive and distribute up to one thousand (1,000) complimentary session tickets (including skate rental) each year during the first five (5) years of this Agreement and five hundred (500) complimentary session tickets each year during the second five (5) years of this Agreement for admittance to Rink, such tickets to be distributed solely by Fleet to charitable and other non-profit organizations of its choosing.

E. Payment

In consideration for the grant to Fleet of the rights in the Rink, as described above, Fleet shall pay to Providence the sum of five hundred thousand dollars (\$500,000) no later than thirty (30) days after the execution of this Agreement.

F. Other Provisions

1. During the Term, Providence shall cause the Rink to be operated in a professional manner and shall ensure that the Rink is at all times clean and well-maintained and sufficiently staffed, including but not limited to ensuring that no area of the Rink has peeling paint, graffiti or litter.
2. This Agreement is binding upon Providence, the Rink operator and any subsequent purchaser of the Rink and may not be assigned by Providence or any subsequent owner of the Rink without the prior written consent of Fleet.
3. Providence agrees to indemnify and hold Fleet harmless from and against any and all losses, damages, judgments, awards,

settlements and expenses, including reasonable attorneys' fees, arising from Providence's breach of any provision of this Agreement or any act or failure to act by Providence or the Rink operator except to the extent such losses, damages, expenses and claims resulted from the negligence or willful misconduct of Fleet or its employees or agents. At the request of Fleet from time to time after the assertion of any such claims, Providence shall at its sole expense defend with counsel reasonably acceptable to Fleet all suits or proceedings arising out of the foregoing.

4. Nothing in this Agreement shall be construed as establishing a partnership or joint venture between Providence and Fleet.
5. This Agreement may be terminated upon no less than ninety (90) days' prior written notice only upon the occurrence of a material breach by either party of its obligations hereunder, including but not limited to the failure of Providence to maintain the Rink in a clean and safe manner, provided, however, that no termination notice shall be effective unless the party attempting to terminate the Agreement shall have notified the breaching party of the nature of the breach and afforded the breaching party at least thirty (30) calendar days in which to cure such breach.

If Fleet terminates this Agreement due to the occurrence of a material breach of this Agreement by Providence, Providence shall at its own expense remove the Rink Name and Rink Logo anywhere the Rink Name or Rink Logo is displayed.

6. This Agreement shall be governed by and construed in accordance with the laws of the State of Rhode Island.
7. No modifications of any provision of this Agreement shall be of any force and effect unless in writing and signed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto by their duly authorized representatives have executed this Agreement as of the date first set forth above.

FLEET SERVICES CORPORATION

CITY OF PROVIDENCE

By: _____

By: _____

Name Printed: _____

Name Printed: _____

Title: _____

Title: _____

TERM SHEET -- PEDC LOAN

AMOUNT: \$500,000.00

TERM: 10 years in monthly installments

COLLATERAL: secured by a subordinate position to the Fleet loan;
paid by a 25 cent surcharge on each ticket

PAYMENT AMOUNTS: equal to the amount of the total surcharge
collected at 25 cent per admission to the facility

ESTIMATED ATTENDANCE (for surcharge): 166,000

CLOSING AGENDA**BUSINESS APPLICANT:**

City of Providence
One Dorrance Street
Providence, RI 02903

LOAN AMOUNT:

\$500,000.00 (FIVE HUNDRED THOUSAND DOLLARS)

PRINCIPAL PARTIES:**Lender:**

PROVIDENCE ECONOMIC
DEVELOPMENT CORPORATION
400 Westminster Street
Providence, Rhode Island 02903

Borrower:

City of Providence

PROPERTY SECURED:

A subordinate position mortgage in a good and marketable fee simple interest in the real estate, including all buildings, structures and improvements, located in the City of Providence and identified as the Fleet Center Ice Skating Rink subordinate only to a senior mortgage to Fleet National Bank in an amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000.00); a subordinate position security interest in all assets owned by the Borrower used in connection with, or arising out of the operation of the Fleet Ice Rink, subject only to a senior security interest to Fleet National Bank in an amount not to exceed One Million Five Hundred Thousand Dollars (\$1,800,000.00); a first position security interest in Borrower's right to license "Naming Rights", and all revenue derived therefrom, for the ice skating rink located at Kennedy Plaza, Providence, Rhode Island after the expiration of the initial period of the license to Fleet Bank.

COUNSEL TO LENDER:

Joshua Teverow, Esquire, Ltd.
55 Pine Street
Providence, RI 02903
272-2900

COUNSEL TO BORROWER:

Patricia McLaughlin, Esquire
City of Providence Legal Dept.
100 Fountain Street
Providence, RI 02903
421-7740 ext. 333

DOCUMENTS TO BE PROVIDED BY LENDER OR LENDER'S COUNSEL:

1. Loan Agenda.
2. Loan Agreement.
3. Promissory Note.
4. Security Agreement.
5. Financing Statements.
6. Collateral Assignment of Leases and Security Interest.
7. Pledge of "Naming Rights".
8. Invoice for Lender's Counsel

DOCUMENTS TO BE PROVIDED BY BORROWER OR BORROWER'S COUNSEL:

1. Plans and specifications for project.
2. Evidence of legal existence and proper authority from City Council.
3. Opinion of Borrower's Counsel.
4. Satisfaction of all items listed on Commitment Letter.
5. Payment of Lender's Counsel Fee.
6. Evidence of capital infusion, and completion of financing with Fleet Bank
7. Title Search, legal description, and title insurance for real estate upon which the ice rink is located.

PROMISSORY NOTE

\$500,000.00

Providence, Rhode Island
_____, 1998

FOR VALUE RECEIVED, the City of Providence, a municipality of the State of Rhode Island with a mailing address of One Dorrance Plaza, Providence, Rhode Island (the "Borrower"), promises to pay to the Providence Economic Development (the "Lender"), or to its order, at its offices at 400 Westminster Street, Providence, Rhode Island, or at such other address as the Lender may direct in writing from time to time, the principal sum of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) without interest so long as there is no event of default (as hereinafter defined).

Principal shall be repaid in ONE HUNDRED NINETEEN (119) equal monthly installments commencing on the first day of the first month after full disbursement of the proceeds of this loan, or SIX (6) months from the date of this Note, whichever is sooner, in payments equal to the total ticket sur charge collected by Borrower at .25¢ per paid admission to the ice skating rink located in Kennedy Plaza Providence R.I. as described in Borrower's application, with a final ONE HUNDRED TWENTIETH (120) payment equal to the entire principal balance outstanding at that time, if any.

This promissory note is the Note referred to in the Loan Agreement between Borrower and Lender of even date (the "Loan Agreement"). Reference may be had to the Loan Agreement and all loan documents referred to therein, for information concerning the Security for this Note, additional rights and obligations of the parties, additional items and conditions of default, and for further definition of terms contained in this Note.

Upon the occurrence of the following events of default (each an "Event of Default"):

- (a) Default in any payment due under this Note or any other note from Borrower to Lender for a period of ten (10) days after the same shall become due; or
- (b) Default by Borrower in the performance of any other obligation, condition or warranty contained in the Loan Agreement or in any instrument given as security for this Note which shall continue for thirty (30) days after the Lender has given the Borrower written notice of the same; or
- (c) If the Borrower shall (i) apply or consent to the appointment of a receiver, trustee

or liquidator of its property, (ii) admit in writing its inability to pay its debts as they mature, (iii) make a general assignment for the benefit of creditors, (iv) be adjudicated insolvent or (v) file a petition or an answer in a reorganization or an agreement with creditors or take advantage of any reorganization, arrangement, insolvency or readjustment of debt, law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law; or

(d) An Order, judgment or decree shall be entered, without the application, approval or consent of the Borrower by any court of competent jurisdiction, approving a petition seeking reorganization or approving the appointment of a receiver, trustee or liquidator of the Borrower, of all or a substantial part of its assets, and such order, judgment or decree shall continue unstayed and in effect for a period of ninety (90) days; or

(e) Transfer, sale, partial sale, exchange, refinance, sale under foreclosure, or any other disposition by Borrower of any property, or interest therein, pledged as collateral security for this Note, except in the ordinary course of Borrower's business;

this Note shall, at the option of the Lender, become immediately due and payable without presentment, demand, protest, or notice (other than that set forth above), all of which are hereby expressly waived by the Borrower and each and every person now or hereafter liable, absolutely or contingently, for the payment of the whole or any part of this Note. Failure to exercise said option shall not constitute a waiver of the right to exercise the same at any time for the same or any other cause.

So long as any Event of Default exists, the outstanding balance of this Note shall accrue interest at the legal rate.

The Borrower agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by the Lender in the collection of sums due hereunder.

The rights and obligations of the Borrower and all provisions hereof shall be governed by and construed in accordance with the laws of the State of Rhode Island.

Any and all notices provided for herein shall be dated the date of delivery, in hand, or mailing, if mailed, shall be in writing and delivered in hand or mailed by registered or certified mail, return receipt requested, which shall be addressed to the parties at the following addresses:

- (a) To the Lender at:
111 Westminster Street
Providence, Rhode Island 02903

(b) To the Borrower at:
One Dorrance Plaza
Providence, Rhode Island 02903

or to such other address as may be designated by such parties by a like notice given at least ten (10) days before the effective date of such change of address.

All references to the Lender shall be deemed to apply to any holder of this Note and the terms hereof shall be binding on the successors and assigns of the Borrower.

IN WITNESS WHEREOF, the undersigned has caused this Note to be executed by its duly authorized officer as of the date first written above.

City of Providence

Witness

BY: _____

Printed Name

Title

dpd/icc/note

LOAN AGREEMENT

AGREEMENT made this ____ day of _____, 1998 by and between the following parties:

Lender: PROVIDENCE ECONOMIC
DEVELOPMENT CORPORATION
400 Westminster Street
Providence, RI 02903

Borrower: City of Providence
One Dorrance Plaza
Providence, RI 02903

A. Lender agrees to make a loan to Borrower in the amount of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) (the "Loan") to be repaid by Borrower in accordance with the terms of Lender's Commitment Letter dated November 16, 1998, (the Commitment Letter).

B. Borrower shall execute and deliver, or obtain and deliver, to Lender the following items in form acceptable to Lender:

1. Promissory Note (the "Note").
2. Evidence of legal existence of Borrower and authority for borrowing.
3. UCC-11 search satisfactory to Lender.
4. Security Agreement and UCC-1 Financing Statements.
5. Opinion of Borrower's counsel.
6. Mortgage for real estate being pledged as collateral security.
7. Pledge of "Naming Rights".

C. The proceeds from the Loan shall be used exclusively to finance construction costs associated with the development of the Fleet Ice Skating Rink as described in Borrower's application (the Project).

Borrower agrees to commence the project immediately and to complete the same within six

(6) months of the date hereof.

D. The proceeds from the Loan will be disbursed only if Borrower is, at the time of each disbursement, in full compliance with the following:

1. Borrower is in full compliance with all of the terms and conditions of this Loan Agreement, all of the terms and conditions of the commitment letter issued by Lender dated November 16, 1998, and all of the terms and conditions of the Note of even date and all instruments executed in connection therewith.
2. Borrower has provided Lender with plans and specifications, to the satisfaction of Lender, for machinery and equipment to be acquired, materials to be provided, or work to be performed with proceeds of the Loan.
3. Borrower has provided Lender with a complete list of all suppliers, contractors, or subcontractors who shall be providing machinery, equipment, work, or materials to be paid for with proceeds from the Loan.
4. Borrower has provided Lender with at least two bids, in form acceptable to Lender, for all machinery and equipment to be acquired, materials to be provided, or work to be performed with proceeds of the Loan, and signed contracts, with commencement and completion dates, for all contractors, sub-contractors, or suppliers who have been engaged to provide said machinery, equipment, work, or materials to be paid for with proceeds from the Loan.
5. Borrower has provided Lender with such bills, orders for payment, and receipts signed by both Borrower and the contractor, sub-contractor, or supplier thereof, as Lender may require, to evidence or document said request.
6. Borrower has provided Lender with evidence to establish that at least \$1,500,000.00 has been invested into the Project by Borrower, or any Guarantor, as outlined and described in Borrower's application.
7. Borrower has provided Lender with evidence to establish that Borrower has obtained additional funding from Fleet National Bank in the amount of \$1,770,000.00.
8. To the extent that any proceeds of the Loan are to be used for Borrower's working capital needs, no disbursements will be made unless Borrower provides Lender with satisfactory evidence to establish the need for such disbursement because of temporary cash operating deficiencies, and

reasonable projections, based upon past operations, or Borrower's business plan as set forth in Borrower's application, to establish the continuing economic viability of Borrower's operations.

E. The Borrower agrees to comply with any other loan terms and conditions, eligible activities criteria, or other stipulations as set forth in the revolving loan fund criteria of Lender.

F. Borrower agrees to keep such records as may be required by Lender with respect to The Project financed in whole or in part with the aid of this Loan.

G. Borrower must comply with all Laws, Statutes and Ordinances, including zoning ordinances and the building code of the City of Providence and shall obtain all required permits and licenses.

H. Interest of Members, Officers, or Employees of Grantee, Members of Local Governing Body, or other Public Officials:

1. No member, officer, or employee of the Mayor's Office or the Department of Planning and Development of the City of Providence, and no public official of such locality who exercises any functions or responsibilities with respect to the program during his tenure or for one year thereafter, shall have any interest, direct or indirect, in the Project.
2. The Lender may, after receiving consent and approval from the United States Department of Housing and Urban Development, waive any of the foregoing provisions when the applicant for a loan submits a full disclosure of his interest in the loan in writing to Lender and Lender takes formal action at a regular or special meeting and approves the request for waiver. The applicant, if a member, shall not vote or take part in any proceedings or votes on the request for a waiver.
3. It is agreed by the Borrower and Lender that no member of or Delegate to the Congress of the United States, and no Resident Commissioner, shall be provided any share or part of the proceeds of the loan, or shall be provided any benefit to arise from the same.

1. It is agreed that the Borrower will not pay any bonus, commission, or fee for the purpose of obtaining approval of its application for this Loan or any other approval or concurrence required to complete any work financed in whole or in part with proceeds from this Loan, except for Lender's legal expenses incurred in connection with the documentation and closing of this Loan, and a one percent (1%) origination fee to Lender payable at the time of closing, and such fees and expenses and public offering expenses as Lender may incur in connection with the Contract and the HUD Note.

J. It is agreed that the Borrower shall comply with all provisions contained in City of Providence Ordinance No. 352, Chapter 1985-62 concerning the requirements that Borrower enter into a "First Source Agreement" whereby Borrower agrees to recruit and hire certain of Borrower's employees from a First Source List which is maintained at the City of Providence Department of Planning and Development and associated agencies, and Borrower hereby agrees that this Loan Agreement shall also serve as a First Source Agreement under the said Ordinance. Borrower agrees to review said Ordinance on its own accord, and Borrower warrants that it shall comply with all provisions contained in said Ordinance.

K. Borrower and all Contractors and Subcontractors shall provide equal opportunity without regard to race, color, religion, national origin, sex, age or handicap. All Equal Employment Opportunity (EEO) requirements shall be executed by the Contractor and Subcontractors, where required, and shall be complied with.

L. This Loan is being made upon Borrower's agreement to develop, construct, and continually operate the Ice Skating Rink located in Kennedy Plaza, Providence, Rhode Island. Failure to comply with this requirement, except for seasonal shutdowns of a scheduled and temporary nature, during any period while this Loan is outstanding, shall constitute a default by Borrower of this Agreement and Borrower's promissory note of even date for which Lender will be entitled to declare a default and exercise all remedies contained in said promissory note and any instrument executed in connection therewith.

M. If Borrower has made representations in the loan application pertaining to the creation of permanent employment positions (jobs) in the City of Providence, Borrower shall do so within twenty-four (24) months of the date of this Agreement. At least fifty one percent (51%) of said additional employment positions will be made available to low and moderate income employees as determined by the U.S. Department of Housing and Urban Development Guidelines. The Borrower further agrees to make all employment information available to Lender as needed to monitor for such job compliance.

N. This project is subject to continuing environmental review by the staff of Lender as determined by 24 CFR 58.35 (a)(ii). If this project involves exterior architectural or site improvements, site plans and elevation drawings are subject to design review by the staff of Lender.

O. Borrower and any Contractors and Subcontractors must comply with the U. S. Department of Labor Employment Standards Administration, Title 29, Part 5 of the Code of Federal Regulations (The Davis-Bacon Act) for all wages to be paid for with proceeds from the Loan.

P. To induce the Lender to enter into this Agreement and make the Loan, the Borrower represents and warrants to the Lender (which representations and warranties shall survive the delivery of the Note and the making of the Loan) that:

1. Organization and Qualification. The Borrower (i) is a duly organized public corporation, validly existing and in good standing under the laws of State of

Rhode Island (ii) has the power and authority to own its properties and to carry on business as now being conducted and is qualified to do business in every jurisdiction where such qualification is necessary, except where the failure to so qualify will not have a material, adverse effect on the Borrower. (iii) has the power to execute and deliver this Agreement, to borrow hereunder and to execute and deliver to the Lender the Note, the Security Documents and any other instruments required hereunder.

2. No Conflict. (i) The Borrower has the power and authority taken all necessary action to authorize the borrowings on the terms and conditions of this Agreement and to authorize the execution, delivery and performance of this Agreement, the Note, the Security Documents and any other instruments referred to herein or related to the Loan. (ii) All consents, licenses, approvals or authorizations of, or registrations or declarations with, any governmental authority, bureau or agency which are required in connection with the execution, delivery, performance, validity or enforceability of this Agreement, the Note and any other agreements referred to herein have been duly obtained and are in full force and effect. (iii) The execution, delivery and performance of this Agreement, the Note, the Security Documents and any other agreement referred to herein will not be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under, any provision of any existing law or regulation or of any order or decree of any court or governmental authority, bureau or agency or of the Articles of Incorporation and By-Laws of the Borrower or of any mortgage, indenture, contract or other agreement to which the Borrower is a party or which purports to be binding upon it or upon any of its properties or assets, and will not result in the creation or imposition of any lien, charge or encumbrance on, or security interest in, any of its properties or assets, except in favor of the Lender.
3. Litigation. There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower which, if adversely determined, would have a material adverse effect on the business operations, properties, assets or condition (financial or otherwise) of the Borrower. The Borrower is not in default with respect to any order of any court, arbitrator or governmental body arising out of any action, suit or proceeding under any statute or other law.
4. No Default. The Borrower is not a party to any agreement or instrument or subject to any restriction adversely affecting its business, properties or assets, operations or conditions, financial or otherwise. The Borrower is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or

instrument to which it is a party or by which its assets may be bound, and no default as hereinafter specified has occurred and is continuing hereunder.

5. Properties. The Borrower has good title to, or valid leasehold interests in, all of its properties and assets, real and personal, which have been listed in any schedules of machinery and equipment submitted by Borrower to Lender, or which may be hereafter acquired, free and clear of all mortgages, liens and encumbrances, except for the encumbrances which have been previously disclosed to Lender in the application.
6. No Pending Insolvency. Any funds advanced to the Borrower under this Agreement do not and will not render the Borrower insolvent; the Borrower is not contemplating either the filing of a petition under any state or federal bankruptcy or insolvency laws or the liquidation of all or a major portion of its property and the Borrower has no knowledge of any Person contemplating the filing of any such petition against it, and none of such properties and assets owned by the Borrower is subject to any mortgage, security interest, pledge, lien, charge, encumbrance or title retention or other security agreement or arrangement of any nature whatsoever, except for encumbrances which have been previously disclosed to Lender in the application.
7. Legally Enforceable Agreement. This Agreement, the Note, and any other documents executed by the Borrower in connection with the Loan, or as security for the Loan are the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency and other similar laws affecting creditor's rights generally.

Q. The Borrower covenants and agrees, from the date hereof and until payment in full of the Note of the Borrower to the Lender, whether now existing or arising hereafter, unless the Lender shall otherwise consent in writing, that it will:

1. Maintenance of Properties; Insurance. (i) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its rights, licenses, permits and franchises and comply with all laws and regulations applicable to it; at all times maintain, preserve and protect all franchises and trade names and preserve all the remainder of its property used or useful in the conduct of its business and keep the same in good repair, working order and condition, and from time to time, make, or cause to be made, all needful and proper repairs, renewals, replacements, betterments and improvements thereto, so that the business carried on in connection therewith may be properly and advantageously conducted at all times; and maintain insurance

with companies satisfactory to the Lender insuring its properties in such amounts as the Lender deems proper in accordance with sound business practices and against such risks as are usually insured against in the same general area and by companies engaged in the same or a similar business, including, by way of illustration and not of limitation, fire, extended coverage, personal and property liability and workmen's compensation insurance, and within thirty (30) days after notice from the Lender obtain such additional insurance as the Lender may reasonably request. All such policies of insurance shall require at least twenty (20) days' written cancellation notice to the Lender, shall provide that all loss proceeds shall be payable to the Lender and that the Lender's interest shall be insured regardless of any breach by the Borrower of any warranties, declarations or conditions of such policies. (ii) Comply with all applicable laws and regulations, whether now in effect or hereafter enacted or promulgated by any governmental authority having jurisdiction over the property which has been pledged as security for the Loan.

2. **Payment of Obligations and Taxes.** Pay and discharge or cause to be paid and discharged all of its obligations and liabilities and all taxes, assessments and governmental charges or levies imposed upon it or upon its respective income and profits or upon any of its property, real, personal or mixed, or upon any part thereof, before the same shall become in default, as well as all lawful claims for labor, materials and supplies or otherwise, which, if unpaid, might become a lien or charge upon such properties or any part thereof; provided that the Borrower shall not be required to pay and discharge or cause to be paid and discharged any such tax, assessment, charge, levy or claim so long as the validity thereof shall be contested in good faith by appropriate proceedings and it shall have set aside on its books adequate reserves with respect to any such tax, assessment, charge, levy or claim, so contested; and provided, further, that payment with respect to any such tax, assessment, charge, levy or claim shall be made within ten (10) days after entry of final judgment and before any of its property shall be seized or sold in satisfaction thereof.
3. **Legal Proceedings.** Give prompt written notice to the Lender of any proceedings instituted against it in any Federal or state court or before any commission or other regulatory body, Federal, state or local, which, if adversely determined, would have a material, adverse effect upon its operations, properties, assets, or condition, or otherwise.
4. **Books, Records and Reports.** At all times keep proper books of record and accounts in which full, true and correct entries will be made of its transactions in accordance with GAAP and in a manner satisfactory to the Lender. The Borrower hereby authorizes the Lender to make or cause to be

made, at the Borrower's expense and in such reasonable manner and at such reasonable times as the Lender may require: (i) Inspections and audits of any books, records and papers in custody or control of the Borrower or others, relating to the Borrower's financial or business conditions, including the making of copies and extracts therefrom, and (ii) Inspections and appraisals of any of the Borrower's assets.

5. Additional Instruments. Promptly execute and deliver or cause to be executed and delivered to the Lender all such additional and/or supplemental or other instruments and documents from time to time as the Lender deems necessary or appropriate for the performance of the Borrower's obligations under this Agreement, so long as such additional instruments do not create any additional obligations of the Borrower.

S. It is agreed that, Borrower's failure to comply with any of the requirements and provisions of this Agreement shall constitute a default of the Note, and the monies allocated as the subject matter of this Agreement, shall revert back to Lender, or if dispensed, the Borrower shall become immediately liable for the repayment of said monies to Lender, and shall be in default. Failure by Lender to exercise, at any time, any of its rights hereunder shall not serve as a waiver by Lender of any of said rights.

T. The provisions hereof shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns; PROVIDED HOWEVER, that any assignment of this Agreement by Borrower shall not be of any effect unless the prior written consent of Lender to such assignment has first been procured. The rights of Lender hereunder may be exercised by any subsequent holder of said Note.

U. All obligations of this Agreement shall constitute the joint and several obligations of each of the undersigned, and wherever the singular is used in this Agreement, the same shall include the plural.

V. The Borrower agrees that, for so long as the Loan is outstanding, Borrower will comply with the eligible activities criteria, and all other stipulations set forth in the Revolving Loan Fund Criteria of Lender, and the Federal Rules and Regulations under which the Revolving Loan Fund Criteria have been promulgated. If Borrower should fail to comply with those requirements, or if for any reason the Department of Housing and Urban Development should determine that the Loan is ineligible under those requirements, and requires that the funds for the Loan be repaid, the balance due on the Loan shall become due and payable upon thirty (30) days written notice from Lender.

IN WITNESS WHEREOF this instrument has been executed this _____ day of _____, 1998.

Lender:

PROVIDENCE ECONOMIC
DEVELOPMENT CORPORATION

Witness

By _____

Printed Name

Title

Borrower:
City of Providence

Witness

By _____

Printed Name

Title

dpr/ice/loanagmt

SECURITY AGREEMENT

_____, 1998

City of Providence ("Debtor"), having a principal place of business at One Dorrance Plaza, Providence, Rhode Island for valuable consideration, receipt whereof is hereby acknowledged, hereby grants to **Providence Economic Development Corporation**, having a place of business at 400 Westminister Street, Providence, Rhode Island (the "Secured Party"), a security interest in all of Borrower's assets used in connection with or in any way arising out of the operation of the Fleet Ice Skating Rink located on Kennedy Plaza, Providence, Rhode Island, including, but not limiting the generality thereof, in the following property:

FIRST: THE COLLATERAL

A. Accounts, Instruments and Chattel Paper. All presently existing or hereafter acquired accounts, accounts receivable, chattel paper, notes, leases, drafts, acceptances and writings evidencing a monetary obligation, or a security interest in or a lease of goods, all rights to receive the payment of money or other considerations under present or future contracts or by virtue of merchandise sold or leased, services rendered, advances made or other considerations given, whether or not earned by performance and whether or not evidenced by or set forth in or arising out of any present or future chattel paper, note, draft, lease, acceptance, writing, bond, insurance policy, instrument, document or general intangible, and all extensions and renewals of any thereof, all rights under or arising out of present or future contracts, agreements or general intangibles (as defined in the Uniform Commercial Code as in effect in Rhode Island on the date hereof), including all payments under licensing agreements or arrangements, all right, title and interest in merchandise which gave rise to any or all of the foregoing, including all goods in transit and all returned, unclaimed or repossessed goods, and all claims for tax refunds, all claims or causes of action which Debtor may now or hereafter have whether arising in connection with or under any agreement or document or by operation of law or otherwise, and all present and future indebtedness and obligations of any Affiliate or Subsidiary to Debtor (including but not limited to the Guarantors) and all of Debtor's right, title and interest in and to all assets and properties in which Debtor has been granted a security interest or lien to secure the payment of such indebtedness and obligations (all of the foregoing items and types of property being hereinafter referred to as the "Accounts").

B. Inventory. All inventories of every nature, presently existing or hereafter acquired, wherever located, including all goods intended for sale or lease or to be furnished under contracts of service, all raw materials, working process and finished goods, any and all rejected and/or returned goods and all supplies, materials and products of every nature and description used or usable in

connection with the manufacture, packing, shipping, advertising, selling, leasing or furnishing of such goods (the "Inventory").

C. Equipment. All equipment (including motor vehicles), machinery, chattels, tools, dies, jigs, molds, parts, machine tools, furniture and fixtures, of every nature, presently existing or hereafter acquired, wherever located, and all additions and accessories thereto and substitutions therefor and all parts and equipment which may be attached to or which are necessary to the operation and use of such personal property or fixtures, whether or not the same shall be deemed to be affixed to real property, and all rights under the or arising out of present or future contracts relating to the foregoing (the "Equipment").

D. Documents. All documents, instruments and chattel paper of every nature, whether presently existing or hereafter acquired.

E. General Intangibles. All general intangibles of every nature, excluding accounts receivable, but including, without limitation, licenses (including Liquor Licenses, if any), patents, trademarks, licensing agreements, royalty payments, copyrights, service names, service marks and logos, whether presently existing or hereafter acquired.

F. Records. All books, correspondence, credit files, records and other documents relating to the above described types of property, including, without limitation, all tapes, cards, runs and other papers and documents in the possession or control of Debtor, or any Affiliate or Subsidiary of Debtor or any computer service bureau.

G. Insurance Policies. All rights in, to and under policies of insurance, including claims or rights to payment and proceeds heretofore or hereafter arising therefrom, with respect to the above described types of property, including, without limitation, policies required to be maintained pursuant hereto.

H. Proceeds of Condemnation. All rights in, to and under, and claims or rights to payment and proceeds arising out of, any taking by any public and/or quasi-public governmental authority by way of condemnation and/or any other form of the exercise by such authority of its powers of eminent domain.

I. Deposit Accounts, Etc. All deposits, accounts, certificates of deposit, securities, acceptances, bonds and any evidence thereof and documents relating thereto.

J. Proceeds and Products. All proceeds and all products of all collateral described above.

K. Definitions. All terms used herein are used as defined in the Uniform Commercial Code in effect in Rhode Island. Receivables - now owned or hereafter acquired by Debtor.

SECOND: POSSESSION OF THE COLLATERAL

Until default, Debtor may have possession of the Collateral and use it in any lawful manner not inconsistent with the Loan Agreement or with the terms or conditions of any policy of insurance thereon and may also sell or otherwise dispose of the inventory in the ordinary course of business. A sale in the ordinary course of business does not include a transfer in partial or total satisfaction of a debt.

THIRD: THE OBLIGATIONS

The security interest herein granted is to secure the payment of Debtor's obligations pursuant to a Promissory Note in the amount of \$500,000.00 of even date herewith, and also any and all other indebtedness, liabilities and obligations of Debtor to Secured Party, whether direct or indirect, absolute or contingent, due or to become due, secured or unsecured now existing or hereafter arising.

FOURTH: WARRANTIES AND COVENANTS

Debtor represents, warrants and covenants as follows:

A. That except for a prior existing security interest to Fleet Bank and the security interest granted hereby, Debtor has or in the case of after-acquired Collateral, will have good and marketable title to the Collateral free from any adverse lien, security interest or encumbrance; and that Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein;

B. That all warranties, representations, statements and other information furnished to the Secured Party by or on behalf of the Debtor are or will be when the same are made or furnished accurate and complete in all material respects;

C. That the Collateral is or will be kept and located at Debtor's principal place of business as set forth on page one (1) hereof and/or any other address at which Debtor maintains offices or facilities and Debtor will give Secured Party ten (10) days prior notice in writing of any change in, addition to or discontinuance of any location where the Collateral is kept and that the Debtor will not, except in the ordinary course of business, remove any Collateral from the above locations without the prior written consent of the Secured Party;

D. That if the Collateral or any part thereof is attached to real estate prior to the perfection of the security interest granted hereby, the Debtor will, upon demand of the Secured Party, furnish the Secured Party with a disclaimer or disclaimers satisfactory to the Secured Party and signed by all persons having an interest in such real estate.

E. That no financing statement covering any Collateral or any proceeds thereof is on file in any public office except as disclosed herein and that, at the request of the Secured Party, Debtor will join with Secured Party in executing one or more financing statements pursuant to the Uniform Commercial Code in form satisfactory to Secured Party and will pay the cost of filing the same in all public offices wherever filing is deemed by Secured Party to be necessary or desirable;

F. That Debtor will not sell or offer to sell or otherwise transfer the Collateral or any interest therein other than in the regular course of Debtor's business without the prior written consent of the Secured Party;

G. That the Debtor shall have and maintain insurance at all times with respect to all Collateral against risks of fire and such other risks customarily insured against by companies engaged in similar businesses to that of the Debtor or as otherwise requested by the Secured Party. Such insurance shall be payable to the Secured Party as its interest may appear. The Debtor shall furnish to the Secured Party certificates or other evidence satisfactory to the Secured Party of compliance with these insurance requirements. If any proceeds under any insurance policies are paid to the Secured Party while any obligations are outstanding, the Secured Party may apply such proceeds to the payment of such obligations or release such proceeds to the Debtor for the purpose of replacing the lost, damaged, or destroyed Collateral with respect to which such proceeds were paid. Debtor has the right of free choice in the selection of the agent and insurer through or by which insurance required hereunder is to be placed;

H. That other than the security interest hereby granted, Debtor will keep the Collateral free from any adverse lien, security interest or encumbrance and in good order and repair and will not waste or destroy the Collateral; and that Secured Party may examine and inspect the Collateral at any time wherever located;

I. That Debtor will pay when due all taxes and assessments upon the Collateral or for its use or operation.

FIFTH: TAXES, ASSESSMENTS AND GOVERNMENTAL CHARGES

At its option, Secured Party may discharge taxes, liens or security interest or other encumbrances at any time levied or placed upon the Collateral, may pay for insurance on the Collateral and may pay for the maintenance and preservation of the Collateral. Any payment made or expense incurred by Secured Party pursuant to this provision shall be payable by Debtor on demand and shall be secured by this Security Agreement.

SIXTH: MISCELLANEOUS PROVISIONS

A. The provisions of this Security Agreement may be amended, or compliance with this

Security Agreement waived at any time only by the written agreement of the Secured Party and the Debtor.

B. The Debtor shall do, make, execute and deliver all such additional and further acts, things, deeds, assurances and instruments as the Secured Party may reasonably require for the purpose of more completely vesting in and assuring to the Secured Party its rights hereunder in or to the Collateral.

C. Any notice or demand which by any provision of this Security Agreement is required or provided to be given shall be deemed to have been sufficiently given or served for all purposes by being sent by Certified Mail, Return Receipt Requested, postage prepaid, to the Debtor and/or to the Secured Party at the addresses for each as mentioned above.

D. All rights of the Secured Party hereunder shall inure to the benefit of its successors and assigns and all obligations of the Debtor hereunder shall bind his, their, or its heirs, administrators, executors, successors and assigns.

E. This Security Agreement and all of the rights, remedies and duties of the Secured Party and the Debtor shall be governed by the laws of the State of Rhode Island.

SEVENTH: EVENTS OF DEFAULT

Debtor shall be in default under this Security Agreement upon the happening of any of the following events:

A. Default by Debtor in the payment of any principal or interest due on any Note secured by this Security Agreement for a period of ten (10) days after the same shall become due.

B. Default by Debtor in payment or performance of any obligation, covenant, or agreement contained or referred to herein, or including any Loan Document, any security or other agreement between the parties and said default shall continue for a period of twenty (20) days after written notice thereof by the Secured Party;

C. Breach by Debtor of any representation or warranty contained herein or in any other security agreement between the parties or in any note secured hereby or thereby and said breach shall continue for a period of thirty (30) days after written notice thereof by the Secured Party;

D. The acceleration of the maturity of any indebtedness of Debtor to others under any indenture, agreement or undertaking, and Debtor's inability to make payment or performance thereof when due;

E. Substantial loss, theft, damage, destruction or encumbrance of any of the Collateral

and Debtor's failure to replace the same with substituted property or collateral acceptable to the secured party within thirty days of said loss or encumbrance;

F. The Debtor becomes insolvent; or is unable to pay its debts as they mature, or discontinues business operations; or commits an act of bankruptcy or makes an assignment for creditors; or files a petition under any of the bankruptcy laws; or becomes adjudicated a bankrupt; or petitions or applies to any tribunal for any receiver or trustee for the Debtor or any substantial part of its property; or commences any insolvency or other proceeding for the relief of debtors, either under any law now or hereafter in force or otherwise, and whether by arrangement, reorganization, compromise, extension or otherwise or for dissolution or liquidation; or if a material adverse change occurs to Debtor that leads the Secured Party reasonably to determine that its Collateral or Debtor's ability to perform may be jeopardized. In the event that any of said proceedings are involuntary, Debtor shall be permitted a period of sixty (60) days to favorably resolve or dismiss the same.

EIGHTH: REMEDIES

If any of the events of default specified herein shall occur, then in such event and at any time thereafter Secured Party may declare all obligations secured hereby to be immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived. The Secured Party in addition to such other rights and remedies as are or may be set forth in this Security Agreement and in any other agreement between the parties or any note secured hereby or thereby may exercise and shall have the rights and remedies of a Secured Party under the Uniform Commercial Code in effect in Rhode Island at the date of this Security Agreement. Secured Party may require Debtor to assemble the Collateral and make it available to the Secured Party at a place to be designated by the Secured Party which is reasonably convenient to both parties. Unless The Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give Debtor reasonable notice of time and place of any public sale thereof or the time after which any private sale or any other intended disposition thereof is to be made. The requirement of reasonable notice shall be met if notice is mailed, postage prepaid, to Debtor at its above mentioned address, at least ten (10) days before the time of sale or disposition of the Collateral. Debtor shall pay to Secured Party, on demand, any and all expenses, including all reasonable attorney's fees, legal expenses, incurred or paid by Secured Party in protecting or enforcing its rights, powers and remedies hereunder or under any other agreement between the parties or any note secured hereby or thereby or in any way connected with any proceeding or action by whomsoever initiated concerning the protection or enforcement thereof. In the event that any portion of the Collateral consists of a Liquor License issued by the City of Providence or any other licensing authority, Borrower appoints Lender, its Officers and Employees to act on Borrower's behalf with full Power of Attorney and take all steps necessary to effectuate a transfer of said Liquor License, in the event of Borrower's default, to Lender or Lender's nominee or the No delay in taking any action with respect to any event of default shall effect the rights of the Secured Party later to take such action with respect thereto and no waiver by Secured Party of any default shall operate as a waiver of any other default, or the same default on a future occasion.

Executed and delivered as of the date first above written.

Debtor:
City of Providence

Witness

By: _____

Printed Name

Title

3. If the space provided for any item(s) on the form is inadequate the item(s) should be continued on additional sheets, preferably 5"x8" or 8"x10". Only one copy of such additional sheets need be presented to the filing officer with a set of three copies of Form UCC-1. Long schedule of collateral, indentures, etc. may be on any size paper that is convenient for the secured party.
4. If collateral is crops or goods which are to become fixtures, describe generally the real estate and give name of record owner.

This FINANCING STATEMENT is presented to THE SECRETARY OF STATE for filing pursuant to the Uniform Commercial Code.

1. Debtor(s) (Last Name First) and address(es)

City of Providence
One Dorrance Plaza
Providence, RI 02903

2. Secured Party(ies) and address(es)

Providence Economic
Development Corporation
400 Westminster Street
Providence, RI 02903

3. This financing statement covers the following types (or items) of property:

A security interest in all of the Debtor's assets used in connection with or in any way arising out of the operation of the ice skating rink located at Kennedy Plaza, Providence, Rhode Island, including, without limiting the generality thereof, the designated property and any and all substitutions thereof, as more particularly set forth and described in Exhibit A, attached hereto.

FOR FILING OFFICER USE

Check (X) if covered

☐

Proceeds of Collateral are also covered

☐

Products of Collateral are also covered

Filed with: RI Secretary of State

City of Providence

Providence Economic Development Corporation

By: _____

Signature(s) of Debtor(s)

(1) Filing Officer Copy — Alphabetical

Standard Form — Uniform Commercial Code — Form UCC1

By: _____

Signature(s) of Secured Party(ies)

EXHIBIT "A"

A. Accounts, Instruments and Chattel Paper. All presently existing or hereafter acquired accounts, accounts receivable, chattel paper, notes, leases, drafts, acceptances and writings evidencing a monetary obligation, or a security interest in or a lease of goods, all rights to receive the payment of money or other considerations under present or future contracts or by virtue of merchandise sold or leased, services rendered, advances made or other considerations given, whether or not earned by performance and whether or not evidence by or set forth in or arising out of any present or future chattel paper, note, draft, lease, acceptance, writing, bond, insurance policy, instrument, document or general intangible, and all extensions and renewals of any thereof, all rights under or arising out of present or future contracts, agreements or general intangibles (as defined in the Uniform Commercial Code as in effect in Rhode Island on the date hereof), including all payments under licensing agreements or arrangements, all right, title and interest in merchandise which gave rise to any or all of the foregoing, including all goods in transit and all returned, unclaimed or repossessed goods, and all claims for tax refunds, all claims or causes of action which Debtors may now or hereafter have whether arising in connection with or under any agreement or document or by operation of law or otherwise, and all present and future indebtedness and obligations of any Affiliate or Subsidiary to them (including but not limited to the Guarantors) and all of their right, title and interest in and to all assets and properties in which they have been granted a security interest or lien to secure the payment of such indebtedness and obligations (all of the foregoing items and types of property being hereinafter referred to as the "Accounts").

B. Inventory. All inventories of every nature, presently existing or hereafter acquired, wherever located, including all goods intended for sale or lease or to be furnished under contracts of service, all raw materials, working process and finished goods, any and all rejected and/or returned goods and all supplies, materials and products of every nature and description used or usable in connection with the manufacture, packing, shipping, advertising, selling, leasing or furnishing of such goods (the "Inventory").

C. Equipment. All equipment (including motor vehicles), machinery, chattels, tools, dies, jigs, molds, parts, machine tools, furniture and fixtures, of every nature, presently existing or hereafter acquired, wherever located, and all additions and accessories thereto and substitutions therefor and all parts and equipment which may be attached to or which are necessary to the operation and use of such personal property or fixtures, whether or not the same shall be deemed to be affixed to real property, and all rights under the or arising out of present or future contracts relating to the foregoing (the "Equipment").

D. Documents. All documents, instruments and chattel paper of every nature, whether presently existing or hereafter acquired.

E. General Intangibles. All general intangibles of every nature, excluding accounts receivable, but including, without limitation, licenses (including Liquor Licenses, if any), patents,

trademarks, licensing agreements, royalty payments, copyrights, service names, servicemarks and logos, whether presently existing or hereafter acquired.

F. Records. All books, correspondence, credit files, records and other documents relating to the above described types of property, including, without limitation, all tapes, cards, runs and other papers and documents in the possession or control of Debtors, or any Affiliate or Subsidiary of either of them or any computer service bureau.

G. Insurance Policies. All rights in, to and under policies of insurance, including claims or rights to payment and proceeds heretofore or hereafter arising therefrom, with respect to the above described types of property, including, without limitation, policies required to be maintained .

H. Proceeds of Condemnation. All rights in, to and under, and claims or rights to payment and proceeds arising out of, any taking by any public and/or quasi-public governmental authority by way of condemnation and/or any other form of the exercise by such authority of its powers of eminent domain.

I. Deposit Accounts, Etc. All deposits, accounts, certificates of deposit, securities, acceptances, bonds and any evidence thereof and documents relating thereto.

J. Proceeds and Products. All proceeds and all products of all collateral described above.

K. Definitions. All terms used herein are used as defined in the Uniform Commercial Code. Receivables - now owned or hereafter acquired by Debtor.

pedc/ice/secagmt

MORTGAGE DEED

WHEREAS, City of Providence with a mailing address of One Dorrance Plaza, Providence, Rhode Island (hereinafter called "Mortgagor") is indebted to the Providence Economic Development Corporation with offices located at 400 Westminster Street, Providence, Rhode Island (hereinafter called "Mortgagee") in the amount of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00), together with interest thereon, as evidenced by a Promissory Note of even date herewith payable to Mortgagee or order; and in consideration of said obligation and other good and valuable consideration, receipt whereof from Mortgagee is hereby acknowledged, Mortgagor does hereby grant, bargain, sell, convey, assign, and release unto Mortgagee, its successors and assigns, forever the following described real property:

I. Land:

The land with improvements located thereon situated on the in the City of Providence, Rhode Island, as more particularly described in Exhibit A attached hereto (the "Land").

II. IMPROVEMENTS:

All buildings and improvements now or hereafter located on the or added thereto, together with all fixtures now or hereafter owned by Mortgagor or in which Mortgagor has an interest, and placed in or upon the Land or the buildings and improvements thereon, (all hereinafter collectively referred to as the "Improvements").

III. EASEMENTS:

All easements, bridges, rights of way, licenses, privileges, hereditaments and appurtenances belonging to or inuring to the benefit of the Land and Improvements; and all right, title and interest of Mortgagor in and to the land lying within any street or roadway adjoining the Land; and all right, title and interest of Mortgagor in and to any vacated or hereafter vacated streets or roads adjoining the Land.

IV. PERSONAL PROPERTY:

All fixtures, machinery, equipment and other personal property of every kind, description and nature whatsoever, now or hereafter located in or upon, affixed to the above-described Land or Improvements, or any part thereof, or now or hereafter used or to be used in connection with any present or future operation of the Land or Improvements, and now

owned or hereafter acquired by Mortgagor, including, without in any way limiting the generality of the foregoing: any and all (i) heating, lighting, incinerating, refrigerating, ventilating, air conditioning, air cooling, lifting, fire extinguishing, plumbing, cleaning, communications, and power equipment and apparatus; (ii) gas, water, and electrical equipment; (iii) elevators, escalators, switchboards, engines, motors, tanks, pumps, partitions, conduits, ducts, and compressors; and (iv) electrical and/or gas appliances, incinerators, carpeting, furniture, draperies, storm windows and doors, and screens and awnings; together with any renewals, replacements or additions thereto or substitutions therefor; (all hereafter collectively referred to as the "Personal Property"); it being understood and agreed that all the Personal Property is a part of and are declared to be a portion of the security for the indebtedness hereby secured, whether physically attached to the Improvements or not.

All of which Land, Improvements, and other property hereby granted, sold and conveyed, or intended so to be, are hereinafter collectively referred to as the "Mortgaged Property";

TOGETHER WITH:

(a) Proceeds for Damage to the Mortgaged Property:

All proceeds paid for any damage or loss to the Mortgaged Property or any part thereof and all awards, including interest, in connection with any condemnation or other taking of the Mortgaged Property, or any part thereof, or for conveyance in lieu thereof, all in accordance with the terms and conditions hereinafter set forth, (all hereinafter collectively referred to as the "Proceeds").

(b) Issues and Profits:

All of the issues, benefits, and profits of the Mortgaged Property.

(c) Leases:

A security interest in and assignment of all of the right, titles, and interest of Mortgagor, in and to all leases, subleases, occupancy agreements, licenses, concession agreements and all other agreements or tenancies, however denominated, whether written or oral, now or hereafter existing with respect to any portion or portions of the Mortgaged Property together with any amendments, renewals, or extensions thereof and all leases, subleases and tenancies in substitution therefor (all of which are hereinafter collectively referred to as the "Leases").

(d) Rents:

All rents and other payments of every kind due or payable and to become due or payable to Mortgagor by virtue of the Leases, or otherwise due or payable and to become due or payable to Mortgagor as the result of any use, possession or occupancy of any portion or portions of the Mortgaged Property (all of which are hereinafter referred collectively referred to as the "Rents");

(e) Records:

A security interest in and to all of the records and books of account now or hereafter maintained by Mortgagor in connection with the operation of the Mortgaged Property.

(f) Name and Goodwill:

The right, in event of foreclosure hereunder of the Mortgaged Property, to take and use any name under which the Mortgaged Property may at any time be operated, alone or in any variation thereof or in combination with other words and the goodwill of Mortgagor used in connection therewith.

SUBJECT, HOWEVER, to those certain liens, encumbrances and other matters set forth in Exhibit "B" attached hereto and made a part hereof. In the event that this mortgage is subject and subordinate to any prior mortgages of record, all obligations of Mortgagor and rights of Mortgagee contained herein, shall be subject to the rights and obligations contained therein.

TO HAVE AND TO HOLD the Mortgaged Property, together with all the foregoing appurtenances, unto and to the use of Mortgagee and its successors and assigns forever.

This conveyance is made to secure:

(i) Payment of the indebtedness of Mortgagor to Mortgagee evidenced by said Mortgagor's Promissory Note to Borrower of even date herewith in the principal sum of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) together with interest on said indebtedness at the rate specified in said Promissory Note, or any other Promissory Note made and delivered by Mortgagor to Mortgagee in substitution, extension or replacement therefor, whether of the same amount or otherwise, which Mortgage Note and any substitute extension or replacement note shall be hereinafter referred to as the "Note";

(ii) Payment by Mortgagor to Mortgagee of all sums expended or advanced by Mortgagee pursuant to any term or provision of this Mortgage;

(iii) Performance and observance by Mortgagor of each and every covenant, condition and obligation contained in the Guaranty, the Note, this mortgage, or any other document, instrument or agreement given by Mortgagor as additional security for the indebtedness hereby secured, or otherwise executed in connection therewith.

Mortgagor hereby covenants with Mortgagee that Mortgagor is the true, sole and lawful owner of the Mortgaged Property, has lawful authority to grant, bargain, sell and convey the same in the manner aforesaid; that Mortgagee shall at all times hereafter, by virtue

of these presents, lawfully, peaceably and quietly have and enjoy the Mortgaged Property; that the Mortgaged Property is free from all encumbrances, except as may be set forth in said Exhibit "B" and that Mortgagor will warrant and defend the Mortgaged Property to Mortgagee forever against the lawful claims or demands of all persons whatsoever, except the holders of the encumbrances set forth in said Exhibit "B".

PROVIDED, NEVERTHELESS, and this conveyance is made upon the express condition, that if Mortgagor and/or Borrower (i) shall pay to Mortgagee the principal balance under the Note, together with interest at the rate in the manner and at the time or times specified in the Note, (ii) shall pay, perform and observe all other covenants, agreements and conditions contained or referred to herein, in the Note, and/or in the Security Instruments, all on the part of Mortgagor to be paid, performed and/or observed; (iii) shall also pay all taxes and assessments of every kind levied or assessed upon or in respect of the Mortgaged Property, and (iv) shall also pay any other indebtedness now or hereafter owing by Mortgagor to Mortgagee, whether on open account or represented or evidenced by check, Promissory Note or otherwise, and whether as principal obligor or a surety, endorser, guarantor, or otherwise, then this mortgage shall be and become absolutely void to all intents and purposes whatsoever.

Mortgagor's Covenants. Mortgagor hereby further covenants and agrees with Mortgagee to pay, perform or observe as the case may be, all of the following additional covenants and agreements:

Section 1. Performance of Obligations

Section 1.1 Mortgagor or Borrower shall pay all indebtedness hereby secured at the time or times and in the manner provided herein, in the Note, or in other instrument secured hereby.

Section 1.2 Mortgagor or Borrower will promptly and fully keep, perform and comply with all the terms, provisions, covenants, and conditions imposed upon Mortgagor under the Security Instruments and under any other agreement given by Mortgagor as additional security for the payment of the indebtedness secured hereby.

Section 2. Assignment of Leases and Rents

Mortgagor as additional security for the obligations secured hereby, hereby assigns, sets over, and transfers to Mortgagee and grants Mortgagee a security interest in, Leases and the Rents.

Section 3. Insurance

Section 3.1 Mortgagor shall keep the Improvements constantly and satisfactorily

insured against loss by fire and the risks covered under an Extended Coverage Endorsement, explosion of boilers, heating apparatus and other pressure vessels, and such other hazards, casualties and contingencies as Mortgagee shall from time to time reasonably require, in an amount equal to one hundred percent (100%) of the replacement costs of the Improvements, said coverage to be endorsed with a Replacement Cost Endorsement (the amount to be reviewed annually and increased if necessary so as to provided coverage at all times in an amount necessary to restore the Improvements to the condition existing just prior to the destruction or damage) and with a Loss of Rents Endorsement, the contribution clause percentage and limits of liability of which are satisfactory to Mortgagee.

Section 3.2 Mortgagor, during the term of this mortgage, agrees to keep in full force and effect a policy of public liability insurance and (if relevant) elevator insurance, against claims for bodily injury, death or property damage occurring upon, in or about any building constituting a portion of the Mortgaged Property or any area or passageway adjacent to the Mortgaged Property or any elevator or escalator therein, or any vault space or sidewalk adjoining or comprising a part of the Mortgaged Property under the control of the Mortgagor, in which the limits of liability shall not be less than One Hundred Thousand Dollars (\$100,000.00) per person and Three Hundred Thousand Dollars (\$300,000.00) per accident and in which the property damage limits shall not be less than Fifty Thousand Dollars (\$50,000.00) together with an all risk liability policy in the amount of One Million Dollars (\$1,000,000.00) which shall be in addition to the limits above set forth. Mortgagor agrees to increase the limit of such liability insurance to such higher amounts as Mortgagor may from time to time reasonably require.

Section 3.3 All such insurance shall be evidenced by valid and enforceable policies in form and substance acceptable to Mortgagee and all claims for losses in excess of \$25,000.00 shall be made payable to Mortgagee by means of a standard non-contributory mortgagee clause in favor of and in form acceptable to Mortgagee. Copies of all such policies shall be delivered to Mortgagee concurrently with the execution and delivery of this mortgage, and thereafter copies of all renewal or replacement policies shall be delivered to Mortgagee not less than twenty (20) days prior to the expiration date of the policy to be renewed or replaced, accompanied, if requested by Mortgagee, by evidence satisfactory to Mortgagee that all premiums payable with respect to such policies have been paid in full by Mortgagor.

Section 3.4 All such insurance policies shall (i) contain an endorsement requiring twenty (20) days written notice to Mortgagee prior to cancellation or change in the coverage, scope or amount of any such policy or policies, and (ii) provide that any loss shall be payable to Mortgagee notwithstanding any act or negligence of Mortgagor which might otherwise result in a forfeiture of said insurance.

Section 3.5 Mortgagor may effect for its own account any insurance not required under the provisions of this mortgage, but any insurance effected by Mortgagor on the Mortgaged Property, whether or not required under this mortgage, shall be subject to all other provisions

of this mortgage.

Section 3.6 Mortgagor shall have the right of free choice in the selection of the agent or insurer through or by which the insurance required hereunder is to be placed; provided, however, said insurer is authorized to write such insurance in the State of Rhode Island, is a licensed resident agent in said State and has, at all times while this mortgage is in effect, a general policyholder's rating of A or A+ in Best's latest rating guide.

Section 3.7 Mortgagee shall have the right and is hereby constituted and appointed the true and lawful attorney irrevocable of Mortgagor, in the name and stead of Mortgagor, but in the uncontrolled discretion of said attorney, (i) to demand, adjust, sue for, compromise and collect any amounts due under such insurance policies in the event of loss; and (ii) to give releases for any and all amounts received in settlement of losses under such policies; and the same shall, at Mortgagee's option, be applied, after first deducting the costs of collection, to the payment of the indebtedness secured hereby, whether or not then due, or to reimbursement of any taxes, assessments, charges, insurance premiums or other obligations paid by Mortgagee pursuant hereto, or, notwithstanding the claims of any subsequent lienor, the same may be used or paid over to Mortgagor for use in repairing or replacing damaged buildings and improvements on the subject property.

Section 3.8 If Mortgagee shall by any manner acquire title to the Mortgaged Property, it shall thereupon become the sole and absolute owner of all insurance policies held by or required hereunder to be delivered to Mortgagee, with the sole right to collect and retain all unearned premiums and dividends thereon, and Mortgagor shall only be entitled to a credit, in reduction of the then outstanding indebtedness secured hereby, in the amount of the short rate cancellation refund.

Section 4. Payment of Taxes

Mortgagor shall promptly pay, when due, all taxes, assessments, water and sewer charges and all other charges of whatever nature which may at any time be assessed against, levied upon or constitute a lien on, the whole or any portion of the Mortgaged Property and any tax assessed against Mortgagee with respect to this mortgage or the indebtedness hereby secured, whether under statutes now in force or that may hereafter be enacted; the Mortgagor shall promptly pay, when due, all other taxes (including corporate taxes and personal property taxes), assessments or charges that might become a lien prior to this mortgage or that might have priority in distribution of the proceeds of a judicial sale. Mortgagor shall not suffer or permit any such taxes, assessments or charges on the Mortgaged Property to become or remain delinquent or permit any part thereof or any interest therein to be sold for any such taxes, assessments or charges; and further shall furnish annually to Mortgagee, prior to the date when they would become delinquent, certificates or receipts of the proper officer showing full payment of all taxes, assessments and charges. Provided, however, and notwithstanding anything above set forth to the contrary, Mortgagor may withhold

payment of any or all such taxes or charges while such are being contested in good faith by appropriate proceedings and with sufficient reserves being maintained therefor.

Section 5. Payment of Liens

Mortgagor shall pay, when the same shall become due and payable, all lawful claims and demands of mechanics, materialmen, laborers and others which, if unpaid, might result in or permit the creation of a lien on the Mortgaged Property or any part thereof.

Section 6. Mortgagee's Right to Pay Insurance Charges, Taxes and Liens

If Mortgagor fails to maintain insurance as required under this mortgage or pay the premiums therefor, or to pay and furnish receipts for all taxes, assessments and other charges, or to pay for all labor and materials, all as provided herein, Mortgagee may, at its option, procure such insurance, pay such taxes, assessments and charges and any penalty and interest thereon, redeem the Mortgaged Property or any part thereof from any tax sale or procure such receipts, and pay for such labor and materials, and all amounts advanced by Mortgagee for the payment thereof shall, unless otherwise agreed in writing be repaid by Mortgagor immediately upon demand, and until repaid these amounts shall be added to the unpaid principal of the indebtedness secured hereby, shall bear interest at the rate set forth in the Note, and the repayment thereof, together with such interest, shall be secured by this mortgage. The failure of Mortgagee to procure such insurance, to pay such taxes, assessments and charges or to redeem the Mortgaged Property or any part thereof from any tax sale, or to pay for labor and materials, shall in no way render Mortgagee liable to Mortgagor. If Mortgagee shall elect to advance insurance premiums, taxes, assessments or charges, or redeem from tax sale, or pay for labor or materials, the receipt of the insurance company, the proper tax official or supplier shall be conclusive evidence of the amount, validity and the fact of payment thereof.

Section 7. Insurance and Tax Deposits

If Mortgagor fails to pay any insurance or tax bills when due, Mortgagee may, at any time, at its option, upon ten (10) days notice to Mortgagor, require Mortgagor to pay to Mortgagee, on the first day of each calendar month, a sum (hereinafter referred to as the "Deposited Funds") equal to (i) one-twelfth (1/12) of the aforesaid annual taxes, assessments, water and sewer charges and all other charges upon the Mortgaged Property and/or upon Mortgagee with respect to the Mortgaged Property (for the purposes of this paragraph collectively referred to as the "taxes") and (ii) one-twelfth (1/12) of the annual premiums for the insurance required hereunder to be maintained on the Mortgaged Property, the respective amounts of such taxes and premiums to be reasonably estimated from time to time by taxes and Mortgagee. Mortgagee shall apply the Deposited Funds to the payment of such taxes, premiums and shall render an annual accounting to Mortgagor of all disbursements of the Deposited Funds. Although each such monthly payment of the Deposited Funds is to be in a

lump sum, each component thereof shall be deemed to be held separately by Mortgagee for, and shall be applied only to, the particular item for discretion, elects otherwise. If at any time prior to the due date of any particular item for which funds are deposited hereunder, Mortgagee estimates that there shall not be deposited with it one (1) month prior to such due date a sum sufficient for the payment of such item in full, Mortgagor shall, upon demand, pay the amount of such deficiency to Mortgagee notwithstanding that there may already be deposited with Mortgagee sums for the payment of other items which are not yet due. If the amount of the Deposited Funds shall exceed the amount necessary to pay such taxes and premiums for the then current year, such excess shall be credited against future monthly deposits required hereunder. No interest shall be paid on the Deposited Funds, and such Deposited Funds may be co-mingled with Mortgagee's general funds. Upon payment in full of all sums secured by this mortgage deed, any excess Deposited Funds shall be refunded to Mortgagor. In the event of any default by Mortgagor in the performance of any of the terms, covenants or conditions contained herein or in the Note or in the Security Instruments, Mortgagee may apply against the indebtedness secured hereby, in such manner as Mortgagee may determine, any of the Deposited Funds then held by Mortgagee.

Section 8. Maintenance and Repair

Section 8.1 Mortgagor shall at all times keep and maintain the Mortgaged Property (the exterior and interior thereof) and all buildings, improvements, fixtures and personal property comprising a portion thereof, in sound condition and in a first-class state of decoration and repair.

Section 8.2 Mortgagor shall not: permit any strip or waste of the Mortgaged Property; permit the material violation of any law, ordinance or governmental regulation affecting the same or the use thereof; permit any conditions to exist which would wholly or partially invalidate any insurance on the Mortgaged Property; or permit anything to be done to the Mortgaged Property that might substantially diminish the value thereof.

Section 8.3 Mortgagor shall permit Mortgagee, and its officers, agents, and servants, upon not less than 72 hours prior notice to enter upon the Mortgaged Property at all reasonable times to view and inspect the same.

Section 8.4 Mortgagor shall, within thirty (30) days after reasonable demand therefor by Mortgagee (or immediately upon demand in case of emergency), make such repairs, replacements, renewals, or additions, or perform such items of maintenance to the Mortgaged Property (including, without limitation, the Personal Property comprising a part thereof) as Mortgagee may reasonably require in order to maintain the Mortgaged Property at the standards required by this Section.

Section 9. Alterations

Mortgagor will not remove or demolish any Improvements, nor make changes or alterations to the Improvements which would change their general character or size, without the prior written consent of the Mortgagee. Mortgagor further covenants that it will not materially alter the design or structural character of the improvements, nor make any other material alteration or addition thereto, nor do or permit anything to be done to the Improvements that might diminish the value thereof, without in each instance having first obtained the prior written consent of Mortgagee.

Section 10. Compliance with Leases

Section 10.1 Mortgagor will promptly and substantially keep, perform and comply with all the terms, provisions, covenants, conditions, and agreements imposed upon or assumed by Mortgagor as landlord under any Lease, covering any part of the Mortgaged Property or any other property owned or controlled by Mortgagor that is affected by the terms, provisions, covenants, conditions and agreements imposed upon or assumed by Mortgagor in such Lease, and Mortgagor will or will not do, or permit anything to be done, or omit and refrain from doing anything, the doing or omission of which will give any tenant a right to terminate any of the Leases or to abate the rental due thereunder.

Section 10.2 If Mortgagor shall, in any manner, fail to comply with Section 10.1 above, Mortgagee may (but shall not be obliged to) take any action Mortgagee deems necessary or desirable to prevent or cure any default by Mortgagor in the performance of or compliance with any of Mortgagee's covenants or obligations as landlord under the said Leases. Mortgagee may rely on any notice of default received from any tenant and may act thereon as herein provided even though the existence of such default or the nature thereof may be questioned or denied by Mortgagor or any party acting on behalf of Mortgagor, and such notice of default shall be conclusive evidence that a default exists for the purpose of this Section. Mortgagor shall promptly deliver to Mortgagee a copy of any notice of default received from any tenant that is a party to any of the Leases. Mortgagee shall have the right, upon not less than 72 hours prior notice to Mortgagor, to enter upon the Mortgaged Property, and any other property owned or controlled by Mortgagor which is affected by any of the terms, conditions, provisions, covenants, and agreements of any of the Leases, to such extent and as is reasonable and as often as Mortgagee deems necessary or desirable in order to prevent or cure any such default by Mortgagor. Mortgagee may expend such sums of money as are reasonable and necessary for any such purpose, and all sums so expended by Mortgagee shall, unless otherwise agreed in writing, be repaid by Mortgagor immediately upon demand, and until repaid such sums shall be added to the unpaid principal of the indebtedness secured hereby, shall bear interest at the rate set forth in the Note, and the repayment thereof, together with such interest, shall be secured by this mortgage.

Section 11. Management and Operations

Section 11.1 Mortgagor shall at all times provide management for the Building

reasonably satisfactory to Mortgagee.

Section 11.2 Mortgagor will continuously operate the Mortgaged Property as an Ice Skating Rink in an efficient manner and in substantial compliance with all applicable laws, ordinances, rules, regulations and directions of governmental authorities having jurisdiction over the Mortgaged Property, and also in compliance with the requirement of all policies of insurance on the Mortgaged Property and of the national or local Boards of Fire Underwriters. Mortgagor will also procure, pay for, maintain and comply with all permits, licenses and other authorizations needed for the operation of such commercial rental real estate.

Section 12. Books and Records

Mortgagor will keep proper and separate books of account, in accordance with generally accepted accounting principles, and make, or cause to be made, full and true entries of all dealings and transactions of every kind relating to the Mortgaged Property, which books and records will, upon not less than 72 hours prior notice to Mortgagor, be open to inspection by Mortgagee, its agents and accountants and representatives, at all reasonable times.

Section 13. Financial Reports

Mortgagor shall furnish to Mortgagee forthwith upon Mortgagee's request such information bearing on the financial condition of Mortgagor and the status and progress of the operation of the Mortgaged Property as Mortgagee may from time to time reasonably request.

Section 14. Condemnation

Section 14.1 Forthwith upon the receipt by Mortgagor of notice of the institution of any proceeding or negotiations for the taking of the Mortgaged Property, or any part thereof, in condemnation or by the exercise of the power of eminent domain, Mortgagor shall give notice thereof to Mortgagee. Mortgagee may appear in any such proceedings and participate in any such negotiations and may be represented by counsel. Mortgagor, notwithstanding that Mortgagee may not be a party to any such proceeding, will promptly give to Mortgagee copies of all notices, pleadings, judgments, determinations, and other papers received by Mortgagor therein. Mortgagor will not enter into any agreement for the taking of the Mortgaged Property, or any part thereof, with anyone authorized to acquire the same in condemnation or by eminent domain unless Mortgagee shall first have consented thereto, which consent shall not be unreasonably withheld.

Section 14.2 Any award, whether paid as a result of a negotiated settlement or judgment, shall be paid to Mortgagee (Mortgagor hereby assigning and granting a security interest in such award to Mortgagee to the extent of the outstanding balance of the Note), and Mortgagor is hereby constituted and appointed the true and lawful attorney in fact coupled with an interest and irrevocable of Mortgagor with the right to collect and receive the total amount of such award, including interest, and to give proper receipts and acquittances therefor.

Section 14.3 If all or substantially all of the Mortgaged Property shall be taken by condemnation or otherwise as a result of the exercise of such power, the whole of the principal sum and interest evidenced by the Note, together with all other amounts, if any, then secured hereby shall forthwith become due and payable, at the option of Mortgagee, and all awards paid or payable to Mortgagor on account of such taking shall be applied to the payment and discharge of the indebtedness secured hereby, such application to be in the following order of priority: (i) repayment of all amounts reasonably expended or advanced by Mortgagee in the discharge of Mortgagor's obligations hereunder, as herein provided; (ii) payment of accrued interest under the Note; (iii) payment of unpaid principal under the Note; and (iv) payment of any other sums secured hereby. To the extent that such award or awards exceed the amount required to pay in full the principal and interest under the Note and all other sums and charges then secured hereby, Mortgagee shall pay over to the person or persons legally entitled thereto the amount of such excess; and provided, further, however, that until the actual vesting of title in the condemning authority in such proceeding or pursuant to any agreement in lieu or in settlement thereof, the obligations of Mortgagor to perform the terms, covenants and conditions of the Note and this mortgage shall continue unimpaired. In no event shall Mortgagee be required to satisfy or discharge this mortgage until the principal, interest and all other sums and charges secured hereby are paid in full. As used in the subparagraph, taking of all or substantially all of the Mortgaged Property shall mean a taking of so much as leaves a balance which cannot economically be operated for the purposes for which the same was operated prior to such taking.

Section 14.4 In the event of a taking of less than substantially all of the subject property and improvements thereon, in condemnation or by eminent domain, or by agreement or conveyance in lieu thereof, all awards payable to the Mortgagor as a result of such taking shall forthwith be paid to the Mortgagee, and the proceeds of such awards shall, at the option of Mortgagee, be applied towards the payment of the indebtedness secured hereby, in the order of priority established in Subsection 14.3 hereof. Mortgagor shall pay interest on said indebtedness at the rate or rates provided for herein or in the Note, as the case may be, notwithstanding any lesser rate required to be paid by the authorities making such awards or awards. To the extent that the award or awards so received by Mortgagee shall exceed the amount required to pay in full such principal and interest under the Note and other sums and charges then secured hereby, Mortgagee shall pay over to the person or persons legally entitled thereto the amount of such excess. In no event shall Mortgagee be required to satisfy or discharge this mortgage until the principal, interest, and all other sums and charges then secured hereby are paid in full.

14.4.1 In the event of any such partial taking, Mortgagor shall promptly, at its own expense, repair, restore and alter the Mortgaged Property to the extent required as a result of such taking, or any damage occasioned thereby, so that the Mortgaged Property shall thereafter constitute a complete architectural unit. If such repair, restoration, and alteration is commenced promptly, and if Mortgagor is not then in default in the performance of its obligations hereunder or under the Note, then the award payable to Mortgagee pursuant to this

subsection, or so much thereof as may be required for such purpose shall be paid out from time to time as the work of restoration progresses upon such architects; certificates or other certificates, including certificates from title insurance companies, as Mortgagee may from time to time require with respect to the cost of such restoration and the status of title to the Mortgaged Property; provided, however, Mortgagee shall not be required to release or pay any portion of such award unless (i) Mortgagor shall first furnish additional funds from sources other than the net proceeds of such awards which, together with said proceeds, shall be sufficient to cover the cost of restoration as established by the certificate of an architect or engineer employed by Mortgagee or any prior Mortgagee at Mortgagor's expense; and (ii) such restoration shall be effected promptly and in accordance with plans and specifications submitted to and approved by Mortgagee or any prior Mortgagee and diligently pursued to completion. Mortgagee shall at no time whatever, whether in possession of the Mortgaged Property or not, have any obligation to advance or to make funds other than said net proceeds available for the restoration of the Mortgaged Property.

14.4.2 To the extent that the net proceeds of such awards exceed the cost of restoration, such excess shall be applied by Mortgagee to the payment of the indebtedness hereby secured, whether then due or not, in the order of priority hereinabove established.

14.4.3 Anything to the contrary herein contained notwithstanding, if at the time of such taking or conveyance, Mortgagor shall be in default in the performance of any of its obligations hereunder or under the Note or Security Instruments, or if any of the above conditions are not satisfied the total amount of such awards shall be applied in accordance with the terms of Subsection 14.3 herein.

Section 15. Senior or Junior Indebtedness

Section 15.1 Mortgagor shall pay all indebtedness secured by any mortgage creating a senior and prior lien or junior and subordinate lien (if any) on the whole or any part of the Mortgaged Property and perform all covenants, terms and conditions contained in any such mortgage on the part of Mortgagor to be performed and observed, all within the periods provided for payment, performance and observance in any such mortgage, thereby preventing an event of default from occurring thereunder.

Section 15.2 If Mortgagor fails to pay any installment of principal or interest or any other amount on any senior and prior mortgage or junior and subordinate mortgage on the Mortgaged Property when the same becomes due and payable, Mortgagee may pay the same, and Mortgagor on demand will repay the amount so paid the Mortgage Indebtedness, constitute a further lien on the Mortgaged Property and be secured by this mortgage.

Section 16. Junior Mortgages

Notwithstanding anything to the contrary contained in this Mortgage, Mortgagor shall

not encumber further nor suffer to be further encumbered the title to the Mortgaged Property without the prior written consent of Mortgagee and then only if the instrument evidencing such encumbrance contains a provision substantially as follows:

"The Mortgagee for itself and its successors and assigns, by the acceptance of this instrument, does hereby covenant and agree that in the event any action or proceeding be brought to foreclose this mortgage, no tenant of the Mortgaged Property or of any portion thereof shall be joined in such action or proceedings, nor shall the rights of any such tenant under any lease or occupancy agreement be interfered with, in any way, except with the written consent of the holder of any senior and prior mortgage covering the mortgaged property."

Section 17. Government Regulations

Mortgagor shall promptly comply with all present and future laws, ordinances, rules, regulations, directives and other requirements of all governmental authorities whatsoever having jurisdiction over the Mortgaged Property or the use or occupation thereof; provided, however, that Mortgagor may postpone such compliance (provided such non-compliance shall not (i) subject Mortgagee to liability or criminal prosecution or any other penalty, (ii) jeopardize the safety or condition of the Mortgaged Property, or (iii) constitute a possible lessor default under any Lease) if and so long as the validity or legality of any such governmental requirement shall be contested by Mortgagor with diligence and in good faith by appropriate legal proceeding.

Section 18. Sale of Mortgaged Property

Mortgagor shall not, directly or indirectly, sell, convey, mortgage, pledge, hypothecate, encumber, lease, assign or otherwise transfer the Mortgaged Property or any portion thereof without the prior written consent of Mortgagee.

Mortgagee's consent to any sale may be based on, inter alia, its determination in its sole discretion as to the acceptability of the terms of sale and as to the credit worthiness, financial strength, and competence to manage the Mortgaged Property of the proposed purchaser, and the entry into an assumption agreement by the proposed purchaser in form and substance satisfactory to Mortgagee, in its reasonable discretion. Such assumption agreement may provide for, inter alia, an increase in the interest rate applicable to Note.

Section 19. Impairment of Mortgage

Mortgagor shall not do or suffer any act or thing to be done which would impair the security to the payment of the mortgage debt or the lien held by Mortgagee upon the Mortgaged Property or the rents or upon any of the property of the Mortgagor covered by this mortgage or the Security Instruments.

Section 20. Estoppel Certificates

Mortgagor, within ten (10) days after request by Mortgagee, shall furnish to Mortgagee a written statement, duly acknowledged, of the amount of the unpaid balance of the Note, of the existence of any offset or defenses against the Note, and of such other information as Mortgagee may reasonably request.

Section 21. Amendments

No change, amendment, modification of this mortgage, or any part hereof, shall be valid unless in writing and signed by Mortgagor and Mortgagee or their respective successors and assigns.

Section 22. Collection Costs

In the event the indebtedness secured by this mortgage, or any part thereof, is collected by suit or action, or this mortgage be foreclosed, or in the event said indebtedness of mortgage is put into the hands of any attorney for collection, suit, action, or foreclosure, or in the event of the foreclosure of any mortgage prior to or subsequent to this mortgage, in which proceeding Mortgagee is made a party, or in the event of the bankruptcy of Mortgagor, or an assignment by Mortgagor for the benefit of creditors, Mortgagor, its successors or assigns, shall be chargeable with all reasonable costs of collection, including an amount as reasonable attorney's fees not to exceed such amount as may be permitted by law, including, without limitation, attorney's fees for all appellate proceedings involved therein, which shall be due and payable at once; the payment of which charges and fees, together with all costs and expenses, shall be secured hereby, and may be recovered in any suit or action hereupon or hereunder.

Section 23. Events of Default

The occurrence of any of the following shall constitute an Event of Default hereunder:

Section 23.1 The failure of Mortgagor to pay when due, after the expiration of any applicable grace or notice period, any amount payable under the Note, this mortgage, the Security Instruments or any supplement, modification or extension thereof.

Section 23.2 The occurrence of any other event of default under the Note or any of the Security Instruments.

Section 23.3 The failure of Mortgagor to perform or observe any of its obligations, covenants, or agreements contained in this mortgage, the Note, any of the Security Instruments, or any other document, instrument or agreement executed concurrently herewith

or supplemental hereto, pertaining to said indebtedness of Mortgagor to Mortgagee or the Security therefor, and (except where a specific time, cure or grace period is elsewhere specified) the continuance of such failure for thirty (30) days after written notice thereof from Mortgagee to Mortgagor.

Section 24. No Waiver or Forbearance

No waiver, forbearance, extension of time or other indulgence shown by Mortgagee to Mortgagor or to any person now or hereafter interested herein or in the Mortgaged Property or in the Note or Security Instruments or any other instrument evidencing indebtedness of Mortgagor to Mortgagee with respect to any or any combination of conditions, covenants, or agreements on the part of the Mortgagor to be performed or observed as set forth or referred to herein or in the Note, the Security Instruments, or said other instruments, shall affect the right of Mortgagee thereafter to require performance or observance of the same or any other condition, covenant or agreement.

Section 25. Mortgagee Appointed Attorney

Mortgagee shall be and is hereby authorized and empowered, for and in the name or names and on behalf of Mortgagor and/or Mortgagee, and for the purposes hereinafter set forth, shall be and is hereby made, constituted and appointed the true and lawful attorney in fact, irrevocable and coupled with an interest, of Mortgagor (with full power of substitution and revocation):

Section 25.1 (In the event of foreclosure of this mortgage or any transfer of title to the Mortgaged Property to third-party purchaser pursuant to the powers hereinafter granted Mortgagee), to surrender up the policies of insurance covering the Mortgaged Property and to collect any amounts due thereunder or, at its option, to transfer its right, title, and interest in and to said policies and the proceeds thereof to any purchaser of the Mortgaged Property, and without obligation to account thereof to any purchaser of the Mortgaged Property, and without obligation to account therefore to any person claiming title to the Mortgaged Property; provided, however, that any amounts received by Mortgagee under said policies by way of refunds, dividends or otherwise, as aforesaid, shall be applied to the payment of the indebtedness secured hereby, and any surplus shall be paid over as a surplus on foreclosure.

Section 25.2 (In the event of the sale of the Mortgaged Property pursuant to the power of sale hereinafter granted), to sell, subject to this mortgage, all parcels which comprise the Mortgaged Property, notwithstanding the fact that the proceeds of such sale may exceed the amount then secured hereby.

Section 25.3 To cause the assignment to Mortgagee of any lease with respect to the Mortgaged Property which has not been so assigned after request therefor by Mortgagee.

Section 25.4 (If at any time any portion of the buildings or improvements comprising part of the Mortgaged Property or any personal property now or hereafter installed or located on or in the Mortgaged Property shall be unprotected, unguarded, vacant or deserted), to employ, at its option, watchmen for the Mortgaged Property and to expend any monies deemed by it necessary to protect the Mortgaged Property, the buildings and improvements comprising a part thereof, and said personal property from waste, depredation or injury; and all sums expended by mortgagee for such purposes shall, unless otherwise agreed in writing, be repaid by Mortgagor immediately upon demand, and until repaid such sums shall be added to the unpaid principal of the indebtedness secured hereby, shall bear interest at the rate set forth in the Note, and the repayment thereof, together with such interest, shall be secured by this mortgage.

Section 25.5 (In any action or other proceeding with respect to the Mortgaged Property in which Mortgagee shall become a part or which may affect any rights of Mortgagee hereunder with respect to the Mortgaged Property or the lien of this mortgage thereon), to appear, prosecute, defend, intervene and retain counsel in such action or proceeding and to take such other and further action in connection therewith as Mortgagee, its successors or assigns, shall deem advisable; and the reasonable costs thereof (including, without limitation, reasonable attorneys' fees and all applicable statutory costs, allowances and disbursements) shall, unless otherwise agreed in writing, be repaid by Mortgagor immediately upon demand and until repaid, such costs shall be added to the unpaid principal of; the indebtedness secured hereby, shall bear interest at the rate set forth in the Note, and the repayment thereof, together with such interest, shall be secured by this mortgage.

Section 25.6 (Upon the occurrence of any Event of Default hereunder) to seek the immediate appointment by any court of competent jurisdiction of a receiver for the Mortgaged Property and the business of Mortgagor in connection therewith and of the rents and profits arising therefrom which receiver shall be entitled to immediate possession of the entire Mortgaged Property, whether or not occupied by Mortgagor. Mortgagee shall be entitled to the appointment of such a receiver as a matter of right without consideration of the value of the Mortgage or the solvency of any person or corporation liable for the payment of such amounts. If Mortgagor is then in possession of the Mortgaged Property or any portion thereof, Mortgagor shall immediately, upon the appointment of such receiver, vacate the Mortgaged Property or such portion thereof, as the case may be, or pay a reasonable rental for the use thereof, during such receivership, to be agreed upon between said receiver and Mortgagor or to be fixed by the court in which said receiver shall have been appointed; and the relationship between said receiver and Mortgagor shall be that of landlord and tenant.

Section 26. Mortgagee's Rights Upon Default

Upon the occurrence of any Event of Default hereunder Mortgagee shall have the following rights, which rights shall be cumulative and not exclusive and in addition to any other rights granted to Mortgagee under this mortgage:

Section 26.1 Mortgagee shall have the right forthwith, at its election, to exercise any and all rights and remedies available to it at law or in equity, including the STATUTORY POWER OF SALE; and

Section 26.2 Mortgagee shall have the right forthwith, at its election, and without further notice or demand (except as otherwise specifically provided in the Note or any Security Instruments) and without the commencement of any action to foreclose this mortgage, to enter immediately upon and take possession of the Mortgaged Property without further consent or assignment by Mortgagor, with the right to lease the Mortgaged Property, or any part thereof, and to collect and receive all of the rents, issues and profits, and all other amounts past due or to become due to Mortgagor by reason of its ownership of the Mortgaged Property and to apply the same, after the payment of all necessary charges and expenses in connection with the operation of the Mortgaged Property (including any managing agent's commission, at the option of the Mortgagee), on account of interest and principal amortization under the Note, taxes, water and sewer charges, assessments and insurance premiums with respect to the Mortgaged Property, and any advance made by Mortgagee for improvements, alterations, or repairs to the Mortgaged Property or on account of any other indebtedness hereby. And Mortgagor hereby irrevocably appoints Mortgagee as its attorney-in-fact to institute summary proceedings against any lessee, tenant or other occupant of any portion of the Mortgaged Property who shall fail to comply with the provisions of the lease or with any covenant, agreement, or condition applicable to the possession or occupancy of the Mortgaged Property by such lessee, tenant or other occupant. If Mortgagor or any other persons claiming by, through or under it, are occupying all or any part of the Mortgaged Property, it is hereby agreed that Mortgagor and such other persons shall either immediately surrender possession of the Mortgaged Property to Mortgagee and vacate the premises so occupied or pay a reasonable rental for the use thereof, monthly in advance to Mortgagee; and

Section 26.3 Mortgagee shall have the right forthwith, at its election, to sell and dispose of, together or in parcels, all and singular the Mortgaged Property, or any part or parts thereof, or any part remaining subject to this mortgage in case of partial release hereof, and the benefit and equity of redemption of Mortgagor therein, at public auction upon the Mortgaged Property, or at such other place, if any, as may be designated by the Mortgagee, and to bid for and become the purchaser of the Mortgaged Property at any such sale, first giving notice of the time and place of sale by publishing the same at least once each week for three (3) successive weeks in some public newspaper published in the County wherein the Mortgaged Property is located, or alternatively in any newspaper published in the City of Providence, Rhode Island, or as otherwise required or permitted by applicable law, such sale or sales to be upon the premises sold or elsewhere, as specified in such notice, with power to adjourn such sale from time to time, provided that the publication of said notice shall be continued, together with a notice of adjournment or adjournments, at least once each week in the same newspaper; and in Mortgagee's own name or as the attorney or Mortgagor (Mortgagee being for that purpose by this instrument duly authorized and appointed with full power of substitution and revocation) to make, execute, acknowledge and deliver to the

purchaser or purchasers thereof a good and sufficient deed or deeds of the Mortgaged Property in fee simple and to receive the proceeds of such sale or sales, and from such proceeds to retain all sums hereby secured, whether then due or to fall due thereafter, or the part thereof then remaining unpaid, and also including the interest then due on the same, including, without limitation, all reasonable expenses incident to such sale or sales, for making deeds hereunder, for fees of counsel and attorneys, all reasonable costs or expenses incurred in the exercise or defense of the rights and powers of Mortgagee hereunder, all expenses incurred in repairing or preserving the Mortgaged Property, all taxes, water and sewer rates, assessments and premiums for insurance, either theretofore paid by Mortgagee or then remaining unpaid, and any installments or principal and/or interest paid by Mortgagee under any senior and prior mortgage on the Mortgaged Property, rendering and paying the surplus of said proceeds of sale, if any there be over and above the amounts so to be retained as aforesaid, together with a true and particular account of such sale or sales, expenses and charges, to Mortgagor, which sale or sales shall forever be a perpetual bar, both at law and in equity, against Mortgagor and all persons claiming or purporting to claim the Property, so sold, by, through or under Mortgagor. Mortgagor will, upon Mortgagee's request, execute such deed or deeds confirmatory of such sale or sales as Mortgagee may deem necessary or advisable.

Section 27. Mortgagee's Right to Release and Negotiate

Section 27.1 Without affecting the liability of Mortgagor, or any other person (except any person expressly released in writing), for payment of the Indebtedness hereby secured or for the performance of any obligations set forth or referred to in the mortgage or the Note, and without affecting any lien or other security not expressly released in writing, Mortgagee at any time, and from time to time, either before or after maturity of the Note, and without notice or consent, may:

27.1.1 Release any person liable for payment of said indebtedness or for the performance of any of said obligations;

27.1.2 Make any agreement extending the time, or otherwise altering the terms of payment of said obligations, or subordinating, modifying or otherwise dealing with the lien securing payment of the Note;

27.1.3 Exercise or refrain from exercising or waive any right Mortgagee may have;

27.1.4 Accept additional security of any kind;

27.1.5 Release or otherwise deal with any property, real or personal, securing said indebtedness, including all or any part of the Mortgaged Property.

Section 27.2 In the event Mortgagor conveys its interest in the Mortgaged Property to parties not appearing in this instrument, Mortgagee may, without notice to Mortgagor, deal

with such successor or successors in interest with reference to this mortgage and note secured hereby, either by way of forbearance on the part of Mortgagee or extension of time of payment of the indebtedness or any sum hereby secured hereby, either in whole or in part. Nothing in this subparagraph, however, shall be deemed to render unnecessary the consent of the Mortgagee to the conveyance by Mortgagor of any interest in the Mortgaged Property, as previously required hereunder.

Section 27.3 All payments on the indebtedness and advancements, if any, hereby secured, and all proceeds from foreclosure sales, shall be applied in accordance with Section 26.3.

Section 28. Reaffirmation of Loan - Protection of Security

At any time and from time to time until payment of the indebtedness and upon request of Mortgagee, Mortgagor will promptly execute, notarize and deliver to Mortgagee such additional instruments as Mortgagee may reasonably require to further evidence the lien of this mortgage and further to protect the security position of Mortgagee with respect to the property subject to this mortgage, including, without limitation, additional chattel mortgages, security agreements, financing statements, continuation statements, and the like, covering items of personal property, replacements thereof and additions thereto.

Section 29. Mortgagor to Surrender Possession

In the event of any sale of the Mortgaged Property under the provisions hereof, Mortgagor shall forthwith surrender possession thereof to the purchaser. Upon failure to do so, Mortgagor shall thereupon be a tenant at sufferance of such purchaser, and upon its failure to surrender possession of the Mortgaged Property upon demand, such purchaser, his heirs or assigns, shall be entitled to institute and maintain an appropriate action for possession of the Mortgaged Property.

Section 30. Improvements and Personal Property Subject Hereto

As between Mortgagor and Mortgagee and all others except holders of prior liens, it is agreed that all improvements and additions to buildings on the subject property, all new buildings, structures, and improvements, all machinery used in connection with present or future buildings, structures, and improvements thereon, all heating and cooling appliances, all equipment used in connection with the electrification of the Mortgaged Property, including any interest in equipment and power lines owned jointly with others, all machinery and equipment in connection with the water supply and all other machinery, equipment and fixtures useful in the operation and management of the Mortgaged Property regardless of the manner in which they are attached to the buildings, are a part of the land (or shall become a part of said land if hereafter placed thereon), and are, or shall be upon affixation, subject to the lien hereof. This provision shall be cumulative and not exclusive. This provision shall not apply to items

installed by a tenant which remain the property of the tenant pursuant to the terms of its lease.

Section 31. Preservation of Easements and Licenses

Mortgagor, to the extent reasonably within its control, will maintain, preserve and renew all rights of way, easements, grants, privileges, licenses and franchises reasonably necessary for the use of the Mortgaged Property from time to time and will not, without the prior consent of the Mortgagee, initiate, join in or consent to any private restrictive covenant or other public or private restriction as to the use of the Mortgaged Property. Mortgagor shall, however, comply with all restrictive covenants which may at any time affect the Mortgaged Property, zoning ordinances, and other public or private restrictions as to the use of the Mortgaged Property.

Section 32. Security Agreement

32.1 It is the intent of the parties hereto that this instrument shall constitute a Security Agreement within the meaning of the Uniform Commercial Code with respect to (i) all personal property and all replacements thereof, substitutions therefor, additions thereto and proceeds thereof, (ii) all policies of insurance maintained with respect to the Mortgaged Property, (iii) all proceeds and (iv) all leases and rents (all hereinafter collectively referred to as the Collateral), and that a security interest shall attach thereto for the benefit of Mortgagee to secure the indebtedness evidenced by the Note and all other obligations secured by this mortgage, and all other sums and charges which may become due hereunder or thereunder.

32.2 Mortgagor warrants and covenants that:

32.2.1 Except for the security interest granted hereby, Mortgagor is, or upon acquiring rights in any of the collateral will be, the owner of the collateral free from any other lien, security interest or encumbrance; and Mortgagor will defend the security interest of the Mortgagee in the collateral against claims and demands of all persons at any time claiming the same or any interest herein.

32.2.2 No financing statement covering any collateral is on file in any public office, except to the Mortgagee and all parties listed in **Exhibit B** attached hereto and at the request of Mortgagee, Mortgagor will join with Mortgagee in executing one or more financing statements pursuant to the Uniform Commercial Code in form satisfactory to Mortgagee and will pay the cost of filing or recording the same in all public offices wherever filing or recording is deemed by Mortgagee to be necessary or desirable.

32.3 Mortgagor hereby authorizes Mortgagee to continue statements with respect to the collateral without the signature of Mortgagor whenever lawful.

32.4 Upon the occurrence of any Event of Default under this mortgage, Mortgagee,

pursuant to Section 9-501 of the Uniform Commercial Code, shall have the following rights:

32.4.1 Mortgagee, at its option, may proceed as to both the real and personal property covered by this mortgage in accordance with its rights and remedies in respect of said real property, in which event (i) the default provisions of the Uniform Commercial Code shall not apply, and (ii) the sale of the collateral in conjunction with and as one parcel with said real estate shall be deemed to be a commercially reasonable manner of sale; or

32.4.2 Mortgagee, at its option, may proceed as to the collateral separately from said real property, in which event the requirement of reasonable notice shall be met by mailing notice of the sale, postage prepaid, to Mortgagor or any other person entitled thereto at least five (5) days before the time of the sale or other disposition of any of the collateral; and

32.4.3 Mortgagee may exercise any and all other rights of a secured party under the Uniform Commercial Code.

32.5 The personal property will be kept at the subject property, and until installed will be suitable and safely stored thereon.

32.6 Mortgagor will not remove or permit to be removed from the subject property any of the personal property without the prior written consent of Mortgagee.

32.7 The foregoing shall not prohibit Mortgagor from leasing or purchasing on conditional bill of sale, security agreement or other title retention agreement, and the lien of Mortgagee thereon shall be subject and subordinate to the rights or lien of the lessee, conditional vendor or other lienor thereof; provided, however, that Mortgagor shall duly and punctually pay, perform, observe and comply with, each and every obligation of Mortgagor under any such lease, conditional bill of sale, security agreement or other title retention agreement to the end that no default shall occur thereunder which would allow any lessee, conditional vendor or other lienor to reclaim possession of the property in question.

32.8 Mortgagor shall, from time to time, on request of Mortgagee, but not more frequently than once every year, deliver to Mortgagee an inventory of the personal property in reasonable detail, including an itemization of all items leased to Mortgagor or subject to conditional bill of sale, security agreement or other title retention agreement.

Section 33. Invalidity of Provisions

33.1 All agreements between Mortgagor and Mortgagee contained herein are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of maturity of the Note, or otherwise, shall the amount paid or agreed to be paid to Mortgagee for use, forbearance or detention of the principal amount evidenced by the Note and secured by this mortgage exceed the maximum permissible under applicable law the

benefit of which may be asserted by the Mortgagor as a defense, and if, from any circumstance whatsoever, fulfillment of any provision of the Note and this mortgage, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law, or if from circumstances Mortgagee should ever receive as interest under the note or this mortgage such an excessive amount, then, ipso facto, the amount which would be excessive interest shall be applied to the reduction of the principal balance as evidence by the note and secured by this mortgage and not to the payment of interest. This provision shall control every other provision of all agreements between Mortgagor and Mortgagee.

33.2 In case any one or more of the provision contained in the note or in this mortgage shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not effect any other provision hereof or thereof, but each shall be construed as if such invalid, illegal or unenforceable provision had never been included.

Section 34. Assignment

Mortgagee may assign all or any portion of its rights under this mortgage and in the event of such assignment Mortgagor shall accord full recognition thereto.

Section 35. Notices

All notices, requests, demands, consents or other communications given hereunder or in connection herewith (for the purposes of this subparagraph collectively called "Notices") shall be in writing and shall be sent by registered or certified mail, return receipt requested, postage prepaid, addressed to the party to receive such notice at its address as follows:

If to Mortgagor: City of Providence
One Dorrance Plaza
Providence, RI 02903

Copy by Ordinary First Class Mail to:
Patricia McLaughlin, Esquire
City of Providence, Dept. of Law
100 Fountain Street
Providence, RI 02903

If to Mortgagee: Providence Economic Development Corporation
400 Westminster Street
Providence, RI 02903

Copy by Ordinary First Class Mail to:
Joshua Teverow, Esquire
55 Pine Street
Providence, RI 02903

Either party may, by notice given as aforesaid, change its address for all subsequent notices. Notice shall be deemed given two (2) business days after having been mailed as aforesaid. Each notice by or on behalf of Mortgagee herein named shall be deemed sufficient if signed by any one of its officers, or its counsel and if otherwise given or made in compliance with this Section.

Section 36. General Provisions

36.1 The captions in this mortgage are for convenience and reference only and do not define, limit, or describe the scope of the provisions hereof.

36.2 This mortgage shall inure to the benefit of and bind (i) the successors and assigns of Mortgagee and (ii) the heirs, administrators, executors, successors and assigns of Mortgagor, as if all the aforesaid were herein mentioned whenever the parties hereto are referred to. This instrument shall be so construed that whenever applicable with reference to any of the parties hereto, the use of the singular number shall include the plural number, the use of the neuter gender with respect to Mortgagor shall include the masculine gender, and shall likewise be so construed as applicable to and including a corporation or corporations or any other entity that may be a party or parties hereto.

36.3 Neither this mortgage nor any provision hereof may be waived, changed, amended, discharged, or terminated orally.

36.4 The validity, construction, and interpretation of this mortgage will be in accordance with the laws of the State of Rhode Island.

IN WITNESS WHEREOF, the Mortgagor has caused this mortgage to be executed by its proper officers hereunto duly authorized, on this day of _____ of _____, 1998.

City of Providence

Witness

BY: _____

Printed Name

Title

STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

In _____, on the ____ day of _____, 1998 before me personally
appeared the above named _____ as the _____
of the City of Providence to me known and known by me to be the party executing the
foregoing instrument and he acknowledged said instrument by him executed to be his free act
and deed in his said capacity as aforesaid, and the free act and deed of said City of Providence.

Notary Public

Printed Name

Date Commission Expires

EXHIBIT A
Legal Description

EXHIBIT B
Permitted Encumbrances

COLLATERAL ASSIGNMENT AND PLEDGE

COLLATERAL ASSIGNMENT AND PLEDGE made this _____ day of November, 1998 by the City of Providence, a municipality of the State of Rhode Island, with an address of One Dorrance Plaza, Providence, Rhode Island 02903 (the "Borrower") to Providence Economic Development Corporation, with its principal office at 400 Westminster Street, Providence, Rhode Island 02903 (the "Lender").

W I T N E S S E T H:

WHEREAS, Borrower has on this date executed and delivered to Lender that certain Promissory Note in the principal amount of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) payable to Lender, or order, (hereinafter referred to as the "Note"); and

WHEREAS, in order to further secure its obligations under the Note, Borrower has agreed to assign and pledge to the Lender all of its right, title and interest in and to the right to license "Naming Rights" and all revenue derived therefrom, for the ice skating rink located at Kennedy Plaza, Providence, Rhode Island after the expiration of the term of the initial license to Fleet Bank and the Wasserman family (the "Collateral").

NOW, THEREFORE, for value received and as security for the payment and performance of any and all obligations, indebtedness and liabilities of the Borrower to the Lender, (the "Obligations"), the Borrower, does hereby pledge, transfer, assign and deliver unto the Lender, its successors and assigns, and grants to the Lender a security interest in, all of his right, title and interest in and to the Collateral

TO HAVE AND TO HOLD the same unto the Lender, its successors and assigns, until such time as the Obligations shall have been paid in full.

This instrument is delivered and accepted upon the following terms and conditions:

1. Lender's Rights Upon Occurrence of an Event of Default.

1.1 Immediately upon the occurrence of any default or event of default under the obligations (hereinafter referred to as an "Event of Default"), and whether or not the Lender seeks or pursues any remedy otherwise available to the Lender, the Lender is hereby expressly and irrevocably authorized to demand and receive all amounts payable or to become payable on account of the Borrower.

1.2 Immediately upon the occurrence of an Event of Default, the Borrower does hereby constitute and irrevocably appoint the Lender, with full power of substitution and revocation, his true

and lawful attorney, for him and in his name, place and stead, to do and perform any or all of the following, as fully as he could do if personally present, hereby ratifying and confirming all that his said attorney shall lawfully do or cause to be done by virtue hereof, including, without limitation, the right:

- (a) to demand, collect, sue for, recover, receive, compromise and adjust, and make, execute and deliver receipts and releases for all amounts that may then be or may thereafter become due, owing or payable with respect to the Collateral in the name of the Lender;
- (b) to endorse the name of the Borrower on any instruments of payment that may come into the possession of the Lender in full or part payment of the Obligations; and
- (c) to sell, assign, sue for, collect or compromise payment of all or any part of the Collateral in the name of the Borrower or in its own name, or make any other disposition of the Collateral, or any part thereof, which disposition may be for cash, credit or any combination thereof, granting to the Lender, as the attorney-in-fact of the Borrower, full power of substitution and full power to do any and all things necessary to be done in and about the premises as fully and effectually as the Borrower might or could do but for this appointment, and hereby ratifying all that said attorney-in-fact shall lawfully do or cause to be done by virtue hereof. Neither the Lender nor its agents shall be liable for any acts or omissions or for any error of judgment or mistake of fact or law in its capacity as such attorney-in-fact. This power of attorney is coupled with an interest and shall be irrevocable during the term of this Agreement and so long as any Obligations shall remain outstanding.

1.3 If an Event of Default shall occur, in addition to the rights set forth herein, the Lender shall have all rights and remedies provided to a secured party under the Uniform Commercial Code as then in force in the State of Rhode Island, including, but not limited to, the right to receive payment directly from the Corporation. More specifically, but in no way in limitation of the rights and remedies of the Lender, the Lender may, upon ten (10) days' written notice (which notice shall be deemed to satisfy any requirement of reasonable notice) to the Borrower, and without liability for any diminution in price which may have occurred, sell, assign or otherwise dispose of all or any part of the Collateral. Such sale, assignment or other disposition may be by public or private proceedings and may be made by way of one or more contracts, as a unit or in portions, at such time and place, by such method, and in such manner and on such terms, as the Lender may determine. The Lender shall be free to purchase all or any part of the Collateral at public, or if permitted by law, private sale, and in lieu of actual payment of such purchase price, may set-off the amount of such price against the Obligations.

1.4 The Borrower shall be and remain liable for any deficiency remaining after applying the proceeds from the sale of the Collateral first to the reasonable expenses of taking over the Collateral and selling the Collateral, including reasonable attorneys' fees, as the Lender may deem to be necessary or advisable, and then to the satisfaction of the Obligations hereunder and any other indebtedness of the Borrower to the Lender secured hereby.

3. Covenants of Borrower

The Borrower covenants and warrants as follows:

- (a) that it is the sole owner of the Collateral and that it has not sold, assigned, transferred, mortgaged, encumbered or pledged the Collateral or any part thereof;
- (b) that, except under this Agreement, it will not sell, assign, transfer, mortgage, pledge or otherwise encumber the Collateral or any part thereof;

4. Exercise of Remedies

Failure of the Lender to avail itself of any of the terms, covenants and conditions of the Agreement for any period of time, or at any time or times, shall not be construed or deemed to be a waiver of any of its rights hereunder. The rights and remedies of the Lender under this Agreement are cumulative and are not in lieu of but are in addition to any other rights and remedies which the Lender shall have under or by virtue of any of the Obligations. The rights and remedies of the Lender hereunder may be exercised from time to time and as often as such exercise is deemed expedient.

5. Termination of this Agreement

Upon payment in full of all the Obligations, the Lender covenants to execute and deliver to the Borrower instruments effective to evidence the termination of this instrument and/or the reassignment to the Borrower of the rights, power and authority granted herein.

6. Indemnification

6.1 The Borrower agrees to indemnify and hold harmless the Lender from and against any and all liability, loss, damage, and expense, including reasonable attorneys' fees, which the Lender may or shall incur under or in connection with the Collateral or by reason of any of the Obligations or actions taken or omitted by the Lender under any of the Obligations, including without limitation, any action or omission which the Lender in its discretion may take to protect and enforce its interest in the Collateral.

6.2 If the Lender incurs any such liability, loss, damage or expense, the amount thereof shall be paid by the Borrower to the Lender immediately upon demand.

7. Miscellaneous Provisions

7.1 No change, amendment, modification, cancellation or discharge hereof, or any part hereof, shall be valid unless all of the parties hereto shall have consented thereto in writing.

7.2 Subject to the provisions of Section 7.8 hereof, the terms, covenants, and conditions contained herein shall inure to the benefit of, and bind the Lender and the Borrower and their respective successors and assigns, or heirs, executors, administrators, successors and assigns, as the case may be.

7.3 The captions of this instrument are for convenience and reference only and neither in any way define, limit or describe the scope or interest herein nor in any way affect this instrument.

7.4 The Lender shall be under no duty or liability with respect to the Collateral other than to use reasonable care in the custody of any certificate representing the Collateral granted hereunder

while in its possession.

7.5 The Borrower shall execute and deliver to the Lender financing statement pursuant to the Uniform Commercial Code covering the security interest granted hereby. The Borrower shall hereafter, upon request of the Lender from time to time, make, execute, deliver, and perform such further instruments, acts and assurances as the Lender may reasonably request to maintain the priority of the lien hereunder, to confirm or more fully perfect its rights hereunder, or in any way to assure to the Lender all of its rights hereunder. The Borrower shall pay the costs of all filings in public offices or records. In addition, the Borrower shall, from time to time upon request of the Lender, make, execute and deliver such further instruments and take such acts as the Lender may reasonably deem necessary or appropriate to enable the Lender to realize upon the Collateral, to exercise fully the rights hereunder and to ratify and confirm any sale hereunder.

7.6 The Borrower shall pay the Lender, upon demand, any and all costs and expenses, including, without limitation, legal costs and reasonable attorneys' fees, incurred by the Lender in enforcing the Obligations and the Lender's rights under this Agreement and the same shall be chargeable to and secured by the Collateral.

7.7 Any demand upon or notice to the Borrower that the Lender may be required to or may elect to give shall be effective when deposited in the mails or delivered personally to the Borrower at the address set forth above, or such other address as the Borrower may specify by written notice actually received by the Lender.

7.8 If, at any time or times, by assignment or otherwise, Lender transfer any of the Obligations and interest in the Collateral therefor, such transfer shall carry with it the Lender's powers and rights under this Agreement with respect to the Obligations and interest in the Collateral so transferred, and the transferee shall be come vested with said powers and rights whether or not they are specifically referred to in any instrument of transfer. If and to the extent that the Lender retains any portion of the Obligations or interest in the Collateral, the Lender will continue to have the rights and powers herein set forth with respect thereto.

7.9 If any provision hereof shall be invalid or unenforceable in any respect or in any jurisdiction, the remaining provision hereof shall remain in full force and effect and shall be enforceable to the maximum extent permitted by law.

7.10 Whenever the context so required, reference herein to the masculine gender shall include the feminine gender and vice versa or in either case the neuter; and the singular shall include the plural and vice versa.

7.11 This Agreement and all rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by the laws of the State of Rhode Island.

IN WITNESS WHEREOF, the Borrower has executed this Collateral Assignment and Pledge on the day and year first above written.

BORROWER:
City of Providence

Witness

By: _____

Printed Name

Title

LENDER:
Providence Economic
Development Corporation

Witness

By: _____

Printed Name

Title

STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

In Providence, on the _____ day of _____, 1998 before me personally appeared _____ as the _____ of the City of Providence, to me known and known by me to be the person executing the foregoing instrument and he acknowledged said instrument by him executed to be his free act and deed individually and the free act and deed of the City of Providence.

Notary Public

Printed Name

Date Commission Expires

STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

In Providence, on the _____ day of _____, 1998 before me personally appeared _____ as the _____ of Providence Economic Development Corporation to me known and known by me to be the person executing the foregoing instrument and he acknowledged said instrument by him executed to be his free act and deed individually and the free act and deed of Providence Economic Development Corporation.

Notary Public

Printed Name

Date Commission Expires

pedc/ice/pledge

The following motions were made to approve agreements relating to the Fleet Skating Center at the November 17, 1998 meeting of the Board of Park Commissioners.

A motion was made to approve the Ogden Management Agreement for a term of six (6) years with a six (6) year option to renew. Motion seconded. Motion approved.

A motion was made to approve the GFM Food Services, Inc. Concessions (Pavilion Building). Agreement for a five (5) year term with a five (5) year renewal option with the stipulation that the restaurant be open by the start of the next opening season and an amendment that cart fees be renegotiated should a third party be involved. Motion seconded. Motion passes.

A motion was made to approve the Leasing Agreement with NBC/WJAR 10 for a five (5) year term (no option). Motion seconded. Motion passes.

A motion was made to approve the Naming Agreement, which Agreement states that the ice rink will be named the Fleet Skating Center for a period of fifteen (15) years.

A motion was made to approve the 1.8 million dollar Fleet Bank Loan Agreement for a period of twelve (12) years. Motion seconded. Motion passes.

A motion was made to approve the PEDC Loan Agreement in the amount of Five Hundred Thousand (\$500,000) Dollars for a period of ten (10) years.
Ayes: Commissioner Gordon-Martin, Commissioner Talan, Commissioner Triedman; Nays; 0, Abstentions: Commissioner Fagnoli, Commissioner Nolan; Absent: Chairman Cianci, Commissioner McCray.

FLEET SKATING CENTER TERM SHEET

Borrower: Providence Redevelopment Agency or other agency designated by the City of Providence

Purpose: To fund construction of a multi-use outdoor skating rink that is refrigerated from November 1 to March 31 for skating and which will provide a durable surface for roller skating and in-line skating during the summer months.

Lender: Fleet Bank ("Fleet").

Type and Amount of Facility: \$1.8 Million Twelve (12) year Term Loan (the "Credit Facility").

Final Maturity: Twelve (12) years from closing.

Availability: Proceeds from the Credit Facility will be available to make improvements to the real estate, fund a debt service reserve (approximately \$120,000), and bridge collection of \$312,500 of pledge receivables.

Amortization: See attached Schedule 1.

Interest: Interest on the outstanding principal balance will be at 3, 6, 9 or 12 month LIBOR plus 100 basis points. Interests will be calculated on the basis of the actual number of days elapsed in a year of 360 days, payable quarterly in arrears. For indicative purposes only, the (all-in) rate is detailed below as of October 12, 1998 but this rate is subject to daily rate quotes. The Borrower will have the option to fix the interest rate by executing a SWAP agreement.

3 mos.	6.19	9 mos.	5.83
6 mos	5.95	12 mos.	5.72

TERM SHEET
Fleet Skating Center
Page 2

- Security:** The Term Loan will be secured by an assignment of the revenue stream from operations and debt service reserve funded by the borrower. Pledges receivable shall be pledged to the bridge loan.
- Prepayments:** Prepayments made using the fixed rate option will be subject to a "make whole" provision.
First payment is not due until Aug. 1999
- Debt Service Reserve:** A debt service reserve in the approximate amount of \$120,000 will be initially funded out of the loan.
- Operator Lease:** The operating lease with Ogden Entertainment will have a lease term of six (6) years with an option to renew for six (6) years and it will be assigned to Fleet Bank. The lease will include a provision that before operating expenses, the first expense paid out will be the payment of debt service (principal and interest).
Only after debt service and operating expenses are paid will Ogden receive a management fee of \$48,000.
- Documentation:** The proposed term loan will be subject to negotiation, execution and delivery of a definitive Credit Agreement (including schedules, exhibits and ancillary documentation) and related security agreements, and other support documentations satisfactory to Fleet and its legal counsel.
- Conditions:** Conditions precedent to the initial borrowing under the Facilities include (without limitations):

TERM SHEET
Fleeting Skating Center

Page 3

1. Prior to closing, Fleet will receive and consent to the operating lease between the Borrower and Ogden Entertainment.
2. There shall have been no material adverse change in the condition (financial or otherwise), operations, assets or liabilities of the Borrower.
3. Fleet's receipt of management's or Ogden's income statement projections for the next five years.
4. There shall have been no material adverse change in the corporate, organizational and legal structure of the Borrower.
5. Receipt of evidence that the Borrower is in compliance in all material respects with all applicable foreign and US federal, state and local laws and regulations, including all applicable environmental laws and regulations.
6. Receipt of reasonably satisfactory legal opinions in scope customary for transactions of this nature.
7. Fleet will remain the main Bank of Account for the ice rink including the collection of pledged and operating income.

**Representations
and Warranties:**

Typical for transactions of this type including but not limited to:

- (i) due incorporation and good standing of the Borrower;
- (ii) due authorization and execution of loan documents by the Borrower;
- (iii) execution and performance of loan documents not to result in a breach of law or other agreements binding on the Borrower;
- (iv) proper tax filings;

TERM SHEET

Fleeting Skating Center

Page 4

- (v) no material litigation not set forth on a schedule delivered at closing;
- (vi) accuracy of specified financial statements and absence of material adverse change;
- (vii) absence of material ERISA and environmental liabilities;
- (viii) compliance with laws (including environmental laws);
- (ix) perfection of security interest and liens;
- (x) all governmental approvals obtained; and
- (xi) true and complete disclosure.

Covenants:

The subject term loan documents will carry covenants, including but not limited to the following list:

- (i) compliance with laws and other obligations
- (ii) limitations on sale or purchase of assets and fundamental changes of business;
- (iii) limitations on corporate transactions including mergers, acquisitions, investments and other related transactions;
- (iv) limitations on other indebtedness (including contingent obligations and guarantees) except for the PEDC loan for this project that will be subordinated to the subject loan;
- (v) limitations on other liens;
- (vi) receipt of an audited financial statement within 150 days after fiscal year end; and
- (vii) receipt of any other information which Fleet may reasonably request;

Events of

Default: Typical for transactions of this type, including (without limitation), payments, misrepresentations, covenant, defaults, bankruptcy, ERISA, judgments, change of control, cross defaults.

TERM SHEET
Fleeting Skating Center

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Expenses: The company will reimburse Fleet for all "out of pocket" expenses (including reasonable attorneys fees and inspecting architect fees), incurred by Fleet in connection with the negotiations, execution and administration of the proposed Credit Facility, regardless of whether or not the transaction contemplated herein is actually completed or loan documentation is signed.

**Governing
Law:** The State of Rhode Island

Other: This term sheet is intended as an outline and does not purport to summarize all terms and conditions, covenants, representations warranties, and other provisions which would be contained in definitive legal documentation for the Facility contemplated hereby. All information contained in this document is confidential in nature and is not to be disclosed without the consent of Fleet Bank.

Providence Redevelopment Agency
Fleet Skating Center
Interest Rate =

Scenario 30

10/21/98

5.75% (12 month LIBOR + 100 bp. - rates are subject to daily change)

Date		Beginning Loan Balance	Period End Loan Balance	Interest Expense	Principal	Lease Payment	Bridge Loan Repayment	Debt Service Reserve
Aug-99	Semi-annual	\$1,600,000	\$1,600,000	\$69,000	\$0	\$0		\$0
Nov-99	Quarterly	\$1,600,000	\$1,593,000	\$23,000	\$7,000	\$30,000		\$0
Feb-00	Quarterly	\$1,593,000	\$1,585,899	\$22,899	\$7,101	\$30,000		
May-00	Quarterly	\$1,585,899	\$1,578,697	\$22,797	\$7,203	\$30,000		
Aug-00	Quarterly	\$1,578,697	\$1,458,890	\$22,694	\$119,806	\$30,000	\$112,500	
Nov-00	Quarterly	\$1,458,890	\$1,449,862	\$20,972	\$9,028	\$30,000		
Feb-01	Quarterly	\$1,449,862	\$1,440,704	\$20,842	\$9,158	\$30,000		
May-01	Quarterly	\$1,440,704	\$1,431,414	\$20,710	\$9,290	\$30,000		
Aug-01	Quarterly	\$1,431,414	\$1,421,990	\$20,577	\$9,423	\$30,000		
Nov-01	Quarterly	\$1,421,990	\$1,412,432	\$20,441	\$9,559	\$30,000		
Feb-02	Quarterly	\$1,412,432	\$1,402,735	\$20,304	\$9,696	\$30,000		
May-02	Quarterly	\$1,402,735	\$1,392,900	\$20,164	\$9,836	\$30,000		
Aug-02	Quarterly	\$1,392,900	\$1,382,923	\$20,023	\$9,977	\$30,000		
Nov-02	Quarterly	\$1,382,923	\$1,371,552	\$19,880	\$11,370	\$31,250		
Feb-03	Quarterly	\$1,371,552	\$1,360,018	\$19,716	\$11,534	\$31,250		
May-03	Quarterly	\$1,360,018	\$1,348,318	\$19,550	\$11,700	\$31,250		
Aug-03	Quarterly	\$1,348,318	\$1,336,450	\$19,382	\$11,868	\$31,250		
Nov-03	Quarterly	\$1,336,450	\$1,324,412	\$19,211	\$12,039	\$31,250		
Feb-04	Quarterly	\$1,324,412	\$1,312,200	\$19,038	\$12,212	\$31,250		
May-04	Quarterly	\$1,312,200	\$1,299,813	\$18,863	\$12,387	\$31,250		
Aug-04	Quarterly	\$1,299,813	\$1,287,248	\$18,685	\$12,565	\$31,250		
Nov-04	Quarterly	\$1,287,248	\$1,270,752	\$18,504	\$16,496	\$35,000		
Feb-05	Quarterly	\$1,270,752	\$1,254,019	\$18,267	\$16,733	\$35,000		
May-05	Quarterly	\$1,254,019	\$1,237,046	\$18,027	\$16,973	\$35,000		
Aug-05	Quarterly	\$1,237,046	\$1,219,828	\$17,783	\$17,217	\$35,000		
Nov-05	Quarterly	\$1,219,828	\$1,202,363	\$17,535	\$17,465	\$35,000		
Feb-06	Quarterly	\$1,202,363	\$1,184,647	\$17,284	\$17,716	\$35,000		
May-06	Quarterly	\$1,184,647	\$1,166,677	\$17,029	\$17,971	\$35,000		
Aug-06	Quarterly	\$1,166,677	\$1,148,448	\$16,771	\$18,229	\$35,000		
Nov-06	Quarterly	\$1,148,448	\$1,129,957	\$16,509	\$18,491	\$35,000		
Feb-07	Quarterly	\$1,129,957	\$1,111,200	\$16,243	\$18,757	\$35,000		
May-07	Quarterly	\$1,111,200	\$1,092,173	\$15,973	\$19,027	\$35,000		
Aug-07	Quarterly	\$1,092,173	\$1,072,873	\$15,700	\$19,300	\$35,000		
Nov-07	Quarterly	\$1,072,873	\$1,053,296	\$15,423	\$19,577	\$35,000		
Feb-08	Quarterly	\$1,053,296	\$1,033,437	\$15,141	\$19,859	\$35,000		
May-08	Quarterly	\$1,033,437	\$1,013,292	\$14,856	\$20,144	\$35,000		
Aug-08	Quarterly	\$1,013,292	\$992,859	\$14,566	\$20,434	\$35,000		
Nov-08	Quarterly	\$992,859	\$972,131	\$14,272	\$20,728	\$35,000		
Feb-09	Quarterly	\$972,131	\$951,105	\$13,974	\$21,026	\$35,000		
May-09	Quarterly	\$951,105	\$929,777	\$13,672	\$21,328	\$35,000		
Aug-09	Quarterly	\$929,777	\$908,143	\$13,366	\$21,634	\$35,000		
Nov-09	Quarterly	\$908,143	\$886,198	\$13,055	\$21,945	\$35,000		

Providence Reuevelopment Agency
Fleet Skating Center

Scenario 30

10/21/98

Interest Rate =

5.75% (12 month LIBOR + 100 bp. - rates are subject to daily change)

Date		Beginning Loan Balance	Period End Loan Balance	Interest Expense	Principal	Lease Payment	Bridge Loan Repayment	Debt Service Reserve
Feb-10	Quarterly	\$886,198	\$863,937	\$12,739	\$22,261	\$35,000		
May-10	Quarterly	\$863,937	\$841,356	\$12,419	\$22,581	\$35,000		
Aug-10	Quarterly	\$841,356	\$818,450	\$12,094	\$22,906	\$35,000		
Nov-10	Quarterly	\$818,450	\$795,215	\$11,765	\$23,235	\$35,000		
Feb-11	Quarterly	\$795,215	\$771,647	\$11,431	\$23,569	\$35,000		
May-11	Quarterly	\$771,647	\$747,739	\$11,092	\$23,908	\$35,000		
Aug-11	Quarterly	\$747,739	\$603,488	\$10,749	\$24,251	\$35,000		\$120,000
Totals				\$894,988	\$876,512	\$1,590,000	\$112,500	\$120,000

Loan Hard Costs	\$1,480,000
Total Payback	\$1,891,500

Payback Sources	\$1,891,500	\$1,590,000	\$112,500	\$120,000	\$69,000
Total =		Lease	Bridge	DSR	Interim Int.

Total Loan	\$1,600,000	\$1,480,000	\$120,000
Total =		LHC +	DSR

This schedule does not include potential principal reductions made from excess cash flow, which is not quantifiable at this time.

File Name: H:\KELLY\XLD\DOCS\ICE30.XLS

PROMISSORY NOTE

\$1,800,000 _____, 1998

FOR VALUE RECEIVED, [THE PROVIDENCE REDEVELOPMENT AGENCY, a public body corporate and politic established pursuant to the laws of the State of Rhode Island], having its principal address at _____, Providence, Rhode Island 02903 (the "Borrower"), promises to pay to FLEET NATIONAL BANK, a national banking association, (the "Lender"), or to its order, at its office at 111 Westminster Street, Providence, Rhode Island 02903, the principal sum of ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$1,800,000) or if less, the aggregate unpaid principal amount of advances made by the Lender to the Borrower pursuant to that certain Term Loan Agreement of even date (as may be amended from time to time, the "Loan Agreement"), together with interest in arrears on the unpaid principal balance from time to time outstanding from the date hereof until the entire principal amount due hereunder is paid in full at the rates hereinafter provided.

1. Interest Rates.

1.1. Borrower's Options. Principal amounts outstanding under this Note shall bear interest subject to the conditions and limitations provided for in this Note, at the LIBOR Based Rate.

1.1.1 Selection To Be Made. The Borrower shall select, and thereafter may change the selection of, the applicable interest rate, from the alternatives otherwise provided for in this Note, by giving the Lender a Notice of Rate Selection by the times stated in Section 1.1.2 hereof for any LIBOR Advance .

1.1.2 Notice. A "Notice of Rate Selection" shall be a written notice, given by cable, tested telex, telecopier (with authorized signature), or by telephone if immediately confirmed by such a written notice, from an Authorized Representative of Borrower which: (i) is irrevocable; (ii) is received by the Lender not later than 12:00 o'clock P.M. Eastern Time: at least three (3) Business Days prior to the first day of the Interest Period to which such selection is to apply, and (iii) as to each selected interest rate option, sets forth the Interest Period applicable to the LIBOR Advance.

1.1.3 If No Notice. If the Borrower fails to select an interest rate option in accordance with the foregoing prior to the last day of the applicable Interest Period of an outstanding LIBOR Advance, or if a LIBOR Advance is not available, any such portion of the Note made shall be deemed to be a Variable Rate Advance, and on the last day of the applicable Interest Period all outstanding principal amounts shall be deemed converted to a Variable Rate Advance.

1.2. Telephonic Notice. Without in any way limiting the Borrower's obligation to confirm in writing any telephonic notice, the Lender may act without liability upon the basis of telephonic notice believed by the Lender in good faith to be from the Borrower prior to receipt of written confirmation. In each case the Borrower hereby waives the right to dispute the Lender's record of the terms of such telephonic Notice of Rate Selection in the absence of manifest error.

1.3. Limits On Options[^]. Each LIBOR Advance shall be in a minimum amount ^ equal to the then outstanding principal balance of the Note. At no time shall there be outstanding ^ more than ^(1) LIBOR ^ Advance at any time.

2. Payment of Interest and Principal.

2.1. Calculation of Interest. All interest shall be ^ payable in arrears and calculated on the basis of a three hundred sixty (360) day year and the actual number of days elapsed. Each change in the Prime Rate shall simultaneously change the Variable Rate payable under this Note. Interest at the LIBOR Based Rate shall be computed from and including the first day of the applicable Interest Period through the last day thereof.

2.2. Payment. Principal and interest hereunder shall be payable in quarterly installments in the amounts set forth below on the first day of each February, May, August, and November, commencing November 1, 1999 and continuing quarterly thereafter, with the final payment of all unpaid principal, interest and other charges due hereunder twelve (12) years from the date of this Note (the "Maturity Date"):

<u>Quarterly Periods</u>	<u>Quarterly Principal and Interest Payment</u>
11/1/99 - 8/1/02	\$30,000
11/1/02 - 8/1/04	\$31,250
11/1/04 and thereafter	\$35,000

In addition to the above payments, a principal payment of \$312,500 shall be due on August 1, 2000. All payments shall be applied first to accrued and unpaid interest hereunder, calculated in arrears, and then to the principal balance outstanding hereunder.

2.3. Prepayment. This Note or any portion thereof may be prepaid in full or in part at any time upon five (5) days' prior written notice to the holder of this Note without premium or penalty with respect to Variable Rate Advances and, with respect to LIBOR Advances subject to a make-whole provision and upon payment of a Yield Maintenance Fee. Any partial prepayment of principal shall first be applied to any installment of principal then due and then be applied to the principal due in the reverse order of maturity, and no such partial prepayment shall relieve the Borrower of the obligation to pay each subsequent installment of principal when due.

If by reason of an Event of Default hereunder or under any of the Loan Documents, the Lender elects to declare this Note to be immediately due and payable, then any Yield Maintenance Fee with respect to this Note shall become due and payable in the same manner as though the Borrower had exercised such right of prepayment.

2.4. Maturity. At Maturity all accrued interest, principal and other charges due with respect to the Note shall be due and payable in full and the principal balance and such other charges, but not unpaid interest, shall continue to bear interest at the Default Rate until so paid.

2.5. Method of Payment; Date of Credit. All payments of interest, principal and fees shall be made in lawful money of the United States in immediately available funds except as provided in (c) below: (a) by direct charge to an account of the Borrower maintained with the Lender (or the then holder of the Note), or (b) by wire transfer to the Lender or (c) by check payable to the Lender and delivered to the Lender at 111 Westminster Street, Suite 800, Providence, Rhode Island 02903, or (d) to such other bank or address as the holder of the Note may designate in a written notice to the Borrower. Payments shall be credited on the Business Day on which immediately available funds are received prior to one o'clock P.M. Eastern Time; payments received after one o'clock P.M. Eastern Time shall be credited to the Note on the next Business Day. Payments which are by check shall be provisionally credited to the Note until the item is finally paid by the payor bank and become immediately payable funds.

2.6. Billings. The Lender may submit monthly billings reflecting payments due; however, any changes in the interest rate which occur between the date of billing and the due date may be reflected in the billing for a subsequent month. Neither the failure of the Lender to submit a billing nor any error in any such billing shall excuse the Borrower from the obligation to make full payment of all the Borrower's payment obligations when due.

2.7. Default Rate. The Lender shall have the option of imposing, and the Borrower shall pay upon billing therefor, an interest rate which is four percent (4%) per annum above the interest rate otherwise payable ("Default Rate"): (a) while any monetary default exists and is continuing, during that period between the due date and the date of payment; (b) following any Event of Default, unless and until the Event of Default is waived by the Lender; (c) after judgment has been rendered on this Note and (d) after Maturity.

2.8. Late Charges. The Borrower shall pay, upon billing therefor, a "Late Charge" equal to five percent (5%) of the amount of any payment of principal, other than principal due at Maturity, interest, or both, which is not paid within ten (10) days of the due date thereof. Late charges are: (a) payable in addition to, and not in limitation of, the Default Rate, (b) intended to compensate the Lender for administrative and processing costs incident to late payments, (c) are not interest, and (d) shall not be subject to refund or rebate or credited against any other amount due.

2.9. Calculation of Yield Maintenance. In the event that the Borrower is paying interest hereunder at the LIBOR Based Rate, the Borrower shall have the right at any time and from time to time to prepay this Note in whole (but not in part), and the Borrower shall pay to the Lender a prepayment fee (the "Yield Maintenance Fee") in an amount computed as follows: The

current Treasury Rate with a maturity date closest to the last day of applicable Interest Period to which the prepayment is made shall be subtracted from the LIBOR Rate in effect at the time of prepayment. If the result is zero or a negative number, there shall be no Yield Maintenance Fee. If the result is a positive number, then the resulting percentage shall be multiplied by the amount of the principal balance being prepaid. The resulting amount shall be divided by three hundred sixty (360) days and multiplied by the number of days remaining in the Interest Period as to which the prepayment is made. Said amount shall be reduced to present value calculated by using the number of days remaining in the Interest Period and using the Treasury Rate. The resulting amount shall be the Yield Maintenance Fee due to the Lender upon prepayment of the LIBOR Advance. If at any time the Lender makes demand under this Note for payment in full while a LIBOR Advance is in effect, then any Yield Maintenance Fee with respect to this Note shall become due and payable in the same manner as though the Borrower had exercised such right of prepayment.

2.10. Make Whole Provision. The Borrower shall pay to the Lender, immediately upon request and notwithstanding contrary provisions contained in any of the Loan Documents, such amounts as shall, in the conclusive judgment of the Lender (in the absence of manifest error), compensate the Lender for the loss, cost or expense which it may reasonably incur as a result of (i) any payment or prepayment, under any circumstances whatsoever, whether voluntary or involuntary, of all or any portion of a LIBOR Advance on a date other than the last day of the applicable Interest Period of a LIBOR Advance, (ii) the conversion, for any reason whatsoever, whether voluntary or involuntary, of any LIBOR Advance, to a Variable Rate Advance on a date other than the last day of the applicable Interest Period, (iii) the failure of all or a portion of the Note which was to have borne interest at the LIBOR Based Rate pursuant to the request of the Borrower to be made under the Loan Agreement (except as a result of a failure by the Lender to fulfill the Lender's obligations to fund), or (iv) the failure of the Borrower to borrow in accordance with any request submitted by it for a LIBOR Advance. Such amounts payable by the Borrower shall be equal to any administrative costs actually incurred.

3. Certain Definitions and Provisions Relating To Interest Rate.

3.1. Banking Day. The term "Banking Day" means a day on which banks are not required or authorized by law to close in the city in which the Lender's principal office is situated.

3.2. Business Day; Same Calendar Month. The term "Business Day" means any Banking Day and, if the applicable Business Day relates to the selection or determination of any LIBOR Based Rate, any London Banking Day. If any day on which a payment is due is not a Business Day, then the payment shall be due on the next day following which is a Business Day, unless, with respect to LIBOR Advances, the effect would be to make the payment due in the next calendar month, in which event such payment shall be due on the next preceding day which is a Business Day. Further, if there is no corresponding day for a payment in the given calendar month (i.e., there is no "February 30th"), the payment shall be due on the last Business Day of the calendar month.

3.3. Dollars. The term “Dollars” or “\$” means lawful money of the United States.

3.4. Interest Period.

(a) The term “Interest Period” means with respect to each LIBOR Advance: a period of three (3), six (6), nine (9) or twelve (12) consecutive months, as selected, or deemed selected, by the Borrower at least three (3) Business Days prior to the end of the current Interest Period. Each such Interest Period shall commence on the Business Day so selected, or deemed selected, by the Borrower and shall end on the numerically corresponding day in the first, second, third, fourth, sixth or twelfth month thereafter, as applicable. Provided, however: (i) if there is no such numerically corresponding day, such Interest Period shall end on the last Business Day of the applicable month, (ii) if the last day of such an Interest Period would otherwise occur on a day which is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day; but (iii) if such extension would otherwise cause such last day to occur in a new calendar month, then such last day shall occur on the next preceding Business Day.

(b) The term “Interest Period” shall mean with respect to each Variable Rate Advance consecutive periods of one (1) day each.

(c) No Interest Period may be selected which would end beyond the then Maturity Date of the Note. If the last day of an Interest Period would otherwise occur on a day which is not a Business Day, such last day shall be extended to the next succeeding Business Day, except as provided above in clause (a) relative to a LIBOR Advance.

3.5. LIBOR Advance. The term “LIBOR Advance” means any principal outstanding under this Note which pursuant to this Note bears interest at the LIBOR Based Rate.

3.6. LIBOR Based Rate. The term “LIBOR Based Rate” means the per annum rate equal to the LIBOR Rate plus 1%.

3.7. LIBOR Rate. The term “LIBOR Rate” means, with respect to each Interest Period applicable to any LIBOR Advance, the rate per annum (rounded upward, if necessary, to the nearest 1/32 of one percent) as determined on the basis of the offered rates for deposits in U.S. dollars, for a period of time comparable to such LIBOR Advance which appears on the Telerate page 3750 as of 11:00 a.m. London time on the day that is two (2) London Banking Days preceding the first day of such LIBOR Advance; provided, however, if the rate described above does not appear on the Telerate System on any applicable interest determination date, the LIBOR Rate shall be the rate (rounded upwards as described above, if necessary) for deposits in dollars for a period substantially equal to the interest period on the Reuters Page “LIBOR” (or such other page as may replace the LIBOR Page on that service for the purpose of displaying such rates), as of 11:00 a.m. (London Time), on the day that is two (2) London Banking Days prior to the

beginning of such interest period. "Banking Day" shall mean, in respect of any city, any date on which commercial banks are open for business in that city.

If both the Telerate and Reuters system are unavailable, then the rate for that date will be determined on the basis of the offered rates for deposits in U.S. dollars for a period of time comparable to the Interest Period for such LIBOR Advance which are offered by four major banks in the London interbank market at approximately 11:00 a.m. London time, on the day that is two (2) London Banking Days preceding the first day of the Interest Period for such LIBOR Advance as selected by the calculation agent. The principal London office of each of the four major London banks will be requested to provide a quotation for its U.S. dollar deposit offered rate. If at least two such quotations are provided, the rate for that date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that date will be determined on the basis of the rates quoted for loans in U.S. dollars to leading European banks for a period of time comparable to the Interest Period for such LIBOR Advance offered by major banks in New York City at approximately 11:00 a.m. New York City time, on the day that its two London Banking Days preceding the first day of the Interest Period for such LIBOR Advance. In the event that the Lender is unable to obtain any such quotation as provided above, it will be deemed that the LIBOR Rate pursuant to a LIBOR Advance cannot be determined.

In the event that the Board of Governors of the Federal Reserve System shall impose a Reserve Percentage with respect to LIBOR deposits of the Lender then for any period during which such Reserve Percentage shall apply, the LIBOR Rate shall be equal to the amount determined above divided by an amount equal to 1 minus the Reserve Percentage. The "Reserve Percentage" shall mean the maximum reserve percentage applicable during any applicable Interest Periods under regulations issued from time to time by the Board of Governors of the Federal Reserve System for determining the maximum reserve requirements (including, without limitation, any basic, supplemental, marginal and emergency reserve requirements) for Lender (or of any subsequent holder of this Note which is subject to such reserve requirements) in respect of liabilities or assets consisting of or including Eurocurrency liabilities (as such term is defined in Regulation D of the Board of Governors of the Federal Reserve System) having a term equal to the applicable Interest Period.

3.8. London Banking Day. The term "London Banking Day" means any day on which dealings in deposits in Dollars are transacted in the London interbank market.

3.9. Maturity. The term "Maturity" means the Maturity Date or upon acceleration of the Note, if the Note has been accelerated by the Lender upon an Event of Default.

3.10. Present Value. The term "Present Value" means the value at the applicable maturity discounted to the date of prepayment using the Bid Rate.

3.11. Prime Rate. The term "Prime Rate" means the variable per annum rate of interest so designated from time to time by the Lender as its prime rate. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate being charged to any customer.

3.12. Treasury Rate. The term "Treasury Rate" means, as of the date of any calculation or determination, the latest published rate for United States Treasury Notes or Bills (but the rate on Bills issued on a discounted basis shall be converted to a bond equivalent) as published weekly in the Federal Reserve Statistical Release H.15(519) of selected interest rates in an amount which approximates (as determined by the Lender) the amount (i) approximately comparable to the portion of the Note to which the Treasury Rate applies for the applicable Interest Period, or (ii) in the case of a prepayment, the amount prepaid and with a maturity closest to the last day of the applicable Interest Period to which the prepayment applies.

3.13. Variable Rate. The term "Variable Rate" means a per annum rate equal at all times to the Prime Rate less one-half of one percent (1/2%), with changes therein to be effective simultaneously with any change in the Prime Rate.

3.14. Variable Rate Advance. The term "Variable Rate Advance" means any principal amount outstanding under this Note which pursuant to this Note bears interest at the Variable Rate.

4. Additional Provisions Related to Interest Rate Selection.

4.1 Increased Costs. If, due to any one or more of: (i) the introduction of any applicable law or regulation or any change (other than any change by way of imposition or increase of reserve requirements already referred to in the definition of LIBOR Rate in the interpretation or application by any authority charged with the interpretation or application thereof of any law or regulation; or (ii) the compliance with any guideline or request from any governmental central bank or other governmental authority (whether or not having the force of law), there shall be an increase in the cost to the Lender of agreeing to make or making, funding or maintaining LIBOR Advances, including, without limitation, changes which affect or would affect the amount of capital or reserves required or expected to be maintained by the Lender, with respect to all or any portion of the Note, or any corporation controlling the Lender, on account thereof, then the Borrower from time to time shall, upon written demand by the Lender, pay the Lender additional amounts sufficient to indemnify the Lender against the increased cost. A certificate as to the amount of the increased cost and the reason therefor submitted to the Borrower by the Lender, in the absence of manifest error, shall be conclusive and binding for all purposes.

4.2 Illegality. Notwithstanding any other provision of this Note, if the introduction of or change in or in the interpretation of any law, treaty, statute, regulation or interpretation thereof shall make it unlawful, or any central bank or government authority shall assert by directive, guideline or otherwise, that it is unlawful, for the Lender to make or maintain LIBOR Advances or to continue to fund or maintain LIBOR Advances then, on written notice thereof and demand by the Lender to the Borrower, (a) the obligation of the Lender to make LIBOR Advances and to convert or continue any portion of the Note as LIBOR Advances shall terminate and (b) the Borrower shall convert all principal outstanding under this Note into Variable Rate Advances.

4.3 Additional LIBOR Rate Conditions. The [^] maintenance of any portion of the Note at [^] a LIBOR Based Rate shall be subject to the following additional terms and conditions:

(a) Availability. If, before or after the Borrower has selected to take or maintain a LIBOR Advance, the Lender notifies the Borrower that:

(i) dollar deposits in the amount and for the maturity requested are not available to the Lender in the London interbank market at the rate specified in the definition of LIBOR Rate set forth above, or

(ii) reasonable means do not exist for the Lender to determine the LIBOR Based Rate for the amounts and maturity requested,

then the principal which would have been a LIBOR Advance shall be a Variable Rate Advance.

(b) Payments Net of Taxes. All payments and prepayments of principal and interest under this Note shall be made net of any taxes and costs resulting from having principal outstanding at or computed with reference to a LIBOR Based Rate. Without limiting the generality of the preceding obligation, illustrations of such taxes and costs are taxes, or the withholding of amounts for taxes, of any nature whatsoever including income, excise, interest equalization taxes (other than United States or state income taxes) as well as all levies, imposts, duties or fees whether now in existence or as the result of a change in or promulgation of any treaty, statute, regulation, or interpretation thereof or any directive guideline or otherwise by a central bank or fiscal authority (whether or not having the force of law) or a change in the basis of, or the time of payment of, such taxes and other amounts resulting therefrom.

4.4[^]. Conversion of Other Advances. At the end of each applicable Interest Period, the applicable LIBOR Advance shall be converted to a Variable Rate Advance unless the Borrower selects another option in accordance with the provisions of this Note.

5. Security. This Note is secured by a Security and Pledge Agreement of the Borrower of even date herewith, a Security Agreement of the Borrower of even date herewith, a Collateral Assignment of Leases and Rents with respect to the multi-use outdoor skating rink that is located in the City of Providence, and other documents, all as described in a Term Loan Agreement between the Borrower and the Lender (the "Loan Agreement"), all of even date herewith (which documents, together with any other instrument securing this Note and as may be amended from time to time, are hereinafter collectively referred to as the "Security Documents"). This Note is entitled to all of the benefits of the Security Documents, and specific reference is hereby made to such instruments for all purposes.

6. Events of Default. Upon the occurrence of any of the following events (each of which events shall be an Event of Default hereunder):

(i) the failure of Borrower to make any payment of principal or interest hereunder within ten (10) days after the same is due, or

(ii) an Event of Default as described and defined in any of the Security Documents, the Loan Agreement or any other instrument evidencing any indebtedness of the Borrower to the Lender and the expiration of any period provided in such instrument to cure such default,

then the Lender may declare the entire unpaid principal balance hereunder immediately due and payable without notice, demand or presentment and may exercise any of its rights under the Security Documents. In the event that the Lender or any subsequent holder of this Note shall exercise or endeavor to exercise any of its remedies hereunder or under the Security Documents, the Borrower shall pay on demand any Yield Maintenance Fee and make whole premiums as set forth above and all reasonable costs and expenses incurred in connection therewith, including, without limitation, reasonable attorney's fees and the Lender may take judgment for all such amounts in addition to all other sums due hereunder.

7. Setoff. The Borrower hereby grants to the Lender, a lien, security interest and right of setoff as security for all liabilities and obligations to the Lender, whether now existing or hereafter arising, upon and against all deposits, credits, collateral and property now or hereafter in the possession, custody, safekeeping or control of the Lender or any entity under the control of Fleet Financial Group, Inc., or in transit to any of them. At any time, without demand or notice, the Lender may setoff the same or any part thereof and apply the same to any liability or obligation of the Borrower even though unmatured and regardless of the adequacy of any other collateral securing the Note. ANY AND ALL RIGHTS TO REQUIRE THE LENDER TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THIS NOTE, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF THE BORROWER OR ANY GUARANTOR HEREOF, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

8. Waivers. The Borrower waives presentment for payment, protest and demand, and notice of protest, demand and/or dishonor and nonpayment of this Note, notice of any Event of Default under the Security Documents except as specifically provided therein, and all other notices or demands otherwise required by law that the Borrower may lawfully waive. BORROWER AND THE LENDER MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE OR ANY OTHER LOAN DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR LENDER TO ACCEPT THIS NOTE AND MAKE THE LOAN. The Borrower expressly agrees that this Note, or any payment hereunder, may be extended from time to time, without in any way affecting the liability of the Borrower. No unilateral consent or waiver by the Lender with respect to any action or failure to act which, without consent, would constitute a breach of any provision of this Note shall be valid and binding unless in writing and signed by the Lender.

9. Governing Law. The rights and obligations of the Borrower and all provisions hereof shall be governed by and construed in accordance with the laws of the State of Rhode Island, except to the extent that such laws are superseded by Federal enactments.

10. Usury Savings Clause. All agreements between the Borrower and the Lender are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of maturity of the indebtedness evidenced hereby or otherwise, shall the amount paid or agreed to be paid to the Lender for the use, forbearance or detention of the indebtedness evidenced hereby exceed the maximum permissible under applicable law. As used herein, the term "applicable law" shall mean the law in effect as of the date hereof, provided, however, that in the event there is a change in the law which results in a higher permissible rate of interest, then this Note shall be governed by such new law as of its effective date. In this regard, it is expressly agreed that it is the intent of Borrower and Lender in the execution, delivery and acceptance of this Note to contract in strict compliance with the laws of the State of Rhode Island from time to time in effect. If, from any circumstance whatsoever, fulfillment of any provision hereof or of any of the Loan Agreement or the Security Documents at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law, then the obligation to be fulfilled shall automatically be reduced to the limit of such validity, and if from any circumstances the Lender should ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the principal balance evidenced hereby and not to the payment of interest. This provision shall control every other provision of all agreements between the Borrower and the Lender.

11. Continued Liability of Borrower. The Borrower shall remain primarily liable on this Note and the Security Documents until full payment, unaffected by an alienation of the Project, by any agreement or transaction between the Lender and any subsequent owner or alienee of the Project as to payment of principal, interest or other moneys, by any forbearance or extension of time, guaranty or assumption by others, or by any other matter, as to all of which notice is hereby waived by the Borrower.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed by its duly authorized representative as of the day and year first above written.

WITNESS:

THE PROVIDENCE REDEVELOPMENT
AGENCY

DRAFT

By _____
Title _____

SECURITY AGREEMENT

THIS SECURITY AGREEMENT is made as of the _____ day of _____, 1998, by and between [THE PROVIDENCE REDEVELOPMENT AGENCY, a public body corporate and politic established pursuant to the laws of the State of Rhode Island] ("Debtor"), and FLEET NATIONAL BANK, a national banking association ("Secured Party").

Section 1. The Security Interests. (A) In order (i) to secure the due and punctual payment of that certain Promissory Note of Debtor of even date herewith issued to Secured Party in the original principal amount of One Million Eight Thousand Dollars (\$1,800,000), as the same may be amended, extended, renewed or restated from time to time (the "Note"), and (ii) to secure the performance of all the obligations of Debtor contained herein and in that certain Term Loan Agreement of even date herewith by and between Debtor and Secured Party, as the same may be amended, extended, renewed or restated from time to time (the "Loan Agreement") (all of the foregoing are hereinafter called the "Obligations"); Debtor hereby grants to Secured Party a continuing security interest in the following described fixtures and personal property, whether now owned or hereafter acquired or arising and wherever located (hereinafter collectively called the "Collateral"):

All fixtures and all tangible and intangible personal property of Debtor situated or to be situated upon or used, useful, arising out of, or related to the Project as defined in the Loan Agreement (the "Project") of every kind and description and wherever located, in each case whether now owned or hereafter acquired by Debtor, or in which Debtor may now have or hereafter acquire an interest, including, without limitation:

(1) all equipment (as such term is defined in the Uniform Commercial Code as in effect in the State of Rhode Island [the "UCC"]), machinery and fixtures, including, without limitation, all processing and manufacturing equipment, machine tools, data processing and computer equipment, furniture, tools, dies, molds, motor vehicles, rolling stock, trailers and other equipment of every kind and description, in each case whether now owned or hereafter acquired by Debtor, or in which Debtor may now have or hereafter acquire an interest used on or in connection with the Project;

(2) all inventory (as such term is defined in the UCC), including without limitation, all merchandise, raw materials, work in process, parts, components, dies, molds, finished goods, supplies and all goods returned to or repossessed by Debtor, in each case whether now owned or hereafter acquired by Debtor, or in which Debtor may now have or hereafter acquire an interest used, created, useful or related in any way, in connection with the Project;

(3) all accounts (as such term is defined in the UCC), accounts receivable, other receivables, evidences of indebtedness, notes, drafts, acceptances, contract rights,

including without limitation all rights of Debtor under contracts relating to the operation of the Project, listed in Exhibit A attached hereto and made a part hereof, and all extensions, renewals and restatements of said contracts), leases, chattel paper (as such term is defined in the UCC), and general intangibles (as such term is defined in the UCC), including, without limitation, all collateral and security therefor (including, without limitation, all guarantees, letters of credit, liens and security interests in favor of Debtor), and all goodwill, going concern value, patents, applications for patents, trademarks, trade names, service marks, registrations of trademarks and service marks, customer lists, advertising materials, operating manuals, copyrights, blueprints, designs, engineering drawings and contracts, proprietary information, product lines, distribution agreements, dealer contracts, supplier contracts, tax refund claims, licenses, research and development, and all rights to the payment of money, in each case whether now owned or hereafter acquired by Debtor, or in which Debtor may now have or hereafter acquire an interest arising out of, generated by, or in any way related to the Project;

(4) all instruments (as such term is defined in the UCC), documents of title, policies and certificates of insurance, securities, securities entitlements, bank deposits, deposit accounts, checking accounts, certificates of deposit and cash, in each case whether now owned or hereafter acquired by Debtor, or in which Debtor may now have or hereafter acquire an interest and which arising out of, or are in anyway related to or generated from the Project;

(5) all accessions, additions and improvements to, and all proceeds and products of, all of the foregoing, including proceeds of insurance, whether now owned or hereafter acquired by Debtor, or in which Debtor may now have or hereafter acquire an interest relating to the Project; and

(6) all books, records, documents, computer tapes and discs relating to all of the foregoing, whether now owned or hereafter acquired by Debtor, or in which Debtor may now have or hereafter acquire an interest.

(b) All of Debtor's accounts, accounts receivable, contract rights, chattel paper, general intangibles and rights to the payment of money, and all collateral and security therefor, and all proceeds thereof, are sometimes hereinafter collectively called the "Customer Receivables". All of Debtor's equipment, fixtures and inventory are sometimes hereinafter collectively called the "Tangible Collateral".

(c) The security interests granted pursuant to this Section 1 (the "Security Interests") are granted as security only and shall not subject Secured Party to, or transfer to Secured Party, or in any way affect or modify, any obligation or liability of Debtor under any of the Collateral or any transaction which gave rise thereto.

Section 2. Filing; Further Assurances. Debtor will, at its expense, execute, deliver, file and record (in such manner and form as Secured Party may require), or permit Secured Party to file and record, any financing statements, specific assignments or other paper that may be

necessary or desirable, or that Secured Party may request, in order to create, preserve, perfect or validate any Security Interest or to enable Secured Party to exercise and enforce its rights hereunder with respect to any of the Collateral. Secured Party may at any time or from time to time, at its sole discretion, require Debtor to cause any chattel paper included in the Customer Receivables to be delivered to Secured Party, or any agent or representative designated by it, or to cause a legend referring to the Security Interests to be placed on such chattel paper and upon any ledgers or other records concerning the Customer Receivables.

Section 3. Representations, Warranties and Covenants of Debtor. Debtor hereby represents, warrants and covenants as follows:

(a) Except for the Security Interests and other liens permitted by the Loan Agreement, Debtor is, or to the extent that certain of the Collateral is to be acquired after the date hereof, will be, the owner of the Collateral free from any adverse lien, security interest or encumbrance, and that Debtor will defend the Collateral against all claims and demands of all persons at any time claiming any interest therein.

(b) No financing statement covering the Collateral is on file in any public office, other than the financing statements filed pursuant to this Security Agreement.

(c) All additional information, representations and warranties set forth on Exhibit B attached hereto and made a part hereof are true, accurate and complete on the date hereof.

(d) Debtor will promptly pay any and all taxes, assessments and governmental charges upon the Collateral prior to the date penalties are attached thereto, except to the extent that such taxes, assessments and charges shall be contested in good faith by Debtor, adequate reserves have been set aside therefor, and payment of such contested taxes made prior to the institution of enforcement proceedings which could adversely effect the Security Interests or the Collateral.

(e) Debtor will immediately notify Secured Party of any event causing a substantial loss or diminution in the value of all or any material part of the Collateral and the amount or an estimate of the amount of such loss or diminution.

(f) Except as otherwise permitted by the Loan Agreement, Debtor will keep the Collateral free from any adverse lien, security interest or encumbrance and in good order and repair and will not waste or destroy the Collateral or any part thereof; and Debtor will not use the Collateral in violation of any applicable law or any policy of insurance applicable thereto.

(g) Debtor will not sell or offer to sell or otherwise assign, transfer or dispose of the Collateral or any interest therein, without the prior written consent of Secured Party; provided, however, that Debtor may sell inventory, if any, in the ordinary course of business.

(h) Debtor will provide Secured Party with not less than thirty (30) days' prior written notice of any change in (i) the name of Debtor, (ii) the chief executive office of Debtor or the office where Debtor maintains its books and records pertaining to the Customer Receivables, and (iii) the movement or location of Collateral to or at any address other than as set forth on Exhibit B.

(i) Debtor will have and maintain insurance at all times with respect to the Tangible Collateral against risks of fire (including so-called extended coverage) and theft, and such other risks as Secured Party may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to Secured Party, such insurance shall name Secured Party as "additional insured" and "mortgagee" thereunder, and shall provide for thirty (30) days' prior written notice to Secured Party of cancellation or material amendment to the policies, and Debtor shall furnish Secured Party with certificates or other evidence satisfactory to Secured Party of compliance with the foregoing insurance provisions.

(j) Debtor agrees to cooperate and join, at its expense, with Secured Party in taking such steps as are necessary, in Secured Party's judgment, to perfect or continue the perfected status of the Security Interests granted hereunder, including, without limitation, the execution and delivery of any financing statements, amendments thereto and continuation statements, the delivery of chattel paper, documents or instruments to Secured Party, the obtaining of landlord's waivers required by Secured Party, the notation of encumbrances in favor of Secured Party on certificates of title, and the execution and filing of any collateral assignments and any other instruments requested by Secured Party to perfect its security interest in any and all of Debtor's patents, trademarks, service marks, trade names, copyrights and other general intangibles. Secured Party is expressly authorized to file financing statements without Debtor's signature.

Section 4. Records Relating to Collateral. Debtor will keep its records concerning the Collateral, including the Customer Receivables and all chattel paper included in the Customer Receivables, at its offices at [] or at such other place or places of business as Secured Party may approve in writing. Debtor will hold and preserve such records and chattel paper and will permit representatives of Secured Party at any time during normal business hours to examine and inspect the Collateral and to take abstracts from such records and chattel paper, and will furnish to Secured Party such information and reports regarding the Collateral as Secured Party may from time to time reasonably request.

Section 5. Collections with Respect to Customer Receivables. Debtor will, at its expense, as agent for Secured Party and subject at all times to Secured Party's right to give reasonable directions and instructions:

(i) endeavor to collect or cause to be collected from customers indebted on Customer Receivables, as and when due, any and all amounts, including interest, owing under or on account of each Customer Receivable;

(ii) compromise and settle any dispute relating to any Customer Receivable; and

(iii) take or cause to be taken such appropriate action to repossess goods, the sale of which gave rise to any Customer Receivable, or to enforce any rights or liens under Customer Receivables, as Debtor or Secured Party may deem proper, and in the name of Debtor, or Secured Party, as Secured Party may deem proper;

provided, however, that (a) Debtor will at all times use its best judgment to protect the interests of Secured Party, and (b) Debtor shall not be required under this Section 5 to take any action which would be contrary to any applicable law, court order or standard practice in Debtor's industry. Debtor shall, at Secured Party's request following the occurrence of an Event of Default, notify Debtor's account debtors of the Security Interests in the Customer Receivables and Secured Party may itself at any such time so notify account debtors. Secured Party shall have full power at any time after such notice to collect, compromise, endorse, sell or otherwise deal with any or all outstanding Customer Receivables or the proceeds thereof in the name of either Secured Party or Debtor, as Secured Party shall determine. In the event that, after notice to any account debtors to pay Secured Party, Debtor receives any payment on a Customer Receivable, all such payments shall be held by Debtor in trust for Secured Party and immediately turned over to Secured Party.

Section 6. General Authority. Debtor hereby irrevocably appoints Secured Party as Debtor's true and lawful attorney, with full power of substitution, in the name of Debtor, Secured Party or otherwise, for the sole use and benefit of Secured Party, but at Debtor's expense, to the extent permitted by law to exercise, at any time and from time to time after an Event of Default has occurred, all or any of the following powers with respect to all or any of the Collateral (which power shall be in addition and supplemental to any powers, rights and remedies of Secured Party described herein as otherwise available to Secured Party under applicable law):

(i) to demand, sue for, collect, receive and give acquittance for any and all monies due or to become due upon or by virtue thereof;

(ii) to receive, take, endorse, assign and deliver any and all checks, notes, drafts, documents and other negotiable and non-negotiable instruments and chattel paper taken or received by Secured Party in connection therewith;

(iii) to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto;

(iv) to sell, transfer, assign or otherwise deal in or with the same or the proceeds or avails thereof or the related goods securing the Customer Receivables, as fully and effectually as if Secured Party were the absolute owner thereof;

(v) to extend the time of payment of any or all thereof and to make any allowance and other adjustments with reference thereto; and

(vi) to discharge any taxes, liens, security interests or other encumbrances at any time placed thereon.

The power conferred on Secured Party under this Section 6 is solely to protect, realize upon and enforce Secured Party's Security Interests and rights and remedies in respect to the Collateral and shall not impose any duty upon Secured Party to exercise such power.

Section 7. Events of Default. Debtor shall be in default under this Security Agreement upon the occurrence of any one of the following events (each such event is herein referred to as an "Event of Default"):

(a) default by Debtor in the due observance or performance of any covenant contained in Section 3(d), (e), (g), (h) or (i) or Section 4 of this Agreement;

(b) default by Debtor in the due observance or performance of any other covenant or agreement herein contained and such default shall continue unremedied for twenty (20) days after written notice thereof by Secured Party to Debtor; or

(c) the occurrence of an "Event of Default" as defined in the Loan Agreement, or in any agreement now or hereafter securing the Note, or in any agreement now or hereafter evidencing or securing any of the Obligations.

Section 8. Remedies Upon Event of Default.

(a) If any Event of Default shall have occurred, Secured Party may exercise all the rights and remedies of a secured party under the UCC (whether or not the UCC is in effect in the jurisdiction where such rights and remedies are exercised) and, in addition, Secured Party may, without being required to give any notice, except as herein provided or as may be required by mandatory provisions of law, (i) apply the cash, if any, then held by it as Collateral in the manner specified in Section 9 hereof, and (ii) if there shall be no such cash or if such cash shall be insufficient to pay all the Obligations in full, sell the Collateral, or any part thereof, at public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery, and at such price or prices as Secured Party may deem satisfactory.

(b) Secured Party may require Debtor to assemble all or any part of the Collateral and make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient. Any holder of an Obligation may be the purchaser of any or all of the Collateral so sold at any public sale (and, if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, at any private sale) and thereafter hold the same absolutely, free from any right or claim of whatsoever kind. Upon any such sale Secured Party shall have the right to deliver, assign and transfer to the purchaser thereof the Collateral so sold. Each purchaser at any such sale shall hold the Collateral

so sold absolutely, free from any claim or right of whatsoever kind, including any equity or right of redemption of Debtor.

(c) Unless the Collateral to be sold is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party shall give Debtor at least twenty (20) days' prior written notice of its intention to make any such public or private sale or sale at a broker's board or on a securities exchange. Secured Party and Debtor agree that such notice constitutes "reasonable notification" within the meaning of Section 9-504(3) of the UCC. Such notice, in case of a public sale, shall state the time and place fixed for such sale, and in case of sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Collateral, or the portion thereof so being sold, will first be offered for sale at such board or exchange. Such notice, in case of a private sale or disposition, shall state the time after which any private sale or other intended disposition is to be made.

(d) Any such public sale shall be held at such time or times within ordinary business hours and at public or private place or places as Secured Party may fix in the notice of such sale. At any public or private sale, the Collateral may be sold in one lot as an entirety or in separate parcels, as Secured Party may determine. Secured Party shall not be obligated to make such sale pursuant to any such notice. Secured Party may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the same may be adjourned. In case of any sale of all or any part of the Collateral on credit or for future delivery, the Collateral so sold may be retained by Secured Party until the selling price is paid by the purchaser thereof, but Secured Party shall not incur any liability in case of the failure of such purchaser to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may again be sold upon like notice.

(e) Secured Party, instead of exercising the power of sale herein conferred upon it, may proceed by a suit or suits at law or in equity to foreclose the Security Interests and sell the Collateral, or any portion thereof, under a judgment or decree of a court or courts of competent jurisdiction.

(f) All rights and remedies contained herein shall be separate and cumulative and in addition to all other rights and remedies available to a secured party under applicable law, and the exercise of one shall not in any way limit or prejudice the exercise of any other such rights or remedies.

Section 9. Application of Proceeds. The proceeds of any sale of, or other realization upon, all or any part of the Collateral shall be applied in the following order of priorities:

(a) first, to pay the expenses of such sale or other realization, including out-of-pocket expenses of Secured Party and reasonable fees and expenses of its agents and counsel, and all expenses, liabilities and advances incurred or made by Secured Party in connection therewith, and any other unreimbursed expenses for which Secured Party is to be reimbursed pursuant to Section 10;

(b) second, to the payment of the Obligations in such order and manner as Secured Party, in its sole discretion, shall determine; and

(c) finally, unless applicable law otherwise provides, to pay to Debtor, or its successors or assigns, or as a court of competent jurisdiction may direct, any surplus then remaining from such proceeds.

Section 10. Expenses. Debtor will forthwith upon demand pay to Secured Party:

(a) the amount of any taxes which Secured Party may have been required to pay by reason of the Security Interests or to free any of the Collateral from any lien thereon; and

(b) the amount of any and all reasonable out-of-pocket expenses, including reasonable attorneys' fees and the reasonable fees and disbursements of any agents not regularly in its employ, which Secured Party may incur in connection with (i) the preparation and administration of this Security Agreement, (ii) the collection, sale or other disposition of any of the Collateral, (iii) the exercise by Secured Party of any of the powers conferred upon it hereunder or (iv) any default on Debtor's part hereunder.

Section 11. Termination of Security Interests; Release of Collateral. Upon the repayment and performance in full of all the Obligations and Secured Party's receipt of a writing signed by Debtor terminating all obligations of Secured Party to extend credit or provide financial accommodations to Debtor, the Security Interests shall terminate and all rights to the Collateral shall revert to Debtor. Upon any such termination of the Security Interests or release of Collateral, Secured Party will, at Debtor's expense to the extent permitted by law, execute and deliver to Debtor such documents as Debtor shall reasonably request to evidence the termination of the Security Interests or the release of such Collateral, as the case may be.

Section 12. Right of Set-Off. In furtherance and not in limitation of any provisions herein contained, Debtor hereby agrees that any and all deposits or other sums at any time held by Secured Party or claimed by or due from Secured Party to Debtor shall at all times constitute security for the Obligations and Debtor hereby pledges and assigns all such deposits and sums (and all proceeds thereof) to Secured Party as additional collateral for the Obligations, and upon the occurrence of an Event of Default hereunder, Secured Party may apply or set-off such deposits or other sums or proceeds thereof against the Obligations at any time whether or not the Obligations are then due.

Section 13. Notices. All notices and correspondence, hereunder shall be in writing and sent by certified or registered mail, return receipt request, or by overnight delivery service, with all charges prepaid, to the applicable party at the address set forth below, or by facsimile transmission (including, without limitation, computer generated facsimile), promptly confirmed in writing sent by first class mail, to the FAX numbers and the addresses set forth below.

if to Lender:

Fleet National Bank
111 Westminster Street
Providence, Rhode Island 02903
Attention: Virginia Roberts
FAX No.: (401) 278-5726

with a copy to:

Gail E. McCann, Esq.
Edwards & Angell, LLP
2800 BankBoston Plaza
Providence, RI 02903
FAX No.: (401) 276-6611

if to Borrower:

[The Providence Redevelopment Agency]
[]
[]
Attention: []
FAX No.: []

with a copy to:

[]
[]
[]
FAX No.: []

or, as to each party, at such other address as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section. All such notices and correspondence shall be deemed given upon the earlier to occur of (i) actual receipt, (ii) if sent by certified or registered mail, three business days after being post-marked, (iii) if sent by overnight delivery service, when received at the above stated addresses or when delivery is refused or (iv) if sent by facsimile transmission, when receipt of such transmission is acknowledged.

Section 14. Waivers, Non-Exclusive Remedies.

(a) Except as otherwise provided by applicable law, Secured Party shall not have any duty as to the collection or protection of the Collateral or any income thereon, nor as to the preservation of rights against prior parties, nor as to the preservation of any rights pertaining thereto beyond the safe custody of any Collateral in its possession. Except as otherwise provided by applicable law, Secured Party may exercise its rights with respect to the Collateral without resorting or regard to other collateral or sources of reimbursement for liability. Except as otherwise provided

by applicable law, Secured Party shall not be required to marshal any present or future security for (including, but not limited to, this Security Agreement and the Collateral subject to the Security Interests created hereby), or guaranties of, the Obligations or any of them, or to resort to such security or guarantees in any particular order; and all of its rights hereunder and in respect of such security and guarantees shall be cumulative and in addition to all other rights, however existing or arising. To the extent that it lawfully may do so, Debtor hereby agrees that it will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of Secured Party's rights under this Security Agreement or under any other instrument evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or guaranteed, and to the extent that it lawfully may do so, Debtor hereby irrevocably waives the benefits of all such laws.

(b) No failure on the part of Secured Party to exercise, and no delay in exercising, and no course of dealing with respect to, any right, power or remedy under this Security Agreement shall operate as a waiver thereof; nor shall any single or partial exercise by Secured Party of any right, power or remedy under this Security Agreement preclude any other right, power or remedy. The remedies in this Security Agreement are cumulative and are not exclusive of any other remedies provided by law, including any rights of setoff in favor of Secured Party.

(c) Debtor, to the extent it may lawfully do so, hereby consents to the jurisdiction of the courts of the State of Rhode Island and the Federal District Court for the District of Rhode Island for the purpose of any suit or proceeding brought in connection with or with respect to this Security Agreement.

Section 15. Changes in Writing. Neither this Security Agreement nor any provision hereof may be changed, waived, discharged or terminated orally but only by a statement in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought.

Section 16. Rhode Island Law; Meaning of Terms. This Security Agreement shall be construed in accordance with and governed by the laws of the State of Rhode Island applicable to contracts made and performed in said state, except to the extent that remedies provided by the laws of any state other than Rhode Island are governed by the laws of said state. Unless otherwise defined herein, or unless the context otherwise requires, all terms used herein which are defined in the Rhode Island Uniform Commercial Code have the meanings therein stated.

Section 17. Severability. If any provision hereof is invalid or unenforceable in any jurisdiction, the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of Secured Party.

Section 18. Headings. The headings in this Security Agreement are for the purposes of reference only and shall not limit or otherwise affect the meaning hereof.

Section 19. Successor and Assigns. This Security Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, including, without limitation, any subsequent holders of the Note or any of the Obligations, each of whom

shall, without further act, become a party hereto by becoming a holder of the Note or such Obligations.

Section 20. Waiver of Jury Trial. DEBTOR AND SECURED PARTY EACH WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THEM AGAINST THE OTHER ON ANY MATTER WHATSOEVER (INCLUDING, WITHOUT LIMITATION, ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS SECURITY AGREEMENT, ANY OTHER DOCUMENTS EXECUTED IN CONNECTION HERewith OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN). No party to this Security Agreement, including but not limited to any assignee or successor of a party, shall seek a jury trial in any lawsuit, proceeding, counterclaim, or any other litigation procedure based upon, or arising out of, this Security Agreement, any related instruments, any collateral or the dealings or the relationship between the parties. No party will seek to consolidate any such action, in which a jury trial has been waived, with any other action in which a jury trial cannot be or has not been waived. THE PROVISIONS OF THIS SECTION HAVE BEEN FULLY DISCUSSED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NO PARTY HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

IN WITNESS WHEREOF, this Security Agreement has been executed by the parties hereto all as of the day and year first above written.

WITNESS:

[THE PROVIDENCE REDEVELOPMENT
AGENCY]

By: _____
Title: _____

DRAFT

FLEET NATIONAL BANK

By: _____
Title: _____

DRAFT

EXHIBIT A

PROJECT CONTRACTS

EXHIBIT B

ADDITIONAL REPRESENTATIONS AND WARRANTIES

1. The Debtor's exact name is: []. Debtor has not used any other name within the previous ten (10) years.
2. The Debtor's Federal Tax Identification Number is: #[].
3. Debtor uses in its business and owns the following trade names: []
4. The Debtor's chief executive office is: []
5. The Debtor's principal place of business is: []
6. Debtor has other places of business located at: []
7. Debtor owns or has an interest in personal property constituting Collateral located elsewhere at: []
8. Debtor owns property consisting of fixtures constituting Collateral at the following locations*:

Address

[]

Record Owner of Real Estate

[]

*True and complete legal descriptions of such real estate are to be provided to Secured Party's Counsel.

PLEDGE AND SECURITY AGREEMENT

(Project Campaign Pledges and Account)

PLEDGE AND SECURITY AGREEMENT, dated as of [], 1998, between [THE PROVIDENCE REDEVELOPMENT AGENCY, a public body corporate and politic established pursuant to the laws of the State of Rhode Island,] having its principal address at _____, as the pledgor and debtor (the "Pledgor"), and FLEET NATIONAL BANK, a national banking association with its principal office at 111 Westminster Street, Providence, Rhode Island 02903, as the pledgee and secured party (the "Lender").

W I T N E S S E T H:

WHEREAS, the Lender has agreed to make loans and other financial accommodations available to the Pledgor to finance the construction and operation of the Project as defined in and pursuant to the Term Loan Agreement between Pledgor and the Lender dated of even date (as the same may be amended, extended or renewed from time to time, the "Loan Agreement"); and

WHEREAS, the Pledgor is willing to pledge to the Lender all of its existing and hereafter arising Project campaign pledges and accounts and general intangibles relating thereto (collectively, the "Project Campaign Pledges") and the deposit account no. _____ at the Lender and all other accounts into which proceeds of Project Campaign Pledges are now or hereafter deposited and all rights relating thereto and all cash and other property and general intangibles now or hereafter contained therein or relating thereto and all renewals, rollovers, substitutions and replacements thereof or relating thereto (collectively, the "Accounts"); and

NOW, THEREFORE, in consideration of the promises and of the mutual covenants herein contained, and in consideration of the making by the Lender of financial accommodations to the Pledgor, the parties hereto hereby agree as follows:

SECTION 1. Pledge. In order (i) to secure the due and punctual payment and performance of all obligations of the Pledgor contained herein; (ii) to secure the due and punctual payment and performance of the obligations of the Pledgor contained in the Loan Agreement and that certain Promissory Note issued by the Pledgor to the Lender pursuant thereto, as said note may be amended, restated, extended or replaced from time to time (the "Note"); and (iii) to secure the due and punctual payment and performance of all other indebtedness, liabilities and obligations of the Pledgor to the Lender of every kind and description, whether direct, indirect or contingent, whether now or hereafter existing, due or to become due, whether otherwise secured or unsecured and howsoever evidenced, incurred or arising (all of the foregoing are hereinafter collectively call the "Obligations"), the Pledgor hereby pledges, hypothecates, assigns, transfers, and sets over unto the Lender, and directs the Lender to segregate and hold for the benefit of the Lender, and hereby grants to the Lender a security interest in, the Project Campaign Pledges and the Accounts and all of the Pledgor's

right, title and interest therein and in all cash, entitlements, investments, credit balances, interest, securities entitlements, investment property, and other property at any time, now or hereafter, in or relating to the Project Campaign Pledges and the Accounts, together with all proceeds and products of any of the foregoing and all general intangibles relating thereto (the Project Campaign Pledges, the Account, and all such cash, entitlements, securities entitlements, investment property, investments, credit balances, interest, and other property and proceeds and general intangibles described in this Section 1, whether now existing or hereafter arising, being herein collectively called the "Pledged Collateral").

TO HAVE AND TO HOLD the Pledged Collateral, together with all rights, titles, interests, privileges and preferences appertaining or incidental thereto, unto the Lender, its successors and assigns, forever, subject, however, to the terms, covenants and conditions hereinafter set forth. The Accounts and all cash, entitlements, securities entitlements, investment property, investments, credit balances, interest and proceeds thereof and the general intangibles relating thereto shall at all times be held by the Lender for the Lender's sole account and the Pledgor shall have no access thereto. The Lender will not deliver or pay over any Pledged Collateral to the Pledgor while any of the Obligations are outstanding or this Agreement is in effect. Additionally, the Pledged Collateral may be used to pay the Obligations as they shall become due as provided pursuant to the terms of the Loan Agreement.

SECTION 2. Representations and Warranties. The Pledgor hereby represents and warranties to the Lender as follows:

(a) The execution, delivery and performance by the Pledgor of this Agreement have been duly authorized, and do not and will not (i) violate any provision of any law, rule or regulation, including, without limitation, any injunction, decree, determination or award presently in effect having applicability to the Pledgor, (ii) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement lease or instrument to which the Pledgor is a party or by which it or its properties may be bound or affected, or (iii) result in, or require, the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance of any nature (other than pursuant to this Agreement) upon or with respect to any of the properties, now owned or hereafter acquired, of the Pledgor; and the Pledgor is not in default under any such law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any such indenture, agreement, lease or instrument.

(b) This Agreement constitutes the legal, valid and binding obligation of the Pledgor enforceable against the Pledgor and all third parties in accordance with its terms.

(c) The Pledgor is the legal and equitable owner of the Accounts and the Pledged Collateral free and clear of all liens, security interest, charges and encumbrances of every kind and nature; the Pledgor has legal title, and good,

right and lawful authority, to pledge, assign and deliver the Pledged Collateral in the manner hereby done or contemplated.

(d) The Pledged Collateral is wholly comprised of unrestricted assets of the Pledgor.

(e) No authorization, consent, approval, license, exemption of or filing or registration with any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, is or will be necessary to the valid execution, delivery or performance by the Pledgor of this Agreement or the validity of the rights created hereunder.

(f) This Agreement creates a valid and perfected first priority security interest in and pledge of the Pledged Collateral enforceable against all third parties securing the payment of the Obligations, including, without limitation, the Loan Agreement and all action required to perfect fully the security interest so constituted has been taken and completed.

SECTION 3. Events of Default. Each of the following events (each an "Event of Default") shall constitute an event of default hereunder:

(a) default by the Pledgor in the observance or performance of any covenant or agreement contained herein or breach by the Pledgor of any representation or warranty contained herein; or

(b) the occurrence of any "Event of Default" as defined in the Loan Agreement, or under the provisions of the Note, or under any agreement now or hereafter evidencing or securing any of the Obligations; or

(c) this Agreement shall at any time for any reason cease to be in full force and effect or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the Pledgor, or the Pledgor shall deny that it has any or further liability or obligation hereunder.

SECTION 4. Remedies upon Default. If an Event of Default shall have occurred and be continuing, then in addition to exercising any rights and remedies of a secured party under the Uniform Commercial Code in effect in the State of Rhode Island, the Lender may without further notice to or demand upon the Pledgor, apply the cash and other Pledged Collateral first, to the payment of interest, fees and expenses accrued and unpaid on the Loan Agreement and the Note to and including the date of such application; second, to the payment or prepayment of principal and other obligations under the Loan Agreement and the Note; and third, to the payment of all to her Obligations then owing to the Lender.

SECTION 5. Exoneration, Indemnity. Neither the Lender, nor any director, officer or employee of the Lender, shall be liable to the Pledgor for any action taken or omitted to be taken

by it or them hereunder in connection herewith, except for its or their own gross negligence or willful misconduct; nor shall the Lender be responsible for the validity, effectiveness or sufficiency hereof or of any document or security furnished pursuant hereto or in connection herewith. The Lender shall both be entitled to rely on any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. The Pledgor agrees to indemnify and hold harmless the Lender and each agent of the Lender from and against any and all liability incurred by the Lender (or such agent) hereunder or in connection herewith, unless such liability shall be due to willful misconduct or gross negligence on the part of the Lender or such agents.

SECTION 6. The Lender Appointed Attorney-in-Fact. The Pledgor hereby appoints the Lender the Pledgor's attorney-in-fact for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instrument which he may deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, the Lender shall have the right and power to receive, endorse and collect all checks and other orders for the payment of money made payable to the Pledgor representing any dividend, interest payment or other distribution payable or distributable in respect of the Pledged Collateral or any part thereof and to give full discharge for the same.

SECTION 7. No Waiver; Cumulative Remedies. No failure on the part of the Lender to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy by the Lender preclude any other further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law. Except as otherwise provided by applicable law, the Lender may exercise its rights with respect to the Pledged Collateral without resorting or regard to other collateral or sources of reimbursement for liability. Except as otherwise provided by applicable law, shall not be required to marshal any present or future security for (including, but no limited to, this Pledge and Security Agreement and the Pledged Collateral subject to the security interests created hereby), or guaranties of, the Obligations or any of them, or to resort to such security or guarantees shall be cumulative and in addition to all other rights, however, existing or arising. To the extent that it lawfully may do so, the Lender's hereby agrees that it will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of the Lender's rights under this Security Agreement or under any other instrument evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or guaranteed, and to the extent that it lawfully may do so, the Pledgor hereby irrevocably waives the benefits of all such laws. The Pledgor, to the extent it may lawfully do so, hereby consents to the jurisdiction of the Courts of the State of Rhode Island and the Federal District Court for the District of Rhode Island for the purpose of any suit or proceeding brought in connection with or in respect to this Pledge and Security Agreement.

SECTION 8. Notices. All communications, notices, requests and demands hereunder shall be given in accordance with the terms of the Loan Agreement.

SECTION 9. Further Assurances. The Pledgor agrees to do such further acts and things, and to execute and deliver such additional conveyances, assignments, agreements and instruments, as the Lender may at any time request in connection with the administration or enforcement of this Agreement or related to the Pledged Collateral or any part thereof or in order better to assure and confirm unto the Lender its rights, powers and remedies hereunder.

SECTION 10. Expenses. The Pledgor will forthwith upon demand pay to the Lender:

(a) the amount of any taxes which the Lender may have been required to pay by reason of the security interest in the Pledged Collateral or to free any of the Pledged Collateral from any lien thereon; and

(b) the amount of any and all reasonable out-of-pocket expenses, including reasonable attorneys' fees and the reasonable fees and disbursements of any agents not regularly in its employ, which Lender may incur in connection with (i) the preparation and administration of this Pledge and Security Agreement, (ii) the collection, or other disposition of any of the Pledged Collateral, (iii) the exercise by Lender of any of the powers conferred upon it hereunder or (iv) any default on the Pledgor's part hereunder.

SECTION 11. Rhode Island Law; Meaning of Terms. This Pledge and Security Agreement shall be construed in accordance with and governed by the laws of the State of Rhode Island applicable to contracts made and performed in said state, except to the extent that remedies provided by the laws of any state other than Rhode Island are governed by the laws of said state. Unless otherwise defined herein, or unless the context otherwise requires, all terms used herein which are defined in the Rhode Island Uniform Commercial Code have the meanings therein stated.

SECTION 12. Waiver of Jury Trial. THE PLEDGOR AND THE LENDER EACH WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THEM AGAINST THE OTHER ON ANY MATTER WHATSOEVER (INCLUDING, WITHOUT LIMITATION, ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS PLEDGE AND SECURITY AGREEMENT, ANY OTHER DOCUMENTS EXECUTED IN CONNECTION HERewith OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN). No party to this Pledge and Security Agreement, including but not limited to any assignee or successor of a party, shall seek a jury trial in any lawsuit, proceeding, counterclaim, or any other litigation procedure based upon, or arising out of, this Pledge and Security Agreement, any related instruments, any collateral or the dealings or the relationship between the parties. No party will seek to consolidate any such action, in which a jury trial has been waived, with any other action in which a jury trial cannot be or has not been waived. THE PROVISIONS OF THIS SECTION HAVE BEEN FULLY DISCUSSED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NO PARTY HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY

THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

SECTION 13. Binding Agreement; Assignment. This Agreement, and the terms, covenants and conditions hereof, shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Pledgor shall not be permitted to assign this Agreement or any interest herein or in the Pledged Collateral, or any part hereof.

SECTION 14. Miscellaneous. Neither this Agreement nor any provisions hereof may be amended, modified, waived, discharged or terminated orally nor may any of the Pledged Collateral be released or the pledge or the security interest created hereby extended, except by an instrument in writing signed by a duly authorized officer of the Lender. The Section headings used herein are for convenience of reference only and shall not define or limit the provisions of this Agreement.

SECTION 15. Severability. In case any lien, security interest or other right of any part hereto shall be held to be invalid, illegal or unenforceable, such invalidity, illegality and/or unenforceability shall not affect any other lien, security interest or other right granted hereby.

IN WITNESS WHEREOF, the parties hereto have executed this Pledge and Security Agreement or caused this Pledge and Security Agreement to be duly executed under seal as of the date first above written.

WITNESS:

PLEDGOR:

THE PROVIDENCE
REDEVELOPMENT AGENCY

By: _____
Title: _____

LENDER:

FLEET NATIONAL BANK

By: _____
Title: _____

DRAFT

11/18/98

COLLATERAL ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS made as of the _____ day of _____, 1998, by [the PROVIDENCE REDEVELOPMENT AGENCY, a public body corporate and politic established pursuant to the laws of the State of Rhode Island, with its principal office at _____, Providence, Rhode Island, 02903] (the "Assignor"), to FLEET NATIONAL BANK, a national banking association with an office at 111 Westminster Street, Providence, Rhode Island, 02903 (the "Assignee");

RECITALS

A. Concurrently herewith, the Assignor has executed and delivered to the Assignee a certain Promissory Note in the principal amount of One Million Eight Hundred Thousand (\$1,800,000) Dollars (the "Note"), described more fully in a Term Loan Agreement of even date between Assignor and Assignee, and secured by a Security and Pledge Agreement (the "Security Agreement") with respect to certain property relating to the real property and improvements of the Assignor located in Providence, Rhode Island, more particularly described in Exhibit A annexed hereto (the "Premises").

B. As additional security for the Note and the obligations of the Assignor thereunder, the Assignor has executed and delivered to the Assignee this Collateral Assignment of Leases and Rents.

NOW, THEREFORE, in consideration of Assignee making the loan evidenced by the Note, the Assignor, does hereby transfer, assign, deliver and grant a security interest to the Assignee all of the right, title and interest of the Assignor in and to (1) all leases, subleases, tenancies and any other agreements, whether written or oral, now or hereafter existing with respect to any portion or portions of the Premises, together with any renewals or extensions thereof or any agreements in substitution therefor (all of which are hereinafter collectively referred to as the "Assigned Leases"), (2) all rents and other payments of every kind paid or to be paid to the Assignor by virtue of the Assigned Leases or as the result of any use, possession or occupancy of any portion or portions of the Premises, (3) all right, title and interest of the Assignor in and to any and all guaranties of the Assigned Leases, and (4) all proceeds of the foregoing.

TO HAVE AND TO HOLD the same unto the Assignee, its successors and assigns, for the purpose of securing (1) payment of the Note together with the interest thereon; (2) payment of all other sums, with interest thereon, to become due and payable to the Assignee hereunder, under the Loan Agreement or under any other instrument securing the Note; (3) performance and discharge of each and every obligation, covenant and agreement of the Assignor contained herein, in the Note, or in the Loan Agreement; and (4) payment of any other obligation of the Assignor to the Assignee now or hereafter existing relating to the Note (said obligations are hereinafter collectively referred to as the "Obligations").

This instrument of assignment is delivered and accepted upon the following terms and conditions:

1. Assignor's License to Operate if no Default. So long as no Event of Default (as defined under the Obligations) or other default in the performance of the Obligations shall exist (hereinafter referred to as an "Event of Default"), the Assignor shall have a license to manage and operate the Premises and, except as set forth in the Loan Agreement, to collect, receive and apply for its own account all rents, issues and profits accruing by virtue of the Assigned Leases, and to execute and deliver proper receipts and acquittances therefor, provided, however, that without the written consent of the Assignee the Assignor shall not discount or collect any installment of rent in advance of the respective dates prescribed in the Assigned Leases for the payment thereof other than one month's advance rental in the form of a security deposit or as payment for the last one month's of any lease term (hereinafter referred to as "Permitted Advance Rental Payments"), and provided, further, that all rents, issues and profits accruing by virtue of the Assigned Leases be received in trust to be used for the satisfaction of all amounts due under the Obligations and all taxes, assessments, insurance premiums, maintenance and utility charges affecting the Premises before being used for any other purpose.

2. Assignee's Rights in Event of Default.

2.1 Immediately upon the occurrence of any Event of Default, the license mentioned in the foregoing paragraph 1 hereof shall, at the option of the Assignee, cease and determine, and in such event in addition to any other remedies of the Assignee, upon notice from Assignee to each lessee of an Assigned Lease, all rentals thereafter payable to Assignor shall be paid to Assignee. A demand on any lessee by the Assignee for the payment of rent on any default claimed by the Assignee hereunder shall be sufficient to warrant to said lessee to make all future payments of rent to the Assignee without the necessity for consent by Assignor, and the Assignor hereby directs and requires all said lessees to comply with any such demand by the Assignee. Assignor agrees that lessees shall have the right to rely upon any statement and request by the Assignee, that lessees shall pay such rents to the Assignee without any obligation or right to inquire as to whether such default actually exists notwithstanding any notice from or claim of Assignor to the contrary, and that Assignor shall have no right or claim against lessees for any such rents so paid by lessees to the Assignee after notice to the lessee by the Assignee.

2.2 In addition, the Assignee may, without in any way waiving such Event of Default, at its option, take possession of the Premises, and have, hold, manage, lease and operate the same on such terms and for such period of time as the Assignee may deem proper with full power to make from time to time all alterations, renovations, repairs or replacements to the Premises as may seem proper to the Assignee and to do and perform any or all of the actions which Assignor is entitled or required to perform in connection with the Assigned Leases. The Assignor does hereby constitute and appoint the Assignee, irrevocably, with full power of substitution and revocation, whether or not the Assignee takes possession of the Premises, its true and lawful attorney, for it and in its name, place and stead, to do and perform any or all of the actions which Assignor is entitled to perform in connection with the Assigned Leases, as fully, to all intents and purposes, as it could do if personally present, hereby ratifying and confirming all that its said attorney or its substitute shall lawfully do or cause to be done by virtue hereof. Any action, or failure or refusal to act, by the Assignee under this subparagraph 2.2 shall be at its election and without any liability on its part.

2.3 The Assignee shall apply the net amount of rents, issues and profits received by it from the Premises, in the following order of priority: (i) to payment of all proper costs and charges (including any liability, loss, expense or damage hereinafter referred to in paragraph 4.1 hereof), (ii) to the payment of all accrued but unpaid interest due under the Note, (iii) to the payment of principal under the Note to be applied to principal installments in the inverse order of maturity, (iv) to the payment of any other amounts owed to Assignee and secured by the Obligations, and (v) to the Assignor or such persons legally entitled thereto.

2.4 The Assignee shall be accountable to the Assignor only for monies actually received by the Assignee and the acceptance of this assignment shall not constitute a satisfaction of any of the Obligations, except to the extent of amounts actually received and applied by the Assignee on account of the same.

2.5 The rights and powers of the Assignee hereunder shall continue and remain in full force and effect until all amounts secured hereby are paid in full.

3. Covenants of Assignor. The Assignor, for itself and for its successors and assigns, agrees and warrants as follows:

3.1 that each of the Assigned Leases now or hereafter in effect is and shall be a valid and subsisting lease and that there are no defaults on the part of any of the parties thereto;

3.2 that the Assignor has not sold, assigned, transferred, mortgaged or pledged any portion of the Premises or any of the rents, issues or profits from the Premises or any part thereof, whether now or hereafter to become due, to any person, firm or corporation other than the Assignee;

3.3 that no rents, issues or profits of the Premises, or any part thereof, becoming due subsequent to the date hereof have been collected (other than Permitted Advance Rental Payments) nor has payment of any of the same been anticipated, waived, released, discounted or otherwise discharged or compromised;

3.4 that it will not assign, pledge or otherwise encumber all or any portion of the Premises or the Assigned Leases or any of the rents thereunder unless the prior written consent of the Assignee shall have been obtained thereto;

3.5 that it will not, without in each case having obtained the prior written consent of the Assignee thereto, amend or modify, directly or indirectly in any respect whatsoever, or cancel, terminate, or accept any surrender, sublet or assignment of any of the Assigned Leases;

3.6 that it will not waive or give any consent with respect to, and will promptly notify the Assignee of the occurrence of, any default or variation in the performance of any material term, covenant or condition on the part of the lessee, sublessee, tenant or other occupant to be performed under the Assigned Leases, but will at all times take proper steps to enforce all of the provisions and conditions thereof;

3.7 that it will perform and observe, or cause to be performed and observed, all of the terms, covenants and conditions on its part to be performed and observed with respect to each of the Assigned Leases;

3.8 that it will, upon written request by the Assignee, serve such written notices upon any lessee under any Assigned Lease or any other occupant of any portion of the Premises concerning this assignment, or include among the written provisions of any instrument hereafter creating any such lease, sublease, tenancy or right of occupancy specific reference to this assignment, and make, execute and deliver all such powers of attorney, instruments of pledge or assignment, and such other instruments or documents as the Assignee may reasonably request at any time for the purpose of securing its rights hereunder; and

3.9 that it will furnish to the Assignee, on demand, true copies of all Assigned Leases hereafter executed and true copies of each document effecting the renewal, amendment or modification of any Assigned Lease.

4. Indemnification.

4.1 The Assignor hereby agrees to indemnify and hold the Assignee harmless against and from (a) any and all liability, loss, damage and expense, including reasonable attorneys' fees, which it may or shall incur or which may be asserted under or in connection with this assignment or any of the Assigned Leases, or by reason of any action taken by the Assignee under any of the Obligations (including without limitation any action which the Assignee in its discretion may take to protect its interest in the Premises), and (b) any and all claims and demands whatsoever which may be incurred by or asserted against the Assignor by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants and conditions contained in any of the Assigned Leases.

4.2 Should the Assignee incur any such liability as described in Section 4.1, the amount thereof, together with interest thereon at the lower of the highest rate permitted by law or five percent (5%) above the rate charged on the Note, shall be payable by the Assignor to the Assignee immediately upon demand, or at the option of the Assignee, the Assignee may reimburse itself therefor out of any rents, issues or profits of the Premises collected by the Assignee.

4.3 Nothing contained herein shall operate or be construed to obligate the Assignee to perform any of the terms, covenants or conditions contained in any Assigned Lease, or to take any measures, legal or otherwise, to enforce collection of any of said rents or other payments, or otherwise to impose any obligation upon the Assignee with respect to any of said leases, including but not limited to, any obligation arising out of any covenant of quiet enjoyment therein contained, in the event that any lessee shall have been joined as a party defendant in any action to enforce this Agreement and the estate of such lessee shall have been thereby terminated.

4.4 Prior to actual entry into and taking possession of the Premises by the Assignee, this assignment shall not operate to place upon the Assignee any responsibility for the operation, control, care, management or repair of the Premises, and the execution of this assignment by the

Assignor shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Premises is and shall be that of the Assignor prior to such actual entry and taking of possession.

5. Exercise of Remedies. Failure of the Assignee to avail itself of any of the terms, covenants and conditions of this assignment for any period of time, or at any time or times, shall not be construed or deemed to be a waiver of any of its rights hereunder. The rights and remedies of the Assignee under this assignment are cumulative and are not in lieu of but are in addition to any other rights and remedies which the Assignee shall have under or by virtue of any other of the Obligations. The rights and remedies of the Assignee hereunder may be exercised from time to time and as often as such exercise is deemed expedient.

6. Termination of this Assignment. Upon payment in full of the Obligations, as evidenced by a recorded satisfaction or release of this assignment, as well as any sums which may be payable hereunder, this assignment shall become and be void and of no effect.

7. Notice. Any notice, demand, request or other communication given hereunder or in connection herewith (hereinafter "Notices") shall be deemed sufficient if in writing and sent by registered or certified mail, postage prepaid, return receipt requested, addressed to the party to receive such Notice at its address first set forth above, or if to a party to an Assigned Lease to its address set forth therein, or at such other address as such party may hereafter designate by Notice given in like fashion. Notices shall be deemed given when mailed. Notwithstanding the foregoing, routine communications such as ordinary distribution checks, copies of documents, etc. may be sent by ordinary first-class mail.

8. Miscellaneous Provisions.

8.1 Whenever the context so requires, reference herein to the neuter gender shall include the masculine and/or feminine gender, and the singular number shall include the plural.

8.2 This assignment shall be construed and enforced in accordance with and governed by the laws of the State of Rhode Island.

8.3 No change, amendment, modification, cancellation or discharge hereof, or of any part hereof, shall be valid unless the Assignee shall have consented thereto in writing.

8.4 In the event there is any conflict between the terms and provisions of the Mortgage and the terms and provisions of this assignment, the terms and provisions of this assignment shall prevail.

8.5 The terms, covenants, and conditions contained herein shall inure to the benefit of, and bind the Assignee and the Assignor and their respective successors and assigns or heirs, executors, administrators, successors and assigns, as the case may be.

8.6 The captions of this assignment are for convenience and reference only and neither in any way define, limit, or describe the scope or interest of this assignment nor in any way affect this assignment.

IN WITNESS WHEREOF, the Assignor has caused these presents to be executed by its representative, thereunto duly authorized, on the day and year first above written.

PROVIDENCE REDEVELOPMENT AGENCY

By: _____
Print Name _____
Title _____

DRAFT

STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

In Providence, on this _____ day of _____, 1998, personally appeared _____, to me known and known by me to be the _____ of the Providence Redevelopment Agency, which party executing the foregoing instrument, and acknowledged said instrument by him/her then executed in his/her said capacity to be his/her free act and deed in such capacity, and free act and deed of said Providence Redevelopment Agency.

Notary Public
Print Name _____
Title _____

EXHIBIT A

LEGAL DESCRIPTION

ISDA

International Swap Dealers Association, Inc.

MASTER AGREEMENT

dated as of

..... and

have entered and/or anticipate entering into one or more transactions (each a "Transaction") that are or will be governed by this Master Agreement, which includes the schedule (the "Schedule"), and the documents and other confirming evidence (each a "Confirmation") exchanged between the parties confirming those Transactions.

Accordingly, the parties agree as follows:—

1. Interpretation

(a) **Definitions.** The terms defined in Section 14 and in the Schedule will have the meanings therein specified for the purpose of this Master Agreement.

(b) **Inconsistency.** In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purpose of the relevant Transaction.

(c) **Single Agreement.** All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this "Agreement"), and the parties would not otherwise enter into any Transactions.

2. Obligations

(a) General Conditions.

(i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.

(ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.

(iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this Agreement.

(b) *Change of Account.* Either party may change its account for receiving a payment or delivery by giving notice to the other party at least five Local Business Days prior to the scheduled date for the payment or delivery to which such change applies unless such other party gives timely notice of a reasonable objection to such change.

(c) *Netting.* If on any date amounts would otherwise be payable:—

- (i) in the same currency; and
- (ii) in respect of the same Transaction,

by each party to the other, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

The parties may elect in respect of two or more Transactions that a net amount will be determined in respect of all amounts payable on the same date in the same currency in respect of such Transactions, regardless of whether such amounts are payable in respect of the same Transaction. The election may be made in the Schedule or a Confirmation by specifying that subparagraph (ii) above will not apply to the Transactions identified as being subject to the election, together with the starting date (in which case subparagraph (ii) above will not, or will cease to, apply to such Transactions from such date). This election may be made separately for different groups of Transactions and will apply separately to each pairing of Offices through which the parties make and receive payments or deliveries.

(d) *Deduction or Withholding for Tax.*

(i) *Gross-Up.* All payments under this Agreement will be made without any deduction or withholding for or on account of any Tax unless such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If a party is so required to deduct or withhold, then that party ("X") will:—

- (1) promptly notify the other party ("Y") of such requirement;
- (2) pay to the relevant authorities the full amount required to be deducted or withheld (including the full amount required to be deducted or withheld from any additional amount paid by X to Y under this Section 2(d)) promptly upon the earlier of determining that such deduction or withholding is required or receiving notice that such amount has been assessed against Y;
- (3) promptly forward to Y an official receipt (or a certified copy), or other documentation reasonably acceptable to Y, evidencing such payment to such authorities; and
- (4) if such Tax is an Indemnifiable Tax, pay to Y, in addition to the payment to which Y is otherwise entitled under this Agreement, such additional amount as is necessary to ensure that the net amount actually received by Y (free and clear of Indemnifiable Taxes, whether assessed against X or Y) will equal the full amount Y would have received had no such deduction or withholding been required. However, X will not be required to pay any additional amount to Y to the extent that it would not be required to be paid but for:—

(A) the failure by Y to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d); or

(B) the failure of a representation made by Y pursuant to Section 3(f) to be accurate and true unless such failure would not have occurred but for (I) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered

into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (II) a Change in Tax Law.

(ii) **Liability.** If:—

- (1) X is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, to make any deduction or withholding in respect of which X would not be required to pay an additional amount to Y under Section 2(d)(i)(4);
- (2) X does not so deduct or withhold; and
- (3) a liability resulting from such Tax is assessed directly against X,

then, except to the extent Y has satisfied or then satisfies the liability resulting from such Tax, Y will promptly pay to X the amount of such liability (including any related liability for interest, but including any related liability for penalties only if Y has failed to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d)).

(e) **Default Interest; Other Amounts.** Prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party that defaults in the performance of any payment obligation will, to the extent permitted by law and subject to Section 6(c), be required to pay interest (before as well as after judgment) on the overdue amount to the other party on demand in the same currency as such overdue amount, for the period from (and including) the original due date for payment to (but excluding) the date of actual payment, at the Default Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed. If, prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party defaults in the performance of any obligation required to be settled by delivery, it will compensate the other party on demand if and to the extent provided for in the relevant Confirmation or elsewhere in this Agreement.

3. Representations

Each party represents to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into and, in the case of the representations in Section 3(f), at all times until the termination of this Agreement) that:—

(a) **Basic Representations.**

(i) **Status.** It is duly organised and validly existing under the laws of jurisdiction of its organisation or incorporation and, if relevant under such laws, in good standing;

(ii) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action to authorise such execution, delivery and performance;

(iii) **No Violation or Conflict.** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(iv) **Consents.** All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Credit Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(v) **Obligations Binding.** Its obligations under this Agreement and any Credit Support Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(b) **Absence of Certain Events.** No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.

(c) **Absence of Litigation.** There is not pending or, to its knowledge, threatened against it or any of its Affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any Credit Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Credit Support Document.

(d) **Accuracy of Specified Information.** All applicable information that is furnished in writing by or on behalf of it to the other party and is identified for the purpose of this Section 3(d) in the Schedule is, as of the date of the information, true, accurate and complete in every material respect.

(e) **Payer Tax Representation.** Each representation specified in the Schedule as being made by it for the purpose of this Section 3(e) is accurate and true.

(f) **Payee Tax Representation.** Each representation specified in the Schedule as being made by it for the purpose of this Section 3(f) is accurate and true.

4. Agreements

Each party agrees with the other that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party;—

(a) **Furnish Specified Information.** It will deliver to the other party or, in certain cases under subparagraph (iii) below, to such government or taxing authority as the other party reasonably directs:—

(i) any forms, documents or certificates relating to taxation specified in the Schedule or any Confirmation;

(ii) any other documents specified in the Schedule or any Confirmation; and

(iii) upon reasonable demand by such other party, any form or document that may be required or reasonably requested in writing in order to allow such other party or its Credit Support Document without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate (so long as the completion, execution or submission of such form or document would not materially prejudice the legal or commercial position of the party in receipt of such demand), with any such form or document to be accurate and completed in a manner reasonably satisfactory to such other party and to be executed and to be delivered with any reasonably required certification,

in each case by the date specified in the Schedule or such Confirmation or, if none is specified, as soon as reasonably practicable.

(b) **Maintain Authorisations.** It will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement or any Credit Support Document to which it is a party and will use all reasonable efforts to obtain any that may become necessary in the future.

(c) **Comply with Laws.** It will comply in all material respects with all applicable laws and orders to which it may be subject if failure to so comply would materially impair its ability to perform its obligations under this Agreement or any Credit Support Document to which it is a party.

(d) **Tax Agreement.** It will give notice of any failure of a representation made by it under Section 3(f) to be accurate and true promptly upon learning of such failure.

(e) **Payment of Stamp Tax.** Subject to Section 11, it will pay any Stamp Tax levied or imposed upon it or in respect of its execution or performance of this Agreement by a jurisdiction in which it is incorporated, organised, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting for the purpose of this Agreement is located ("Stamp Tax Jurisdiction") and will indemnify the other party against any Stamp Tax levied or imposed upon the other party or in respect of the other party's execution or performance of this Agreement by any such Stamp Tax Jurisdiction which is not also a Stamp Tax Jurisdiction with respect to the other party.

5. Events of Default and Termination Events

(a) **Events of Default.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any of the following events constitutes an event of default (an "Event of Default") with respect to such party:—

(i) **Failure to Pay or Deliver.** Failure by the party to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 2(e) required to be made by it if such failure is not remedied on or before the third Local Business Day after notice of such failure is given to the party;

(ii) **Breach of Agreement.** Failure by the party to comply with or perform any agreement or obligation (other than an obligation to make any payment under this Agreement or delivery under Section 2(a)(i) or 2(e) or to give notice of a Termination Event or any agreement or obligation under Section 4(a)(i), 4(a)(iii) or 4(d)) to be complied with or performed by the party in accordance with this Agreement if such failure is not remedied on or before the thirtieth day after notice of such failure is given to the party;

(iii) **Credit Support Default.**

(1) Failure by the party or any Credit Support Provider of such party to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with any Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(2) the expiration or termination of such Credit Support Document or the failing or ceasing of such Credit Support Document to be in full force and effect for the purpose of their Agreement (in either case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each Transaction to which such Credit Support Document relates without the written consent of the other party; or

(3) the party or such Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Credit Support Document;

(iv) **Misrepresentation.** A representation (other than a representation under Section 3(e) or (f)) made or repeated or deemed to have been made or repeated by the party or any Credit Support Provider of such party in this Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(v) **Default under Specified Transaction.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party (1) defaults under a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction, (2) defaults, after giving effect to any applicable notice

requirement or grace period, in making any payment or delivery due on the last payment, delivery or exchange date of, or any payment on early termination of, a Specified Transaction (or such default continues for at least three Local Business Days if there is no applicable notice requirement or grace period) or (3) disaffirms, disclaims, repudiates or rejects, in whole or in part, a Specified Transaction (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(vi) **Cross Default.** If "Cross Default" is specified in the Schedule as applying to the party, the occurrence or existence of (1) a default, event of default or other similar condition or event (however described) in respect of such party, any Credit Support Provider of such party or any applicable Specified Entity of such party under one or more agreements or instruments relating to Specified Indebtedness of any of them (individually or collectively) in an aggregate amount of not less than the applicable Threshold Amount (as specified in the Schedule) which has resulted in such Specified Indebtedness becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments, before it would otherwise have been due and payable or (2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments on the due date thereof in aggregate amount of not less than the applicable Threshold Amount under such agreements or instruments (after giving effect to any applicable notice requirement or grace period);

(vii) **Bankruptcy.** The party, any Credit Support Provider or such party or any applicable Specified Entity of such party:--

(1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharges, stayed or restrained, in each case within 30 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(viii) **Merger Without Assumption.** The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer:--

(1) the resulting, surviving or transferee entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under this Agreement.

(b) **Termination Events.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any event specified below constitutes an Illegality if the event is specified in (i) below, a Tax Event if the event is specified in (ii) below or a Tax Event Upon Merger if the event is specified in (iii) below, and, if specified to be applicable, a Credit Event Upon merger if the event is specified pursuant to (iv) below or an Additional Termination Event if the event is specified pursuant to (v) below:--

(i) **Illegality.** Due to the adoption of, or any change in, any applicable law after the date on which a Transaction is entered into, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful (other than as a result of a breach by the party of Section 4(b)) for such party (which will be the Affected Party):--

(1) to perform any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of such Transaction or to comply with any other material provision of this Agreement relating to such Transaction; or

(2) to perform, or for any Credit Support Provider of such party to perform, any contingent or other obligation which the party (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction;

(ii) **Tax Event.** Due to (x) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement or (y) a Change in Tax Law, the party (which will be the Affected Party) will, or there is a substantial likelihood that it will, on the next succeeding Scheduled Payment Date (1) be required to pay to the other party an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) or (2) receive a payment from which an amount is required to be deducted or withheld for or on account of a Tax (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) and no additional amount is required to be paid in respect of such Tax under Section 2(d)(i)(4) (other than by reason of Section 2(d)(i)(4)(A) or (B));

(iii) **Tax Event Upon Merger.** The party (the "Burdened Party") on the next succeeding Scheduled Payment Date will either (1) be required to pay an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) or (2) receive a payment from which an amount has been deducted or withheld for or on account of any Indemnifiable Tax in respect of which the other party is not required to pay an additional amount (other than by reason of Section 2(d)(i)(4)(A) or (B)), in either case as a result of a party consolidating or amalgamating with, or merging with or into, or transferring all or substantially all its assets to, another entity (which will be the Affected Party) where such action does not constitute an event described in Section 5(a)(viii);

(iv) **Credit Event Upon Merger.** If "Credit Event Upon Merger" is specified in the Schedule as applying to the party, such party ("X"), any Credit Support Provider of X or any applicable Specified Entity of X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and such action does not constitute an event described in Section 5(a)(viii) but the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X, such Credit Support Provider or such Specified Entity, as the case may be, immediately prior to such action (and, in such event, X or its successor or transferee, as appropriate, will be the Affected Party); or

(v) **Additional Termination Event.** If any "Additional Termination Event" is specified in the Schedule or any Confirmation as applying, the occurrence of such event (and, in such event, the Affected Party or Affected Parties shall be as specified for such Additional Termination Event in the Schedule or such Confirmation).

(c) **Event of Default and Illegality.** If an event or circumstance which would otherwise constitute or give rise to an Event of Default also constitutes an Illegality, it will be treated as an Illegality and will not constitute an Event of Default.

6. **Early Termination**

(a) **Right to Terminate Following Event of Default.** If at any time an Event of Default with respect to a party (the "Defaulting Party") has occurred and is then continuing, the other party (the "Non-defaulting Party") may, by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If, however, "Automatic Early Termination" is specified in the Schedule as applying to a party, then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(1), (3), (5), (6) or, to the extent analogous thereto, (8), and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(4) or, to the extent analogous thereto, (8).

(b) **Right to Terminate Following Termination Event.**

(i) **Notice.** If a Termination Event occurs, an Affected Party will, promptly upon becoming aware of it, notify the other party, specifying the nature of that Termination Event and each Affected Transaction and will also give such other information about that Termination Event as the other party may reasonably require.

(ii) **Transfer to Avoid Termination Event.** If either an Illegality under Section 5(b)(i)(1) or a Tax Event occurs and there is only one Affected Party, or if a Tax Event Upon Merger occurs and the Burdened Party is the Affected Party, the Affected Party will, as a condition to its right to designate an Early Termination Date under Section 6(b)(iv), use all reasonable efforts (which will not require such party to incur a loss, excluding immaterial, incidental expenses) to transfer within 20 days after it gives notice under Section 6(b)(i) all its rights and obligations under this Agreement in respect of the Affected Transactions to another of its Offices or Affiliates so that such Termination Event ceases to exist.

If the Affected Party is not able to make such a transfer it will give notice to the other party to that effect within such 20 day period, whereupon the other party may effect such a transfer within 30 days after the notice is given under Section 6(b)(i).

Any such transfer by a party under this Section 6(b)(ii) will be subject to and conditional upon the prior written consent of the other party, which consent will not be withheld if such other party's policies in effect at such time would permit it to enter into transactions with the transferee on the terms proposed.

(iii) **Two Affected Parties.** If an Illegality under Section 5(b)(i)(1) or a Tax Event occurs and there are two Affected Parties, each party will use all reasonable efforts to reach agreement within 30 days after notice thereof is given under Section 6(b)(i) on action to avoid that Termination Event.

(iv) **Right to Terminate. If:--**

(1) a transfer under Section 6(b)(ii) or an agreement under Section 6(b)(iii), as the case may be, has not been effected with respect to all Affected Transactions within 30 days after an Affected Party gives notice under Section 6(b)(i); or

(2) an Illegality under Section 5(b)(i)(2), a Credit Event Upon Merger or an Additional Termination Event occurs, or a Tax Event Upon Merger occurs and the Burdened Party is not the Affected Party,

either party in the case of an Illegality, the Burdened Party in the case of a Tax Event Upon Merger, any Affected Party in the case of a Tax Event or an Additional Termination Event if there is more than one Affected Party, or the party which is not the Affected Party in the case of a Credit Event Upon Merger or an Additional Termination Event if there is only one Affected Party may, by not more than 20 days notice to the other party and provided that

the relevant Termination Event is then continuing, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all Affected Transactions.

(c) *Effect of Designation.*

(i) If notice designating an Early Termination Date is given under Section 6(a) or (b), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default or Termination Event is then continuing.

(ii) Upon the occurrence or effective designation of an Early Termination Date, no further payments or deliveries under Section 2(a)(i) or 2(e) in respect of the Terminated Transactions will be required to be made, but without prejudice to the other provisions of this Agreement. The amount, if any, payable in respect of an Early Termination Date shall be determined pursuant to Section 6(e).

(d) *Calculations.*

(i) *Statement.* On or as soon as reasonable practicable following the occurrence of an Early Termination Date, each party will make the calculations on its part, if any, contemplated by Section 6(e) and will provide to the other party a statement (1) showing, in reasonable detail, such calculations (including all relevant quotations and specifying any amount payable under Section 6(e)) and (2) giving details of the relevant account to which any amount payable to it is to be paid. In the absence of written confirmation from the source of a quotation obtained in determining a Market Quotation, the records of the party obtaining such quotation will be conclusive evidence of the existence and accuracy of such quotation.

(ii) *Payment Date.* An amount calculated as being due in respect of any Early Termination Date under Section 6(e) will be payable on the day that notice of the amount payable is effective (in the case of an Early Termination Date which is designated or occurs as a result of an Event of Default) and on the day which is two Local Business Days after the day on which notice of the amount payable is effective (in the case of an Early Termination Date which is designated as a result of a Termination Event). Such amount will be paid together with (to the extent permitted under applicable law) interest thereon (before as well as after judgment) in the Termination Currency, from (and including) the relevant Early Termination Date to (but excluding) the date such amount is paid, at the Applicable Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(e) *Payments on Early Termination.* If an Early Termination Date occurs, the following provisions shall apply based on the parties' election in the Schedule of a payment measure, either "Market Quotation" or "Loss", and a payment method, either the "First Method" or the "Second Method". If the parties fail to designate a payment measure or payment method in the Schedule, it will be deemed that "Market Quotation" or the "Second Method", as the case may be, shall apply. The amount, if any, payable in respect of an Early Termination Date and determined pursuant to this Section will be subject to any Set-off.

(i) *Events of Default.* If the Early Termination Date results from an Event of Default:--

(1) *First Method and Market Quotation.* If the First Method and Market Quotation apply, the Defaulting Party will pay to the Non-defaulting Party the excess, if a positive number, of (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Termination Currency Equivalent of the Unpaid Amounts owing to the Non-defaulting Party over (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the Defaulting Party.

(2) *First Method and Loss.* If the First Method and Loss apply, the Defaulting Party will pay to the Non-defaulting Party, if a positive number, the Non-defaulting Party's Loss in respect of this Agreement.

(3) *Second Method and Market Quotation.* If the Second Method and Market Quotation apply, an amount will be payable equal to (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Termination Currency Equivalent of the Unpaid Amount owing to the Non-defaulting Party less (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the Defaulting Party. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(4) *Second Method and Loss.* If the Second Method and Loss apply, an amount will be payable equal to the Non-defaulting Party's Loss in respect of this Agreement. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(ii) *Termination Events.* If there are two Affected Parties:--

(1) *One Affected Party.* If there is one Affected Party, the amount payable will be determined in accordance with Section 6(e)(i)(3), if the Market Quotation applies, or Section 6(e)(i)(4), if Loss applies, except that, in either case, references to the Defaulting Party and to the Non-defaulting Party will be deemed to be references to the Affected Party and the party which is not the Affected Party, respectively, and, if Loss applies and fewer than all the Transactions are being terminated, Loss shall be calculated in respect of all Terminated Transactions.

(2) *Two Affected Parties.* If there are two Affected Parties:--

(A) if Market Quotation applies, each party will determine a Settlement Amount in respect of the Terminated Transactions, and an amount will be payable equal to (I) the sum of (a) one-half of the difference between the Settlement Amount of the party with the higher Settlement Amount ("X") and the Settlement Amount of the party with the lower Settlement Amount ("Y") and (b) the Termination Currency Equivalent of the Unpaid Amounts owing to Y; and

(B) if Loss applies, each party will determine its Loss in respect of this Agreement (or, if fewer than all the Transactions are being terminated, in respect of all Terminated Transactions) and an amount will be payable equal to one-half of the difference between the Loss of the party with the higher Loss ("X") and the Loss of the party with the lower Loss ("Y").

If the amount payable is a positive number, Y will pay it to X; if it is a negative number, X will pay the absolute value of that amount to Y.

(iii) *Adjustment for Bankruptcy.* In circumstances where an Early Termination Date occurs because "Automatic Early Termination" applies in respect of a party, the amount determined under this Section 6(e) will be subject to such adjustments as are appropriate and permitted by law to reflect any payments or deliveries made by one party to the other under this Agreement (and retained by such other party) during the period from the relevant Early Termination Date to the date for payment determined under Section 6(d)(ii).

(iv) *Pre-Estimate.* The parties agree that if Market Quotation applies an amount recoverable under this Section 6(e) is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for the loss of bargain and the loss of protection against future risks and except as otherwise provided in this Agreement neither party will be entitled to recover any additional damages as a consequence of such losses.

7. Transfer

Subject to Section 6(b)(ii), neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, except that:--

- (a) a party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all its assets to, another entity (but without prejudice to any other right or remedy under this Agreement); and
- (b) a party may make such a transfer of all or any part of its interest in any amount payable to it from a Defaulting Party under Section 6(e).

Any purported transfer that is not in compliance with this Section will be void.

8. Contractual Currency

(a) **Payment in the Contractual Currency.** Each payment under this Agreement will be made in the relevant currency specified in this Agreement for that payment (the "Contractual Currency"). To the extent permitted by applicable law, any obligation to make payments under this Agreement in the Contractual Currency will not be discharged or satisfied by any tender in any currency other than the Contractual Currency, except to the extent such tender results in the actual receipt by the party to which payment is owed, acting in a reasonable manner and in good faith in converting the currency so tendered into the Contractual Currency, of the full amount in the Contractual Currency of all amounts payable in respect of this Agreement. If for any reason the amount in the Contractual Currency so received falls short of the amount in the Contractual Currency payable in respect of this Agreement, the party required to make the payment will, to the extent permitted by applicable law, immediately pay such additional amount in the Contractual Currency as may be necessary to compensate for the shortfall. If for any reason the amount in the Contractual Currency so received exceeds the amount in the Contractual Currency payable in respect of this Agreement, the party receiving the payment will refund promptly the amount of such excess.

(b) **Judgments.** To the extent permitted by applicable law, if any judgment or order expressed in a currency other than the Contractual Currency is rendered (i) for the payment of any amount owing in respect of this Agreement, (ii) for the payment of any amount relating to any early termination in respect of this Agreement or (iii) in respect of a judgment or order of another court for the payment of any amount described in (i) or (ii) above, the party seeking recovery, after recovery in full of the aggregate amount to which such party is entitled pursuant to the judgment or order, will be entitled to receive immediately from the other party the amount of any shortfall of the Contractual Currency received by such party as a consequence of sums paid in such other currency and will refund promptly to the other party any excess of the Contractual Currency received by such party as a consequence of sums paid in such other currency if such shortfall or such excess arises or results from any variation between the rate of exchange at which the Contractual Currency is converted into the currency of the judgment or order for the purposes of such judgment or order and the rate of exchange at which such party is able, acting in a reasonable manner and in good faith in converting the currency received into the Contractual Currency, to purchase the Contractual Currency with the amount of currency of the judgment or order actually received by such party. The term "rate of exchange" includes, without limitation, any premiums and costs of exchange payable in connection with the purchase of or conversion into the Contractual Currency.

(c) **Separate Indemnities.** To the extent permitted by applicable law, these indemnities constitute separate and independent obligations from the other obligations in this Agreement, will be enforceable as separate and independent causes of action, will apply notwithstanding any indulgence granted by the party to which any payment is owed and will not be affected by judgment being obtained or claim or proof being made for any other sums payable in respect of this Agreement.

(d) **Evidence of Loss.** For the purpose of this Section 8, it will be sufficient for a party to demonstrate that it would have suffered a loss had an actual exchange or purchase been made.

9. Miscellaneous

(a) **Entire Agreement.** This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.

(b) *Amendments.* No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.

(c) *Survival of Obligations.* Without prejudice to Sections 2(a)(iii) and 6(c)(ii), the obligations of the parties under this Agreement will survive the termination of any Transaction.

(d) *Remedies Cumulative.* Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.

(e) *Counterparts and Confirmations.*

(i) This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

(ii) The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise). A Confirmation shall be entered into as soon as practicable and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system, which in each case will be sufficient for all purposes to evidence a binding supplement to this Agreement. The parties will specify therein or through another effective means that any such counterpart, telex or electronic message constitutes a Confirmation.

(f) *No Waiver of Rights.* A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.

(g) *Headings.* The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

10. Offices; Multibranch Parties

(a) If Section 10(a) is specified in the Schedule as applying, each party that enters into a Transaction through an Office other than its head or home office represents to the other party that, notwithstanding the place of booking office or jurisdiction of incorporation or organisation of such party, the obligations of such party are the same as if it had entered into the Transaction through its head or home office. This representation will be deemed to be repeated by such party on each date on which a Transaction is entered into.

(b) Neither party may change the Office through which it makes and receives payments or deliveries for the purpose of a Transaction without prior written consent of the other party.

(c) If a party is specified as a Multibranch Party in the Schedule, such Multibranch Party may make and receive payments or deliveries under any Transaction through any Office listed in the Schedule, and the Office through which it makes and receives payments or deliveries with respect to a Transaction will be specified in the relevant Confirmation.

11. Expenses

A Defaulting Party will, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees and Stamp Tax, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document to which the Defaulting Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection.

12. Notices

(a) **Effectiveness.** Any notice or other communication in respect of this Agreement may be given in any manner set forth below (except that a notice or other communication under Section 5 or 6 may not be given by facsimile transmission or electronic messaging system) to the address or number or in accordance with the electronic messaging system details provided (see the Schedule) and will be deemed effective as indicated:—

- (i) if in writing and delivered in person or by courier, on the date it is delivered;
- (ii) if sent by telex, on the date the recipient's answerback is received;
- (iii) if sent by facsimile transmission, on the date that transmission is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);
- (iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; or
- (v) if sent by electronic messaging system, on the date that electronic message is received,

unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Local Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Local Business Day, in which case that communication shall be deemed given and effective on the first following day that is a Local Business Day.

(b) **Change of Addresses.** Either party may by notice to the other change the address, telex or facsimile number or electronic message system details at which notices or other communications are to be given to it.

13. Governing Law and Jurisdiction

(a) **Governing Law.** This Agreement will be governed by and construed in accordance with the law specified in the Schedule.

(b) **Jurisdiction.** With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably:—

- (i) submits to the jurisdiction of the English courts, if this Agreement is expressed to be governed by English law, or to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, if this Agreement is expressed to be governed by the laws of the State of New York; and
- (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction (outside, if this Agreement is expressed to be governed by English law, the Contracting States, as defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1982 or any modification, extension or re-enactment thereof for the time being in force) nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) **Service of Process.** Each party irrevocably appoints the Process Agent (if any) specified opposite its name in the Schedule to receive, for it and on its behalf, service of process in any Proceedings. If for any reason any party's Process Agent is unable to act as such, such party will promptly notify the other party and within 30 days appoint a substitute process agent acceptable to the other party. The parties irrevocably consent to service of process given in the manner

provided for notices in Section 12. Nothing in this Agreement will affect the right of either party to serve process in any other manner permitted by law.

(d) **Waiver of Immunities.** Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

14. Definitions

As used in this Agreement:—

"Additional Termination Event" has the meaning specified in Section 5(b).

"Affected Party" has the meaning specified in Section 5(b).

"Affected Transactions" means (a) with respect to any Termination Event consisting of an Illegality, Tax Event or Tax Event Upon Merger, all Transactions affected by the occurrence of such Termination Event and (b) with respect to any other Termination Event, all Transactions.

"Affiliate" means, subject to the Schedule, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"Applicable Rate" means:—

(a) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Defaulting Party, the Default Rate;

(b) in respect of an obligation to pay an amount under Section 6(e) of either party from and after the date (determined in accordance with Section 6(d)(ii) on which that amount is payable, the Default Rate;

(c) in respect of all other obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Non-defaulting Party, the Non-default Rate; and

(d) in all other cases, the Termination Rate.

"Burdened Party" has the meaning specified in Section 5(b).

"Change in Tax Law" means the enactment, promulgation, execution or ratification of, or any change in or amendment to, any law (or in the application or official interpretation of any law) that occurs on or after the date on which the relevant Transaction is entered into.

"consent" includes a consent, approval, action, authorisation, exemption, notice, filing, registration or exchange control consent.

"Credit Event Upon Merger" has the meaning specified in Section 5(b).

"Credit Support Document" means any agreement or instrument that is specified as such in this Agreement.

"Credit Support Provider" has the meaning specified in the Schedule.

"Default Rate" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount plus 1% per annum.

"Defaulting Party" has the meaning specified in Section 6(a).

"Early Termination Date" means the date determined in accordance with Section 6(a) or 6(b)(iv).

"Event of Default" has the meaning specified in Section 5(a) and, if applicable, in the Schedule.

"Illegality" has the meaning specified in Section 5(b).

"Indemnifiable Tax" means any tax other than a Tax that would not be imposed in respect of payment under this Agreement but for a present or former connection between the jurisdiction of the government or taxation authority imposing such Tax and the recipient of such payment or a person related to such recipient (including, without limitation, a connection arising from such recipient or related person being or having been a citizen or resident of such jurisdiction, or having or having had a permanent establishment or fixed place of business in such jurisdiction, but excluding a connection arising solely from such recipient or related person having executed, delivered, performed its obligations or received a payment under, or enforced, this Agreement or a Credit Support Document).

"law" includes any treaty, law, rule or regulation (as modified, in the case of tax matters, by the practices of any relevant governmental revenue authority) and **"lawful"** and **"unlawful"** will be construed accordingly.

"Local Business Day" means, subject to the Schedule, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) (a) in relation to any obligation under Section 2(a)(i), in the place(s) specified in the relevant Confirmation or, if not so specified, as otherwise agreed by the parties in writing or determined pursuant to provisions contained, or incorporated by reference, in this Agreement, (b) in relation to any other payment, in the place where the relevant account is located and, if different, in the principal financial centre, if any, of the currency of such payment, (c) in relation to any notice or other communication, including notice contemplated under Section 5(a)(i), in the city specified in the address for notice provided by the recipient and, in the case of a notice contemplated by Section 2(b), in the place where the relevant new account is to be located and (d) in relation to Section 5(a)(v)(2), in the relevant locations for performance with respect to such Specified Transaction.

"Loss" means, with respect to this Agreement on one or more Terminated Transactions, as the case may be, and a party, the Termination Currency Equivalent of an amount that party reasonably determines in good faith to be its total losses and costs (or gain, in which case expressed as a negative number) in connection with this Agreement or that Terminated Transaction or group of Terminated Transactions, as the case may be, including any loss of bargain, cost of funding or, at the election of such party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position (or any gain resulting from any of them). Loss includes losses and costs (or gains) in respect of any payment or delivery required to have been made (assuming satisfaction of each applicable condition precedent) on or before the relevant Early Termination Date and not made, except, so as to avoid duplication, if Section 6(e)(i)(1) or (3) or 6(e)(ii)(2)(A) applies. Loss does not include a party's legal fees and out-of-pocket expenses referred to under Section 11. A party will determine its Loss as of the relevant Early Termination Date, or, if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable. A party may (but need not) determine its Loss by reference to quotations of relevant rates or prices from one or more leading dealers in the relevant markets.

"Market Quotation" means, with respect to one or more Terminated Transactions and a party making the determination, an amount determined on the basis of quotations from Reference Market-makers. Each quotation will be for an amount, if any, that would be paid to such party (expressed as a negative number) or by such party (expressed as a positive number) in consideration of an agreement between such party (taking into account any existing Credit Support Document with respect to the obligations of such party) and the quoting Reference Market-maker to enter into a transaction (the "Replacement Transaction") that would have the effect of preserving for such party the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition

precedent) by the parties under Section 2(a)(i) in respect of such Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date. For this purpose, Unpaid Amounts in respect of the Terminated Transaction or group of Terminated Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of each applicable condition precedent) after that Early Termination Date is to be included. The Replacement Transaction would be subject to such documentation as such party and the Reference Market-maker may, in good faith, agree. The party making the determination (or its agent) will request each Reference Market-maker to provide its quotation to the extent reasonably practicable as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant Early Termination Date. The day and time as of which those quotations are to be obtained will be selected in good faith by the party obliged to make a determination under Section 6(e), and, if each party is so obliged, after consultation with the other. If more than three quotations are provided, the Market Quotation will be the arithmetic mean of the quotations, without regard to the quotations having the highest and lowest values. If exactly three such quotations are provided, the Market Quotation will be the quotation remaining after disregarding the highest and lowest quotations. For this purpose, if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the Market Quotation in respect of such Terminated Transaction or group of Terminated Transactions cannot be determined.

"Non-default Rate" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the Non-defaulting Party (as certified by it) if it were to fund the relevant amount.

"Non-defaulting Party" has the meaning specified in Section 6(a).

"Office" means a branch or office of a party, which may be the party's head or home office.

"Potential Event of Default" means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"Reference Market-makers" means four leading dealers in the relevant market selected by the party determining a Market Quotation in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among such dealers having an office in the same city.

"Relevant Jurisdiction" means, with respect to a party, the jurisdictions (a) in which the party is incorporated, organised, managed and controlled or considered to have its seat, (b) where an Office through which the party is acting for purposes of this Agreement is located, (c) in which the party executed this Agreement and (d) in relation to any payment, from or through which such payment is made.

"Scheduled Payment Date" means a date on which a payment or delivery is to be made under Section 2(a)(i) with respect to the Transaction.

"Set-off" means set-off, offset, combination of accounts, right of retention or withholding or similar right or requirement to which the payer of an amount under Section 6 is entitled or subject (whether arising under this Agreement, another contract, applicable law or otherwise) that is exercised by, or imposed on, such payer.

"Settlement Amount" means, with respect to a party and any Early Termination Date, the sum of:—

- (a) the Termination Currency Equivalent of the Market Quotations (whether positive or negative) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation is determined; and
- (b) such party's Loss (whether positive or negative and without reference to any Unpaid Amounts) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation cannot be determined or would not (in the reasonable belief of the party making the determination) produce a commercially reasonable result.

"Specified Entry" has the meaning specified in the Schedule.

"Specified Indebtedness" means, subject to the Schedule, any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

"Specified Transaction" means, subject to the Schedule, (a) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions), (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation.

"Stamp Tax" means any stamp, registration, documentation or similar tax.

"Tax" means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority in respect of any payment under this Agreement other than a stamp, registration, documentation or similar tax.

"Tax Event" has the meaning specified in Section 5(b).

"Tax Event Upon Merger" has the meaning specified in Section 5(b).

"Terminated Transactions" means with respect to any Early Termination Date (a) if resulting from a Termination Event, all Affected Transactions and (b) if resulting from an Event of Default, all Transactions (in either case) in effect immediately before the effectiveness of the notice designating that Early Termination Date (or, if "Automatic Early Termination" applies, immediately before that Early Termination Date).

"Termination Currency" has the meaning specified in the Schedule.

"Termination Currency Equivalent" means, in respect of any amount denominated in the Termination Currency, such Termination Currency amount and, in respect of any amount denominated in a currency other than the Termination Currency (the "Other Currency"), the amount in the Termination Currency determined by the party making the relevant determination as being required to purchase such amount of such Other Currency as at the relevant Early Termination Date, or, if the relevant Market Quotation or Loss (as the case may be), is determined as of a later date, that later date, with the Termination Currency at the rate equal to the spot exchange rate of the foreign exchange agent (selected as provided below) for the purchase of such Other Currency with the Termination Currency at or about 11:00 a.m. (in the city in which such foreign exchange agent is located) on such date as would be customary for the determination of such a rate for the purchase of such Other Currency for value on the relevant Early Termination Date or that later date. The foreign exchange agent will, if only one party is obliged to make a determination under Section 6(e), be selected in good faith by that party and otherwise will be agreed by the parties.

"Termination Event" means an Illegality, a Tax Event or a Tax Event Upon Merger or, if specified to be applicable, a Credit Event Upon Merger or an Additional Termination Event.

"Termination Rate" means a rate per annum equal to the arithmetic mean of the cost (without proof or evidence of any actual cost) to each party (as certified by such party) if it were to fund or of funding such amounts.

"Unpaid Amounts" owing to any party means, with respect to an Early Termination Date, the aggregate of (a) in respect of all Terminated Transactions, the amounts that became payable (or that would have become payable but for Section 2(a)(iii)) to such party under Section 2(a)(i) on or prior to such Early Termination Date and which remain unpaid as at such Early Termination Date and (b) in respect of each Terminated Transaction, for each obligation under Section 2(a)(i) which

was (or would have been but for Section 2(a)(iii)) required to be settled by delivery to such party on or prior to such Early Termination Date and which has not been so settled as at such Early Termination Date, an amount equal to the fair market value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the Termination Currency Equivalents of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

.....
(Name of Party)

.....
(Name of Party)

By.....
Name:
Title:
Date:

By.....
Name:
Title:
Date:

DRAFT

(Multicurrency—Cross Border)

ISDA[®]

International Swap and Derivatives Association, Inc.

**SCHEDULE
to the
Master Agreement**

dated as of

between

Fleet National Bank
("Party A")

and

("Party B")

Part 1. Termination Provisions.

In the Agreement:

- (a) "Specified Entity" means in relation to Party A and Party B for the purpose of:

Section 5(a)(v) None;
Section 5(a)(vi) None;
Section 5(a)(vii) None; and
Section 5(b)(iv) None.

- (b) "Specified Transaction" will have the meaning specified in Section 14 of this Agreement. For purposes of clause (c) of such definition Specified Transaction includes any transaction, now or hereafter existing between Party A or any of its Affiliates and Party B, any Credit Support Provider of Party B, or any Specified Entity of Party B under which Party A is or may be owed payment or performance of any nature whatsoever.

- (c) The "Cross Default" provisions of Section 5(a)(vi) will apply to Party A and Party B.

The following provisions apply:

- (i) "Specified Indebtedness": with respect to any person, means all obligations of that person identified as Specified Indebtedness in Section 14, except as excluded in the proviso to this definition, as well as all reimbursement obligations in respect of letters of credit, financial guaranty insurance or surety bonds issued for the account of that person and trade debt incurred other than through borrowings; provided, however, that indebtedness or obligations in respect of deposits received in the ordinary course of the banking business of such person shall not constitute Specified Indebtedness.

- (ii) "Threshold Amount" means: (i) with respect to Party A, 3% of stockholders' equity of Party A, and (ii) with respect to Party B, any Specified Indebtedness.
- (d) The "Credit Event Upon Merger" provisions of Section 5(b)(iv) will apply to Party A and Party B.

Notwithstanding Section 5(b)(iv) of this Agreement, "Credit Event Upon Merger" means (1)(a) with respect to Party A or Party B, such party ("X"), any Credit Support Provider of X or any applicable Specified Entity of X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, or receives all or substantially all the assets or obligations of, another entity and such action does not constitute an event described in Section 5(a)(viii) or (b) with respect to Party B, (A) any person or entity acquires directly or indirectly the beneficial ownership of equity securities having the power to elect a majority of the board of directors of such party ("X"), any Credit Support Provider of X, or any applicable Specified Entity of Party X or (B) such party ("X"), any Credit Support Provider of X, or any applicable Specified Entity of X effects any substantial change in its capital structure by means of the issuance, incurrence or guarantee of debt or the issuance of preferred stock or other securities convertible into or exchangeable for, debt or preferred stock and (2)(a) the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X, such Credit Support Provider or such Specified Entity, as the case may be, immediately prior to such action or (b) with respect to Party B, Party A's policies in effect at such time would not permit Party A to enter into every Transaction then outstanding with the resulting, surviving or transferee entity of Party B, such Credit Support Provider or such Specified Entity, as the case may be (and, in such event, X or its successor or transferee, as appropriate, will be the Affected Party).
- (e) The "Automatic Early Termination" provisions of Section 6(a) will not apply to Party A or Party B.
- (f) Payments on Early Termination. For the purpose of Section 6(e) of this Agreement:
 - (i) Market Quotation will apply.
 - (ii) The Second Method will apply.
- (g) "Termination Currency" means United States Dollars.
- (h) Additional Termination Event will not apply to Party A or to Party B.
- (i) The following provision is hereby added to Section 5(a) of the Agreement as an Event of Default:
 - "(ix) Unsatisfied Judgments. With respect to Party B, the party, any Credit Supporter Provider of such party or any Specified Entity of such party for the purpose of Section 5(a)(vii) has a final judgment issued against it by a court of competent jurisdiction and such judgment is not discharged or its execution stayed pending appeal within 90 days of such judgment or such judgment is not discharged within 90 days of the expiration of any such stay."
- (j) Credit Support Default. Section 5(a)(iii)(2) of this Agreement is hereby amended by deleting from the third line thereof the phrase "(in either case other than in accordance with its terms)".

Part 2. Tax Representations.

- (a) Party A and Party B Payer Tax Representations. For the purpose of Section 3(e) of this Agreement, each of Party A and Party B makes the following representations:

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any deduction or withholding for or on account of any Tax from any payment (other than interest under Section 2(e), 6(d)(ii) or 6(e) of this Agreement) to be made by it to the other party under this Agreement. In making this representation, it may rely on (i) the accuracy of any representations made by the other party pursuant to Section 3(f) of this Agreement, (ii) the satisfaction of the agreement of the other party contained in Section 4(a)(i) or 4(a)(iii) of this Agreement and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i) or 4(a)(iii) of this Agreement and (iii) the satisfaction of the agreement of the other party contained in Section 4(d) of this Agreement, *provided that it shall not be a breach of this representation where reliance is placed on clause (ii) and the other party does not deliver a form or document under Section 4(a)(iii) by reason of material prejudice to its legal or commercial position.*

- (b) **Party A Payee Tax Representations.** For the purpose of Section 3(f) of this Agreement, Party A makes the following representation:

Party A is a national banking association duly organized under the laws of the United States and is not a foreign corporation for United States tax purposes.

- (c) **Party B Payee Tax Representations.** For the purpose of Section 3(f) of this Agreement, Party B makes the following representation:

Party B is not a foreign entity for United States tax purposes.

Part 3. Agreement to Deliver Documents.

For the purpose of Sections 4(a)(i) and (ii) of this Agreement, each party agrees to deliver the following documents, as applicable:

- (a) Tax forms, documents or certificates to be delivered are:

<u>Party required to deliver document</u>	<u>Form/Document Certificate</u>	<u>Date by which to be delivered</u>
Party B	An executed United States Internal Revenue Service form W-9 (or any successor thereto).	Upon execution of this Agreement.

- (b) Other documents to be delivered are:

<u>Party required to deliver document</u>	<u>Form/Document Certificate</u>	<u>Date by which to be delivered</u>	<u>Covered by Section 3(d) Representation</u>
Party B	A certificate of an authorized officer for such party and any Credit Support Provider of such party certifying the authority, names and true signatures of the officers signing this Agreement, each Confirmation and any Credit Support Document, reasonably satisfactory in form and substance to Party A.	Upon execution of this Agreement and as deemed necessary for any further documentation.	Yes

<u>Party required to deliver document</u>	<u>Form/Document Certificate</u>	<u>Date by which to be delivered</u>	<u>Covered by Section 3(d) Representation</u>
Party B	Certified copies of documents evidencing each action taken by Party B and any Credit Support Provider of such party to authorize its execution of this Agreement, each Confirmation, and any Credit Support Document referred to in Part 4 of this Schedule, and the performance of its obligations hereunder as well as its bylaws and articles of incorporation.	Upon execution of this Agreement.	Yes
Party B	A duly executed copy of the Credit Support Documents specified in Part 4 of this Schedule.	Upon execution of this Agreement.	No
Party B	Annual audited financial statements prepared in accordance with generally accepted accounting principles in the country in which the entity to which they relate is organized.	Promptly upon request.	Yes
Party B	Quarterly unaudited financial statements prepared in accordance with generally accepted accounting principles in the country in which the entity to which they relate is organized.	Promptly upon request.	Yes
Party B	A written opinion of legal counsel to Party B and any Credit Support Provider for Party B reasonably satisfactory in form and substance to Party A.	Upon execution of this Agreement if requested and as deemed necessary.	No
Party B	Such other documents as Party A may reasonably request in connection with each transaction.	Promptly upon request.	Yes

Part 4. Miscellaneous.

(a) Addresses for Notices. For the purpose of Section 12(a) of this Agreement:

Address for notices or communications to Party A: Fleet National Bank
75 State Street - MA BO F03E
Treasury Division
Boston, Massachusetts 02109

Attention: Mr. Brian C. Snell, Vice President

Telex: 144203
Telephone No: (617) 346-1169

Answerback:
Facsimile No:

FLEETB1
(617) 346-1180

Address for notices or
communications to
Party B:

Attention:

Telephone No.:

Facsimile No.:

- (b) **Process Agent.** For the purpose of Section 13(c) of this Agreement, Not Applicable.
- (c) **Offices.** The provisions of Section 10(a) will apply to this Agreement.
- (d) **Multibranch Party.** For the purpose of Section 10(c) of this Agreement, Not Applicable.
- (e) **Calculation Agent.** The Calculation Agent is Party A, unless otherwise specified in a Confirmation in relation to a relevant Transaction.
- (f) **Credit Support Document.** Details of any Credit Support Document:
 - (i) With respect to Party A, none.
 - (ii) With respect to Party B: [To be defined]
- (g) **Credit Support Provider means:**
 - (i) In relation to Party A, none.
 - (ii) In relation to Party B, [To be defined]
- (h) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of New York (without reference to choice of law doctrine).
- (i) **Netting of Payments.** Subparagraph (ii) of Section 2(c) of this Agreement will apply to all Transactions.
- (j) **"Affiliate"** will have the meaning specified in Section 14 of this Agreement.

Part 5. Other Provisions.

- (a) **1991 ISDA Definitions.** The definitions and provisions contained in the 1991 ISDA Definitions (the "1991 Definitions") and the 1992 FX and Currency Option Definitions (the "FX Definitions") as published by the International Swaps and Derivatives Association, Inc. are incorporated into this Agreement by reference. For these purposes, all references in the 1991 Definitions to a "Swap Transaction" and all references in the FX Definitions to a "FX Transaction" or "Currency Option" shall be deemed to apply to each Transaction under this Agreement. With respect to FX Transactions, in the event of any inconsistency between the 1991 Definitions and the FX Definitions, the FX Definitions will prevail. Any definitions incorporated into a Confirmation shall prevail over the provisions of this Agreement, or the 1991 Definitions or the FX Definitions.
- (b) **Accuracy of Specified Information.** Section 3(d) is hereby amended by adding in the third line thereof after the word "respect" and before the period:

"or, in the case of audited or unaudited financial statements, a fair presentation of the financial condition of the relevant party"

- (c) **Forms.** For purposes of Section 4(a)(iii) of this Agreement, the following shall be added immediately prior to the existing text:

"upon learning that such form or document is required or"

- (d) **Right of Set-off.** If any amount payable hereunder is not paid as and when due, the party ("Party X") obligated to make that payment hereby authorizes the other party ("Party Y") and each Affiliate of Party Y to proceed, to the fullest extent permitted by applicable law, without prior notice, by right of set-off, banker's lien, counterclaim or otherwise, against any assets of Party X in any currency that may at any time be in the possession of Party Y or that Affiliate, at any branch or office, to the full extent of all amounts payable to Party Y hereunder.

In addition, if a party would, but for this provision, have an obligation to pay the other party any amount calculated pursuant to Section 6(e) in connection with early termination which occurs on the ground of (i) a Termination Event in which that other party is the only Affected Party or (ii) an Event of Default with respect to that other party at a time when any amount is payable (whether at such time or in the future or upon the occurrence of a contingency) to that party or its Affiliates by that other party under any other agreement between them or any instrument or undertaking of that other party (irrespective of the currency, place of payment or booking office of the obligation) (each such amount, an "Other Obligation"), the party that, but for this provision would have an obligation to make a payment hereunder is authorized by that other party to set-off that obligation hereunder against any Other Obligation, without prior notice. For purposes of this provision, each party hereby agrees that, if necessary to enable the other party to exercise the rights of Set-off contemplated herein with respect to an amount payable by it under this Agreement in a particular currency, that amount shall be deemed converted to (and constitute an obligation hereunder in an amount equal to) its equivalent in the currency in which any Other Obligation is denominated, at a rate of exchange and otherwise in a manner applicable hereunder for conversion of any amounts to its Termination Currency Equivalent (as if the date of Set-off were an Early Termination Date and with the party entitled under this provision to effect the Set-off to make the determinations required for the conversion).

If an obligation is unascertained, the party exercising a right of Set-off hereunder may in good faith estimate that obligation and set off in respect of the estimate, subject to the relevant party accounting to the other when the obligation is ascertained.

If the party exercises a right of Set-off hereunder, it shall give the other party notice of the amounts of the obligations hereunder and the Other Obligations reduced and discharged by the Set-off, as soon as practicable after the Set-off is effected.

Nothing in this provision, titled Right of Set-off, shall be effective to create a charge or other security interest. This provision, titled Right of Set-off, shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which any party is at any time otherwise entitled (whether by operation of law or otherwise).

- (e) **Tax Event.** The following is hereby inserted in Section 5(b)(ii) before the words "there is a substantial likelihood that":

"in the written opinion of legal counsel of recognized standing (which may include in-house legal counsel)"

- (f) **Confirmations.** For each Transaction Party A and Party B agree to enter into hereunder, Party A shall promptly send to Party B a Confirmation setting forth the terms of such Transaction. Party B shall execute and return the Confirmation to Party A or request correction of any error within two Local Business Days of trade date. Failure of Party B to respond within such period shall not affect the validity or enforceability of such Transaction and shall be deemed to be an affirmation of such terms.
- (g) **Consent to Recording.** Each party consents to the monitoring or recording, at any time and from time to time, by the other party of any and all communications between officers or employees of the parties, waives any further notice of such monitoring or recording, and agrees to notify its officers and employees of such monitoring or recording.
- (h) **Notice of Event of Default.** Each party agrees, upon learning of the occurrence of any event or commencement of any condition that constitutes an Event of Default or a Potential Event of Default with respect to itself, promptly to give the other party notice of such event or condition. Failure to give notice within 30 days of learning of such event or condition shall constitute an Event of Default with respect to such party.
- (i) **Change of Account.** Section 2(b) of this Agreement is hereby amended by the addition of the following after the word "delivery" in the first line thereof:

"to another account in the same legal and tax jurisdiction as the original account".
- (j) **Credit Support Default.** Subparagraph (3) of Section 5(a)(iii) of this Agreement is hereby amended by adding the phrase "(or such action is taken by any person or entity appointed or empowered to operate or act on its behalf)" after the word "Document" in the second line thereof.
- (l) **Granting of Consent by Party A.** Party A is hereby notified of, and notwithstanding Section 7, gives its consent to the grant by Party B of a security interest in all of Party B's present and future right, title and interest in this Agreement and each Transaction entered into hereunder to Fleet Lending Bank in connection with a loan agreement between Party B and Fleet Lending Bank.
- (k) **Consent to Transfer.** Section 7 of this Agreement is amended by deleting the word "and" at the end of sub-paragraph (a); replacing the period at the end of sub-paragraph (b) with the phrase "; and"; and inserting the following sub-paragraph:

“(c) Party A may transfer, without the consent of Party B (or any Credit Support Provider of Party B), this Agreement and all or any portion of the Transactions under this Agreement in the event that any of Party B's obligation(s) to Party A or its Affiliates, as identified in Part 4 of this Agreement, are sold, transferred, or otherwise assigned by Party A to one or more banks or financial institutions, in which case Party B (and each Credit Support Provider of Party B) shall execute, or cause to be executed, such documents, instruments and agreements, including without limitation, amendments to this Agreement, as Party A shall deem necessary to effect the foregoing.”

(l) **Waiver of Jury Trial.** EACH PARTY HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDINGS. AS TO ANY MATTER FOR WHICH A JURY TRIAL CANNOT BE WAIVED, EACH PARTY AGREES NOT TO ASSERT ANY SUCH MATTER AS A CROSS CLAIM OR COUNTERCLAIM IN, NOR MOVE TO CONSOLIDATE THE SAME WITH, ANY LEGAL PROCEEDING IN WHICH A JURY TRIAL IS WAIVED.

(m) **Additional Representations.** For purposes of Section 3 of this Agreement, the following shall be added, immediately following paragraph (f) thereof:

"(g) This Agreement and each Transaction constitutes a "swap agreement" within the meaning of Commodity Futures Trading Commission ("CFTC") regulations Section 35.1(b)(1).

(h) It is an "eligible swap participant" within the meaning of CFTC Regulations Section 35.1(b)(2).

(i) Neither this Agreement nor any Transaction is one of a fungible class of agreements that are standardized as to their material economic terms, within the meaning of CFTC Regulations Section 35.2(b).

(j) The creditworthiness of the other party was or will be a material consideration in entering into or determining the terms of this Agreement and each Transaction, including pricing, cost or credit enhancement terms of the Agreement or Transaction, within the meaning of CFTC Regulations Section 35.2(c).

(k) It has entered into this Agreement (including each Transaction evidenced hereby) in conjunction with its line of business (including financial intermediation services) or the financing of its business.

(l) The individual(s) executing and delivering this Agreement and any other documentation (including any Credit Support Document) relating to this Agreement to which it is a party or that it is required to deliver are duly empowered and authorized to do so, and it has duly executed and delivered this Agreement and any Credit Support Documents to which it is a party.

(m) **Non-Reliance.** In connection with the negotiation of, the entering into, and the confirming of the execution of this Agreement, and Credit Support Document to which it is a party, each Transaction, and any other documentation relating to this Agreement to which it is a party or that it is required by this Agreement to deliver:

(i) it is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel, or representations (whether written or oral) of the other party to this Agreement, such Credit Support Document, each Transaction or such other documentation other than the representations expressly set forth in this Agreement, such Credit Support Document and in any Confirmation;

(ii) it has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and it has made its own investment, hedging and trading decisions (including decisions regarding the suitability of any Transaction pursuant to this Agreement) based upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the other party to this

Agreement, such Credit Support Document, each Transaction or such other documentation;

(iii) it has a full understanding of all the terms, conditions, and risks (economic and otherwise) of the Agreement, such Credit Support Document, each Transaction, and such other documentation and is capable of assuming and willing to assume (financially and otherwise) those risks;

(iv) it is entering into this Agreement, such Credit Support Document, each Transaction, and such other documentation for the purposes of managing its borrowings or investments, hedging its underlying assets or liabilities or in connection with a line of business and not for purposes of speculation;

(v) it is entering into this Agreement, such Credit Support Document, each Transaction, and such other documentation as principal, and not as agent or in any other capacity, fiduciary or otherwise; and

(vi) the other party to this Agreement, such Credit Support Document, each Transaction, and such other documentation (a) is not acting as a fiduciary or financial, investment or commodity trading advisor for it; (b) has not given to it (directly or indirectly through any other person) any assurance, guaranty or representation whatsoever as to the merits (either legal, regulatory, tax, financial, accounting or otherwise) of this Agreement, such Credit Support Document, each Transaction, and such other documentation; and (c) has not committed to unwind the Transactions."

Fleet National Bank

By: _____
Name: Brian C. Snell
Title: Vice President
Date:

By: _____
Name: _____
Title: _____
Date:

FLEET NATIONAL BANK ("Lender")

Re: \$1,800,000 Term Loan to [Providence Redevelopment Agency, as owner of the real estate] ("Borrower") for Fleet Skating Center

Closing Agenda

	<u>Name of Document</u>	<u>Initial Responsibility</u>	<u>Status</u>
A.	<u>Loan Documents</u>		
1.	Term Sheet	Lender	Sent by Lender
2.	Term Loan Agreement	Edwards & Angell, LLP ("E&A")	
3.	Promissory Note	E&A	Drafted
4.	Security Agreement	E&A	Drafted
5.	Pledge and Security Agreement (Project Campaign Pledges and Account)	E&A	Drafted
6.	Collateral Assignment of Leases and Rents to be recorded with the Providence Land Evidence Records	E&A	Drafted
7.	UCC-1 Financing Statement to be filed with the Rhode Island Secretary of State	E&A	
8.	ISDA Master Agreement with Schedule and Confirmation	E&A/Lender	Drafted
9.	Copies of written pledges	Borrower	
B.	<u>Property Documents</u>		
10.	Title report and survey	Borrower	
11.	Zoning approval/certification	Borrower	
12.	Final project construction budget	Borrower	

13.	Permits for operation of ice skating rink	Borrower	
14.	Certificate of occupancy and other evidence of project completion	Borrower	
15.	Operating Lease with Ogden Entertainment	Borrower	
16.	Ogden's income statement projections for first fiscal year	Borrower	Received/being reviewed
17.	Evidence of property, liability, and business interruption insurance	Borrower	
C. <u>Organizational Documents</u>			
18.	If Borrower is not the City of Providence, organizational documents for Borrower, including good standing certificate	Borrower	
19.	Authorization for Borrower to enter into and perform loan documents	Borrower	
20.	Incumbency certificate for person signing for Borrower	Borrower	
D. <u>Miscellaneous</u>			
21.	Opinion of Borrower's Counsel	E&A (form)/ Borrower	
22.	Opening of account(s) at Lender for deposit of pledges	Lender	
23.	Open items letter	E&A	
24.	Payment of Lender's Legal Fees	Borrower	
25.	Opening Balance Sheet for Project	Borrower	