FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

/X/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1994

OR

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File No. 1-9818

ALLIANCE CAPITAL MANAGEMENT L.P.

(Exact name of registrant as specified in its charter)

Delaware	13-3434400
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1345 Avenue of the Americas, New York, NY 10105

(Address of principal executive offices) (Zip Code)

(212) 969-1000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

The number of Units representing assignments of beneficial ownership of Limited Partnership Interests outstanding as of March 31, 1994 was 72,809,560 Units.

ALLIANCE CAPITAL MANAGEMENT L.P.

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Part I

FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

ALLIANCE CAPITAL MANAGEMENT L.P.
Condensed Consolidated Statements of Financial Condition

(unaudited)
(in thousands)

ASSETS	3/31/94	12/31/93
Cash and cash equivalents	$ 76,855	$ 96,315
Fees receivable:		
Alliance mutual funds	31,178	29,594
Other affiliated clients	12,206	17,262
Institutional clients	42,639	40,685
Receivable from brokers and dealers for sale of shares of Alliance mutual funds	70,940	103,921
Other receivables	5,463	4,894
Investments in Alliance mutual funds	45,069	56,552
Other investments	4,762	4,966
Furniture, equipment and leasehold improvements, net	32,332	28,767
Intangible assets, net	99,456	30,707
Deferred sales commissions, net	162,696	140,558
Prepaid expenses and other assets	10,468	7,066
Total assets	$594,064	$561,287
LIABILITIES AND PARTNERS' CAPITAL		
Liabilities:		
Accounts payable and accrued expenses	$ 72,570	$ 56,526
Payable to Alliance mutual funds for share purchases	98,425	145,684
Accrued expenses under employee benefit plans	46,846	35,597
Debt	159,377	109,435
Total liabilities	377,218	347,242
Partners' capital	216,846	214,045
Total liabilities and partners' capital	$594,064	$561,287

See accompanying notes to condensed consolidated financial statements.

ALLIANCE CAPITAL MANAGEMENT L.P.
Condensed Consolidated Statements of Income

(unaudited)
(in thousands, except per Unit amounts)

	Three Months Ended	
	3/31/94	3/31/93
Revenues:		
Investment advisory and services fees:		
Alliance mutual funds	$ 50,911	$ 37,446
Other affiliated clients	10,965	7,655
Institutional clients	38,783	35,427
Distribution plan fees from Alliance mutual funds	34,645	22,439
Shareholder servicing and administration fees	9,734	7,430
Other revenues	3,527	2,028
	148,565	112,425
Expenses:		
Employee compensation and benefits	42,389	35,269
General and administrative	16,424	16,802
Interest	2,223	2,735
Promotion and servicing:		
Distribution plan payments to financial intermediaries:		
Affiliated	4,956	2,893
Unaffiliated	22,338	14,184
Amortization of deferred sales commissions	11,980	7,947
Other	12,208	6,383
Amortization of intangible assets	1,891	1,743
Nonrecurring transaction expenses	--	7,300
	114,409	95,256
Income before income taxes and cumulative effect of accounting change	34,156	17,169
Income taxes	2,732	1,474
Income before cumulative effect of accounting change	31,424	15,695
Cumulative effect of change in accounting for income taxes	--	900
Net income	$ 31,424	$ 16,595
Earnings per Unit:		
Income before cumulative effect of accounting change	$ .42	$ .22
Cumulative effect of change in accounting for income taxes	--	.01
Net income per Unit	$ .42	$ .23
Weighted average number of Units and Unit equivalents outstanding	73,913	70,757

See accompanying notes to condensed consolidated financial statements.

ALLIANCE CAPITAL MANAGEMENT L.P.
Condensed Consolidated Statements of
Changes in Partners' Capital

(unaudited)
(in thousands)

	Three Months Ended	
	3/31/94	3/31/93
Partners' capital -- beginning of period.....	$214,045	$160,626
Net income.....	31,424	16,595
Capital contribution received from Alliance Capital Management Corporation.....	476	517
Distributions to partners.....	(29,925)	(18,950)
Unit options exercised.....	814	425
Foreign currency translation adjustment.....	12	43
Partners' capital end of period.....	$216,846	$159,251

See accompanying notes to condensed consolidated financial statements.

ALLIANCE CAPITAL MANAGEMENT L.P.
Condensed Consolidated Statements of Cash Flows

(unaudited)
(in thousands, except per Unit amounts)

	Three Months Ended	
	3/31/94	3/31/93
Net income	$ 31,424	$ 16,595
Adjustments to reconcile net income to net cash provided from operating activities:		
Amortization and depreciation	15,824	11,536
Deferred compensation expense	979	965
Cumulative effect of change in accounting for income taxes	--	(900)
Other, net	12	(25)
Changes in assets and liabilities:		
Decrease in fees receivable from Alliance mutual funds, other affiliated clients and institutional clients	5,290	1,039
(Increase) decrease in receivables from brokers and dealers for sale of shares of Alliance mutual funds	32,981	(23,646)
(Increase) in other receivables	(491)	(1,023)
(Increase) in deferred sales commissions	(34,117)	(9,268)
(Increase) decrease in prepaid expenses and other assets	(3,546)	812
Increase in accounts payable and accrued expenses	11,191	2,789
Increase (decrease) in payable to Alliance mutual funds for share purchases	(47,259)	28,056
Increase in accrued expenses under employee benefit plans, less deferred compensation	10,613	8,824
Net cash provided from operating activities	22,901	35,754
Cash flows from investing activities:		
Purchase of Alliance mutual funds	(21,540)	(13,461)
Proceeds from sale of Alliance mutual funds	33,023	1,100
Acquisition of Shields and Regent	(70,639)	--
Decrease in other investments	204	659
Additions to furniture, equipment and leasehold improvements, net	(4,385)	(790)
Net cash used in investing activities	(63,337)	(12,492)
Cash flows from financing activities:		
Proceeds from borrowings	70,000	--
Repayment of debt	(20,058)	(288)
Distributions to partners	(29,925)	(18,955)
Capital contribution received from Alliance Capital Management Corporation	133	133
Unit options exercised	814	425
Net cash provided from (used in) financing activities	20,964	(18,685)
Effect of exchange rate changes on cash and cash equivalents	12	43
Net increase (decrease) in cash and cash equivalents	(19,460)	4,620
Cash and cash equivalents at beginning of period	96,315	76,787
Cash and cash equivalents at end of period	$ 76,855	$ 81,407

See accompanying notes to condensed consolidated financial statements.

ALLIANCE CAPITAL MANAGEMENT L.P.
Notes to Condensed Consolidated Financial Statements
March 31, 1994

(unaudited)

1. BASIS OF PRESENTATION

The unaudited interim condensed consolidated financial statements of Alliance Capital Management L.P. ("Partnership") included herein have been prepared in accordance with the instructions to Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of (a) results of operations for the three months ended March 31, 1994 and 1993, (b) financial position at March 31, 1994, and (c) cash flows for the three months ended March 31, 1994 and 1993, have been made.

2. RECLASSIFICATIONS

Certain prior period amounts have been reclassified to conform to the current period presentation.

3. ACQUISITIONS

On March 7, 1994, the Partnership completed the acquisition of the business and substantially all of the assets of Shields Asset Management, Incorporated ("Shields") and its wholly-owned subsidiary, Regent Investor Services Incorporated ("Regent"), from Xerox Financial Services, Inc. for a purchase price of approximately $70 million in cash. In addition, the Partnership issued 645,160 new Units to key employees of Shields and Regent having an aggregate value of approximately $15 million in connection with the employees entering into long-term employment agreements with the Partnership. The aggregate value of these Units is being amortized as employee compensation expense ratably over five years. The acquisition was accounted for under the purchase method with the results of Shields and Regent included from the acquisition date. Goodwill of $70.6 million was recorded which represents the excess of the purchase price, including acquisition expenses, over the estimated fair value of the net assets of the acquired business.

On July 22, 1993, Alliance Capital Management L.P. (the "Partnership") acquired the business and substantially all of the assets of Equitable Capital Management Corporation ("ECMC"), an indirect wholly-owned subsidiary of The Equitable Companies Incorporated ("Equitable"). The acquisition was accounted for in a manner similar to the pooling of interests method. Accordingly, consolidated financial information for the three months ended March 31, 1993 has been restated to include the results of operations of ECMC.

4. INTANGIBLE ASSETS

Intangible assets, consisting principally of goodwill and client files, are being amortized on a straight line basis over their estimated useful lives ranging from twelve to forty years. The Partnership periodically evaluates the value or recoverability of the carrying amount of its intangible assets utilizing forecasted undiscounted cash flows.

5. DEFERRED SALES COMMISSIONS

Sales commissions paid to financial intermediaries in connection with the sale of shares of mutual funds managed by the Partnership ("Alliance mutual funds") sold without a front-end sales charge are capitalized and amortized over periods not exceeding five and one half years, which approximate the periods of time during which the sales commissions are expected to be recovered from distribution plan payments received from the Alliance mutual funds and contingent deferred sales charges received from shareholders of the Alliance mutual funds. Contingent deferred sales charges reduce unamortized deferred sales commissions when received.

6. DEBT

Debt includes two series of senior notes: Series A aggregating $80,000,000 with principal payments of $20,000,000, $25,000,000, $10,000,000 and $25,000,000 due on December 30 of each of the years 1994 through 1997, respectively; and Series B aggregating $25,000,000 payable on September 30, 1996. Interest on the Series A and Series B senior notes is paid semi-annually at annual rates of 7.0% and 7.35%, respectively. The senior note agreements contain covenants which require the Partnership, among other things, to meet certain financial ratios and to maintain minimum tangible partners' capital.

During February 1994, the Partnership established a $100,000,000 revolving credit facility with several banks. The revolving credit facility converts on March 31, 1997 into a term loan repayable in equal installments quarterly through March 31, 1999. Outstanding borrowings generally bear interest at the Eurodollar Rate plus .875% per annum through March 31, 1997 (4.31% at March 31, 1994) and at the Eurodollar Rate plus 1.125% per annum after conversion through March 31, 1999. In addition, a quarterly commitment fee of .25% per annum is paid on the average daily unused amount. The outstanding balance under this credit facility was $50,000,000 at March 31, 1994. The revolving credit facility contains covenants which require the Partnership, among other things, to meet certain financial ratios.

Debt also includes promissory notes contributed to certain investment partnerships in the aggregate principal amount $4,110,000 at March 31, 1994. The principal amounts of the notes will be reduced proportionately as partners receive return of capital distributions from the investment partnerships.

7. INCOME TAXES

The Partnership is a publicly traded partnership for Federal income tax purposes and, accordingly, is not currently subject to Federal and state income taxes but is subject to the New York City unincorporated business tax ("UBT"). Current law generally provides that certain publicly traded partnerships, including the Partnership, will be taxable as a corporation beginning in 1998.

Domestic corporate subsidiaries of the Partnership, which are subject to Federal, state and local income taxes, file a consolidated Federal income tax return and separate state and local income tax returns. Foreign corporate subsidiaries are generally subject to taxes in the foreign jurisdictions where they are located.

ECMC is included in the Federal income tax return of Equitable and, prior to the acquisition, a Federal income tax equivalent provision was computed on a separate return basis. In addition, ECMC filed separate state and local income tax returns.

The provision for income taxes is comprised of (in thousands):

	Three Months Ended March 31,	
	1994	1993
Partnership	$ 2,732	$ 934
ECMC	--	540
	$ 2,732	$ 1,474

8. NET INCOME PER UNIT

Net income per Unit is computed by reducing net income by 1% for the 1% general partnership interest held by the General Partner and dividing the remaining 99% by the weighted average number of Units, Class A Limited Partnership Interest and Unit equivalents outstanding during each period.

9. SUPPLEMENTAL CASH FLOW INFORMATION

Cash payments for interest and income taxes were as follows (in thousands):

	Three Months Ended	
	3/31/94	3/31/93
Interest	$ 693	$ 538
Income taxes	2,604	1,728

The 1994 consolidated statement of cash flows does not include the issuance by the Partnership of new Units to key employees of Shields and Regent having an aggregate value of approximately $15 million in connection with their entering into long-term employment agreements since this transaction did not provide or use cash.

10. SUBSEQUENT EVENTS

On April 21, 1994, the Board of Directors of the General Partner declared a distribution of $29,928,000 or $.41 per Unit representing the Available Cash Flow (as defined in the Partnership Agreement) of the Partnership for the three months ended March 31, 1994. The distribution was paid on May 9, 1994 to holders of record on May 2, 1994.

On May 6, 1994, the Partnership issued a newly created Class B Limited Partnership Interest to the Equitable Life Assurance Society of the United States ("ELAS") for $50 million in cash. The Class B Limited Partnership Interest will be converted into 2,266,288 newly issued Units upon approval by the holders of a majority of the outstanding Units.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The Partnership acquired the business and substantially all of the assets of Equitable Capital Management Corporation ("ECMC") on July 22, 1993. The acquisition was accounted for in a manner similar to the pooling of interests method and, accordingly, the condensed consolidated financial statements of the Partnership and its subsidiaries for the three months ended March 31, 1993 have been restated to include the results of operations of ECMC. On March 7, 1994, the Partnership acquired the business and substantially all of the assets of Shields Asset Management, Incorporated ("Shields") and its wholly-owned subsidiary, Regent Investor Services, Incorporated ("Regent"), from Xerox Financial Services, Inc. for a purchase price of approximately $70 million in cash. The acquisition was accounted for under the purchase method with the results of Shields and Regent included in the Partnership's condensed consolidated financial statements from the acquisition date.

THREE MONTHS ENDED MARCH 31, 1994 COMPARED TO THREE MONTHS ENDED MARCH 31, 1993

The Partnership recorded net income for the three months ended March 31, 1994 of $31.4 million or $0.42 per Unit, an increase of 89.2% over net income of $16.6 million or $0.23 per Unit for the three months ended March 31, 1993. Net income for the three months ended March 31, 1993 includes a charge of $7.3 million for expenses incurred through that date in connection with the acquisition of ECMC and a $0.9 million deferred income tax benefit resulting from the adoption of Statement of Financial Accounting Standards No. 109 "Accounting for Income Taxes" as of January 1, 1993. Excluding these nonrecurring items, net income for the three months ended March 31, 1994 increased 45.4% over net income of $21.6 million, or $.30 per Unit, for the prior year period.

Assets under management by the Partnership at March 31, 1994 were approximately $123.2 billion, an increase of $21.5 billion or 21.2% from March 31, 1993. The increase is primarily the result of net mutual fund sales of $9.2 billion, including closed-end fund sales of $3.0 billion, an increase of $7.8 billion in assets under management from the acquisition of Shields and Regent and market appreciation of $2.3 billion.

Revenues for the three months ended March 31, 1994 were $148.6 million, an increase of 32.1% from the prior year period. Investment advisory and services fees, which are based on assets under management, increased 25.0%. Investment advisory fees from Alliance mutual funds increased by 36.0% due to higher average assets under management resulting from strong net mutual fund sales. Investment advisory fees from other affiliated clients increased by 43.2% principally due to a $2.4 million increase in performance fees. Investment advisory fees from institutional clients increased by 9.5% due to an increase in average assets under management resulting from new account additions, resulting principally from the acquisition of Shields, and market appreciation during 1993.

Distribution plan fees increased 54.4% due principally to higher average load mutual fund assets attributable to Class B and Class C Shares under the Partnership's mutual fund distribution system described under "Capital Resources and Liquidity". Shareholder servicing and administration fees increased 31.0% due primarily to an increase in the number of shareholder accounts serviced by the Partnership. Other revenues, consisting of commissions, interest and dividends, increased 73.9% as a result of the launching of a new closed-end fund, The Global Privatization Fund, for which the Partnership earned substantial commissions. Alliance Short-Term Multi-Market Trust accounted for approximately 6% and 12% of the Partnership's aggregate revenues during the three months ended March 31, 1994 and 1993, respectively.

Expenses for the three months ended March 31, 1994 were $114.4 million, an increase of 20.1% from the prior year period. Excluding the $7.3 million in nonrecurring transaction expenses incurred in connection with the ECMC acquisition in 1993, expenses increased 30.1% from the prior year period.

Employee compensation and benefits increased 20.2% principally due to an increase in commission expense of $3.6 million resulting from increased mutual fund sales, including The Global Privatization Fund, and higher incentive compensation of $3.0 million resulting from increased operating earnings. General and administrative expenses decreased 2.2% due to the termination of a management fee paid by ECMC to The Equitable Life Assurance Society of the United Sates ("ELAS") and the elimination of certain office space formerly leased by ECMC, both effective with the ECMC acquisition. This decrease was partially offset by increases in closed-end fund sub-advisory and administration fees and professional fees. Promotion and fund servicing expense, which includes distribution plan payments to financial intermediaries for distribution of the Partnership's mutual fund and cash management services products, amortization of deferred sales commissions paid to brokers for the sale of Class B Shares, advertising, promotional materials and travel and entertainment, increased 63.9%. Distribution plan payments increased 59.8% due principally to higher average load mutual fund assets attributable to Class B and Class C Shares. Amortization of deferred sales commissions increased by 50.7% due to continuing sales of Class B Shares. Other promotional expenditures increased by 91.3% as a result of costs associated with the launching of The Global Privatization Fund and a new mutual fund advertising campaign.

The provision for income taxes increased by 85.3% principally due to increased operating income offset by a decrease in the effective income tax rate from approximately 9% in the prior year to approximately 8% in 1994. The decrease in the effective income tax rate is primarily due to higher 1993 income tax expense resulting from ECMC's operations prior to the acquisition at the historical effective income tax rate of approximately 46%.

CAPITAL RESOURCES AND LIQUIDITY

Cash flow from borrowings under the Partnership's revolving credit facility and cash flows from operations were the Partnership's principal sources of working capital during the three month period ended March 31, 1994. The Partnership's cash and cash equivalents decreased by $19.5 million. The cash outflows from the purchase of Shields for $70.0 million, capital expenditures of $4.4 million and cash distributions to Unitholders of $29.9 million, were partially offset by cash inflows of $50.0 million in net borrowings, $22.9 million in cash flow from operations and net redemptions of Alliance mutual funds in the amount of $11.5 million.

The Partnership's mutual fund distribution system (the "System") includes three distribution options. The System permits the Alliance mutual funds to offer investors the option of purchasing shares (a) subject to a conventional front-end sales charge ("Class A Shares"), (b) without a front-end sales charge but subject to a contingent deferred sales charge payable by shareholders ("CDSC") and higher distribution fees payable by the funds ("Class B Shares"), or (c) without either a front-end sales charge or the CDSC but with higher distribution fees payable by the funds ("Class C Shares"). During the first three months of 1994, payments made to financial intermediaries in connection with the sale of Class B Shares under the System, net of CDSC received, totaled $34.1 million.

The Partnership financed the acquisition of Shields and Regent in part with a new $100 million revolving credit facility established during February with a group of banks, as more fully discussed in Note 6 to the condensed consolidated financial statements. Outstanding debt at March 31, 1994 under the Partnership's revolving credit facility and the senior notes was $50 million and $105 million, respectively.

On May 6, 1994, the Partnership issued a newly created Class B Limited Partnership Interest to ELAS for $50 million in cash. The Class B Limited Partnership Interest will be converted into 2,266,288 newly issued Units upon approval by the holders of a majority of the outstanding Units.

As a result of the substantial growth in the Partnership's business, increased sales levels of Class B Shares under the System and to take advantage of growth opportunities and strategic global opportunities, the Partnership will require additional capital. Various alternatives for increasing the Partnership's capital base, including the issuance of new Units for cash and the issuance of additional debt, are being evaluated by management. Management of the Partnership believes that funds generated from operations, additional debt and the issuance of new Units will provide the Partnership with a capital base sufficient to support its future capital and liquidity requirements.

CASH DISTRIBUTIONS

The Partnership is required to distribute all of its Available Cash Flow, as defined in the Partnership Agreement, to the General Partner and Unitholders. Available Cash Flow and Available Cash Flow Per Unit amounts do not include Available Cash Flow resulting from the operations of ECMC prior to the acquisition. The Partnership's Available Cash Flow was as follows:

	Three Months Ended March 31,	
	1994	1993
Available Cash Flow (in thousands).....	$29,928	$19,555
Available Cash Flow Per Unit.....	$0.41	$0.34

Part II

OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

On July 22, 1993 substantially all of the assets of Equitable Capital Management Corporation ("ECMC") were transferred to the Partnership and certain of its wholly-owned subsidiaries pursuant to the Amended and Restated Transfer Agreement dated as of February 23, 1993, as amended and restated on May 28, 1993 ("Transfer Agreement"), among the Partnership, ECMC and Equitable Investment Corporation ("EIC"), a wholly-owned subsidiary of The Equitable Life Assurance Society of the United States ("Equitable"), in exchange for (i) 11,800,000 newly-issued Limited Partnership Interests which were immediately exchanged for 11,800,000 Units, (ii) a newly created Class A Limited Partnership Interest convertible initially into 100,000 Units, and (iii) the assumption by the Partnership and certain of its subsidiaries of certain liabilities of ECMC. The number of Units into which the Class A Limited Partnership Interest is convertible may increase based on the receipt of future contingent incentive fee income. The transfer of such assets and assumption of such liabilities are referred to herein as the "Transfer".

On or about June 8, 1993 a lawsuit was filed in the United States District Court of the Southern District of New York by the owner of an annuity contract issued by Equitable against ECMC, the Partnership, Equitable and The Hudson River Trust (PAUL D. WEXLER V. EQUITABLE CAPITAL MANAGEMENT CORPORATION, ET AL.). The Hudson River Trust is the funding vehicle for the variable annuity insurance and variable life insurance products offered by Equitable and The Equitable Variable Life Insurance Company. As of December 31, 1993 the Partnership managed approximately $7.2 billion in net assets invested in The Hudson River Trust. The lawsuit purports to be brought individually and derivatively on behalf of The Hudson River Trust which is an investment company with multiple portfolios registered under the Investment Company Act. The complaint alleges that the transfer to the Partnership of the investment advisory agreement for The Hudson River Trust imposes an unfair burden on The Hudson River Trust under Section 15(f) of the Investment Company Act. The complaint also appears to allege that the fees charged to The Hudson River Trust under the investment advisory agreement constitute excessive compensation for advisory services under Section 36(b) of the Investment Company Act. The complaint seeks a judgment declaring the Transfer to be null and void and terminating the investment advisory agreement between the Partnership and The Hudson River Trust. The complaint also seeks (apparently in the alternative) payment to The Hudson River Trust of certain amounts paid by the Partnership to ECMC pursuant to the Transfer Agreement and payment to The Hudson

River Trust of the value of certain compensation arrangements entered into between the Partnership and certain employees of ECMC. On April 23, 1993 the shareholders of each of the portfolios constituting The Hudson River Trust voted to approve the new investment advisory agreement relating to each of the portfolios between the Partnership and The Hudson River Trust.

EIC has agreed to bear any legal and other costs of the Partnership relating to the defense or settlement of the lawsuit. In addition, since the investment advisory relationship with The Hudson River Trust was an important factor in the Partnership's decision to enter into the Transfer Agreement, ECMC, EIC and the Partnership have agreed in principle that ECMC or EIC will make a cash contribution to the Partnership in order to reflect lost value to the Partnership attributable to any loss in revenue resulting from a settlement of the lawsuit or a final, non-appealable judgment in favor of the plaintiff. In addition, if such a settlement or final, non-appealable judgment results in the termination of the Partnership's relationship with The Hudson River Trust, ECMC and EIC have agreed in principle that such cash contribution will also reflect any costs incurred by the Partnership relating to the termination of such relationship. Neither ECMC nor EIC will receive any Limited Partnership Interest or Units in return for such cash contribution.

On February 18, 1994 the Court ordered the complaint dismissed. Plaintiff filed an appeal. On May 3, 1994 the action was settled and plaintiff withdrew its appeal with prejudice and without the payment of any money or the incurrence of any liability by the Partnership.

Item 2. CHANGES IN SECURITIES

See Item 5 "Other Information".

Item 3. DEFAULTS UPON SENIOR SECURITIES

None

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

Item 5. OTHER INFORMATION

The Partnership entered into a Revolving Credit and Term Loan Agreement dated as of February 22, 1994 ("Credit Agreement") with a group of banks under which the Partnership may borrow up to $100 million. The Partnership will use the proceeds of borrowings under the Credit Agreement to finance sales of shares of mutual funds sponsored by the Partnership and to finance acquisitions.

On May 6, 1994 the Partnership and Equitable entered into a Contribution Agreement ("Contribution Agreement") pursuant to which Equitable purchased $50 million of a new Class B Limited Partnership Interest in the Partnership. The Partnership will use the proceeds to take advantage of growth opportunities and to finance sales of shares of mutual funds sponsored by the Partnership.

The Class B Limited Partnership Interest issued under the Contribution Agreement will be converted into 2,266,288 newly issued Units after the issuance of the Units upon conversion has been approved by the holders of a majority of the outstanding Units. Equitable currently owns approximately 62% of the outstanding Units and will own approximately 63% of the outstanding Units after conversion of the Class B Limited Partnership Interest.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

1. Revolving Credit and Term Loan Agreement dated as of February 22, 1994 among the Partnership, The First National Bank of Boston and the Banks party thereto.

2. Contribution Agreement dated May 6, 1994 between the Partnership and The Equitable Life Assurance Society of the United States.

3. Amendment dated May 6, 1994 to Agreement of Limited Partnership (as Amended and Restated) of Alliance Capital Management L.P.

(b) Reports on Form 8-K

None

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALLIANCE CAPITAL MANAGEMENT L.P.

Dated: May 13, 1994

By: Alliance Capital Management Corporation, its General Partner

By:/s/ Robert H. Joseph, Jr.

Robert H. Joseph, Jr.
Senior Vice President-Finance
and Chief Accounting Officer

REVOLVING CREDIT
AND
TERM LOAN AGREEMENT

Dated as of February 22, 1994

Among

ALLIANCE CAPITAL MANAGEMENT L.P.,

THE FIRST NATIONAL BANK OF BOSTON,
individually and as Agent,

And

THE BANKS LISTED ON SCHEDULE 1

1447g

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REVOLVING CREDIT AND TERM LOAN AGREEMENT

THIS REVOLVING CREDIT AND TERM LOAN AGREEMENT, dated as of February 22, 1994 (this "CREDIT AGREEMENT"), by and among ALLIANCE CAPITAL MANAGEMENT L.P., a Delaware limited partnership (together with its permitted successors, the "BORROWER"), THE FIRST NATIONAL BANK OF BOSTON and the other lending institutions listed on SCHEDULE 1, and THE FIRST NATIONAL BANK OF BOSTON, as agent for the Banks (as defined hereinbelow) (in such capacity, the "AGENT");

W I T N E S S E T H:

WHEREAS, the Borrower desires to obtain from the Banks certain credit facilities as described in this Credit Agreement in order to finance the Specified Acquisitions and for other purposes as provided below;

WHEREAS, the Banks are willing to provide such credit facilities to the Borrower upon the terms and conditions set forth in this Credit Agreement; and

WHEREAS, the Agent is willing to act as agent for the Banks in connection with such credit facilities as provided in this Credit Agreement;

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements set forth hereinbelow, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereto do hereby agree as follows:

Section 1. DEFINITIONS AND RULES OF INTERPRETATION.

1.1. DEFINITIONS. The following terms shall have the meanings set forth in this Section 1.1 or elsewhere in the provisions of this Credit Agreement referred to below:

ACQUISITION. As defined in Section 8.3.

AFFILIATE. Any Person that would be considered to be an affiliate of the Borrower under Rule 144(a) under the Securities Act of 1933, as amended.

AGENT. The First National Bank of Boston acting as agent for the Banks.

AGENT'S HEAD OFFICE. The Agent's head office located at 100 Federal Street, Boston, Massachusetts 02110, or at such other location as the Agent may designate in a written notice to the other parties hereto from time to time.

AGENT'S SPECIAL COUNSEL. Bingham, Dana & Gould or such other legal counsel as may be approved by the Agent.

ALLIANCE DISTRIBUTORS. Alliance Fund Distributors, Inc., a Delaware corporation.

ALTERNATE BASE RATE. The higher of (a) the annual rate of interest announced from time to time by FNBB at its head office in Boston, Massachusetts, as its "base rate" and (b) five tenths of one percent (0.5%) above the Federal Funds Effective Rate. For the purposes of this definition, "Federal Funds Effective Rate" shall mean, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Agent from three funds brokers of recognized standing selected by the Agent. Changes in the Alternate Base Rate shall become effective automatically without notice to any party.

ALTERNATE BASE RATE APPLICABLE MARGIN. An annual percentage rate determined as follows: (a) prior to the Revolving Credit Loan Maturity Date, the Alternate Base Rate Applicable Margin shall be zero percent (0.00%) per annum, and (b) on and after the Revolving Credit Loan Maturity Date, the Alternate Base Rate Applicable Margin shall be twenty five one hundredths of one percent (0.25%) per annum.

ALTERNATE BASE RATE LOANS. Loans bearing interest calculated by reference to the Alternate Base Rate.

ASSIGNMENT AND ACCEPTANCE. As defined in Section 18.1.

ASSUMPTION AGREEMENT. An Assumption Agreement in the form of EXHIBIT A with appropriate completions and insertions and with such non-substantive changes as may be required to reflect the specific nature of the transaction giving rise to the execution and delivery of such Assumption Agreement.

AXA GROUP. AXA, a SOCIETE ANONYME organized under the laws of France, and its Subsidiaries.

BALANCE SHEET DATE. December 31, 1993.

BANKS. FNBB and the other lending institutions listed on SCHEDULE 1 hereto and any other Person who becomes an assignee of any rights and obligations of a Bank pursuant to Section 18.1.

BORROWER. As defined in the preamble hereto.

BORROWER PARTNERSHIP AGREEMENT. The Agreement of Limited Partnership of the Borrower (As Amended and Restated), dated as of November 19, 1987, among the General Partner, Karen H. Bechtel, as organizational limited partner, and those other Persons who became partners of the Borrower as provided therein, as such agreement has been amended and exists at the date of this Credit Agreement and may be amended or modified from time to time in compliance with the provisions of this Credit Agreement.

BUSINESS. With respect to any Person, the assets, properties, business, operations and condition (financial and otherwise) of such Person.

BUSINESS DAY. Any day on which banking institutions in Boston, Massachusetts and New York, New York, are open for the transaction of banking business and, in the case of Eurodollar Rate Loans, also a day which is a Eurodollar Business Day.

CAPITAL ASSETS. Fixed assets, both tangible (such as land, buildings, fixtures, machinery and equipment) and intangible (such as Permits, deferred sales commissions and good will); PROVIDED that Capital Assets shall not include any item customarily charged directly to expense or depreciated over a useful life of twelve (12) months or less in accordance with generally accepted accounting principles.

CAPITAL EXPENDITURES. Amounts paid or indebtedness incurred by the Borrower or any of its Consolidated Subsidiaries in connection with the purchase or lease by the Borrower or any of such Subsidiaries of Capital Assets that would be required to be capitalized and shown on the balance sheet of such Person in accordance with generally accepted accounting principles.

CAPITALIZED LEASES. Leases under which the Borrower or any of its Consolidated Subsidiaries is the lessee or obligor, the discounted future rental payment obligations under which are required to be capitalized on the balance sheet of the lessee or obligor in accordance with generally accepted accounting principles.

CERCLA. As defined in Section 6.17.

CHANGE OF CONTROL. Each and every (a) issue, sale, or other disposition of Voting Equity Securities of the Borrower that results in any Person or group of Persons acting in concert (other than any of (i) The Equitable Companies Incorporated and its Subsidiaries, and (ii) any member of the AXA Group) beneficially owning or controlling, directly or indirectly, more than eighty percent (80%) (by number of votes) of the Voting Equity Securities of the Borrower, (b) issue, sale, or other disposition of Voting Equity Securities of the General Partner which results in any Person or group of Persons acting in concert (other than any of (i) The Equitable Companies Incorporated and its Subsidiaries, and (ii) any member of the AXA Group) beneficially owning or controlling, directly or indirectly, more than fifty percent (50%) (by number of votes) of the Voting Equity Securities of the General Partner, or (c) issue, sale, or other disposition of Voting Equity Securities of the Borrower if, after giving effect thereto, the officers of the General Partner will beneficially own or control, directly or indirectly, less than five percent (5%) of the Voting Equity Securities of the Borrower (PROVIDED, (I) this clause (c) shall be of no further force and effect from and after the first to occur of (A) payment in full of the Indebtedness outstanding under the Note Agreements, and (B) an amendment or modification of the Note Agreements deleting (without replacement) clause (iii) of the definition of "Change of Control" set forth in section 2.1(c) of the Note Agreements (in any case under (A) or (B), other than a payment of such Indebtedness or an amendment or modification in respect of or in connection with a Change of Control as provided in section 2.1(c) of the Note Agreements or any successor provision), and (II) in the event clause (iii) of the definition of "Change of Control" set forth in section 2.1(c) of the Note Agreements is substantively amended, modified, or replaced, this clause (c) shall, from and after the date of such amendment, modification, or replacement (or, in the event the Borrower fails to provide the Agent with copies of any such amendment, modification, or replacement to the Note Agreements pursuant to Section 8.13 within fifteen (15) days after the date of the execution and delivery thereof, the date on which the Borrower provides such copies to the Agent), be deemed to have been amended so as to reflect, MUTATIS MUTANDIS, the substance of the amendments or modifications so made to, or the replacement of, clause (iii) of the definition of "Change of Control" set forth in section 2.1(c) of the Note Agreements).

CHANGE OF CONTROL DATE. Any date upon which a Change of Control occurs.

CLOSING DATE. The date, not later than February 28, 1994, on which each of the conditions set forth in Section 10 and Section 11 is satisfied or waived.

CODE. The Internal Revenue Code of 1986, as amended.

COMMITMENT. With respect to each Bank, the amount set forth on SCHEDULE 1 hereto as the amount of such Bank's commitment to make Loans to the Borrower, as the same may be reduced from time to time; or if such commitment is terminated pursuant to the provisions hereof, zero.

COMMITMENT PERCENTAGE. With respect to each Bank, the percentage set forth on SCHEDULE 1 hereto as such Bank's percentage of the aggregate Commitments of all of the Banks.

CONSOLIDATED or CONSOLIDATED. With reference to any term defined herein, shall mean that term as applied to the accounts of the Borrower and the Consolidated Subsidiaries, consolidated in accordance with generally accepted accounting principles.

CONSOLIDATED NET INCOME (OR LOSS). The consolidated net income (or loss) of the Borrower, determined in accordance with generally accepted accounting principles, but excluding in any event:

(a) to the extent provided by Section 8.8, any portion of the net earnings of any Restricted Subsidiary that, by virtue of a restriction or Lien binding on such Restricted Subsidiary under a Contract or Government Mandate, is unavailable for payment of dividends to the Borrower or any other Restricted Subsidiary;

(b) earnings resulting from any reappraisal, revaluation, or write-up of assets; and

(c) any reversal of any contingency reserve, except to the extent that provision for such contingency reserve shall have been made from income arising during the period subsequent to December 31, 1993 through the end of the period for which Consolidated Net Income (or Loss) is then being determined, taken as one accounting period.

CONSOLIDATED NET WORTH. The excess of Consolidated Total Assets over Consolidated Total Liabilities, LESS, to the extent otherwise includable in the computations of Consolidated Net Worth, any subscriptions receivable with respect to Equity Securities of the Borrower or its Consolidated Subsidiaries (with such adjustments as may be appropriate so as not to double count intercompany items).

CONSOLIDATED SUBSIDIARIES. At any point in time, the Subsidiaries of the Borrower that are consolidated with the Borrower for financial reporting purposes with respect to the fiscal period of the Borrower in which such point in time occurs.

CONSOLIDATED TOTAL ASSETS. All assets of the Borrower determined on a consolidated basis in accordance with generally accepted accounting principles.

CONSOLIDATED TOTAL LIABILITIES. All liabilities of the Borrower determined on a consolidated basis in accordance with generally accepted accounting principles.

CONTRACTS. Contracts, agreements, mortgages, leases, bonds, promissory notes, debentures, guaranties, Capitalized Leases, indentures, pledges, powers of attorney, proxies, trusts, franchises, or other instruments or obligations.

CONVERSION REQUEST. A notice given by the Borrower to the Agent of the Borrower's election to convert or continue a Loan in accordance with Section 2.7 or Section 4.5.3.

CREDIT AGREEMENT. This Revolving Credit and Term Loan Agreement, including the Schedules and Exhibits hereto.

DEFAULT. As defined in Section 12.

DISTRIBUTION. With respect to any Entity, the declaration or payment (without duplication) of any dividend or distribution on or in respect of any Equity Securities of such Entity, other than dividends payable solely in Equity Securities of such Entity that are not required to be classified as liabilities on the balance sheet of such Entity under generally accepted accounting principles; the purchase, redemption, or other retirement of any Equity Securities of such Entity, directly or indirectly through a Subsidiary of such Entity or otherwise; or the return of capital by such Entity to the holders of its Equity Securities as such.

DOLLARS or $. Dollars in lawful currency of the United States of America.

DOMESTIC LENDING OFFICE. Initially, the office of each Bank designated as such in SCHEDULE 1 hereto; thereafter, such other office of such Bank, if any, located within the United States that will be making or maintaining Alternate Base Rate Loans.

DRAWDOWN DATE. The date on which any Revolving Credit Loan or the Term Loan is made or is to be made, and the date on which any Revolving Credit Loan is converted or continued in accordance with Section 2.7. or all or any portion of the Term Loan is converted or continued in accordance with Section 4.5.3.

EBITDA. The Consolidated Net Income (or Loss) for any period, plus provision for any income taxes, interest (whether paid or accrued, but without duplication of interest accrued for previous periods), depreciation, or amortization for such period, in each case to the extent deducted in determining such Consolidated Net Income (or Loss).

ELIGIBLE ASSIGNEE. Any of (a) a commercial bank or finance company organized under the laws of the United States, any State thereof, or the District of Columbia, and having total assets in excess of $1,000,000,000; (b) a savings and loan association or savings bank organized under the laws of the United States, any State thereof, or the District of Columbia and having a net worth of at least $100,000,000, calculated in accordance with generally accepted accounting principles; (c) a commercial bank organized under the laws of any other country that is a member of the Organization for Economic Cooperation and Development (the "OECD"), or a political subdivision of any such country, and having total assets in excess of $1,000,000,000, PROVIDED that such bank is acting through a branch or agency located in the country in which it is organized or another country which is also a member of the OECD; and (d) the central bank of any country which is a member of the OECD.

EMPLOYEE BENEFIT PLAN. Any employee benefit plan within the meaning of Section 3(2) of ERISA maintained or contributed to by the Borrower or any ERISA Affiliate, other than a Multiemployer Plan.

ENTITY. Any corporation, partnership, trust, unincorporated association, joint venture, limited liability company, or other legal or business entity.

ENVIRONMENTAL LAWS. As defined in Section 6.17(a).

EQUITY SECURITIES. With respect to any Entity, all equity securities of such Entity, including any (a) common or preferred stock, (b) limited or general partnership interests, (c) options, warrants, or other rights to purchase or acquire any equity security, or (d) securities convertible into any equity security.

ERISA. The Employee Retirement Income Security Act of 1974, as amended.

ERISA AFFILIATE. Any Person that is treated as a single employer together with the Borrower under Section 414 of the Code.

ERISA REPORTABLE EVENT. A reportable event with respect to a Guaranteed Pension Plan within the meaning of Section 4043 of ERISA and the regulations promulgated thereunder as to which the requirement of notice has not been waived.

EUROCURRENCY RESERVE RATE. For any day with respect to a Eurodollar Rate Loan, the maximum rate (expressed as a decimal) at which any lender subject thereto would be required to maintain reserves under Regulation D of the Board of Governors of the Federal Reserve System (or any successor or similar regulations relating to such reserve requirements) against "Eurocurrency Liabilities" (as that term is used in Regulation D), if such liabilities were outstanding. The Eurocurrency Reserve Rate shall be adjusted automatically on and as of the effective date of any change in the Eurocurrency Reserve Rate.

EURODOLLAR BUSINESS DAY. Any day on which commercial banks are open for international business (including dealings in Dollar deposits) in London or such other eurodollar interbank market as may be selected by the Agent in its sole discretion acting in good faith.

EURODOLLAR LENDING OFFICE. Initially, the office of each Bank designated as such in SCHEDULE 1 hereto; thereafter, such other office of such Bank, if any, that shall be making or maintaining Eurodollar Rate Loans.

EURODOLLAR RATE. For any Interest Period with respect to a Eurodollar Rate Loan, the rate of interest equal to (a) the rate per annum (rounded upwards to the nearest 1/16th of one percent) at which FNBB's Eurodollar Lending Office is offered Dollar deposits at or about 11:00 a.m. on the date two (2) Eurodollar Business Days prior to the beginning of such Interest Period in the interbank eurodollar market where the eurodollar and foreign currency and exchange operations of such Eurodollar Lending Office are customarily conducted, for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to the amount of the Eurodollar Rate Loan to which such Interest Period applies, divided by (b) a number equal to 1.00 minus the Eurocurrency Reserve Rate.

EURODOLLAR RATE APPLICABLE MARGIN. An annual percentage rate determined as follows: (a) prior to the Revolving Credit Loan Maturity Date, the Eurodollar Rate Applicable Margin shall be 0.875% per annum, and (b) on and after the Revolving Credit Loan Maturity Date, the Eurodollar Rate Applicable Margin shall be 1.125% per annum.

EURODOLLAR RATE LOANS. Loans bearing interest calculated by reference to the Eurodollar Rate.

EVENT OF DEFAULT. As defined in Section 12.

FNBB. The First National Bank of Boston in its individual capacity.

FULLY EFFECTIVE. With respect to any Contract, that (a) such Contract is the legal, valid, and binding obligation of the Borrower or its Subsidiary, as the case may be, enforceable against such party according to its terms, and (b) if such Contract exists on or before the date of this Credit Agreement, such Contract shall remain in full force and effect notwithstanding the execution and delivery of the Loan Documents and the consummation of the transactions contemplated by the Loan Documents.

FUNDED DEBT. With respect to the Borrower or any Consolidated Subsidiary, (a) all indebtedness for money borrowed of such Person, (b) every obligation of such Person in respect of Capitalized Leases, (c) all reimbursement obligations of such Person with respect to letters of credit, bankers' acceptances, or similar facilities issued for the account of such Person, (d) Indebtedness that constitutes Funded Debt as provided in Section 8.1(d), and (e) all guarantees, endorsements, acceptances, and other contingent obligations of such Person, whether direct or indirect, in respect of indebtedness for borrowed money of others, including any obligation to supply funds to or in any manner to invest in, directly or indirectly, the debtor, to purchase indebtedness for borrowed money, or to assure the owner of indebtedness for borrowed money against loss, through an agreement to purchase goods, supplies, or services for the purpose of enabling the debtor to make payment of the indebtedness held by such owner or otherwise, PROVIDED, HOWEVER, that each guaranty of Indebtedness of, keepwell obligation for, or obligation to make funds available for, any Consolidated Subsidiary that acts as general partner of one or more partnerships sponsored or established by the Borrower or any of its Subsidiaries shall constitute Funded Debt from and after such time as such guaranty, keepwell, or other obligation is no longer contingent, whereupon such guaranty, keepwell, or other

obligation will constitute Funded Debt in an amount equal to the liability of such Person in respect of such guaranty, keepwell, or other obligation to the extent such guaranty, keepwell or other obligation is non-contingent.

GENERAL PARTNER. Alliance Capital Management Corporation, a Delaware corporation, in its capacity as general partner of the Borrower and its successors.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. Subject to Section 7.13, (a) when used in Section 9, whether directly or indirectly through reference to a capitalized term used therein, means (i) principles that are consistent with the principles promulgated or adopted by the Financial Accounting Standards Board and its predecessors, in effect for the fiscal year ended on the Balance Sheet Date, and (ii) to the extent consistent with such principles, the accounting practices of the Borrower reflected in its consolidated financial statements for the year ended on the Balance Sheet Date, and (b) when used in general, other than as provided above, means principles that are (i) consistent with the principles promulgated or adopted by the Financial Accounting Standards Board and its predecessors, as in effect from time to time and (ii) consistently applied with past financial statements of the Borrower adopting the same principles, PROVIDED that in each case referred to in this definition of "generally accepted accounting principles" a certified public accountant would, insofar as the use of such accounting principles is pertinent, be in a position to deliver an unqualified opinion (other than a qualification regarding changes in generally accepted accounting principles) as to financial statements in which such principles have been properly applied.

GOVERNMENT AUTHORITY. The United States of America or any state, district, territory, or possession thereof, any local government within the United States of America or any of its territories and possessions, any foreign government having appropriate jurisdiction or any province, territory, or possession thereof, or any court, tribunal, administrative or regulatory agency, taxing or revenue authority, central bank or banking regulatory agency, commission, or body of any of the foregoing.

GOVERNMENT MANDATE. With respect to (a) any Person, any statute, law, rule, regulation, code, or ordinance duly adopted by any Government Authority, any treaty or compact between two (2) or more Government Authorities, and any judgment, order, decree, ruling, finding, determination, or injunction of any Government Authority, in each such case that is, pursuant to appropriate jurisdiction, legally

binding on such Person, any of its Subsidiaries or any of their respective properties, and (b) the Agent or any Bank, in addition to (a), any policy, guideline, directive, or standard duly adopted by any Government Authority with respect to the regulation of banks, monetary policy, lending, investments, or other financial matters .

GUARANTEED PENSION PLAN. Any employee pension benefit plan within the meaning of Section 3(2) of ERISA maintained or contributed to by the Borrower or any ERISA Affiliate the benefits of which are guaranteed on termination in full or in part by the PBGC pursuant to Title IV of ERISA, other than a Multiemployer Plan.

HAZARDOUS SUBSTANCES. As defined in Section 6.17(b).

INDEBTEDNESS. All obligations, contingent and otherwise, that in accordance with generally accepted accounting principles should be classified upon the obligor's balance sheet as liabilities, or to which reference should be made by footnotes thereto in accordance with generally accepted accounting principles, including: (a) all debt and similar monetary obligations, whether direct or indirect; (b) all liabilities secured by any Lien existing on property owned or acquired subject thereto, whether or not the liability secured thereby shall have been assumed; (c) all obligations in respect of hedging contracts, including interest rate and currency swaps, caps, and collars; and (d) all guarantees, endorsements, and other contingent obligations whether direct or indirect in respect of indebtedness of others, including any obligation to supply funds to or in any manner to invest in, directly or indirectly, the debtor, to purchase indebtedness, or to assure the owner of indebtedness against loss, through an agreement to purchase goods, supplies, or services for the purpose of enabling the debtor to make payment of the indebtedness held by such owner or otherwise, and the obligations to reimburse the issuer in respect of any letters of credit.

INTEREST PAYMENT DATE. (a) As to any Alternate Base Rate Loan, the last day of each calendar quarter during all or a portion of which such Alternate Base Rate Loan is outstanding and the maturity of such Alternate Base Rate Loan; and (b) as to any Eurodollar Rate Loan, the last day of each Interest Period with respect to such Eurodollar Rate Loan, the maturity of such Eurodollar Rate Loan, and, if the Interest Period of such Eurodollar Rate Loan is longer than three (3) months, the date that is three (3) months from the first day of such Interest Period.

INTEREST PERIOD. With respect to each Eurodollar Rate Loan, (a) initially, the period commencing on the Drawdown Date of such Loan and ending on the last day of, as selected by the Borrower in a Loan Request, one (1), three (3), or six (6) months; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Loan and ending on the last day of one of the periods set forth above, as selected by the Borrower in a Conversion Request; PROVIDED that all of the foregoing provisions relating to Interest Periods are subject to the following:

(A) if any Interest Period would otherwise end on a day that is not a Eurodollar Business Day, that Interest Period shall be extended to the next succeeding Eurodollar Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the immediately preceding Eurodollar Business Day;

(B) any Interest Period that begins on the last Eurodollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Eurodollar Business Day of a calendar month;

(C) any Interest Period commencing prior to the Revolving Credit Loan Maturity Date that would otherwise extend beyond the Revolving Credit Loan Maturity Date shall end on the Revolving Credit Loan Maturity Date;

(D) any Interest Period commencing on or after the Revolving Credit Loan Maturity Date that would otherwise extend beyond the Term Loan Maturity Date shall end on the Term Loan Maturity Date; and

(E) the Borrower may not select any Interest Period that would extend beyond the date on which a regularly scheduled installment payment of the principal of the Term Loan is to be made unless a portion of the Term Loan in principal amount at least equal to such installment payment either bears interest at the Alternate Base Rate or has an Interest Period ending on or prior to such date.

INVESTMENTS. All expenditures made and all liabilities incurred (contingently or otherwise) for the acquisition of Equity Securities or Funded Debt of, or for loans, advances, or capital contributions, or in respect of any guaranties (or other commitments as described under Indebtedness) of, any Person. In determining the aggregate amount of Investments outstanding at any particular time: (a) the

amount of any Investment represented by a guaranty shall be taken at not less than the principal amount of the obligations guaranteed and still outstanding and the amount of Indebtedness represented by a keepwell obligation shall be taken at not less than the maximum amount of the keepwell obligation, as the case may be; (b) there shall be deducted in respect of each such Investment any amount received as a return of capital; (c) there shall not be deducted in respect of any Investment any amounts received as earnings on such Investment, whether as dividends, interest, or otherwise; and (d) there shall not be added to or deducted from the aggregate amount of Investments any increase or decrease in the value thereof. For purposes of determining the amount of Investments by the Borrower and the Consolidated Subsidiaries outstanding at any time, investments (defined as aforesaid) by an Unrestricted Subsidiary in an Entity that is not a Subsidiary of the Borrower shall not be counted as Investments hereunder to the extent that they do not exceed the aggregate amount of Investments by the Borrower and the Consolidated Subsidiaries in such Unrestricted Subsidiary.

LIEN. Any lien, mortgage, security interest, pledge, charge, beneficial or equitable interest or right, hypothecation, collateral assignment, easement, or other encumbrance.

LOAN DOCUMENTS. This Credit Agreement, the Notes, and any Assumption Agreements.

LOAN MATURITY DATE. The Revolving Credit Loan Maturity Date or the Term Loan Maturity Date, as the case may be.

LOAN REQUEST. As defined in Section 2.6.

LOANS. The Revolving Credit Loans and the Term Loan.

MAJORITY BANKS. As of any date, the Banks holding at least sixty-six and two thirds percent (66 2/3%) of the outstanding principal amount of the Notes on such date; and if no such principal is outstanding, the Banks whose aggregate Commitments constitute at least sixty-six and two thirds percent (66 2/3%) of the Total Commitment.

MATERIAL EFFECT. A material adverse effect on (a) the ability of the Borrower or any Other Obligor to enter into and to perform and observe its obligations under the Loan Documents, or (b) the Business of the Borrower and its Consolidated Subsidiaries taken as a whole.

MATERIAL SUBSIDIARY. Any Subsidiary of the Borrower, any Other Obligor, or Alliance Distributors that, singly or together with any other such Subsidiaries then subject to one or more of the conditions described in Section 12.1(h), Section 12.1(i), or Section 12.1(m), either (a) at the date of determination owns Significant Assets, or (b) has total assets as of the date of determination equal to not less than five percent (5%) of the Consolidated Total Assets of the Borrower as set forth in the consolidated balance sheet of the Borrower included in the most recent available annual or quarterly report of the Borrower.

MULTIEMPLOYER PLAN. Any multiemployer plan within the meaning of Section 3(37) of ERISA maintained or contributed to by the Borrower or any ERISA Affiliate.

1940 ACT. The Investment Company Act of 1940, as amended.

NOTE AGREEMENTS. The several Note Agreements dated as of January 15, 1992 between the Borrower and the respective Purchasers named therein.

NOTES. The Revolving Credit and Term Notes.

OBLIGATIONS. All indebtedness, obligations, and liabilities of any of the Borrower and its Subsidiaries to any of the Banks and the Agent, individually or collectively, existing on the date of this Credit Agreement or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising or incurred under this Credit Agreement or any of the other Loan Documents or in respect of any of the Loans or any of the Notes or other instruments at any time evidencing any thereof.

OTHER OBLIGOR. As defined in the Assumption Agreements.

OUTSTANDING. With respect to the Loans, the aggregate unpaid principal thereof as of any date of determination.

PBGC. The Pension Benefit Guaranty Corporation created by Section 4002 of ERISA and any successor entity or entities having similar responsibilities.

PERMITS. Permits, licenses, franchises, patents, copyrights, trademarks, trade names, approvals, clearances, and applications for or rights in respect of the foregoing of any Government Authority.

PERMITTED ACQUISITIONS. Acquisitions permitted under clauses (a) through (f) of Section 8.3.

PERMITTED LIENS. Liens permitted by Section 8.4.

PERSON. Any individual, Entity, or Government Authority.

PROCEEDINGS. Any (a) actions at law, (b) suits in equity, (c) bankruptcy, insolvency, receivership, dissolution, or reorganization cases or proceedings, (d) administrative or regulatory hearings or other proceedings, (e) arbitration and mediation proceedings, (f) criminal prosecutions, (g) judgment levies, foreclosure proceedings, pre-judgment security procedures, or other enforcement actions, and (h) other litigation, actions, suits, and proceedings conducted by, before, or on behalf of any Government Authority.

READILY MARKETABLE SECURITIES. Equity Securities or Indebtedness for which an established public or private trading market exists, such that they may reasonably be expected to be liquidated within five (5) Business Days.

REAL ESTATE. All real property at any time owned or leased (as lessee or sublessee) by the Borrower or any of its Subsidiaries.

RECORD. The grid attached to a Note, or the continuation of such grid, or any other similar record, including computer records, maintained by any Bank with respect to any Loan referred to in such Note.

REORGANIZATION and REORGANIZE. As defined in Section 8.2.

RESTRICTED SUBSIDIARY. Each (a) Subsidiary of the Borrower designated as a "Restricted Subsidiary" on SCHEDULE 6.18 (and by such designation the Borrower represents and warrants to the Agent and the Banks that such Subsidiary meets the qualifications of a Restricted Subsidiary as specified in this definition), and (b) other Subsidiary of the Borrower that the principal financial or accounting officer of the Borrower may after the date of this Credit Agreement certify to the Agent and the Banks meets the qualifications of a Restricted Subsidiary as specified in this definition (and at the time of any such certification the Borrower shall provide the Agent and the Banks with a current list of all Restricted Subsidiaries). The qualifications of a Restricted Subsidiary are as follows: (a) all of the issued and outstanding Equity Securities of a Restricted Subsidiary (other than directors' qualifying

shares or shares not exceeding ten percent (10%) in the aggregate of the issued and outstanding Equity Securities of a Restricted Subsidiary owned by Persons other than the Borrower or another Restricted Subsidiary pursuant to other applicable legal requirements) shall be owned of record and beneficially by the Borrower or another Restricted Subsidiary free of Liens other than Permitted Liens, and (b) no Restricted Subsidiary shall be a general partner of any partnership, be a party to any joint venture in respect of which liability is not limited to the amount of such Restricted Subsidiary's capital contribution or other equity investment, or have any contingent obligations established by Contract in respect of Funded Debt that are not by their terms limited to a specific dollar amount.

REVOLVING CREDIT LOAN MATURITY DATE. March 31, 1997.

REVOLVING CREDIT LOANS. Revolving credit loans made or to be made by the Banks to the Borrower pursuant to Section 2.

SIGNIFICANT ASSETS. At the date of any sale, transfer, assignment, or other disposition of assets of the Borrower or any of its Subsidiaries (or as of the date of any Default or Event of Default), either of the following: (a) assets of the Borrower or any of its Subsidiaries (including Equity Securities of Subsidiaries of the Borrower) which generated more than ten percent (10%) of the consolidated revenues of the Borrower during the fiscal year of the Borrower most recently ended, and (b) assets of the Borrower or any of its Subsidiaries (including Equity Securities of Subsidiaries of the Borrower) which generated revenues for the four (4) fiscal quarters of the Borrower most recently ended that if subtracted from the consolidated revenues of the Borrower for such period would result in consolidated revenues of the Borrower for such period of less than $315,000,000. For purposes of both clauses (a) and (b), 12b-1 Fees shall not be included in the consolidated revenues of the Borrower.

SPECIFIED ACQUISITIONS. The acquisition by the Borrower of the business and operating assets of Shields Asset Management, Incorporated ("SHIELDS") and of Regent Investor Services Incorporated ("REGENT") pursuant to the Asset Purchase Agreement dated as of November 16, 1993 among the Borrower, Shields, Regent, Furman Selz Holding Corporation and Xerox Financial Services, Inc.

SUBSIDIARY. Any Entity of which the designated parent shall at any time own directly or indirectly through a Subsidiary or Subsidiaries at least a majority (by number of votes) of the outstanding Voting Equity Securities.

TERM LOAN. The term loan made or to be made by the Banks to the Borrower on the Revolving Credit Loan Maturity Date pursuant to Section 4.1.

TERM LOAN MATURITY DATE. March 31, 1999.

TOTAL COMMITMENT. The sum of the Commitments of the Banks, as in effect from time to time. As of the Closing Date the Total Commitment is $100,000,000.

12B-1 FEES. All or any portion of (a) the compensation or fees paid, payable, or expected to be payable to the Borrower or any of its Subsidiaries for acting as the distributor of securities as permitted under Rule 12b-1 under the 1940 Act, (b) the contingent deferred sales charges or redemption fees paid, payable, or expected to be paid to the Borrower or any of its Subsidiaries, and (c) any right, title, or interest in or to any such compensation or fees.

TYPE. As to any Loan, its nature as an Alternate Base Rate Loan or a Eurodollar Rate Loan.

UNITS. Units representing assignments of beneficial ownership of limited partnership interests in the Borrower.

UNRESTRICTED SUBSIDIARY. A Consolidated Subsidiary that is not a Restricted Subsidiary.

VOTING EQUITY SECURITIES. Equity Securities of any class or classes (however designated), the holders of which are at the time entitled, as such holders, to vote for the election of a majority of the directors (or persons performing similar functions) of the Entity that issued such Equity Securities.

1.2. RULES OF INTERPRETATION.

(a) A reference to any Contract or other document shall include such Contract or other document as amended, modified, or supplemented from time to time in accordance with its terms and the terms of this Credit Agreement.

(b) The singular includes the plural and the plural includes the singular.

(c) A reference to any Government Mandate includes any amendment or modification to such Government Mandate or any successor Government Mandate.

(d) A reference to any Person includes its permitted successors and permitted assigns. Without limiting the generality of the foregoing, a reference to any Bank shall include any Person that succeeds generally to its assets and liabilities.

(e) Accounting terms not otherwise defined herein have the meanings assigned to them by generally accepted accounting principles.

(f) The words "include", "includes", and "including" are not limiting.

(g) All terms not specifically defined herein or by generally accepted accounting principles, which terms are defined in the Uniform Commercial Code as in effect in The Commonwealth of Massachusetts, have the meanings assigned to them therein.

(h) Reference to a particular "Section ", Schedule, or Exhibit refers to that section, Schedule, or Exhibit of this Credit Agreement unless otherwise indicated.

(i) The words "herein", "hereof", and "hereunder" and words of like import shall refer to this Credit Agreement as a whole and not to any particular section or subdivision of this Credit Agreement.

2. THE REVOLVING CREDIT FACILITY.

2.1. COMMITMENT TO LEND. Subject to the terms and conditions set forth in this Credit Agreement, each of the Banks severally shall lend to the Borrower, and the Borrower may borrow, repay, and reborrow from time to time between the Closing Date and the Revolving Credit Loan Maturity Date upon notice by the Borrower to the Agent given in accordance with Section 2.6, such sums as are requested by the Borrower up to a maximum aggregate principal amount outstanding (after giving effect to all amounts requested) at any one time equal to such Bank's Commitment, PROVIDED that the sum of the outstanding amount of the Revolving Credit Loans (after giving effect to all amounts requested) shall not at any time exceed the Total Commitment. The Revolving Credit Loans shall be made PRO RATA in accordance with each Bank's Commitment Percentage; PROVIDED that the failure of any Bank to lend in accordance with this Credit Agreement shall not release any other Bank or the Agent from their obligations hereunder, nor shall any Bank have any responsibility or liability in respect of a failure of any other Bank to lend in accordance with this Credit Agreement. Each request for

a Revolving Credit Loan hereunder shall constitute a representation and warranty by the Borrower that the conditions set forth in Section 10 and Section 11, in the case of the initial Revolving Credit Loans to be made on the Closing Date, and Section 11, in the case of all other Revolving Credit Loans, have been satisfied on the date of such request.

2.2. COMMITMENT FEE. The Borrower shall pay to the Agent for the accounts of the Banks in accordance with their respective Commitment Percentages a commitment fee calculated at the rate of twenty five one hundredths of one percent (0.25%) per annum on the average daily amount during each calendar quarter or portion thereof from the Closing Date to the Revolving Credit Loan Maturity Date by which the Total Commitment exceeds the outstanding amount of Revolving Credit Loans during such calendar quarter. The commitment fee shall be payable quarterly in arrears on the first day of each calendar quarter for the immediately preceding calendar quarter commencing on the first such date following the date hereof, with a final payment on the Revolving Credit Maturity Date or any earlier date on which the Commitments shall terminate. In no case shall any portion of the commitment fee be refundable.

2.3. REDUCTION OF TOTAL COMMITMENT. The Borrower shall have the right at any time and from time to time upon three (3) Business Days' prior written notice to the Agent to reduce by at least $1,000,000 or integral multiples of $100,000 in excess thereof, or to terminate entirely, the unborrowed portion of the Total Commitment, whereupon the Commitments of the Banks shall be reduced PRO RATA in accordance with their respective Commitment Percentages of the amount specified in such notice or, as the case may be, terminated. Promptly after receiving any notice of the Borrower delivered pursuant to this Section 2.3, the Agent will notify the Banks of the substance thereof. Upon the effective date of any such reduction or termination, the Borrower shall pay to the Agent for the respective accounts of the Banks the full amount of any commitment fee then accrued on the amount of the reduction. No reduction or termination of the Commitments may be reinstated.

2.4. THE NOTES. The Revolving Credit Loans shall be evidenced by separate promissory notes of the Borrower in substantially the form of EXHIBIT B hereto (each a "NOTE"), dated as of the Closing Date and completed with appropriate insertions. One Note shall be payable to the order of each Bank in a principal amount equal to such Bank's Commitment or, if less, the outstanding amount of all Revolving Credit Loans made by such Bank, plus interest accrued thereon, as set forth below (the Notes shall also evidence the Term

Loans as provided in Section 4). The Borrower irrevocably authorizes each Bank to make or cause to be made, at or about the time of the Drawdown Date of any Revolving Credit Loan or at the time of receipt of any payment of principal on such Bank's Note, an appropriate notation on such Bank's Record reflecting the making of such Revolving Credit Loan or (as the case may be) the receipt of such payment. The outstanding amount of the Revolving Credit Loans set forth on such Bank's Record shall be PRIMA FACIE evidence of the principal amount thereof owing and unpaid to such Bank, but the failure to record, or any error in so recording, any such amount on such Bank's Record shall not limit or otherwise affect the obligations of the Borrower hereunder or under any Note to make payments of principal of or interest on any Note when due.

2.5. INTEREST ON REVOLVING CREDIT LOANS.

2.5.1. INTEREST RATES. Except as otherwise provided in Section 5.12, Revolving Credit Loans shall bear interest as follows:

(a) Each Alternate Base Rate Loan shall bear interest at an annual rate equal to the sum of the Alternate Base Rate PLUS the Alternate Base Rate Applicable Margin, both as in effect from time to time while such Alternate Base Rate Loan is outstanding.

(b) Each Eurodollar Rate Loan shall bear interest for each Interest Period at an annual rate equal to the sum of the Eurodollar Rate for such Interest Period PLUS the Eurodollar Rate Applicable Margin in effect from time to time during such Interest Period.

2.5.2. INTEREST PAYMENT DATES. The Borrower shall pay all accrued interest on each Revolving Credit Loan in arrears on each Interest Payment Date with respect thereto.

2.6. REQUESTS FOR REVOLVING CREDIT LOANS. The Borrower shall give to the Agent written notice in the form of EXHIBIT C hereto (or telephonic notice confirmed in a writing in the form of EXHIBIT D hereto) of each Revolving Credit Loan requested hereunder (a "LOAN REQUEST") no less than (a) one (1) Business Day prior to the proposed Drawdown Date of any Alternate Base Rate Loan and (b) three (3) Eurodollar Business Days prior to the proposed Drawdown Date of any Eurodollar Rate Loan. Each such notice shall specify (i) the principal amount of the Revolving Credit Loan requested, (ii) the proposed Drawdown Date of such Revolving Credit Loan, (iii) the Type of such Revolving Credit Loan,

and (iv) the Interest Period for such Loan if such Loan is a Eurodollar Rate Loan. Promptly upon receipt of any such Loan Request, the Agent shall notify each of the Banks thereof. Each Loan Request shall be irrevocable and binding on the Borrower and shall obligate the Borrower to accept the Revolving Credit Loan requested from the Banks on the proposed Drawdown Date. Each Loan Request shall be in a minimum aggregate amount of $1,000,000 or in an integral multiple of $100,000 in excess thereof.

2.7. CONVERSION OPTIONS.

2.7.1. CONVERSION TO EURODOLLAR RATE LOAN. The Borrower may elect from time to time, subject to Section 2.9, to convert any outstanding Alternate Base Rate Loan to a Eurodollar Rate Loan, PROVIDED that (a) the Borrower shall give the Agent at least three (3) Eurodollar Business Days' prior written notice of such election; and (b) no Alternate Base Rate Loan may be converted into a Eurodollar Rate Loan when any Default or Event of Default has occurred and is continuing. The Agent shall notify the Banks promptly of any such notice. On the date on which such conversion is being made, each Bank shall take such action as is necessary to transfer its Commitment Percentage of such Loans to its Eurodollar Lending Office. All or any part of outstanding Alternate Base Rate Loans may be converted into a Eurodollar Rate Loan as provided herein, PROVIDED that any partial conversion shall be in an aggregate principal amount of $1,000,000 or an integral multiple of $100,000 in excess thereof.

2.7.2. CONTINUATION OF TYPE OF REVOLVING CREDIT LOAN.

(a) All Alternate Base Rate Loans shall continue as Alternate Base Rate Loans until converted into Eurodollar Rate Loans as provided in Section 2.7.1.

(b) Any Eurodollar Rate Loan may, subject to Section 2.9, be continued, in whole or in part, as a Eurodollar Rate Loan upon the expiration of the Interest Period with respect thereto, PROVIDED that (i) the Borrower shall give the Agent at least three (3) Eurodollar Business Days' prior written notice of such election; (ii) no Eurodollar Rate Loan may be continued as such when any Default or Event of Default has occurred and is continuing, but shall be automatically converted to an Alternate Base Rate Loan on the last day of the first Interest Period relating thereto ending during the continuance of any Default or Event of Default; and (iii) any partial continuation of a Eurodollar

Rate Loan shall be in an aggregate principal amount of $1,000,000 or an integral multiple of $100,000 in excess thereof.

(c) If the Borrower shall fail to give any notice of continuation of a Eurodollar Rate Loan as provided under this Section 2.7.2, the Borrower shall be deemed to have requested a conversion of the affected Eurodollar Rate Loan to an Alternate Base Rate Loan on the last day of the then current Interest Period with respect thereto.

(d) The Agent shall notify the Banks promptly when any such continuation or conversion contemplated by this Section 2.7.2 is scheduled to occur. On the date on which any such continuation or conversion is to occur, each Bank shall take such action as is necessary to transfer its Commitment Percentage of such Loans to its Domestic Lending Office or its Eurodollar Lending Office as appropriate.

2.7.3. EURODOLLAR RATE LOANS. Any conversion to or from Eurodollar Rate Loans shall be in such amounts and be made pursuant to such elections so that, after giving effect thereto, the aggregate principal amount of all Eurodollar Rate Loans having the same Interest Period shall not be less than $1,000,000 or an integral multiple of $100,000 in excess thereof.

2.7.4. CONVERSION REQUESTS. All notices of the conversion or continuation of a Loan provided for in this Section 2.7 shall be in writing in the form of EXHIBIT E hereto (or shall be given by telephone and confirmed by a writing in the form of EXHIBIT F hereto). Each such notice shall specify (a) the principal amount and Type of the Loan subject thereto, (b) the date on which the current Interest Period of such Loan ends if such Loan is a Eurodollar Rate Loan, and (c) the new Interest Period for such Loan if such Loan is a Eurodollar Rate Loan. Promptly upon receipt of any such notice, the Agent shall notify each of the Banks thereof. Each such notice shall be irrevocable and binding on the Borrower.

2.8. FUNDS FOR REVOLVING CREDIT LOANS.

2.8.1. FUNDING PROCEDURES. Not later than 11 o'clock a.m. (Boston time) on the proposed Drawdown Date of any Revolving Credit Loans, each of the Banks will make available to the Agent, at its Head Office, in immediately available funds, the amount of such Bank's Commitment Percentage of the amount of the requested Revolving Credit Loans. Upon receipt from each Bank of such amount, and upon receipt of the documents required by Sections 10 and 11 and the

satisfaction of the other conditions set forth therein, to the extent applicable, the Agent will make available to the Borrower the aggregate amount of such Revolving Credit Loans made available to the Agent by the Banks. The failure or refusal of any Bank to make available to the Agent at the aforesaid time and place on any Drawdown Date the amount of its Commitment Percentage of the requested Revolving Credit Loans shall not relieve any other Bank from its several obligation hereunder to make available to the Agent the amount of such other Bank's Commitment Percentage of any requested Revolving Credit Loans, but no other Bank shall be liable in respect of the failure of such Bank to make available such amount.

2.8.2. ADVANCES BY AGENT. The Agent may, unless notified to the contrary by any Bank prior to a Drawdown Date, assume that such Bank has made available to the Agent on such Drawdown Date the amount of such Bank's Commitment Percentage of the Revolving Credit Loans to be made on such Drawdown Date, and the Agent may (but it shall not be required to), in reliance upon such assumption, make available to the Borrower a corresponding amount. If any Bank makes available to the Agent such amount on a date after such Drawdown Date, such Bank shall pay to the Agent on demand an amount equal to the product of (a) the average computed for the period referred to in clause (c) below, of the weighted average interest rate paid by the Agent for federal funds acquired by the Agent during each day included in such period, TIMES (b) the amount of such Bank's Commitment Percentage of such Revolving Credit Loans, TIMES (c) a fraction, the numerator of which is the number of days that elapse from and including such Drawdown Date to the date on which the amount of such Bank's Commitment Percentage of such Revolving Credit Loans shall become immediately available to the Agent, and the denominator of which is 360. A statement of the Agent submitted to such Bank with respect to any amounts owing under this paragraph shall be PRIMA FACIE evidence of the amount due and owing to the Agent by such Bank. If the amount of such Bank's Commitment Percentage of such Revolving Credit Loans is not made available to the Agent by such Bank within three (3) Business Days following such Drawdown Date, the Agent shall be entitled to recover such amount from the Borrower within one (1) Business Day after demand therefor, with interest thereon at the rate per annum applicable to the Revolving Credit Loans made on such Drawdown Date.

2.9. LIMIT ON NUMBER OF EURODOLLAR RATE LOANS. At no time shall there be outstanding Eurodollar Rate Loans having more than ten (10) different Interest Periods.

Section 3. REPAYMENT OF THE REVOLVING CREDIT LOANS.

3.1. MATURITY. The Borrower shall pay on the Revolving Credit Loan Maturity Date, and there shall become absolutely due and payable on the Revolving Credit Loan Maturity Date, all of the Revolving Credit Loans outstanding on such date, together with any and all accrued and unpaid interest thereon. Subject to the terms and conditions set forth in this Credit Agreement, the proceeds of the Term Loan will be applied to repay in full the principal of the Revolving Credit Loans outstanding at the Revolving Credit Loan Maturity Date, as provided in Section 4.1.

3.2. MANDATORY REPAYMENTS OF REVOLVING CREDIT LOANS.

3.2.1. LOANS IN EXCESS OF COMMITMENT. If at any time the sum of the outstanding amount of the Revolving Credit Loans exceeds the Total Commitment, then the Borrower shall immediately pay the amount of such excess to the Agent for application to the Revolving Credit Loans.

3.2.2. CHANGE OF CONTROL. Upon the occurrence of a Change of Control or impending Change of Control:

(a) the Borrower shall notify the Agent and each Bank of such Change of Control or impending Change of Control as provided in Section 7.5.4;

(b) the Commitments (but not the right of the Borrower to convert and continue Types of Revolving Credit Loans under Section 2.7) shall be suspended for the period from the date of such notice (or any Change of Control Notice given by the Agent or a Bank as provided in Section 7.5.4) through the first to occur of (i) the date of any prepayment of any Indebtedness under the Note Agreements pursuant to section 2.1(c) thereof, and (ii) the later of (A) the Change of Control Date and (B) the date forty (40) days after the date of such notice from the Borrower (the "SUSPENSION PERIOD") and the Banks shall have no obligations to make Loans to the Borrower;

(c) each Bank shall have the right within fifteen (15) days after the date of such Bank's receipt of a Change of Control Notice under clause (a) above to demand payment in full of its pro rata share of the outstanding principal of all Revolving Credit Loans, all accrued and unpaid interest thereon, and any other amounts owing under the Loan Documents;

(d) in the event that any Bank shall have made a demand under clause (c) above or any demand for payment shall have been made under the second paragraph of section 2.1(c) of any of the Note Agreements, the Borrower shall promptly, but in no event later than five (5) Business Days after such demand, deliver notice to each Bank (which notice shall identify the Bank or Holder (as defined in the Note Agreements) making such demand) and, notwithstanding the provisions of clause (c) above, the right of each Bank to demand repayment shall remain in effect through the fifteenth (15th) day next succeeding receipt by such Bank of any notice required to be given pursuant to this clause (d), PROVIDED that the provisions of this clause (d) shall only apply with respect to demands given by Banks prior to the expiration of the period specified in clause (c) and demands under the Note Agreements given prior to the expiration of the period specified in the second paragraph of section 2.1(c) of the Note Agreements; and

(e) in the event any Bank makes a demand under clause (c) or clause (d) above, the Borrower shall on the last day of the Suspension Period pay to the Agent for the credit of such Bank its pro rata share of the outstanding principal of all Revolving Credit Loans, all accrued and unpaid interest thereon, and any other amounts owing under the Loan Documents, (provided that (i) any Bank may require the Borrower to postpone prepayment of a Eurodollar Rate Loan until the last day of the Interest Period with respect to such Eurodollar Rate Loan, and (ii) if any Bank elects to require prepayment of a Eurodollar Rate Loan that has an Interest Period ending less than sixty (60) days after the date of such demand on a date that is not the last day of the Interest Period for such Eurodollar Rate Loan, such Bank shall not be entitled to receive any amounts payable under Section 5.11 in respect of the prepayment of such Eurodollar Rate Loan).

Upon any demand for payment by any Bank under this Section 3.2.2, the Commitment hereunder provided by such Bank shall terminate, and such Bank shall be relieved of all further obligations to make Loans to the Borrower. At the end of the Suspension Period referred to above, the Commitments shall be restored from all Banks that have not made a demand for payment under this Section 3.2.2, and this Credit Agreement and the other Loan Documents shall remain in full force and effect among the Borrower, such Banks, and the Agent, with such changes as may be necessary to reflect the termination of the credit provided by the Banks that made a demand for payment under this Section 3.2.2.

3.3. OPTIONAL REPAYMENTS OF REVOLVING CREDIT LOANS. The Borrower shall have the right, at its election, to repay the outstanding amount of the Revolving Credit Loans, as a whole or in part, at any time without penalty or premium, PROVIDED that any full or partial repayment of the outstanding amount of any Eurodollar Rate Loans pursuant to this Section 3.3 made on a date other than the last day of the Interest Period relating thereto shall be subject to customary breakage charges as provided in Section 5.11. The Borrower shall give the Agent, no later than 10:00 a.m., Boston time, at least one (1) Business Day's prior written notice, of any proposed repayment pursuant to this Section 3.3 of Alternate Base Rate Loans, and three (3) Eurodollar Business Days' notice of any proposed repayment pursuant to this Section 3.3 of Eurodollar Rate Loans, in each case, specifying the proposed date of payment of Revolving Credit Loans and the principal amount to be paid. Each such partial repayment of the Revolving Credit Loans shall be in an amount of $1,000,000 or an integral multiple of $100,000 in excess thereof, shall be accompanied by the payment of accrued interest on the principal repaid to the date of payment, and shall be applied, in the absence of instruction by the Borrower, first to the principal of Alternate Base Rate Loans and then to the principal of Eurodollar Rate Loans (in inverse order of the last days of their respective Interest Periods). Each partial repayment shall be allocated among the Banks, in proportion, as nearly as practicable, to the respective unpaid principal amount of each Bank's Revolving Credit Loans, with adjustments to the extent practicable to equalize any prior repayments not exactly in proportion. Any amounts repaid under this Section 3.3 may be reborrowed prior to the Revolving Credit Loan Maturity Date as provided in Section 2.6, subject to the conditions of Section 11.

4. THE TERM LOAN.

4.1. COMMITMENT TO LEND. Subject to the terms and conditions set forth in this Credit Agreement, each Bank severally shall lend to the Borrower on the Revolving Credit Loan Maturity Date the amount of its Commitment Percentage of the principal amount of the Revolving Credit Loans outstanding at the Revolving Credit Loan Maturity Date. The proceeds of the Term Loan shall be applied by the Agent to repay in full the principal of the Revolving Credit Loans outstanding at the Revolving Credit Loan Maturity Date.

4.2. THE NOTES. The Term Loan shall be evidenced by the Notes. Each Note shall be payable to the order of each Bank in a principal amount equal to such Bank's Commitment Percentage of the Term Loan and representing the obligation

of the Borrower to pay to such Bank such principal amount or, if less, the outstanding amount of such Bank's Commitment Percentage of the Term Loan, plus interest accrued thereon, as set forth below. The Borrower irrevocably authorizes each Bank to make or cause to be made a notation on such Bank's Record reflecting the original principal amount of such Bank's Commitment Percentage of the Term Loan and, at or about the time of such Bank's receipt of any principal payment on such Bank's Term Loan, an appropriate notation on such Bank's Record reflecting such payment. The aggregate unpaid amount set forth on such Bank's Record shall be PRIMA FACIE evidence of the principal amount thereof owing and unpaid to such Bank, but the failure to record, or any error in so recording, any such amount on such Bank's Record shall not affect the obligations of the Borrower hereunder or under any Note to make payments of principal of and interest on any Term Loan when due.

4.3. MANDATORY PAYMENTS OF PRINCIPAL OF TERM LOAN.

4.3.1. GENERAL. The Borrower shall pay to the Agent for the account of the Banks the principal amount of the Term Loan as follows:

(a) seven consecutive quarterly installments due and payable on the last day of each calendar quarter commencing on June 30, 1997, each in an amount equal to the quotient of (i) the initial principal amount of the Term Loan, divided by (ii) eight (8); and

(b) the unpaid balance of the Term Loan on the Term Loan Maturity Date.

4.3.2. CHANGE OF CONTROL. Upon the occurrence of a Change of Control or impending Change of Control:

(a) the Borrower shall notify the Agent and each Bank of such Change of Control or impending Change of Control as provided in Section 7.5.4;

(b) each Bank shall have the right within fifteen (15) days after the date of such Bank's receipt of a Change of Control Notice under clause (a) above to demand payment in full of its pro rata share of the outstanding principal of the Term Loan, all accrued and unpaid interest thereon, and any other amounts owing under the Loan Documents;

(c) in the event that any Bank shall have made a demand under clause (b) above or any demand for payment shall have been made under the second paragraph of section

2.1(c) of any of the Note Agreements, the Borrower shall promptly, but in no event later than five (5) Business Days after such demand, deliver notice to each Bank (which notice shall identify the Bank or Holder (as defined in the Note Agreements) making such demand) and, notwithstanding the provisions of clause (b) above, the right of each Bank to demand repayment shall remain in effect through the fifteenth (15th) day next succeeding receipt by such Bank of any notice required to be given pursuant to this clause (c), PROVIDED that the provisions of this clause (c) shall only apply with respect to demands given by Banks prior to the expiration of the period specified in clause (b) and demands under the Note Agreements given prior to the expiration of the period specified in the second paragraph of section 2.1(c) of the Note Agreements; and

(d) in the event any Bank makes a demand under clause (b) or clause (c) above, the Borrower shall, on the first to occur of (i) the date of any prepayment of any Indebtedness under the Note Agreements pursuant to section 2.1(c) thereof, and (ii) the later of (A) the Change of Control Date and (B) the date forty (40) days after the date of the Borrower's Change of Control Notice under clause (a) above, pay to the Agent for the credit of such Bank its pro rata share of the outstanding principal of the Term Loan, all accrued and unpaid interest thereon, and any other amounts owing under the Loan Documents, (provided that (i) any Bank may require the Borrower to postpone prepayment of a Eurodollar Rate Loan until the last day of the Interest Period with respect to such Eurodollar Rate Loan, and (ii) if any Bank elects to require prepayment of a Eurodollar Rate Loan that has an Interest Period ending less than sixty (60) days after the date of such demand on a date that is not the last day of the Interest Period for such Eurodollar Rate Loan, such Bank shall not be entitled to receive any amounts payable under Section 5.11 in respect of the prepayment of such Eurodollar Rate Loan).

Upon any demand for payment by any Bank under this Section 4.3.2, the credit hereunder shall terminate as to such Bank, and such Bank shall be relieved of all further obligations to make Loans to the Borrower.

4.4. OPTIONAL REPAYMENT OF TERM LOAN. The Borrower shall have the right at any time to prepay the Term Loans on or before the Term Loan Maturity Date, as a whole or in part, upon not less than three (3) Business Days' prior written notice to the Agent, without premium or penalty, PROVIDED that any full or partial repayment of the outstanding amount of any Eurodollar Rate Loans pursuant to this Section 4.4 made on a date other than the last day of the

Interest Period relating thereto shall be subject to customary breakage charges as provided in Section 5.11. Each such partial repayment of the Term Loan shall be in an amount of $1,000,000 or an integral multiple of $100,000 in excess thereof, shall be accompanied by the payment of accrued interest on the principal repaid to the date of payment, shall be applied against the scheduled installments of principal due on the Term Loan in the inverse order of maturity, and shall be applied, in the absence of contrary instructions by the Borrower, first to the principal of Alternate Base Rate Loans and then to the principal of Eurodollar Rate Loans (in inverse order of the last days of their respective Interest Periods). Each partial repayment shall be allocated among the Banks, in proportion, as nearly as practicable, to the respective unpaid principal amount of each Bank's Term Loan, with adjustments to the extent practicable to equalize any prior repayments not exactly in proportion. No amount repaid with respect to the Term Loan may be reborrowed.

4.5. INTEREST ON TERM LOAN.

4.5.1. INTEREST RATES. Except as otherwise provided in Section 5.12, the Term Loan shall bear interest as follows:

(a) Each Alternate Base Rate Loan shall bear interest at an annual rate equal to the sum of the Alternate Base Rate PLUS the Alternate Base Rate Applicable Margin, both as in effect from time to time while such Alternate Base Rate Loan is outstanding.

(b) Each Eurodollar Rate Loan shall bear interest for each Interest Period at an annual rate equal to the sum of the Eurodollar Rate for such Interest Period PLUS the Eurodollar Rate Applicable Margin in effect from time to time during such Interest Period.

4.5.2. INTEREST PAYMENT DATES. The Borrower shall pay all accrued interest on the Term Loan in arrears on each Interest Payment Date with respect thereto.

4.5.3. INTEREST RATE OPTIONS. If the Borrower shall have given the Agent, at least three (3) Business Days prior to the date on which the Term Loan is made, a notice electing to convert all or any part of the Term Loan, AB INITIO, into a Eurodollar Rate Loan (and the other conditions for conversion to a Eurodollar Rate Loan as set forth, MUTATIS MUTANDIS, in Section 2.7.1 are satisfied as of the date on which the Term Loan is made), the portion of the Term Loan subject to such notice shall bear interest at a

Eurodollar Rate as specified therein. All portions of the Term Loan not subject to such a notice shall when made bear interest at the Alternate Base Rate. After the Term Loan has been made, the provisions of Section 2.7 and Section 2.9 shall apply MUTATIS MUTANDIS with respect to the Term Loan so that the Borrower may have the same interest rate options with respect to the Term Loan as it was entitled to with respect to the Revolving Credit Loans.

5. CERTAIN GENERAL PROVISIONS.

5.1. CLOSING FEE. The Borrower shall on the Closing Date pay to the Agent, for the PRO RATA accounts of the Banks according to their respective Commitments, a closing fee in the amount of Two Hundred Thousand Dollars ($200,000). In no case shall any portion of the closing fee be refundable.

5.2. AGENT'S FEE. The Borrower shall pay to the Agent an agent's fee as separately agreed by the Borrower and the Agent.

5.3. APPLICATION OF PAYMENTS. Except as otherwise provided in this Credit Agreement, all payments in respect of any Loan shall be applied first to accrued and unpaid interest on such Loan and second to the outstanding principal of such Loan.

5.4. FUNDS FOR PAYMENTS.

5.4.1. PAYMENTS TO AGENT. All payments of principal, interest, commitment fees and any other amounts due hereunder or under any of the other Loan Documents shall be made to the Agent, for the respective accounts of the Banks and the Agent, at the Agent's Head Office or at such other location in the Boston, Massachusetts, area that the Agent may from time to time designate, in each case in immediately available funds.

5.4.2. NO OFFSET, ETC. All payments by the Borrower hereunder and under any of the other Loan Documents shall be made without setoff or counterclaim and free and clear of and without deduction for any taxes, levies, imposts, duties, charges, fees, deductions, withholdings, compulsory loans, restrictions, or conditions of any nature now or hereafter imposed or levied by any Government Authority unless the Borrower is compelled by Government Mandate to make such deduction or withholding. If any such obligation is imposed upon the Borrower with respect to any amount payable by it hereunder or under any of the other

Loan Documents (other than with respect to taxes on the income or profits of any Bank or the Agent), the Borrower will pay to the Agent, for the account of the Banks or (as the case may be) the Agent, on the date on which such amount is due and payable hereunder or under such other Loan Document, such additional amount in Dollars as shall be necessary to enable the Banks or the Agent to receive the same net amount which the Banks or the Agent would have received on such due date had no such obligation been imposed upon the Borrower. The Borrower will deliver promptly to the Agent certificates or other valid vouchers for all taxes or other charges deducted from or paid with respect to payments made by the Borrower hereunder or under such other Loan Document. If a refund is received (either in cash or by means of a credit against future tax obligations) by the Agent or any Bank in respect of an amount previously paid by the Borrower pursuant to the immediately preceding sentence, such refund shall be promptly paid over to the Borrower.

5.5. COMPUTATIONS. All computations of interest with respect to Alternate Base Rate Loans and all computations of the commitment fee shall be based on a year of 365 or 366 days, as appropriate, and paid for the actual number of days elapsed. All computations of interest with respect to Eurodollar Rate Loans shall be based on a year of 360 days and paid for the actual number of days elapsed. Except as otherwise provided in the definition of the term "Interest Period" with respect to Eurodollar Rate Loans, whenever a payment hereunder or under any of the other Loan Documents becomes due on a day that is not a Business Day, the due date for such payment shall be extended to the next succeeding Business Day, and interest shall accrue during such extension.

5.6. INABILITY TO DETERMINE EURODOLLAR RATE. In the event, prior to the commencement of any Interest Period relating to any Eurodollar Rate Loan, the Agent shall determine that adequate and reasonable methods do not exist for ascertaining the Eurodollar Rate that would otherwise determine the rate of interest to be applicable to any Eurodollar Rate Loan during any Interest Period, the Agent shall forthwith give notice of such determination (which shall be conclusive and binding on the Borrower and the Banks) to the Borrower and the Banks. In such event (a) any Loan Request or Conversion Request with respect to Eurodollar Rate Loans shall be automatically withdrawn and shall be deemed a request for Alternate Base Rate Loans, (b) each Eurodollar Rate Loan will automatically, on the last day of the then current Interest Period relating thereto, become an Alternate Base Rate Loan, and (c) the obligations

of the Banks to make Eurodollar Rate Loans shall be suspended until the Agent determines that the circumstances giving rise to such suspension no longer exist, whereupon the Agent shall so notify the Borrower and the Banks.

5.7. ILLEGALITY. Notwithstanding any other provisions herein, if any present or future Government Mandate shall make it unlawful for any Bank to make or maintain Eurodollar Rate Loans, such Bank shall forthwith give notice of such circumstances to the Borrower and the other Banks and thereupon (a) the commitment of such Bank to make Eurodollar Rate Loans or convert Alternate Base Rate Loans to Eurodollar Rate Loans shall forthwith be suspended, and (b) such Bank's Loans then outstanding as Eurodollar Rate Loans, if any, shall be converted automatically to Alternate Base Rate Loans on the last day of each then existing Interest Period applicable to such Eurodollar Rate Loans or within such earlier period after the occurrence of such circumstances as may be required by Government Mandate. The Borrower shall promptly pay the Agent for the account of such Bank, upon demand by such Bank, any additional amounts necessary to compensate such Bank for any costs incurred by such Bank in making any conversion in accordance with this Section 5.7 other than on the last day of an Interest Period, including any interest or fees payable by such Bank to lenders of funds obtained by it in order to make or maintain its Eurodollar Rate Loans hereunder.

5.8. ADDITIONAL COSTS, ETC. If any present or future applicable Government Mandate (whether or not having the force of law), shall:

(a) subject any Bank or the Agent to any tax, levy, impost, duty, charge, fee, deduction, or withholding of any nature with respect to this Credit Agreement, the other Loan Documents, such Bank's Commitment, or the Loans (other than taxes based upon or measured by the income or profits of such Bank or the Agent), or

(b) materially change the basis of taxation (except for changes in taxes on income or profits) of payments to any Bank of the principal of or the interest on any Loans or any other amounts payable to any Bank or the Agent under this Credit Agreement or the other Loan Documents, or

(c) impose, increase, or render applicable (other than to the extent specifically provided for elsewhere in this Credit Agreement) any special deposit, reserve, assessment, liquidity, capital adequacy, or other

similar requirements (whether or not having the force of law) against assets held by, or deposits in or for the account of, or loans by, or commitments of an office of any Bank, or

(d) impose on any Bank or the Agent any other conditions or requirements with respect to this Credit Agreement, the other Loan Documents, the Loans, such Bank's Commitment, or any class of loans or commitments of which any of the Loans or such Bank's Commitment forms a part,

and the result of any of the foregoing is:

(i) to increase by an amount deemed by such Bank to be material the cost to any Bank of making, funding, issuing, renewing, extending, or maintaining any of the Loans or such Bank's Commitment, or

(ii) to reduce, by an amount deemed by such Bank or the Agent, as the case may be, to be material, the amount of principal, interest, or other amount payable to such Bank or the Agent hereunder on account of such Bank's Commitment or any of the Loans, or

(iii) to require such Bank or the Agent to make any payment that, but for such conditions or requirements described in clauses (a) through (d), would not be payable hereunder, or forego any interest or other sum that, but for such conditions or requirements described in clauses (a) through (d), would be payable to such Bank or the Agent hereunder, in any case the amount of which payment or foregone interest or other sum is deemed by such Bank or the Agent, as the case may be, to be material and is calculated by reference to the gross amount of any sum receivable or deemed received by such Bank or the Agent from the Borrower hereunder,

then, and in each such case, (aa) the Borrower will, upon demand made by such Bank or (as the case may be) the Agent at any time and from time to time (but in any case not later than the first to occur of (I) the date one year after such event described in clause (i), (ii), or (iii) giving rise to such demand, and (II) the date ninety (90) days after both the payment in full of all outstanding Loans and termination of the Commitments) and as often as the occasion therefor may arise, pay to such Bank or the Agent such additional amounts as will be sufficient to compensate such Bank or the Agent for such additional cost, reduction, payment, foregone interest, or other sum, (bb) the Borrower shall be entitled,

upon notice to the Agent and each Bank given within ninety (90) days of any demand by a Bank under clause (aa), to repay in cash in full all, but not less than all, of the Loans of such Bank, together with all accrued and unpaid interest on such Loans and any other amounts owing to such Bank under the Loan Documents and terminate (in full and not in part) such Bank's Commitment, and, (cc) in the event the Borrower elects to repay the Loans of any Bank under clause (bb), each other Bank shall be entitled, by notice to the Agent and the Borrower given within thirty (30) days after receipt of the notice referred to in clause (bb), to require the Borrower to repay in cash in full, within thirty (30) days of such notice under this clause (cc), all, but not less than all, of the Loans of such other Bank, together with all accrued and unpaid interest on such Loans and any other amounts owing to such other Bank under the Loan Documents. Subject to the terms specified above in this Section 5.8, the obligations of the Borrower under this Section 5.8 shall survive repayment of the Loans and termination of the Commitments.

5.9. CAPITAL ADEQUACY. If after the date hereof any Bank or the Agent determines that (a) the adoption of or change in any Government Mandate (whether or not having the force of law) regarding capital requirements for banks or bank holding companies or any change in the interpretation or application thereof by any Government Authority with appropriate jurisdiction, or (b) compliance by such Bank or the Agent, or any corporation controlling such Bank or the Agent, with any Government Mandate (whether or not having the force of law) has the effect of reducing the return on such Bank's or the Agent's commitment with respect to any Loans to a level below that which such Bank or the Agent could have achieved but for such adoption, change, or compliance (taking into consideration such Bank's or the Agent's then existing policies with respect to capital adequacy and assuming full utilization of such Entity's capital) by any amount reasonably deemed by such Bank or (as the case may be) the Agent to be material, then such Bank or the Agent may notify the Borrower of such fact. To the extent that the amount of such reduction in the return on capital is not reflected in the Alternate Base Rate, (aa) the Borrower shall pay such Bank or (as the case may be) the Agent for the amount of such reduction in the return on capital as and when such reduction is determined upon presentation by such Bank or (as the case may be) the Agent of a certificate in accordance with Section 5.10 hereof (but in any case not later than the first to occur of (I) the date one year after such adoption, change, or compliance causing such reduction, and (II) as to adoptions of or changes in Government Mandates occurring prior to the repayment of the

Loans and the termination of the Commitment the date ninety (90) days after both the payment in full of all outstanding Loans and termination of the Commitments), (bb) the Borrower shall be entitled, upon notice to the Agent and each Bank given within ninety (90) days of any notice by such Bank under the next preceding sentence, to repay in cash in full all, but not less than all, of the Loans of such Bank, together with all accrued and unpaid interest on such Loans and any other amounts owing to such Bank under the Loan Documents and terminate (in full and not in part) such Bank's Commitment, and, (cc) in the event the Borrower elects to repay the Loans of any Bank under clause (bb), each other Bank shall be entitled, by notice to the Agent and the Borrower given within thirty (30) days after receipt of the notice referred to in clause (bb), to require the Borrower to repay in cash in full, within thirty (30) days of the notice under this clause (cc), all, but not less than all, of the Loans of such other Bank, together with all accrued and unpaid interest on such Loans and any other amounts owing to such other Bank under the Loan Documents. Each Bank shall allocate such cost increases among its customers in good faith and on an equitable basis. Subject to the terms specified above in this Section 5.9, the obligations of the Borrower under this Section 5.9 shall survive repayment of the Loans and termination of the Commitments.

5.10. CERTIFICATE. A certificate setting forth any additional amounts payable pursuant to Section 5.8 or Section 5.9 and a brief explanation of such amounts which are due and in reasonable detail the basis of the calculation and allocation thereof, submitted by any Bank or the Agent to the Borrower, shall be conclusive evidence, absent manifest error, that such amounts are due and owing.

5.11. INDEMNITY. The Borrower shall indemnify and hold harmless each Bank from and against any loss, cost, or expense (excluding loss of anticipated profits) that such Bank may sustain or incur as a consequence of (a) default by the Borrower in payment of the principal amount of or any interest on any Eurodollar Rate Loans as and when due and payable, including any such loss or expense arising from interest or fees payable by such Bank to lenders of funds obtained by it in order to maintain its Eurodollar Rate Loans, (b) default by the Borrower in making a borrowing or conversion after the Borrower has given (or is deemed to have given) a Loan Request or a Conversion Request; or (c) except as otherwise expressly provided in Section 3.2.2 or Section 4.3.2, the making of any payment of a Eurodollar Rate Loan or the making of any conversion of any such Loan to an Alternate Base Rate Loan on a day that is not the last day of the applicable Interest Period with respect thereto, including

interest or fees payable by such Bank to lenders of funds obtained by it in order to maintain any such Loans. The obligations of the Borrower under this Section 5.11 shall survive repayment of the Loans and termination of the Commitments.

5.12. INTEREST AFTER DEFAULT. All amounts outstanding under the Loan Documents that are not paid when due, including all overdue principal and (to the extent permitted by applicable Government Mandate) interest and all other overdue amounts, shall to the extent permitted by applicable Government Mandate bear interest compounded monthly until such amount shall be paid in full (after as well as before judgment) at a rate per annum equal to two percent (2%) above the rate of interest otherwise applicable to such Loans pursuant to Section 2.5 or Section 4.5. Any interest accruing under this section on overdue principal or interest shall be due and payable upon demand.

5.13. HLT CLASSIFICATION. If, after the date hereof, the Agent determines or is advised by any Bank that such Bank has determined, or the Agent receives notice from or is advised by any Bank that such Bank has received notice from any Government Authority having jurisdiction over such Bank, that any of the Commitments or Loans are classified as a "highly leveraged transaction" (an "HLT CLASSIFICATION") pursuant to any existing regulations regarding "highly leveraged transactions" or any modification, amendment, or interpretation thereof, or the adoption of new regulations regarding "highly leveraged transactions" after the date hereof by any Government Authority, the Agent shall promptly give notice of such HLT Classification to the Borrower and the Banks. The Agent, the Banks, and the Borrower shall thereupon commence negotiations in good faith to agree on the extent to which fees, interest rates, and/or margins hereunder should be increased so as to reflect such HLT Classification. If the Borrower and the Majority Banks agree on the amount of such increase or increases, this Credit Agreement shall be promptly amended to give effect to such increase or increases. If the Borrower and the Majority Banks fail to so agree within forty-five (45) days of an HLT Classification, the Agent, by notice (the "REFINANCE NOTICE") given at the request of the Majority Banks, may require the Borrower to seek to refinance the Loans. In the event the Borrower fails to refinance the Loans within ninety (90) days after the Refinance Notice is given by the Agent as provided above, then the Agent shall, if so requested by the Majority Banks, by notice to the Borrower terminate the Commitments, and the Commitments shall thereupon terminate, with the provisions of Section 3.2 then becoming applicable, and the Loans shall also then become

due and payable in full. The Agent and the Banks acknowledge that an HLT Classification is not a Default or an Event of Default.

6. REPRESENTATIONS AND WARRANTIES.

The Borrower represents and warrants to the Banks and the Agent as follows:

6.1. CORPORATE AUTHORITY.

6.1.1. INCORPORATION; GOOD STANDING. Each of the Borrower, its Subsidiaries, and the General Partner (a) is a corporation or limited partnership, as the case may be, duly organized, validly existing, and in good standing under the laws of its state of organization, (b) has all requisite corporate or partnership power to own its material property and conduct its material business as now conducted and as presently contemplated, and (c) is in good standing as a foreign corporation or limited partnership, as the case may be, and is duly authorized to do business in each jurisdiction where it owns or leases properties or conducts any business so as to require such qualification except where a failure to be so qualified would not be likely to have a Material Effect.

6.1.2. AUTHORIZATION. The execution, delivery, and performance of this Credit Agreement and the other Loan Documents to which the Borrower, any of its Subsidiaries, or the General Partner is or is to become a party and the transactions contemplated hereby and thereby (a) are within the corporate or partnership power of each such Entity, (b) have been duly authorized by all necessary corporate or partnership proceedings on behalf of each such Entity, (c) do not conflict with or result in any breach or contravention of any Government Mandate to which any such Entity is subject, (d) do not conflict with or violate any provision of the corporate charter or bylaws or the limited partnership certificate or agreement, as the case may be, of any such Entity, and (e) do not violate, conflict with, constitute a default or event of default under, or result in any rights to accelerate or modify any obligations under any Contract to which any such Entity is party or subject, or to which any of its respective assets are subject, except, as to the foregoing clauses (c) and (e) only, where the same would not be likely to have a Material Effect.

6.1.3. ENFORCEABILITY. The execution and delivery of this Credit Agreement and the other Loan Documents to which the Borrower, any of its Subsidiaries, or

the General Partner is or is to become a party will result in valid and legally binding obligations of such Person enforceable against it in accordance with the respective terms and provisions hereof and thereof, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium, or other laws relating to or affecting generally the enforcement of creditors' rights and by general principles of equity, regardless of whether enforcement is sought in a Proceeding in equity or at law.

6.1.4. EQUITY SECURITIES. The General Partner is the only general partner of the Borrower. Save as set forth on SCHEDULE 6.1.4, neither the Borrower nor the General Partner has any authorized or outstanding Equity Securities, or has agreed, committed, or otherwise obligated itself to authorize or issue any Equity Securities. All of the outstanding Equity Securities of the Borrower are validly issued, fully paid, and non-assessable.

6.2. GOVERNMENTAL APPROVALS. The execution, delivery, and performance by the Borrower, its Subsidiaries, and the General Partner of this Credit Agreement and the other Loan Documents to which the Borrower, any of its Subsidiaries, or the General Partner is or is to become a party and the transactions contemplated hereby and thereby do not require the approval or consent of, or filing with, any Government Authority other than those already obtained and set forth on SCHEDULE 6.2.

6.3. LIENS; LEASES. The assets reflected in the consolidated balance sheet of the Borrower dated as at the Balance Sheet Date and delivered to the Agent and the Banks under Section 6.4.1 are subject to no Liens except Permitted Liens. Each of the Borrower and its Subsidiaries enjoys quiet possession under all leases relating to Real Estate or personal property to which it is party as a lessee, and each such lease is Fully Effective.

6.4. FINANCIAL STATEMENTS AND PROJECTIONS.

6.4.1. FINANCIAL STATEMENTS. There has been furnished to the Agent and each of the Banks (a) a consolidated balance sheet of the Borrower as at the Balance Sheet Date, and a consolidated statement of income and cash flow of the Borrower for the fiscal year then ended, certified by the Borrower's independent certified public accountants, and (b) unaudited consolidated balance sheets of the Borrower and the Consolidated Subsidiaries as at March 31, 1993, June 30, 1993, and September 30, 1993 and consolidated statements of income and cash flow of the Borrower and the Consolidated Subsidiaries for the

respective fiscal periods then ended and as set forth in the Borrower's Quarterly Reports on Form 10-Q for such fiscal quarters. Such balance sheets and statements of income have been prepared in accordance with generally accepted accounting principles, and fairly present in all material respects the financial condition of the Borrower and the Consolidated Subsidiaries as at the close of business on the respective dates thereof and the results of operations of the Borrower and the Consolidated Subsidiaries for the fiscal periods then ended; or, in the case of the financial statements referred to in clause (b), have been prepared in accordance with Rule 10-01 of Regulation S-X of the Securities and Exchange Commission, and contain all adjustments necessary for a fair presentation of (A) the results of operations of the Borrower for the periods covered thereby, (B) the financial position of the Borrower at the date thereof, and (C) the cash flows of the Borrower for periods covered thereby (subject to year-end adjustments). There are no contingent liabilities of the Borrower or the Consolidated Subsidiaries as of such dates involving material amounts, known to the executive management of the Borrower that (aa) should have been disclosed in said balance sheets and/or the related notes thereto in accordance with generally accepted accounting principles and the rules and regulations of the Securities and Exchange Commission, and (bb) were not so disclosed.

6.4.2. PROJECTIONS. The projections dated August 2, 1993 as revised on February 11, 1994 of the annual operating budgets, balance sheets, and cash flow statements of the Borrower and its Subsidiaries on a consolidated basis for the 1994 to 1998 fiscal years, copies of which have been delivered to the Agent and each Bank, have been prepared on the basis of reasonable assumptions (which assumptions, if material, are stated therein) and reflect the reasonable estimates of the Borrower as to the results of operations and other information projected therein based on information known to the executive management of the Borrower as of the date such projections were prepared. As of the Closing Date nothing has come to the attention of any of the chief financial officer, the chief accounting officer, or the controller of the Borrower that would result in any material adverse change in any of such projections.

6.5. NO MATERIAL CHANGES, ETC. No material adverse change in the Business of the Borrower and its Consolidated Subsidiaries, taken as a whole, has occurred from that set forth in the consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at the Balance Sheet Date, or the consolidated statement of income for the fiscal year then ended.

6.6. PERMITS. The Borrower and its Subsidiaries have all Permits necessary or appropriate for them to conduct their Business, except where the failure to have such Permits would not be likely to have a Material Effect. All of such Permits are in full force and effect. Without limiting the foregoing, the Borrower is duly registered as an "investment adviser" under the Investment Advisers Act of 1940 and under the applicable laws of each state in which such registration is required in connection with the investment advisory business of the Borrower and in which the failure to obtain such registration would be likely to have a Material Effect; Alliance Distributors is duly registered as a "broker/dealer" under the Securities Exchange Act of 1934 and under the securities or blue sky laws of each state in which such registration is required in connection with the business conducted by Alliance Distributors and where a failure to obtain such registration would be likely to have a Material Effect, and is a member in good standing of the National Association of Securities Dealers, Inc.; no Proceeding is pending or threatened with respect to the suspension, revocation, or termination of any such registration or membership, and the termination or withdrawal of any such registration or membership is not contemplated by the Borrower or Alliance Distributors, except, only with respect to registrations by the Borrower and Alliance Distributors required under state law, as would not be likely to have a Material Effect.

6.7. LITIGATION. There is no Proceeding of any kind pending or threatened against the Borrower, any of its Subsidiaries, or the General Partner that (a) is reasonably likely to, either in any case or in the aggregate, have a Material Effect, or (b) questions the validity of this Credit Agreement or any of the other Loan Documents, or any action taken or to be taken pursuant hereto or thereto.

6.8. MATERIAL CONTRACTS. Except as would not be likely to have a Material Effect, each Contract to which any of the Borrower and its Subsidiaries is party or subject, or by which any of their respective assets are bound (including investment advisory contracts and investment company distribution plans) (a) is Fully Effective, (b) is not subject to any default or event of default with respect to the Borrower, any of its Subsidiaries or, to the best knowledge of the executive management of the Borrower, any other party, (c) is not subject to any notice of termination given or received by the Borrower or any of its Subsidiaries, and (d) is, to the best knowledge of the executive management of the Borrower, the legal, valid, and

binding obligation of each party thereto other than the Borrower and its Subsidiaries enforceable against such parties according to its terms.

6.9. COMPLIANCE WITH OTHER INSTRUMENTS, LAWS, ETC. None of the Borrower, its Subsidiaries, and the General Partner is, in any respect material to the Borrower and its Consolidated Subsidiaries taken as a whole, in violation of or default under (a) any provision of its certificate of incorporation or by-laws, or its certificate of limited partnership or agreement of limited partnership, as the case may be, (b) any Contract to which it is or may be subject or by which it or any of its properties are or may be bound, or (c) any Government Mandate, including Government Mandates relating to occupational safety and employment matters.

6.10. TAX STATUS. The Borrower and its Subsidiaries (a) have made or filed all federal and state income and all other tax returns, reports, and declarations required by any Government Authority to which any of them is subject, except where the failure to make or file the same would not be likely to have a Material Effect, (b) have paid all taxes and other governmental assessments and charges due, except those being contested in good faith and by appropriate Proceedings or those where a failure to pay is not reasonably likely to have a Material Effect, and (c) have set aside on their books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports, or declarations apply. There are no unpaid taxes in any material amount claimed to be due from the Borrower or any of its Subsidiaries by any Government Authority, and the executive management of the Borrower knows of no basis for any such claim.

6.11. NO EVENT OF DEFAULT. No Default or Event of Default has occurred and is continuing.

6.12. HOLDING COMPANY AND INVESTMENT COMPANY ACTS. Neither the Borrower nor any of its Subsidiaries is a "holding company", or a "subsidiary company" of a "holding company", as such terms are defined in the Public Utility Holding Company Act of 1935. Neither the Borrower nor any of its Subsidiaries (excluding investment companies in which the Borrower or a Consolidated Subsidiary has made "seed money" investments permitted by Section 8.6(b))is an "investment company", as such term is defined in the 1940 Act.

6.13. INSURANCE. The Borrower and its Subsidiaries maintain insurance with financially sound and reputable insurers in such coverage amounts, against such risks, with

such deductibles and upon such other terms, or are self-insured in respect of such risks (with appropriate reserves to the extent required by generally accepted accounting principles), as is reasonable and customary for firms engaged in businesses similar to those of the Borrower and its Subsidiaries. All policies of insurance maintained by the Borrower or its Subsidiaries are Fully Effective. All premiums due on such policies have been paid or accrued on the books of the Borrower or its Subsidiaries, as appropriate.

6.14. CERTAIN TRANSACTIONS. None of the officers, directors, partners, or employees of the Borrower or any of its Subsidiaries, or, to the knowledge of the executive management of the Borrower, any Entity (other than a Subsidiary) in which any such officer, director, partner, or employee has a substantial interest or is an officer, director, trustee, or partner, is at present a party to any transaction with the Borrower or any of its Subsidiaries (other than for or in connection with services as officers, directors, partners, or employees, as the case may be), including any Contract providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any such officer, director, partner, employee, or Entity.

6.15. EMPLOYEE BENEFIT PLANS.

6.15.1. IN GENERAL. Set forth on SCHEDULE 6.15 is a list of each Employee Benefit Plan and Multiemployer Plan. Each Employee Benefit Plan has been maintained and operated in compliance in all material respects with the provisions of ERISA and, to the extent applicable, the Code, including the provisions thereunder respecting prohibited transactions, except where the failure to so comply would not be likely to have a Material Effect.

6.15.2. TERMINABILITY OF WELFARE PLANS. Under each Employee Benefit Plan which is an employee welfare benefit plan within the meaning of Section 3(1) or Section 3(2)(B) of ERISA, no benefits are due unless the event giving rise to the benefit entitlement occurs prior to plan termination (except as required by Title I, Part 6 of ERISA). The Borrower or an ERISA Affiliate, as appropriate, may terminate each such Plan at any time (or at any time subsequent to the expiration of any applicable bargaining agreement) in the discretion of the Borrower or such ERISA Affiliate without liability to any Person, except as would not be likely to have a Material Effect.

6.15.3. GUARANTEED PENSION PLANS. Each contribution required to be made to a Guaranteed Pension Plan, whether required to be made to avoid the incurrence of an accumulated funding deficiency, the notice or lien provisions of Section 302(f) of ERISA, or otherwise, has been timely made. No waiver of an accumulated funding deficiency or extension of amortization periods has been received with respect to any Guaranteed Pension Plan. No liability to the PBGC (other than required insurance premiums, all of which have been paid) has been incurred by the Borrower or any ERISA Affiliate with respect to any Guaranteed Pension Plan and there has not been any ERISA Reportable Event, or any other event or condition which presents a material risk of termination of any Guaranteed Pension Plan by the PBGC. Based on the latest valuation of each Guaranteed Pension Plan (which in each case occurred within fifteen (15) months of the date of this representation), and on the actuarial methods and assumptions employed for that valuation, the aggregate benefit liabilities of all such Guaranteed Pension Plans within the meaning of Section 4001 of ERISA did not exceed the aggregate value of the assets of all such Guaranteed Pension Plans by more than $5,000,000, disregarding for this purpose the benefit liabilities and assets of any Guaranteed Pension Plan with assets in excess of benefit liabilities.

6.15.4. MULTIEMPLOYER PLANS. Neither the Borrower nor any ERISA Affiliate has incurred any material liability (including secondary liability) to any Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan under Section 4201 of ERISA or as a result of a sale of assets described in Section 4204 of ERISA. Neither the Borrower nor any ERISA Affiliate has been notified that any Multiemployer Plan is in reorganization or insolvent under and within the meaning of Section 4241 or Section 4245 of ERISA or that any Multiemployer Plan intends to terminate or has been terminated under Section 4041A of ERISA.

6.16. REGULATIONS U AND X. The proceeds of the Loans shall be used (a) to finance the Specified Acquisitions, (b) to finance Permitted Acquisitions, (c) to finance the payment by the Borrower of certain commissions to brokers in connection with the sale of "B" shares of investment companies or mutual funds managed or advised by the Borrower or one of its Subsidiaries, and (d) for working capital and general corporate purposes. No portion of any Loan is to be used for the purpose of purchasing or carrying any "margin security" or "margin stock" as such terms are used in Regulations U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R. Parts 221 and 224.

6.17. ENVIRONMENTAL COMPLIANCE. To the best of the Borrower's knowledge:

(a) none of the Borrower, its Subsidiaries, the General Partner, and any operator of the Real Estate or any operations thereon is in violation, or alleged violation, of any Government Mandate or Permit pertaining to environmental, safety, or public health matters, including the Resource Conservation and Recovery Act ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), the Federal Clean Water Act, the Federal Clean Air Act, and the Toxic Substances Control Act (hereinafter "ENVIRONMENTAL LAWS"), which violation would be likely to have a material adverse effect on the environment or a Material Effect;

(b) neither the Borrower nor any of its Subsidiaries has received notice from any third party, including any Government Authority, (i) that any one of them has been identified by the United States Environmental Protection Agency ("EPA") as a potentially responsible party under CERCLA with respect to a site listed on the National Priorities List, 40 C.F.R. Part 300 Appendix B (1986); (ii) that any hazardous waste, as defined by 42 U.S.C. Section 9601(5), any hazardous substances as defined by 42 U.S.C. Section 9601(14), any pollutant or contaminant as defined by 42 U.S.C. Section 9601(33) and any toxic substances, oil, hazardous materials, or other chemicals or substances regulated by any Environmental Laws ("HAZARDOUS SUBSTANCES") that any one of them has generated, transported, or disposed of has been found at any site at which a Government Authority or other third party has conducted, or has ordered that other parties conduct, a remedial investigation, removal, or other response action pursuant to any Environmental Law; or (iii) that it is or shall be a named party to any Proceeding (in each case, contingent or otherwise) arising out of any third party's incurrence of costs, expenses, losses, or damages of any kind whatsoever in connection with the release of Hazardous Substances; and

(c)(i) no portion of the Real Estate has been used for the handling, processing, storage, or disposal of Hazardous Substances except in accordance with applicable Environmental Laws;

(ii) no underground tank or other underground storage receptacle for Hazardous Substances is located on any portion of the Real Estate;

(iii) in the course of any activities conducted by any of the Borrower, its Subsidiaries, the General Partner, and operators of any Real Estate, no Hazardous Substances have been generated or are being used on the Real Estate except in accordance with applicable Environmental Laws;

(iv) there have been no releases (i.e. any past or present releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, disposing, or dumping) or threatened releases of Hazardous Substances on, upon, into, or from the Real Estate that would have a material adverse effect on the value of the Real Estate or the environment;

(v) there have been no releases of Hazardous Substances on, upon, from, or into any real property in the vicinity of any of the Real Estate that (A) may have come to be located on the Real Estate through soil or groundwater contamination, and, (B) if so located, would have a material adverse effect on the value of the Real Estate or the environment; and

(vi) any Hazardous Substances that have been generated by any of the Borrower and its Subsidiaries, or on the Real Estate by any other Person, have been transported offsite only by carriers having an identification number issued by the EPA, treated or disposed of only by treatment or disposal facilities maintaining valid Permits as required under applicable Environmental Laws, which transporters and facilities have been and are, to the best of the Borrower's knowledge, operating in compliance with such Permits and applicable Environmental Laws.

6.18. SUBSIDIARIES, ETC. SCHEDULE 6.18 sets forth a list of (a) each Subsidiary of the Borrower (in which each Restricted Subsidiary at the date hereof is specifically identified as such), (b) the number of authorized and outstanding Equity Securities of each class of each Subsidiary of the Borrower and the number and percentage thereof owned, directly or indirectly, by the Borrower, and (c) any partnership or joint venture in which the Borrower or any of its Subsidiaries is engaged with any other Person. The Equity Securities of each Subsidiary of the Borrower are validly issued, fully paid, and non-assessable.

6.19. FUNDED DEBT. SCHEDULE 6.19 sets forth as of the Closing Date all outstanding Funded Debt of the Borrower and its Subsidiaries.

6.20. GENERAL. The Borrower's Annual Report on Form 10-K for the fiscal year ended December 31, 1992, as amended by the Form 10-K/A filed by the Borrower with respect to such fiscal year, and Quarterly Reports on Form 10-Q referred to in Section 6.4.1 (a) conform in all material respects to the requirements of the Securities Exchange Act of 1934, as amended, and to all applicable rules and regulations of the Securities and Exchange Commission, and (b) do not contain an untrue statement of any material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they are made, not misleading.

7. AFFIRMATIVE COVENANTS OF THE BORROWER.

The Borrower covenants and agrees that, so long as any Loan or Note is outstanding or any Bank has any obligation to make any Loans:

7.1. PUNCTUAL PAYMENT. The Borrower will duly and punctually pay or cause to be paid the principal and interest on the Loans, the commitment fees, the closing fee, the Agent's fee, and all other amounts provided for in this Credit Agreement and the other Loan Documents to which the Borrower is party, all in accordance with the terms of this Credit Agreement and such other Loan Documents.

7.2. MAINTENANCE OF OFFICE. The Borrower will maintain its chief executive office in New York, New York, or at such other place in the United States of America as the Borrower shall designate upon prior written notice to the Agent, where notices, presentations, and demands to or upon the Borrower in respect of the Loan Documents may be given or made.

7.3. RECORDS AND ACCOUNTS. The Borrower will, and will cause each of its Subsidiaries to, keep complete and accurate records and books of account.

7.4. FINANCIAL STATEMENTS, CERTIFICATES, AND INFORMATION. The Borrower will deliver to each of the Banks:

(a) as soon as practicable, but in any event not later than ninety (90) days after the end of each fiscal year of the Borrower:

(i) the consolidated balance sheet of the Borrower as at the end of such fiscal year;

(ii) the consolidating balance sheet of the Borrower as at the end of such fiscal year;

(iii) the consolidated statement of income and consolidated statement of cash flows of the Borrower for such fiscal year; and

(iv) the consolidating statement of income and consolidating statement of cash flows of the Borrower for such fiscal year.

Each of the balance sheets and statements delivered under this Section 7.4(a) shall (i) set forth in comparative form the figures for the previous fiscal year; (ii) be in reasonable detail and prepared in accordance with generally accepted accounting principles based on the records and books of account maintained as provided in Section 7.3; (iii) as to items (i) and (iii) above, be accompanied by a certification by the principal financial or accounting officer of the Borrower that the information contained in such financial statements presents fairly in all material respects the financial position of the Borrower and the Consolidated Subsidiaries on the date thereof and for the periods covered thereby; and (iv) as to items (i) and (iii) above, be certified, without limitation as to scope, by KPMG Peat Marwick or another firm of independent certified public accountants reasonably satisfactory to the Agent, and shall be accompanied by a written statement from such accountants to the effect that in connection with their audit of such financial statements nothing has come to their attention that caused them to believe that the Borrower has failed to comply with the terms, covenants, provisions or conditions of Section 7.3, Section 8, and Section 9 of this Credit Agreement as to accounting matters (provided that such accountants may also state that the audit was not directed primarily toward obtaining knowledge of such noncompliance), or, if such accountants shall have obtained knowledge of any such noncompliance, they shall disclose in such statement any such noncompliance; PROVIDED that such accountants shall not be liable to the Banks for failure to obtain knowledge of any such noncompliance;

(b) as soon as practicable, but in any event not later than forty-five (45) days after the end of the first three fiscal quarters of each fiscal year of the Borrower, (i) the unaudited interim condensed consolidated balance sheet of the Borrower as at the end of such fiscal quarter, and (ii) the unaudited interim condensed consolidated statement of income and interim condensed consolidated statement of cash flow of the Borrower for such fiscal quarter and for the portion of the Borrower's fiscal year

then elapsed, all in reasonable detail and prepared in accordance with Rule 10-01 of Regulation S-X of the Securities and Exchange Commission, together with a certification by the principal financial or accounting officer of the Borrower that, in the opinion of management of the Borrower, all adjustments necessary for a fair presentation of (A) the results of operations of the Borrower for the periods covered thereby, (B) the financial position of the Borrower at the date thereof, and (C) the cash flows of the Borrower for periods covered thereby have been made (subject to year-end adjustments);

(c) simultaneously with the delivery of the financial statements referred to in subsections (a) and (b) above, a statement certified by the principal financial or accounting officer of the Borrower in substantially the form of EXHIBIT G hereto and setting forth in reasonable detail computations evidencing compliance with the covenants contained in Section 9 and (if applicable) reconciliations to reflect changes in generally accepted accounting principles since the Balance Sheet Date;

(d) promptly after the filing or mailing thereof, copies of all material of a financial nature filed with the Securities and Exchange Commission or sent to the holders of the Equity Securities of the Borrower;

(e) from time to time upon request of the Agent (which request shall not, unless a Default or Event of Default has occurred and is continuing, be made more than once in any calendar year), projections of the Borrower and its Subsidiaries updating those projections delivered to the Banks and referred to in Section 6.4.2 or, if applicable, updating any later such projections delivered in response to a request pursuant to this Section 7.4(e); and

(f) from time to time such other financial data and information (including accountants' management letters) as the Agent (having been requested to do so by any Bank) may reasonably request; PROVIDED, HOWEVER, that each of the Agent and the Banks agrees that with respect to any data and information obtained by it as a result of any request pursuant to this clause (f) (and with respect to any other data and information that is by the terms of this Credit Agreement to be held subject to this Section 7.4(f)), to the extent that such data and information has not theretofore otherwise been disclosed in such a manner as to render such data and information no longer confidential, each of the Agent and the Banks will use its reasonable efforts (consistent with its established procedures) to reasonably maintain (and cause its employees and officers to maintain) the

confidential nature of the data and information therein contained; PROVIDED, HOWEVER, that anything herein contained to the contrary notwithstanding, each of the Agent and the Banks may, to the extent necessary, disclose or disseminate such data and information to: (i) its employees, directors, agents, attorneys, accountants, auditors, and other professional advisers who would ordinarily have access to such data and information in the normal course of the performance of their duties in accordance with the Agent's or such Bank's customary procedures relating to confidential information; (ii) such third parties as it may, in its discretion, deem reasonably necessary or desirable (A) in connection with or in response to any Government Mandate or request of any Government Authority, or (B) in connection with any Proceeding pending (or on its face purported to be pending) before any Government Authority (including Proceedings involving the Borrower); (iii) any prospective purchaser, participant or investment banker in connection with the resale or proposed resale of any portion of the Loans, or of a participation therein, who shall agree in writing to accept such information subject to the provisions of this clause (f); (iv) any Person holding the Equity Securities or Funded Debt of the Agent or such Bank who, subject to the provisions of this clause (f), shall have requested to inspect such information; and (v) any Entity utilizing such information to rate or classify the Equity Securities or Funded Debt of the Agent or such Bank or to report to the public concerning the industry of which the Agent or such Bank is a part; PROVIDED, HOWEVER, that none of the Agent and the Banks shall be liable to the Borrower or any other Person for damages arising hereunder from the disclosure of non-public information despite its reasonable efforts in accordance with the provisions of this clause (f) or from a failure by any other party to perform and observe its covenants in this clause (f).

7.5. NOTICES.

7.5.1. DEFAULTS. The Borrower will promptly after the executive management of the Borrower (which for purposes of this section shall mean the chairman of the board, president, chief financial officer, chief accounting officer, and controller of the Borrower) becomes aware thereof (and in any case within five (5) days after the executive management becomes aware thereof) notify the Agent and each of the Banks in writing of the occurrence of any Default or Event of Default. If any Person shall give any notice in writing of a claimed default (whether or not constituting an Event of Default) under this Credit Agreement or any other Contract relating to Funded Debt to which or with respect to which the Borrower or any of its

Subsidiaries is a party or obligor, whether as principal, guarantor, surety, or otherwise, the Borrower shall forthwith give written notice thereof to the Agent and each of the Banks, describing the notice or action and the nature of the claimed default.

7.5.2. ENVIRONMENTAL EVENTS. The Borrower will promptly give notice to the Agent and each of the Banks (a) of any violation of any Environmental Law that the Borrower or any of its Subsidiaries reports in writing, or that is reportable by any such Person in writing (or for which any written report supplemental to any oral report is made) to any Government Authority, and (b) upon becoming aware thereof, of any Proceeding, including a notice from any Government Authority of potential environmental liability, that has the potential, in the Borrower's reasonable judgement, to have a Material Effect.

7.5.3. NOTICE OF PROCEEDINGS AND JUDGMENTS. The Borrower will, and will cause each of its Subsidiaries to, give notice to the Agent and each of the Banks in writing within thirty (30) days of becoming aware of any Proceedings pending or threatened in writing affecting the Borrower or any of its Subsidiaries or to which the Borrower or any of its Subsidiaries is or becomes a party that could reasonably be expected by the Borrower to have a Material Effect (or of any material change in any such Proceedings of which the Borrower has previously given notice). Any such notice will state the nature and status of such Proceedings. The Borrower will, and will cause each of its Subsidiaries to, give notice to the Agent and each of the Banks, in writing, in form and detail satisfactory to the Agent, within fifteen (15) days of any judgment not covered by insurance, final or otherwise, against the Borrower or any of its Subsidiaries in an amount in excess of $5,000,000.

7.5.4. NOTICE OF CHANGE OF CONTROL. In the event the Borrower obtains knowledge of a Change of Control or an impending Change of Control, the Borrower will promptly give written notice (a "BORROWER CONTROL CHANGE NOTICE") of such fact to the Agent and the Banks at least forty (40) days prior to the proposed Change of Control Date; PROVIDED, HOWEVER, that in no event shall such a Borrower Control Change Notice be delivered to the Agent and the Banks more than three (3) Business Days after the Change of Control Date. Without limiting the foregoing, upon obtaining actual knowledge of any Change of Control or impending Change of Control, any of the Agent and the Banks may (but in no case shall any of them be obligated to) deliver written notice to the Borrower of such event, indicating that such event requires the Borrower to prepay the Loans pursuant to either

Section 3.2.2 or Section 4.3.2, as applicable (and in any such notice a Bank may make demand for payment of its Loans under either Section 3.2.2 or Section 4.3.2, as applicable). Promptly upon receipt of such notice, but in no event later than five (5) Business Days after actual receipt thereof, the Borrower will give written notice (such notice, together with a Borrower Control Change Notice, a "CONTROL CHANGE NOTICE") of such fact to the Agent and the Banks (including the Bank that has so notified the Borrower). Any Control Change Notice shall (a) describe the principal facts and circumstances of such Change of Control known to the Borrower in reasonable detail (including the Change of Control Date or, if the Borrower does not have knowledge of the Change of Control Date, the Borrower's best estimate of such Change of Control Date), (b) make reference to either Section 3.2.2 or Section 4.3.2, as applicable, and the rights of the Banks to require the Borrower to prepay the Loans on the terms and conditions provided for therein, and (c) state that each Bank may make a demand for payment of its Loans by providing written notice to the Borrower within fifteen (15) days after the effective date of such Control Change Notice. In the event the Borrower shall not have designated the Change of Control Date in its Control Change Notice, the Borrower shall keep the Agent and the Banks informed as to any changes in the estimated Change of Control Date and shall provide written notice to the Agent and the Banks specifying the Change of Control Date promptly upon obtaining knowledge thereof.

7.6. EXISTENCE; BUSINESS; PROPERTIES.

7.6.1. LEGAL EXISTENCE. The Borrower will, and will cause each of its Consolidated Subsidiaries to, do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights and franchises as a corporation or limited partnership, as the case may be, except, with respect to rights and franchises, where the failure to preserve and keep in full force and effect such rights and franchises would not be likely to have a Material Effect, PROVIDED, HOWEVER, this section shall not prohibit any merger, consolidation, or reorganization of the Borrower or any of its Subsidiaries permitted pursuant to Section 8.2.

7.6.2. CONDUCT OF BUSINESS. The Borrower will, and will cause each of its Consolidated Subsidiaries to, engage in a diversified investment management business substantially of the nature described in the Borrower's Form 10-K for the year ended December 31, 1992, as the nature of such business has been or will be modified and expanded by the Specified Acquisitions and the Borrower's acquisition of the business of Equitable Capital Management Corporation.

7.6.3. MAINTENANCE OF PROPERTIES. The Borrower will, and will cause each of its Consolidated Subsidiaries to, cause its properties used or useful in the conduct of its business and which are material to the Business of the Borrower and its Consolidated Subsidiaries taken as a whole to be maintained and kept in good condition, repair, and working order and supplied with all necessary equipment, ordinary wear and tear excepted; PROVIDED that nothing in this Section 7.6.3 shall prevent the Borrower or any of its Consolidated Subsidiaries from discontinuing the operation and maintenance of any properties if such discontinuance (i) is, in the judgment of the Borrower or such Subsidiary, desirable in the conduct of its business, and (ii) does not have a Material Effect.

7.6.4. STATUS UNDER SECURITIES LAWS. The Borrower shall maintain its status as a registered "investment adviser" under (a) the Investment Advisers Act of 1940 and (b) under the laws of each state in which such registration is required in connection with the investment advisory business of the Borrower and, as to (b) only, where a failure to obtain such registration would be likely to have a Material Effect. The Borrower shall cause Alliance Distributors to maintain its status as a registered "broker/dealer" under the Securities Exchange Act of 1934 and under the laws of each state in which such registration is required in connection with the business of Alliance Distributors and where a failure to obtain such registration would be likely to have a Material Effect, and to maintain its membership in the National Association of Securities Dealers, Inc.

7.7. INSURANCE. The Borrower will, and will cause each of its Consolidated Subsidiaries to, maintain with financially sound and reputable insurers insurance with respect to its properties and business against such casualties and contingencies, in such amounts, containing such terms, in such forms, and for such periods, or shall be self-insured in respect of such risks (with appropriate reserves to the extent required by generally accepted accounting principles), as shall be customary in the industry for companies engaged in similar activities in similar geographic areas.

7.8. TAXES. The Borrower will, and will cause each of its Consolidated Subsidiaries to, duly pay and discharge, or cause to be paid and discharged, before the same shall become overdue, all taxes, assessments, and other governmental charges imposed upon it or its real property, sales, and activities, or any part thereof, or upon the income or profits therefrom, as well as all claims for

labor, materials, or supplies that if unpaid (a) might by law become a Lien upon any of its property and (b) would be reasonably likely to result in a Material Effect; PROVIDED that any such tax, assessment, charge, levy, or claim need not be paid if the validity or amount thereof shall currently be contested in good faith by appropriate Proceedings and if the Borrower or such Subsidiary shall have set aside on its books, if and to the extent permitted by generally accepted accounting principles, adequate accruals with respect thereto.

7.9. INSPECTION OF PROPERTIES AND BOOKS, ETC.

7.9.1. GENERAL. The Borrower shall, and shall cause each of its Subsidiaries to, permit the Banks, through the Agent or any of the Banks' other designated representatives, to visit and inspect any of the properties of the Borrower or any of its Subsidiaries, to examine the books of account of the Borrower and its Subsidiaries (and to make copies thereof and extracts therefrom), and to discuss the affairs, finances, and accounts of the Borrower and its Subsidiaries with, and to be advised as to the same by, its and their officers, all at such reasonable times and intervals as the Agent or any Bank may request. The costs incurred by the Agent and the Banks in connection with any such inspection shall be borne by the Banks making or requesting the inspection (or, if the Agent makes an inspection on its own initiative, by the Banks jointly, on a PRO RATA basis according to their outstanding Loans or, if no Loans are outstanding, their respective Commitments), except as otherwise provided by Section 15(f). Any data and information that is obtained by the Agent or any Bank pursuant to this Section 7.9.1 shall be held subject to Section 7.4(f).

7.9.2. COMMUNICATION WITH ACCOUNTANTS. The Borrower authorizes the Agent and, if accompanied by the Agent, the Banks to communicate directly with the Borrower's independent certified public accountants and authorizes such accountants to disclose to the Agent and the Banks any and all financial statements and other supporting financial documents and schedules, including copies of any management letter with respect to the Business of the Borrower or any of its Subsidiaries. The Borrower shall be entitled to reasonable prior notice of any such meeting with its independent certified public accountants and shall have the opportunity to have its representatives present at any such meeting. At the request of the Agent, the Borrower shall deliver a letter addressed to such accountants instructing them to comply with the provisions of this 7.9.2. Any data and information that is obtained by the Agent or any Bank pursuant to this Section 7.9.2 shall be held subject to Section 7.4(f).

7.10. COMPLIANCE WITH GOVERNMENT MANDATES, CONTRACTS, AND PERMITS. The Borrower will, and will cause each of its Consolidated Subsidiaries to, comply (if and to the extent that a failure to comply would be likely to have a Material Effect) with (a) all applicable Government Mandates wherever the business of the Borrower or any such Subsidiary is conducted, including all Environmental Laws and all Government Mandates relating to occupational safety and employment matters; (b) the provisions of the certificate of incorporation and by-laws or the agreement of limited partnership and certificate of limited partnership, as the case may be, of the Borrower and such Subsidiary; (c) all Contracts to which the Borrower or any such Subsidiary is party, by which the Borrower or any such Subsidiary is or may be bound, or to which any of their respective properties are or may be subject; and (d) the terms and conditions of any Permit used in the Business of the Borrower or any such Subsidiary. If any Permit shall become necessary or required in order that the Borrower may fulfill any of its obligations hereunder or under any of the other Loan Documents to which the Borrower is a party, the Borrower will immediately take or cause its Subsidiaries to take all reasonable steps within the power of the Borrower and its Subsidiaries to obtain and maintain in full force and effect such Permit and furnish the Agent and the Banks with evidence thereof.

7.11. USE OF PROCEEDS. The Borrower will use the proceeds of the Loans solely (a) to finance the Specified Acquisitions, (b) to finance Permitted Acquisitions, (c) to finance the payment by the Borrower of certain commissions to brokers in connection with the sale of "B" shares of investment companies or mutual funds managed or advised by the Borrower or one of its Subsidiaries, and (d) for working capital and general corporate purposes of the Borrower and its Subsidiaries.

7.12. RESTRICTED SUBSIDIARIES. The Borrower shall cause each Restricted Subsidiary to continue at all times to satisfy the qualifications of a Restricted Subsidiary as set forth in the definition of "Restricted Subsidiary" in Section 1.1.

7.13. CERTAIN CHANGES IN ACCOUNTING PRINCIPLES. In the event of a change after the date of this Credit Agreement in (a) generally accepted accounting principles (as in effect from time to time, rather than as defined in Section 1.1) or (b) any regulation issued by the Securities and Exchange Commission (either such event being referred to herein as an "ACCOUNTING CHANGE"), that results in a material change in the calculations as to compliance with any financial covenant contained in Section 9 or in the calculation

of any item to be taken into account in the calculations as to compliance with any such covenant (the "AFFECTED COMPUTATION") in such a manner and to such an extent that, in the good faith judgment of the Chief Financial Officer of the Borrower or the Majority Banks, as evidenced by notice from such Majority Banks to the Borrower and the Agent (the "ACCOUNTING NOTICE"), the application of the Accounting Change to the Affected Computation would no longer reflect the intention of the parties to this Credit Agreement, then and in any such event:

(a) the Borrower shall, promptly after either a determination by its Chief Financial Officer as provided above or receipt of an Accounting Notice, give written notice thereof to the Agent and each Bank, which notice shall be accompanied by a copy of any Accounting Notice and a certificate of the Chief Financial Officer of the Borrower:

(i) describing the Accounting Change in question and the particular covenant or covenants that will be affected by such Accounting Change;

(ii) setting forth in reasonable detail (including detailed calculations) the manner and extent to which the covenant or covenants listed in such certificate are affected by such Accounting Change; and

(iii) setting forth in reasonable detail (including detailed calculations) the information required in order to establish that the Borrower would be in compliance with the requirements of the covenant or covenants listed in such certificate if such Accounting Change was not effective (or, if the Borrower would not be so in compliance, setting forth in reasonable detail calculations of the extent of such non-compliance);

(b) the Borrower and the Banks will enter into good faith negotiations with each other for an equitable amendment of such covenant or covenants, and the definition of generally accepted accounting principles set forth in Section 1.1, pursuant to Section 25 so as to place the parties, insofar as possible, in the same relative position as if such Accounting Change had not occurred;

(c) for the period from the date on which such Accounting Change becomes effective (the "EFFECTIVE DATE") to the effective date of an amendment to this Credit Agreement pursuant to Section 25, the Borrower shall be deemed to be in compliance with the covenant or covenants listed in

such certificate if and so long as (but only if and so long as) the Borrower would be in compliance with such covenant or covenants if such Accounting Change had not occurred; and

(d) if no amendment to this Credit Agreement has become effective within ninety (90) days after the Effective Date of such Accounting Change, then all accounting computations required to be made for purposes of this Credit Agreement thereafter shall be made in accordance with generally accepted accounting principles as in effect immediately prior to such Effective Date.

8. CERTAIN NEGATIVE COVENANTS OF THE BORROWER.

The Borrower covenants and agrees that, so long as any Loan or Note is outstanding or any Bank has any obligation to make any Loans:

8.1. DISPOSITION OF ASSETS. The Borrower will not, and will not cause, permit, or suffer any of its Consolidated Subsidiaries to, in any single transaction or in multiple transactions within any fiscal year of the Borrower, sell, transfer, assign, or otherwise dispose of all of the business or assets of the Borrower and the Consolidated Subsidiaries, any Significant Assets, or any 12b-1 Fees, or enter into any Contract for any such sale, transfer, assignment, or disposition, PROVIDED, HOWEVER:

(a) Subsidiaries of the Borrower may sell, transfer, assign, or dispose of assets (including 12b-1 Fees) to the Borrower;

(b) Subsidiaries of the Borrower may sell, transfer, assign, or dispose of assets (including 12b-1 Fees) to any Restricted Subsidiary;

(c) the Borrower may sell, transfer, assign, or dispose of assets (including 12b-1 Fees) to any Restricted Subsidiary, PROVIDED such Restricted Subsidiary shall have prior to the effective date of such sale, transfer, assignment, or disposition executed and delivered to the Agent an Assumption Agreement (and all of the conditions set forth in such Assumption Agreement shall have been satisfied and such Assumption Agreement (i) shall not be subject to any default or event of default with respect to any party, (ii) shall not be subject to any notice of termination given or received by the Borrower or any of its Subsidiaries, and (iii) shall be the legal, valid, and binding obligation of each party thereto enforceable against such party according to its terms);

(d) the Borrower and any Subsidiary of the Borrower may sell, transfer, assign, or dispose of 12b-1 Fees to Persons other than the Borrower and Restricted Subsidiaries, PROVIDED either:

(i) such sale, transfer, assignment, or disposition relates solely to 12b-1 Fees (A) with respect to mutual fund shares sold on or after the date of sale, transfer, assignment, or disposition of such 12b-1 Fees (I.E., the deferred asset pertaining to the underlying mutual fund shares does not appear on the Borrower's consolidated balance sheet, except for interim periods for purposes of administrative convenience or to establish pooling at reasonable intervals) and (B) with respect to which the related commissions are financed by the transferee of the 12b-1 Fees either without recourse (which for purposes of this section shall not include liability for breaches of standard seller's representations made in connection with such a sale that do not, expressly or in effect, constitute a guarantee of the 12b-1 Fees sold) to the Borrower or any of its Subsidiaries or with recourse to the Borrower and its Subsidiaries limited to a specific Dollar amount such that the liabilities of the Borrower and its Subsidiaries in respect of such recourse are permitted under clause (ix) or clause (x) of Section 8.4 and do not result in a breach by the Borrower of Section 8.7 or Section 9.3; or

(ii) the amount of 12b-1 Fees sold, transferred, assigned, or disposed of to Persons other than the Borrower and Restricted Subsidiaries (other than as permitted in clause (i) above) during any fiscal year of the Borrower does not exceed twenty-five percent (25%) of the deferred assets pertaining to 12b-1 Fees reflected in the consolidated balance sheet of the Borrower and the Consolidated Subsidiaries as at the end of the fiscal year of the Borrower most recently ended, PROVIDED such sale, transfer, assignment, or disposition is either (A) without recourse to the Borrower or any Subsidiary of the Borrower, or (B) with recourse to the Borrower and its Subsidiaries limited to a specific Dollar amount such that the liabilities of the Borrower and its Subsidiaries in respect of such recourse are permitted under clause (ix) or clause (x) of Section 8.4 and do not result in a breach by the Borrower of Section 8.7 or Section 9.3.

Any Indebtedness in respect of obligations of the Borrower and its Subsidiaries with recourse limited to a specific dollar amount referred to in Section 8.1(d) shall constitute "Funded Debt" as defined in Section 1.1.

8.2. MERGERS AND REORGANIZATIONS. The Borrower will not, and will not cause, permit, or suffer any of its Consolidated Subsidiaries to, become a party to any merger, consolidation, or reorganization (any such transaction, a "REORGANIZATION" and the term "REORGANIZE" shall have a correlative meaning) or enter into any Contract providing for any Reorganization, PROVIDED, HOWEVER:

(a) the Borrower may Reorganize solely with any Restricted Subsidiary, and any Restricted Subsidiary may Reorganize solely with the Borrower or any other Restricted Subsidiary, PROVIDED (i) if the Borrower is party to such Reorganization, it is the sole surviving Entity, and (ii) if a Restricted Subsidiary that has previously executed and delivered to the Agent an Assumption Agreement is party to such Reorganization, each Entity (other than the Borrower or a Restricted Subsidiary that has previously executed and delivered to the Agent an Assumption Agreement) surviving such Reorganization shall execute and deliver to the Agent an Assumption Agreement (and all of the conditions set forth in such Assumption Agreement shall have been satisfied and such Assumption Agreement (i) shall not be subject to any default or event of default with respect to any party, (ii) shall not be subject to any notice of termination given or received by the Borrower or any of its Subsidiaries, and (iii) shall be the legal, valid, and binding obligation of each party thereto enforceable against such party according to its terms);

(b) the Borrower may Reorganize with other Entities in connection with any Permitted Acquisition, PROVIDED (i) the Borrower is the sole surviving Entity of such Reorganization; (ii) no Default or Event of Default, or breach by the Borrower of any of its covenants in the Loan Documents, shall have occurred and be continuing at the time of such Reorganization; (iii) no Default or Event of Default, or breach by the Borrower of any of its covenants in the Loan Documents, shall occur as a result of, or after giving effect to, such Reorganization; and (iv) such Reorganization does not result in a Change of Control; and

(c) the Borrower may Reorganize with any other Entity (including Reorganizations in connection with a conversion of the Borrower to corporate form and other transactions permitted under Section 2.6 of the Borrower Partnership Agreement), PROVIDED:

(i) no Default or Event of Default, or breach by the Borrower of any of its covenants in the Loan Documents, shall have occurred and be continuing at the time of such Reorganization;

(ii) no Default or Event of Default, or breach by the Borrower of any of its covenants in the Loan Documents, shall occur as a result of, or after giving effect to, such Reorganization;

(iii) each surviving Entity (other than the Borrower if it survives), and each Person that in connection with such Reorganization acquires or succeeds to any of the business or assets of the Borrower (other than Persons that in the aggregate acquire or succeed to assets generating less than five percent (5%) of the consolidated revenues of the Borrower and the Consolidated Subsidiaries during the fiscal year of the Borrower most recently ended), shall, as a condition of the effectiveness of such Reorganization, execute and deliver to the Agent an Assumption Agreement (and all of the conditions set forth in such Assumption Agreement shall have been satisfied and such Assumption Agreement (i) shall not be subject to any default or event of default with respect to any party, (ii) shall not be subject to any notice of termination given or received by the Borrower or any of its Subsidiaries, and (iii) shall be the legal, valid, and binding obligation of each party thereto enforceable against such party according to its terms);

(iv) such Reorganization does not result in a Change of Control;

(v) after giving effect to such Reorganization, investment management contracts with respect to at least eighty percent (80%) of the assets under management by the Borrower and the Consolidated Subsidiaries immediately prior to such Reorganization (A) shall remain in full force and effect, and (B) shall, if held by the Borrower and/or one or more of the Consolidated Subsidiaries prior to such Reorganization, be held by the Borrower or shall have been duly assigned to Persons executing and delivering to the Agent Assumption Agreements and/or one or more of its consolidated Subsidiaries as provided in clause (iii) above; and

(vi) any diminution in the aggregate net worth of the Borrower (if it survives) and any Persons executing and delivering to the Agent Assumption Agreements as provided in clause (iii) above and the consolidated Subsidiaries of each thereof (after elimination of intercompany items and without double

counting), when compared with the Consolidated Net Worth of the Borrower as of the date of the most recently completed fiscal quarter immediately prior to such Reorganization, is not more than five percent (5%) of such Consolidated Net Worth.

8.3. ACQUISITIONS. The Borrower will not, and will not cause, permit, or suffer any of its Subsidiaries to, become a party to, contract for, or effect any purchase, exchange, or acquisition of Equity Securities or assets (any such transaction, an "ACQUISITION"), other than an Acquisition of assets that do not constitute all or a material part of a business, PROVIDED, HOWEVER, the Borrower or any of its Subsidiaries may become a party to, contract for, or effect an Acquisition if each of the following conditions are satisfied:

(a) no Default or Event of Default, or breach by the Borrower of any of its covenants in the Loan Documents, shall have occurred and be continuing at the time of such Acquisition;

(b) no Default or Event of Default, or breach by the Borrower of any of its covenants in the Loan Documents, shall occur as a result of, or after giving effect to, such Acquisition;

(c) such Acquisition relates solely to (i) Equity Securities in another Person engaged primarily in, or assets of another Person used primarily for, a business of the same general type as the business of the Borrower and its Subsidiaries described in the Borrower's Form 10-K for the year ended December 31, 1992, as the nature of such business has been or will be modified and expanded by the Specified Acquisitions and the Borrower's acquisition of the business of Equitable Capital Management Corporation, (ii) goods or services that will be used in the business of the Borrower or any of its Subsidiaries, or (iii) additional Equity Securities issued by an Entity, the Equity Securities of which have previously been purchased by the Borrower or one of its Subsidiaries under this Section 8.3;

(d) if such Acquisition relates to Equity Securities of another Entity, after giving effect to such Acquisition, at least a majority of the Equity Securities, and at least a majority of the Voting Equity Securities, of such Entity are held directly by the Borrower or indirectly by the Borrower through one or more Restricted Subsidiaries (but not through any Subsidiary that is not a Restricted Subsidiary);

(e) any Entity that issued Equity Securities purchased in such Acquisition and any Entity through which the Borrower effected an Acquisition of Equity Securities or assets, becomes, upon the consummation of the Acquisition, a Consolidated Subsidiary subject to the terms and conditions of this Credit Agreement; and

(f) except as permitted by Section 8.6, any Entity that issued Equity Securities purchased in such Acquisition and any Entity through which the Borrower effected an Acquisition of Equity Securities or assets is not upon consummation of such Acquisition (and the Borrower will not thereafter cause, permit, or suffer any such Entity to become) a general partner in any partnership, a party to a joint venture, or subject to any contingent obligations established by Contract that are not by their terms limited to a specific dollar amount.

8.4. RESTRICTIONS ON LIENS. The Borrower will not, and will not cause, permit, or suffer any of its Consolidated Subsidiaries to, (a) create or incur, or cause, permit, or suffer to be created or incurred or to exist, any Lien upon any of its property or assets of any character whether now owned or hereafter acquired, or upon the income or profits therefrom; (b) transfer any of such property or assets or the income or profits therefrom for the purpose of subjecting the same to the payment of Indebtedness or performance of any other obligation in priority to payment of its general creditors; (c) acquire, or agree or have an option to acquire, any property or assets upon conditional sale or other title retention or purchase money security agreement, device, or arrangement; (d) suffer to exist any Indebtedness or claim or demand for a period of time such that the same by Government Mandate or upon bankruptcy or insolvency, or otherwise, would be given any priority whatsoever over its general creditors; or (e) assign, pledge, or otherwise transfer any accounts, contract rights, general intangibles, chattel paper, or instruments, with or without recourse, other than a transfer or assignment in connection with a sale permitted under Section 8.1 or an Investment permitted under Section 8.6; PROVIDED that the Borrower and any Subsidiary of the Borrower may create or incur, or cause, permit, or suffer to be created or incurred or to exist:

(i) Liens imposed by Government Mandate to secure taxes, assessments, and other government charges in respect of obligations not overdue;

(ii) statutory Liens of carriers, warehousemen, mechanics, suppliers, laborers, and materialmen, and other like Liens, in each case in respect of obligations not overdue;

(iii) pledges or deposits made in connection with, or to secure payment of, workers' compensation, unemployment insurance, old age pensions, or other social security obligations;

(iv) Liens on Real Estate consisting of easements, rights of way, zoning restrictions, restrictions on the use of real property, defects and irregularities in the title thereto, and other minor Liens, PROVIDED, (A) none of such Liens in the reasonable opinion of the Borrower interferes materially with the use of the affected property in the ordinary conduct of the business of the Borrower and its Subsidiaries, and (B) such Liens individually or in the aggregate do not have a Material Effect;

(v) the rights and interests of landlords and lessors under leases of Real Estate leased by the Borrower or one of its Subsidiaries, as lessee;

(vi) presently outstanding Liens listed on SCHEDULE 8.4;

(vii) Liens in favor of either the Borrower or a Restricted Subsidiary on all or part of the assets of any Subsidiary of the Borrower securing Indebtedness owing by such Subsidiary to the Borrower or such Restricted Subsidiary, as the case may be;

(viii) Liens on interests of the Borrower or its Subsidiaries in partnerships or joint ventures consisting of binding rights of first refusal, rights of first offer, take-me-along rights, third-party offer provisions, buy-sell provisions, other transfer restrictions and conditions relating to such partnership or joint venture interests, and Liens granted to other participants in such partnership or joint venture as security for the performance by the Borrower or its Subsidiaries of their obligations in respect of such partnership or joint venture;

(ix) UCC notice filings in connection with non-recourse sales of 12b-1 Fees (other than sales constituting a collateral security device); and

(x) Liens (in addition to those specified in clauses (i) through (ix) above) securing Indebtedness in an aggregate amount for the Borrower and all of its Consolidated Subsidiaries taken together not in excess of $10,000,000 outstanding at any point in time.

8.5. GUARANTIES. The Borrower shall not, and shall not cause, permit, or suffer any of its Consolidated Subsidiaries to, either (a) guaranty, endorse, accept, act as surety for, or otherwise become liable in respect of, Indebtedness of (or undertake to maintain working capital or other balance sheet condition of, or otherwise to advance or make funds available for the purchase of Indebtedness of) other Persons unless such obligation of the Borrower or its Subsidiary is expressly limited by the instrument establishing the same to a specified amount, or (b) voluntarily incur, create, assume, or otherwise become liable for any contingent obligations that are not by their terms limited to a specific dollar amount. This Section 8.5 shall not apply to (a) contingent obligations of a Subsidiary of the Borrower that is not a Restricted Subsidiary in its capacity as general partner of a partnership, or (b) guaranties by the Borrower or any Consolidated Subsidiary of obligations of Restricted Subsidiaries (other than obligations in respect of Funded Debt) incurred in the ordinary course of business.

8.6. RESTRICTIONS ON INVESTMENTS. The Borrower will not, and will not cause, permit, or suffer any of its Consolidated Subsidiaries to, make or permit to exist or to remain outstanding any Investment except:

(a) Investments in marketable securities, liquid investments, and other financial instruments that are acquired for investment purposes and that have a value that may be readily established, including any such Investment that may be readily sold or otherwise liquidated in any mutual fund for which the Borrower or one of its Subsidiaries serves as investment manager or adviser;

(b) Investments consisting of seed money contributions to open-end and closed-end investment companies for which the Borrower or one of its Subsidiaries serves as investment manager or adviser, PROVIDED in each case the amount of such Investment will not exceed the minimum seed money contribution required by the 1940 Act or other applicable law, regulation, or custom (provided that when seed money contributions are made pursuant to "custom", in no event shall the amount contributed to any single investment company exceed $1,000,000);

(c) Investments existing on the Closing Date and set forth on SCHEDULE 8.6;

(d) Investments made by the Borrower or any Restricted Subsidiary in the Borrower or any Restricted Subsidiary;

(e) Investments made after the Closing Date in Consolidated Subsidiaries that act as general partner of one or more partnerships in an aggregate amount not to exceed $20,000,000 at any point in time;

(f) Investments consisting of inter-company advances made in the ordinary course of business by the Borrower or any Subsidiary to any Consolidated Subsidiary, provided each such advance is settled within ninety (90) days after it is made (for purposes of this section, settlement shall mean repayment of an advance in full in cash and without renewal of such advance, and without a substitute advance from the Borrower or another Subsidiary, for at least twenty-four (24) hours after such cash payment); and

(g) Investments (in addition to those specified in clauses (a) through (f) above) in an aggregate amount for the Borrower and all of its Subsidiaries taken together not in excess of $60,000,000 outstanding at any point in time.

Notwithstanding any provisions to the contrary in the definition of "Investments" in Section 1.1, the Dollar amount of any Investment for purposes of clauses (e) and (g) above shall be reduced by the amount of any dividend, interest, or other return in respect of such Investment that is actually received in cash by the Borrower or a Restricted Subsidiary.

8.7. RESTRICTIONS ON FUNDED DEBT. The Borrower will not cause, permit, or suffer any of the Consolidated Subsidiaries to, create, incur, assume, guarantee, or be or remain liable, contingently or otherwise, with respect to any Funded Debt, provided, however, that (a) this section shall not apply to Funded Debt owing solely to the Borrower or another Consolidated Subsidiary of the Borrower, and (b) Consolidated Subsidiaries of the Borrower other than Alliance Capital Management Corporation of Delaware and Alliance Distributors may, subject to the other terms and conditions of the Loan Documents, create, incur, assume, guarantee, or be or remain liable with respect to Funded Debt in an aggregate principal amount (for all such Subsidiaries) that does not exceed seven and five tenths

percent (7.5%) of the Borrower's Consolidated Net Worth as set forth in the most recent available annual or quarterly report of the Borrower.

8.8. DISTRIBUTIONS. The Borrower shall not cause, permit, or suffer any restriction or Lien on the ability of any Consolidated Subsidiary to (a) pay, directly or indirectly, any Distributions to the Borrower or any other Subsidiary of the Borrower, (b) make any payments, directly or indirectly, in respect of any Indebtedness or other obligation owed to the Borrower or any of its Subsidiaries, (c) make loans or advances to the Borrower or any other Subsidiary of the Borrower, or (d) sell, transfer, assign, or otherwise dispose of any property or assets to the Borrower or any other Subsidiary of the Borrower, except, in each such case, restrictions or Liens (aa) that exist under or by reason of applicable Government Mandates, including any net capital rules, (bb) that are imposed only, as to Indebtedness of the Borrower or any Consolidated Subsidiary incurred prior to the date hereof, upon a failure to pay when due any of such Indebtedness, or, as to Indebtedness of the Borrower or any Consolidated Subsidiary incurred on or after the date hereof, upon an acceleration of such Indebtedness or a failure to pay the full amount of such Indebtedness at maturity, or (cc) that arise by reason of the maintenance by any Subsidiary that is not a Restricted Subsidiary of a level of net worth for the purpose of ensuring that limited partnerships for which it serves as general partner will be treated as partnerships for federal income tax purposes. Notwithstanding the foregoing, any portion of net earnings of any Restricted Subsidiary that are unavailable for payment of dividends to the Borrower or any other Restricted Subsidiary by reason of a restriction or Lien permitted under any of clauses (aa), (bb), and (cc) shall be excluded from the calculation of Consolidated Net Income (or Loss).

8.9. TRANSACTIONS WITH AFFILIATES. The Borrower will not, and will not cause, permit, or suffer any of its Subsidiaries to, directly or indirectly, enter into any Contract or other transaction with any Affiliate of the Borrower or any of its Subsidiaries that is material to the Borrower and the Consolidated Subsidiaries taken as a whole, unless either: (a) such Contract or transaction relates solely to compensation arrangements with directors, officers, or employees of the Borrower, the General Partner, or the Consolidated Subsidiaries, or (b) such transaction is in the ordinary course of business and is, taking into account the totality of the relationships involved, on fair and reasonable terms no less favorable to the Borrower and

the Consolidated Subsidiaries taken as a whole than would be obtained in comparable arm's length transactions with Persons that are not Affiliates.

8.10. FISCAL YEAR. The Borrower shall not change its fiscal year unless the parties to the Loan Documents shall first enter into amendments to the Loan Documents such that the rights of the parties to the Loan Documents will not be affected by the change in the fiscal year of the Borrower, and the parties shall enter into such amendments as may be required in connection with a change of the Borrower's fiscal year.

8.11. COMPLIANCE WITH ENVIRONMENTAL LAWS. The Borrower will not, and will not cause, permit, or suffer any of its Subsidiaries to, (a) use any of the Real Estate or any portion thereof for the handling, processing, storage, or disposal of Hazardous Substances, (b) cause, permit, or suffer to be located on any of the Real Estate any underground tank or other underground storage receptacle for Hazardous Substances, (c) generate any Hazardous Substances on any of the Real Estate, (d) conduct any activity at any Real Estate or use any Real Estate in any manner so as to cause a release (i.e., releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping) or threatened release of Hazardous Substances on, upon, or into the Real Estate, or (e) otherwise conduct any activity at any Real Estate or use any Real Estate in any manner that would violate any Environmental Law or bring such Real Estate in violation of any Environmental Law, in each case, so as would be likely to have a Material Effect.

8.12. EMPLOYEE BENEFIT PLANS. The Borrower will not, and will not cause, permit, or suffer any ERISA Affiliate to:

(a) engage in any "prohibited transaction" within the meaning of Section 406 of ERISA or Section 4975 of the Code that could result in a material liability for the Borrower and its Consolidated Subsidiaries taken as a whole;

(b) permit any Guaranteed Pension Plan to incur an "accumulated funding deficiency", as such term is defined in Section 302 of ERISA, whether or not such deficiency is or may be waived;

(c) fail to contribute to any Guaranteed Pension Plan to an extent that, or terminate any Guaranteed Pension Plan in a manner that, could result in the imposition of a Lien on the assets of the Borrower or any of its Subsidiaries pursuant to Section 302(f) or Section 4068 of ERISA; or

(d) permit or take any action that would result in the aggregate benefit liabilities (within the meaning of Section 4001 of ERISA) of all Guaranteed Pension Plans exceeding the value of the aggregate assets of such Plans, disregarding for this purpose the benefit liabilities and assets of any such Plan with assets in excess of benefit liabilities.

8.13. AMENDMENTS TO CERTAIN DOCUMENTS. The Borrower shall not, without the prior written consent of the Agent in each instance, permit or suffer any material amendments, modifications, supplements, or restatements of (a) its certificate of limited partnership or the Borrower Partnership Agreement (or, following any conversion of the Borrower to a corporation, its certificate of incorporation or by-laws) that (i) relate to the determination of Available Cash Flow or Operating Cash Flow under the Borrower Partnership Agreement, or (ii) could reasonably be expected to materially adversely affect the ability of the Borrower to perform and observe its obligations under the Loan Documents or the legal rights and remedies of the Banks and the Agent under any of the Loan Documents, or (b) except as provided in clauses (I) and (II) of the proviso at the end of the definition of "Change of Control" in Section 1.1, the Note Agreements that would alter the rights of the holders of the Indebtedness under the Note Agreements in respect of a Change of Control, PROVIDED, HOWEVER, the Agent will not unreasonably withhold its consent to any such amendments, modifications, supplements, or restatements of the Note Agreements so long as the Borrower executes and delivers to the Agent an amendment to this Credit Agreement, in form and substance reasonably satisfactory to the Agent, that would, MUTATIS MUTANDIS, effect the same changes in the rights of the Banks in respect of a Change of Control as would, upon the effectiveness of such change in the Note Agreements, be effected in the rights of the holders of the Indebtedness under the Note Agreements (with such amendment to the Credit Agreement to be effective as of the effectiveness of such amendment, modification, supplement, or restatement of the Note Agreements). The Borrower shall provide the Agent and each Bank with a copy of any amendments, modifications, supplements, or restatements of its certificate of limited partnership, the Borrower Partnership Agreement (or, following any conversion of the Borrower to a corporation, its certificate of incorporation or by-laws), or the Note Agreements promptly after the effective date thereof (regardless, with respect to the Note Agreements, of whether such amendments, modifications, supplements, or restatements are provided for in clauses (I) and (II) of the proviso at the end of the definition of "Change of Control" in Section 1.1).

9. FINANCIAL COVENANTS OF THE BORROWER.

9.1. OPERATING COVERAGE RATIO.

(a) The Borrower will not permit the ratio of Consolidated Adjusted Cash Flow to Consolidated Fixed Charges (i) at March 31, 1994 for the fiscal quarter of the Borrower then ended, (ii) at June 30, 1994 for the two consecutive fiscal quarters of the Borrower then ended, (iii) at September 30, 1994 for the three consecutive fiscal quarters of the Borrower then ended, and (iv) at the end of each fiscal quarter of the Borrower thereafter for the four consecutive fiscal quarters then ended, to be less than 1.25:1.

(b) Consolidated Adjusted Cash Flow shall mean, with respect to any fiscal period, the DIFFERENCE of:

(i) the sum of (A) EBITDA of the Borrower and the Consolidated Subsidiaries for such fiscal period, PLUS (B) non-cash charges of the Borrower and the Consolidated Subsidiaries (other than charges for depreciation and amortization) for such fiscal period to the extent deducted in determining Consolidated Net Income (or Loss) for such period;

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(ii) brokerage commissions paid in connection with sales of "B" shares of investment companies and mutual funds managed or advised by the Borrower or one of its Subsidiaries (net of contingent deferred sales charges received in conjunction with redemptions of such "B" shares).

(c) Consolidated Fixed Charges shall mean, with respect to any fiscal period, the SUM of:

(i) the aggregate amount of interest required to be paid by the Borrower and the Consolidated Subsidiaries during such period on all Funded Debt of the Borrower and the Consolidated Subsidiaries outstanding during all or any part of such period;

(ii) the aggregate amount of scheduled installments of principal required to be paid by the Borrower and the Consolidated Subsidiaries during such period on all Funded Debt of the Borrower and the Consolidated Subsidiaries outstanding during all or any

part of such period (including non-contingent amounts payable during such period in respect of keepwell obligations for Consolidated Subsidiaries that act as general partners of one or more investment partnerships);

(iii) the aggregate amount of payments in respect of taxes and other governmental assessments and charges required to be made in cash by the Borrower and the Consolidated Subsidiaries during such period;

(iv) the aggregate amount of Capital Expeditures made during such period; and

(v) the aggregate amount of rental payments and other scheduled installments required to be paid by the Borrower and the Consolidated Subsidiaries under any Capitalized Leases during such period.

9.2. TOTAL COVERAGE RATIO.

(a) The Borrower will not permit the ratio of Total Available Cash to Total Payments (i) at March 31, 1994 for the fiscal quarter of the Borrower then ended, (ii) at June 30, 1994 for the two consecutive fiscal quarters of the Borrower then ended, (iii) at September 30, 1994 for the three consecutive fiscal quarters of the Borrower then ended, and (iv) at the end of each fiscal quarter of the Borrower thereafter for the four consecutive fiscal quarters then ended, to be less than 1.00:1.

(b) Total Available Cash shall mean, with respect to any fiscal period, the SUM of:

(i) Consolidated Adjusted Cash Flow for such period as defined in Section 9.1(b);

(ii) at the start of such fiscal period, the amount equal to (A) the lesser of (I) the Borrower's "Working Capital Reserve", and (II) the SUM of Cash and Cash Equivalents PLUS Readily Marketable Securities of the Borrower and the Consolidated Subsidiaries (which shall be valued at cost, or, if cost is materially different from fair value, at fair value (as defined in generally accepted accounting principles)), AS REDUCED BY (B) the EXCESS of (I) Amounts Payable to Affiliated Funds for Share Purchases, OVER (II) Receivables from Brokers for Sale of Fund Shares;

(iii) if the first day of such period is prior to the Revolving Credit Loan Maturity Date, the DIFFERENCE of (A) the Total Commitment at the first day of such period (or, if later, the Closing Date), MINUS (B) the aggregate amount of Revolving Credit Loans outstanding at the first day of such period (or, if later, the Closing Date); and

(iv) the aggregate amount of cash proceeds to the Borrower from the issue and sale of Units and exercises of options to buy Units, net of selling commissions and offering expenses, for such period.

(c) Total Payments shall mean, with respect to any fiscal period, the SUM of:

(i) Consolidated Fixed Charges for such period as defined in Section 9.1(c);

(ii) the aggregate amount of mandatory installments of principal (other than scheduled installments of principal included in the calculation of Consolidated Fixed Charges) required to be paid by the Borrower and the Consolidated Subsidiaries during such period on all Funded Debt of the Borrower and the Consolidated Subsidiaries outstanding during all or any part of such period;

(iii) the aggregate amount of mandatory payments (other than rental payments and other scheduled installments included in the calculation of Consolidated Fixed Charges) required to be paid by the Borrower and the Consolidated Subsidiaries under any Capitalized Leases during such period;

(iv) the aggregate amount of voluntary prepayments of the principal of Funded Debt made by the Borrower and the Consolidated Subsidiaries during such period (exclusive of payments under Section 3.3 in respect of the Revolving Credit Loans);

(v) the aggregate amount of Distributions paid by the Borrower (or paid by any Consolidated Subsidiary to a Person other than the Borrower or a Consolidated Subsidiary) during such period; and

(vi) the aggregate amount of cash payments during such period by the Borrower and its Consolidated Subsidiaries in respect of Acquisitions, including the purchase price paid in such Acquisitions (net of

amounts retained as discounts, offsets, or deferred payments), any deferred purchase price installments and interest thereon (including payments of principal and interest under promissory notes), brokers and finders fees, and other out-of-pocket expenses of such Acquisitions.

9.3. RATIO OF FUNDED DEBT TO ADJUSTED CASH FLOW.

(a) The Borrower will not at any time permit the ratio of (i) the aggregate principal amount of Consolidated Adjusted Funded Debt at such time to (ii) Consolidated Adjusted Cash Flow for the period of four (4) consecutive fiscal quarters then (or most recently) ended (plus, with respect to the quarter ended June 30, 1993, the cash portion of non-recurring transaction expenses incurred by the Borrower during such quarter in connection with the acquisition by the Borrower of substantially all of the assets of Equitable Capital Management Corporation in an amount not to exceed $18,100,000), to exceed 2.15:1 if such time is on or prior to June 30, 1994 and 2.00:1 if such time is after June 30, 1994.

(b) Consolidated Adjusted Funded Debt shall mean at any time the SUM of:

(i) the aggregate outstanding principal amount of Funded Debt of the Borrower and the Consolidated Subsidiaries (whether owed by more than one of them jointly or by any of them singly) at such time determined on a consolidated basis in accordance with generally accepted accounting principles; and

(ii) without duplication, the aggregate outstanding principal amount of Funded Debt owed by the Borrower and the Consolidated Subsidiaries (whether owed by more than one of them jointly or by any of them singly) at such time to any Consolidated Subsidiary that is not a Restricted Subsidiary.

9.4. MISCELLANEOUS.

(a) All capitalized terms that are used in this Section 9 without definition in this Agreement shall refer to the corresponding items in the financial statements of the Borrower (as such items were determined for purposes of the financial statements referred to in Section 6.4).

(b) For purposes of this Section 9, demand obligations shall be deemed to be due and payable during any fiscal year during which such obligations are outstanding.

10. CLOSING CONDITIONS.

The obligations of the Banks to make the initial Revolving Credit Loans shall be subject to the satisfaction of the following conditions precedent at or before the Closing Date:

10.1. FINANCIAL STATEMENTS AND MATERIAL CHANGES. The Banks shall be reasonably satisfied that (a) the financial statements of the Borrower and the Consolidated Subsidiaries referred to in Section 6.4.1 fairly present in all material respects the business and financial condition and the results of operations of the Borrower and the Consolidated Subsidiaries as of the dates and for the periods to which such financial statements relate, and (b) there shall have been no material adverse change in the Business of the Borrower and the Consolidated Subsidiaries taken as a whole since the dates of such financial statements.

10.2. LOAN DOCUMENTS. Each of the Loan Documents shall have been duly executed and delivered by the respective parties thereto and shall be in full force and effect. Each Bank and the Agent shall have received a fully executed copy of each such document.

10.3. CERTIFIED COPIES OF CHARTER DOCUMENTS. Each of the Banks and the Agent shall have received from the Borrower and the General Partner (a) a copy of its certificate of incorporation, certificate of limited partnership, or other charter document duly certified as of a recent date by the Secretary of State of Delaware, (b) a copy, certified by a duly authorized officer of such Entity to be true and complete on the Closing Date, of its by-laws, agreement of limited partnership, or equivalent document as in effect on such date, and (c) a certificate of the Secretary of State of Delaware as to the due organization, legal existence, and good standing of such Entity. The certificate of incorporation and by-laws or partnership agreement and certificate of limited partnership, as the case may be, of the Borrower, each of its Subsidiaries, and the General Partner shall be in all respects satisfactory in form and substance to the Banks and the Agent.

10.4. PARTNERSHIP AND CORPORATE ACTION. All partnership action necessary for the valid execution, delivery, and performance by the Borrower of this Credit Agreement and the other Loan Documents to which it is or is to become a party, and all corporate action necessary for the General Partner to cause the Borrower to execute, deliver, and perform this Credit Agreement and the other Loan Documents to which the Borrower is or is to become a party, shall have been duly and effectively taken, evidence thereof reasonably satisfactory to the Banks and the Agent shall have been provided to each of the Banks, and such action shall be in full force and effect at the Closing Date.

10.5. CONSENTS. Each party hereto shall have duly obtained all consents and approvals of Government Authorities and other third parties, and shall have effected all notices, filings, and registrations with Government Authorities and other third parties, as may be required in connection with the execution, delivery, performance, and observance of the Loan Documents; all of such consents, approvals, notices, filings, and registrations shall be in full force and effect; and the Banks and the Agent shall have each received evidence thereof satisfactory to them.

10.6. OPINIONS OF COUNSEL. Each of the Banks and the Agent shall have received a favorable opinion addressed to the Banks and the Agent, dated as of the Closing Date, in the form of EXHIBIT I hereto from Seward & Kissel, counsel to the Borrower.

10.7. PROCEEDINGS. There shall be no Proceedings pending or threatened the result of which is reasonably likely to impair or prevent the Borrower's performance and observance of its obligations under this Credit Agreement and the other Loan Documents.

10.8. PAYMENT OF FEES. The Borrower shall have paid to the Agent, for the account of the Banks, FNBB, or the Agent as appropriate, all fees and other amounts due and payable in connection with the Loan Documents on or prior to the Closing Date.

10.9. INCUMBENCY CERTIFICATE. Each of the Banks and the Agent shall have received from the Borrower an incumbency certificate, dated as of the Closing Date, signed by a duly authorized officer of the Borrower and giving the name and bearing a specimen signature of each individual who shall be authorized: (a) to sign, in the name and on behalf

of the Borrower, each of the Loan Documents to which the Borrower is or is to become a party; (b) to make Loan Requests and Conversion Requests; and (c) to give notices and to take other action on behalf of the Borrower under the Loan Documents.

11. CONDITIONS TO ALL BORROWINGS.

The obligations of the Banks to make any Loan, including the Revolving Credit Loan and the Term Loan, whether on or after the Closing Date, shall also be subject to the satisfaction of the conditions precedent set forth below. Each of the submission of a Loan Request by the Borrower and the acceptance by the Borrower of any Loan shall constitute a representation and warranty by the Borrower that the conditions set forth below have been satisfied.

11.1. NO DEFAULT. No Default or Event of Default shall have occurred and be continuing.

11.2. REPRESENTATIONS TRUE. Each of the representations and warranties of the Borrower and its Subsidiaries contained in this Credit Agreement, the other Loan Documents, or in any document or instrument delivered pursuant to or in connection with this Credit Agreement shall be true and correct in all material respects as of the time of the making of such Loan, with the same effect as if made at and as of that time (except (a) to the extent that such representations and warranties expressly relate to a prior date, in which case they shall be true and correct in all material respects as of such earlier date, and (b) to the extent of changes resulting from transactions contemplated or permitted by this Credit Agreement and the other Loan Documents and changes occurring in the ordinary course of business that singly or in the aggregate are not materially adverse to the Borrower and its Consolidated Subsidiaries taken as a whole).

11.3. LOAN REQUEST. In the case of a Revolving Credit Loan, the Agent shall have received from the Borrower a Loan Request as provided in Section 2.6.

11.4. PAYMENT OF FEES. Without limiting any other condition, the Borrower shall have paid to the Agent, for the account of the Banks, FNBB, or the Agent as appropriate, all fees and other amounts due and payable under the Loan Documents at or prior to the time of the making of such Loan.

11.5. NO LEGAL IMPEDIMENT. No change shall have occurred in any Government Mandate that in the reasonable opinion of any Bank would make it illegal for such Bank to make such Loan (it being understood that this section shall be a condition only for the Bank or Banks affected by such Government Mandate).

11.6. GOVERNMENTAL REGULATION. Each Bank shall have received such statements in substance and form reasonably satisfactory to such Bank as such Bank shall reasonably request for the purpose of compliance with any applicable Government Mandates of the Comptroller of the Currency or the Board of Governors of the Federal Reserve System.

12. EVENTS OF DEFAULT; ACCELERATION; ETC.

12.1. EVENTS OF DEFAULT AND ACCELERATION. If any of the following events ("EVENTS OF DEFAULT" or, if the giving of notice or the lapse of time or both is required, then, prior to such notice or lapse of time, "DEFAULTS") shall occur:

(a) the Borrower or any Other Obligor shall fail to pay any principal of the Loans when the same shall become due and payable, whether at the stated date of maturity or any accelerated date of maturity or at any other date fixed for payment;

(b) the Borrower or any Other Obligor shall fail to pay any interest on the Loans, the commitment fee, the Agent's fee, or other sums due hereunder or under any of the other Loan Documents, when the same shall become due and payable, whether at the stated date of maturity or any accelerated date of maturity or at any other date fixed for payment;

(c) the Borrower or any Other Obligor shall fail to perform or observe any of its covenants contained in Sections 7.5.1, 7.6.1, 8.1, 8.2, 8.3, 8.13, 9, or, if such failure relates to a Lien securing Funded Debt, 8.4;

(d) the Borrower, any Other Obligor, or any of their respective Subsidiaries shall fail to perform or observe any term, covenant, or agreement contained herein or in any of the other Loan Documents (other than those

specified elsewhere in this Section 12) for thirty (30) days after written notice of such failure has been given to the Borrower (or if the Borrower no longer exists, such Other Obligor) by the Agent;

(e) any representation or warranty of the Borrower, any Other Obligor, or any of their respective Subsidiaries in this Credit Agreement, any of the other Loan Documents, or in any other document or instrument delivered pursuant to or in connection with this Credit Agreement shall prove to have been incorrect in any material respect upon the date when made or deemed to have been made or repeated;

(f) a default, event of default, or other event permitting (with or without the passage of time or the giving of notice) acceleration or exercise of remedies shall occur with respect to any (i) Indebtedness for money borrowed, (ii) Indebtedness in respect of the deferred purchase price of goods or services, or (iii) Capitalized Lease, of the Borrower, any Other Obligor, or any of their respective Subsidiaries, in any such case having a principal amount (or, in the case of a Capitalized Lease, scheduled rental payments with a discounted present value from the last day of the initial term to the date of determination as determined in accordance with generally accepted accounting principles) of at least $5,000,000, and such default, event of default, or other event shall continue for such period of time as would entitle the holder of such Indebtedness or Capitalized Lease (with or without notice) to accelerate such Indebtedness or terminate such Capitalized Lease;

(g) any of the Loan Documents shall be cancelled, terminated, revoked, or rescinded otherwise than in accordance with the terms thereof or with the express prior written agreement, consent, or approval of the Banks, or any Proceeding to cancel, revoke, or rescind any of the Loan Documents shall be commenced by or on behalf of the Borrower, any Other Obligor, or any of their respective Subsidiaries party thereto, or any Government Authority of competent jurisdiction shall make a determination that, or issue a Government Mandate to the effect that, any material provision of one or more of the Loan Documents is illegal, invalid, or unenforceable in accordance with the terms thereof;

(h) the Borrower, any Other Obligor, Alliance Distributors, the General Partner, or any Material Subsidiary shall make an assignment for the benefit of creditors, or admit in writing its inability to pay or generally fail to pay its debts as they mature or become due, or shall petition or apply for the appointment of a trustee or other custodian, liquidator, or receiver of the Borrower, any Other Obligor, Alliance Distributors, the General Partner or any Material Subsidiary or of any substantial part of the assets of the Borrower, any Other Obligor, Alliance Distributors, the General Partner, or any Material Subsidiary, or shall commence any Proceeding relating to the Borrower, any Other Obligor, Alliance Distributors, the General Partner, or any Material Subsidiary under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation, or similar law of any jurisdiction, now or hereafter in effect, or shall take any action to authorize or in furtherance of any of the foregoing, or if any such petition or application shall be filed or any such Proceeding shall be commenced against the Borrower, any Other Obligor, Alliance Distributors, the General Partner, or any Material Subsidiary and any of such parties shall indicate its approval thereof, consent thereto, or acquiescence therein;

(i) either (i) an involuntary Proceeding relating to the Borrower, any Other Obligor, Alliance Distributors, the General Partner, or any Material Subsidiary under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation, or similar law of any jurisdiction, now or hereafter in effect is commenced and not dismissed or vacated within sixty (60) days following entry thereof, or (ii) a decree or order is entered appointing any trustee, custodian, liquidator, or receiver described in (h) or adjudicating the Borrower, any Other Obligor, Alliance Distributors, the General Partner, or any Material Subsidiary bankrupt or insolvent, or approving a petition in any such Proceeding, or a decree or order for relief is entered in respect of the Borrower, any Other Obligor, Alliance Distributors, the General Partner, or any Material Subsidiary in an involuntary Proceeding under federal bankruptcy laws as now or hereafter constituted;

(j) there shall remain in force, undischarged, unsatisfied, and unstayed, for more than thirty (30) days, any final judgment against the Borrower, any Other Obligor, or any of their respective Subsidiaries that, with any other

such outstanding final judgments, undischarged, against the Borrower, any Other Obligors, and their respective Subsidiaries taken together exceeds in the aggregate $5,000,000;

(k) with respect to any Guaranteed Pension Plan, an ERISA Reportable Event shall have occurred and the Majority Banks shall have determined in their reasonable discretion that such event reasonably could be expected to result in liability of the Borrower, any Other Obligor, or any of their respective Subsidiaries to the PBGC or such Guaranteed Pension Plan in an aggregate amount exceeding $5,000,000 and such event in the circumstances occurring reasonably could constitute grounds for the termination of such Guaranteed Pension Plan by the PBGC or for the appointment by the appropriate United States District Court of a trustee to administer such Guaranteed Pension Plan; or a trustee shall have been appointed by the United States District Court to administer such Guaranteed Pension Plan; or the PBGC shall have instituted proceedings to terminate such Guaranteed Pension Plan;

(l) any of the following: (i) the Borrower or (if required to be so registered) any Other Obligor shall fail to be duly registered as an "investment adviser" under the Investment Advisers Act of 1940; or (ii) Alliance Distributors shall cease to be duly registered as a "broker/dealer" under the Securities Exchange Act of 1934 or shall cease to be a member in good standing of the National Association of Securities Dealers, Inc.; or

(m) the Borrower, any Other Obligor, Alliance Distributors, the General Partner, or any Material Subsidiary shall either (i) be indicted for a federal or state crime and, in connection with such indictment, either (A) Government Authorities shall seek to seize or attach, or seek a civil forfeiture of, property of the Borrower, any Other Obligor, Alliance Distributors, the General Partner, or one or more of such Material Subsidiary having a fair market value in excess of $5,000,000 or (B) the Agent shall be advised by its legal counsel in writing that there is a reasonable possibility of such a seizure, attachment, or forfeiture under applicable Government Mandates, or (ii) be found guilty of, or shall plead guilty, no contest, or NOLO CONTENDERE to, any federal or state crime, a punishment for which could include a fine, penalty, or forfeiture of any assets of the Borrower, such Other Obligor, Alliance Distributors, the General Partner, or such Material Subsidiary having in any such case a fair market value in excess of $5,000,000;

then, and in any such event, so long as the same may be continuing, the Agent, upon the request of the Majority Banks, shall by notice in writing to the Borrower declare all amounts owing with respect to this Credit Agreement, the Notes, and the other Loan Documents to be, and they shall thereupon forthwith become, immediately due and payable without presentment, demand, protest, or other notice of any kind, all of which are hereby expressly waived by the Borrower; PROVIDED that in the event of any Event of Default specified in Section 12.1(h) or Section 12.1(i), all such amounts shall become immediately due and payable automatically and without any requirement of notice from the Agent or any Bank; and PROVIDED, FURTHER, that any such declaration may be rescinded by the Majority Banks after the Events of Default leading to such declaration are cured or waived.

12.2. TERMINATION OF COMMITMENTS. If any one or more of the Events of Default specified in Section 12.1(h) or Section 12.1(i) shall occur, any unused portion of the credit hereunder shall forthwith terminate and each of the Banks shall be relieved of all obligations to make Loans to the Borrower. If any other Event of Default shall have occurred and be continuing, or if on any Drawdown Date the conditions precedent to the making of the Loans to be made on such Drawdown Date are not satisfied, the Agent may with the consent of the Majority Banks and, upon the request of the Majority Banks, shall, by notice to the Borrower, terminate the unused portion of the credit hereunder, and upon such notice being given such unused portion of the credit hereunder shall terminate immediately and each of the Banks shall be relieved of all further obligations to make Loans. If any such notice is given to the Borrower, the Agent will forthwith furnish a copy thereof to each of the Banks. No termination of the credit hereunder shall relieve the Borrower of any of the Obligations or any of its existing obligations to any of the Banks arising under other agreements or instruments.

12.3. REMEDIES.

(a) In case any one or more of the Events of Default shall have occurred and be continuing, and whether or not the Agent shall have accelerated the maturity of the Loans pursuant to Section 12.1, each Bank, if owed any amount with respect to the Loans, may with the consent of the Majority Banks but not otherwise, proceed to protect and enforce its rights by any appropriate Proceeding, whether for the specific performance of any covenant or agreement contained

in this Credit Agreement and the other Loan Documents or any instrument pursuant to which the Obligations to such Bank are evidenced, including as permitted by applicable Government Mandate the obtaining of the EX PARTE appointment of a receiver, and, if such amount shall have become due, by declaration or otherwise, proceed to enforce the payment thereof or any other legal or equitable right of such Bank.

(b) No remedy herein conferred upon any Bank or the Agent or the holder of any Note is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by any Government Mandate.

12.4. APPLICATION OF MONIES. In the event that, during the continuance of any Default or Event of Default, the Agent or any Bank, as the case may be, receives any monies in connection with the enforcement of rights under the Loan Documents, such monies shall be distributed for application as follows:

(a) First, to the payment of, or (as the case may be) the reimbursement of the Agent for or in respect of all costs, expenses, disbursements, and losses that shall have been incurred or sustained by the Agent in connection with the collection of such monies by the Agent, for the exercise, protection, or enforcement by the Agent of all or any of the rights, remedies, powers, and privileges of the Agent under this Credit Agreement or any of the other Loan Documents, or in support of any provision of adequate indemnity to the Agent against any taxes or Liens that by Government Mandate shall have, or may have, priority over the rights of the Agent to such monies;

(b) Second, to all other Obligations in such order or preference as the Majority Banks may determine; PROVIDED, HOWEVER, that distributions among Obligations owing to the Banks and the Agent with respect to each type of Obligation such as interest, principal, fees, and expenses, shall be made among the Banks and the Agent PRO RATA according to the respective amounts thereof; and PROVIDED, FURTHER, that the Agent may in its discretion make proper allowance to take into account any Obligations not then due and payable; and

(c) Third, the excess, if any, shall be returned to the Borrower or to such other Persons as are entitled thereto.

13. SETOFF.

Regardless of the adequacy of any collateral, during the continuance of any Event of Default, any deposits or other sums credited by or due from any of the Banks to the Borrower and any securities or other property of the Borrower in the possession of such Bank may be applied to or set off by such Bank against the payment of Obligations and any and all other liabilities, direct, or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, of the Borrower to such Bank. Each of the Banks agrees with each other Bank that (a) if an amount to be set off is to be applied to Indebtedness of the Borrower to such Bank, other than Indebtedness evidenced by the Notes held by such Bank, such amount shall be applied ratably to such other Indebtedness and to the Indebtedness evidenced by all such Notes held by such Bank, and (b) if such Bank shall receive from the Borrower, whether by voluntary payment, exercise of the right of setoff, counterclaim, cross action, enforcement of the claim evidenced by the Notes held by such Bank by Proceedings against the Borrower, by proof thereof in bankruptcy, reorganization, liquidation, receivership or similar Proceedings, or otherwise, and shall retain and apply to the payment of the Note or Notes held by such Bank any amount in excess of its ratable portion of the payments received by all of the Banks with respect to the Notes held by all of the Banks (exclusive of payments to be made for the account of less than all of the Banks as provided in Sections 3.2.2, 5.8, and 5.9), such Bank will make such disposition and arrangements with the other Banks with respect to such excess, either by way of distribution, PRO TANTO assignment of claims, subrogation, or otherwise as shall result in each Bank receiving in respect of the Notes held by it its proportionate payment as contemplated by this Credit Agreement; PROVIDED that if all or any part of such excess payment is thereafter recovered from such Bank, such disposition and arrangements shall be rescinded and the amount restored to the extent of such recovery, but without interest.

14. THE AGENT.

14.1. AUTHORIZATION. The Agent is authorized to take such action on behalf of each of the Banks and to exercise all such powers as are hereunder and under any of the other Loan Documents and any related documents delegated to the Agent, together with such powers as are reasonably incident

thereto, PROVIDED that no duties or responsibilities not expressly assumed herein or therein shall be implied to have been assumed by the Agent. The relationship between the Agent and the Banks is and shall be that of agent and principal only, and nothing contained in this Credit Agreement or any of the other Loan Documents shall be construed to constitute the Agent as a trustee for any Bank.

14.2. EMPLOYEES AND AGENTS. The Agent may exercise its powers and execute its duties by or through employees or agents and shall be entitled to take, and to rely on, advice of legal counsel concerning all matters pertaining to its rights and duties under this Credit Agreement and the other Loan Documents. The Agent may utilize the services of such Persons as the Agent in its sole discretion may reasonably determine.

14.3. NO LIABILITY. Neither the Agent nor any of its shareholders, directors, officers or employees nor any other Person assisting them in their duties nor any agent or employee thereof, shall be liable for any waiver, consent or approval given or any action taken, or omitted to be taken, in good faith by it or them hereunder or under any of the other Loan Documents, or in connection herewith or therewith, or be responsible for the consequences of any oversight or error of judgment whatsoever, except that the Agent or such other Person, as the case may be, may be liable for losses due to its willful misconduct or gross negligence.

14.4. NO REPRESENTATIONS. The Agent shall not be responsible for the execution or validity or enforceability of this Credit Agreement, the Notes, any of the other Loan Documents or any instrument at any time constituting, or intended to constitute, collateral security for the Notes, or for the value of any such collateral security or for the validity, enforceability, or collectability of any such amounts owing with respect to the Notes, or for any recitals or statements, warranties, or representations made herein or in any of the other Loan Documents or in any certificate or instrument hereafter furnished to it by or on behalf of the Borrower, or be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants, or agreements herein or in any instrument at any time constituting, or intended to constitute, collateral security for the Notes or to inspect any of the properties, books, or records of the Borrower or any of its Subsidiaries. The Agent shall not be bound to ascertain whether any notice, consent, waiver, or request delivered to

it by the Borrower or any holder of any of the Notes shall have been duly authorized or is true, accurate, and complete. The Agent has not made nor does it now make any representations or warranties, express or implied, nor does it assume any liability to the Banks, with respect to the credit worthiness or financial conditions of the Borrower or any of its Subsidiaries. Each Bank acknowledges that it has, independently and without reliance upon the Agent or any other Bank, and based upon such information and documents as it has deemed appropriate, made its own credit analysis and decision to enter into this Credit Agreement.

14.5. PAYMENTS.

14.5.1 PAYMENTS TO AGENT. A payment by the Borrower to the Agent hereunder or under any of the other Loan Documents for the account of any Bank shall constitute a payment to such Bank. The Agent shall promptly distribute to each Bank such Bank's PRO RATA share of payments received by the Agent for the account of the Banks except as otherwise expressly provided herein or in any of the other Loan Documents.

14.5.2. DISTRIBUTION BY AGENT. If in the reasonable opinion of the Agent the distribution of any amount received by it in such capacity hereunder, under the Notes, or under any of the other Loan Documents might involve it in liability, it may refrain from making distribution until its right to make the same shall have been adjudicated by a court of competent jurisdiction. If any Government Authority shall adjudge that any amount received and distributed by the Agent is to be repaid, each Person to whom any such distribution shall have been made shall either repay to the Agent its proportionate share of the amount so adjudged to be repaid or shall pay over the same in such manner and to such Persons as shall be determined by such Government Authority.

14.5.3. DELINQUENT BANKS. Notwithstanding anything to the contrary contained in this Credit Agreement or any of the other Loan Documents, any Bank that fails (a) to make available to the Agent its PRO RATA share of any Loan or (b) to comply with the provisions of Section 13 with respect to making dispositions and arrangements with the other Banks, where such Bank's share of any payment received, whether by setoff or otherwise, is in excess of its PRO RATA share of such payments due and payable to all of the Banks, in each case as, when, and to the full extent required by the provisions of this Credit Agreement, shall

be deemed delinquent (a "DELINQUENT BANK") and shall be deemed a Delinquent Bank until such time as such delinquency is satisfied. A Delinquent Bank shall be deemed to have assigned any and all payments due to it from the Borrower, whether on account of outstanding Loans, interest, fees, or otherwise, to the remaining nondelinquent Banks for application to, and reduction of, their respective PRO RATA shares of all outstanding Loans. The Delinquent Bank hereby authorizes the Agent to distribute such payments to the nondelinquent Banks in proportion to their respective PRO RATA shares of all outstanding Loans. A Delinquent Bank shall be deemed to have satisfied in full a delinquency when and if, as a result of application of the assigned payments to all outstanding Loans of the nondelinquent Banks, the Banks' respective PRO RATA shares of all outstanding Loans have returned to those in effect immediately prior to such delinquency and without giving effect to the nonpayment causing such delinquency.

14.6. HOLDERS OF NOTES. Subject to Section 18, the Agent may deem and treat the payee of any Note as the absolute owner thereof for all purposes hereof until it shall have been furnished in writing with a different name by such payee or by a subsequent holder, assignee, or transferee.

14.7. INDEMNITY. The Banks ratably shall indemnify and hold harmless the Agent from and against any and all Proceedings (whether groundless or otherwise), losses, damages, costs, expenses (including any expenses for which the Agent has not been reimbursed by the Borrower as required by Section 15), and liabilities of every nature and character arising out of or related to this Credit Agreement, the Notes, any of the other Loan Documents, or the transactions contemplated or evidenced hereby or thereby, or the Agent's actions taken hereunder or thereunder, except to the extent that any of the same shall be directly caused by the Agent's willful misconduct or gross negligence.

14.8. AGENT AS BANK. In its individual capacity, FNBB shall have the same obligations and the same rights, powers, and privileges in respect to its Commitment and the Loans made by it, and as the holder of any of the Notes, as it would have were it not also the Agent.

14.9. RESIGNATION. The Agent may resign at any time by giving sixty (60) days' prior written notice thereof to the Banks and the Borrower. Upon any such resignation, the Majority Banks shall have the right to appoint a successor

Agent. Unless an Event of Default shall have occurred and be continuing, such successor Agent shall be reasonably acceptable to the Borrower. If no successor Agent shall have been so appointed by the Majority Banks and shall have accepted such appointment within thirty (30) days after the retiring Agent's giving of notice of resignation, then the retiring Agent may, on behalf of the Banks, appoint a successor Agent, which shall be a financial institution having a rating of not less than A or its equivalent by Standard & Poor's Corporation. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges, and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. After any retiring Agent's resignation, the provisions of this Credit Agreement and the other Loan Documents shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Agent.

14.10. NOTIFICATION OF DEFAULTS AND EVENTS OF DEFAULT. Upon learning of the existence of a Default or an Event of Default, a Bank shall promptly notify the Agent thereof. Upon receipt of any notice under this Section 14.10, the Agent shall promptly notify the other Banks of the existence of such Default or Event of Default.

14.11. DUTIES IN THE CASE OF ENFORCEMENT. In case one of more Events of Default shall have occurred and be continuing, and whether or not acceleration of the Obligations shall have occurred, the Agent shall, if (a) so requested by the Majority Banks and (b) the Banks have provided to the Agent such additional indemnities and assurances against expenses and liabilities as the Agent may reasonably request, proceed to enforce the provisions of the Loan Documents and exercise all or any such other legal, equitable, and other rights or remedies as it may have under the Loan Documents. The Majority Banks may direct the Agent in writing as to the method and the extent of any such action, the Banks hereby agreeing to indemnify and hold the Agent harmless from all liabilities incurred in respect of all actions taken or omitted in accordance with such directions, PROVIDED that the Agent need not comply with any such direction to the extent that the Agent reasonably believes the Agent's compliance with such direction to be unlawful or commercially unreasonable in any applicable jurisdiction.

15. EXPENSES.

The Borrower shall upon demand either, as the Banks or the Agent may require and regardless of whether any Loans are made hereunder, pay in the first instance or reimburse the Banks and the Agent (to the extent that payments for the following items are not made under the other provisions hereof) for (a) the reasonable out-of-pocket costs of producing and reproducing this Credit Agreement, the other Loan Documents, and the other agreements and instruments mentioned herein, (b) reasonable out-of-pocket expenses incurred in connection with the syndication of this facility, (c) any taxes (including any interest and penalties in respect thereto) payable by the Agent or any of the Banks (other than taxes based upon the Agent's or any Bank's income or profits) on or with respect to the transactions contemplated by this Credit Agreement, (d) the reasonable fees, expenses, and disbursements of the Agent's Special Counsel incurred in connection with the preparation, administration, or interpretation of the Loan Documents, the other instruments mentioned herein, and the term sheet for the transactions contemplated by this Credit Agreement, each closing hereunder, and amendments, modifications, approvals, consents or waivers hereto or hereunder, (e) the fees, expenses, and disbursements of the Agent incurred by the Agent in connection with the preparation, administration, or interpretation of the Loan Documents and other instruments mentioned herein, (f) all reasonable out-of-pocket expenses (including reasonable attorneys' fees and costs, which attorneys may be employees of any Bank or the Agent, and reasonable consulting, accounting, appraisal, investment banking, and similar professional fees and charges) incurred by any Bank or the Agent in connection with (i) the enforcement of or preservation of rights under any of the Loan Documents against the Borrower or any of its Subsidiaries or the administration thereof after the occurrence of a Default or Event of Default and (ii) any Proceeding or dispute whether arising hereunder or otherwise, in any way related to any Bank's or the Agent's relationship with the Borrower or any of its Subsidiaries. The Borrower shall not be responsible under clause (f) above for the fees and costs of more than one law firm in any one jurisdiction with respect to any one Proceeding or set of related Proceedings for the Agent and the Banks, unless any of the Agent and the Banks shall have reasonably concluded that there are legal defenses available to it that are different from or additional to those available to the

Borrower or there are other circumstances that in the reasonable judgment of the Agent and the Banks make separate counsel advisable. The covenants of this Section 15 shall survive payment or satisfaction of all other Obligations.

16. INDEMNIFICATION.

The Borrower shall, regardless of whether any Loans are made hereunder, indemnify and hold harmless the Agent and the Banks, together with their respective shareholders, directors, agents, officers, Subsidiaries, and Affiliates, from and against any and all damages, losses, settlement payments, obligations, liabilities, claims, causes of action, and Proceedings, and reasonable costs and expenses in connection therewith, incurred, suffered, sustained, or required to be paid by an indemnified party by reason of or resulting, directly or indirectly, from the transactions contemplated by the Loan Documents, including (a) any actual or proposed use by the Borrower or any of its Subsidiaries of the proceeds of any of the Loans, (b) the Borrower or any of its Subsidiaries entering into or performing this Credit Agreement or any of the other Loan Documents, or (c) with respect to the Borrower and its Subsidiaries and their respective properties and assets, the violation of any Environmental Law, the presence, disposal, escape, seepage, leakage, spillage, discharge, emission, release, or threatened release of any Hazardous Substances or any Proceeding brought or threatened with respect to any Hazardous Substances (including claims with respect to wrongful death, personal injury, or damage to property), in each case including the reasonable fees and disbursements of legal counsel and reasonable allocated costs of internal legal counsel incurred in connection with any such Proceeding, PROVIDED, HOWEVER, the Borrower shall not be obligated to indemnify any party for any damages, losses, settlement payments, obligations, liabilities, claims, causes of action, Proceedings, costs, and expenses that were caused directly by the gross negligence or willful misconduct of the indemnified party. In Proceedings, or the preparation therefor, the indemnified parties shall be entitled to select their legal counsel and, in addition to the foregoing indemnity, the Borrower shall, promptly upon demand, pay in the first instance, or reimburse the indemnified parties for, the reasonable fees and expenses of such legal counsel. The Borrower shall not be responsible under this section for the fees and costs of more than one law firm in any one jurisdiction for the Borrower and the

indemnified parties with respect to any one Proceeding or set of related Proceedings, unless any indemnified party shall have reasonably concluded that there are legal defenses available to it that are different from or additional to those available to the Borrower or there are other circumstances that in the reasonable judgment of the indemnified parties make separate counsel advisable. If, and to the extent that the obligations of the Borrower under this Section 16 are unenforceable for any reason, the Borrower shall make the maximum contribution to the payment in satisfaction of such obligations that is permissible under applicable law. The covenants contained in this Section 16 shall survive payment or satisfaction in full of all other Obligations.

17. SURVIVAL OF COVENANTS, ETC.

All covenants, agreements, representations, and warranties made herein, in the Notes, in any of the other Loan Documents, or in any documents or other papers delivered by or on behalf of the Borrower or any of its Subsidiaries pursuant hereto shall be deemed to have been relied upon by the Banks and the Agent, notwithstanding any investigation heretofore or hereafter made by any of them, and shall survive the making by the Banks of the Loans, as herein contemplated, and shall continue in full force and effect so long as any amount due under this Credit Agreement or the Notes or any of the other Loan Documents remains outstanding or any Bank has any obligation to make any Loans, and for such further time as may be otherwise expressly specified in this Credit Agreement. All statements contained in any certificate or other paper delivered to any Bank or the Agent at any time by or on behalf of the Borrower or any of its Subsidiaries pursuant hereto or in connection with the transactions contemplated hereby shall constitute representations and warranties by the Borrower or such Subsidiary hereunder.

18. ASSIGNMENT AND PARTICIPATION.

18.1. CONDITIONS TO ASSIGNMENT BY BANKS. Except as provided herein, each Bank may assign to one or more Eligible Assignees all or a portion of its interests, rights, and obligations under this Credit Agreement (including all or a portion of its Commitment Percentage and Commitment and the same portion of the Loans at the time owing to it) and the Notes held by it; PROVIDED that (a)

each of the Agent and, so long as no Event of Default has occurred and is continuing, the Borrower shall have given its prior written consent to such assignment, which consent, in the case of the Borrower, will not be unreasonably withheld, (b) each such assignment shall be of a constant, and not a varying, percentage of all the assigning Bank's rights and obligations under this Credit Agreement, (c) each assignment shall be in a minimum amount equal to the lesser of (i) $10,000,000 and (ii) all of the assigning Bank's rights and obligations under this Credit Agreement, (d) each assignment of less than all of the assigning Bank's rights and obligations under this Credit Agreement, shall be in an amount equal to $10,000,000 or a whole multiple thereof, (e) each Bank that is a Bank on the date hereof shall retain through the Revolving Credit Loan Maturity Date, free of any such assignment, an amount of its Loans and Commitment of not less than $19,000,000 unless such Bank assigns all of its rights and obligations under this Credit Agreement, and (e) the parties to such assignment shall execute and deliver to the Agent, for recording in the Register (as hereinafter defined), an Assignment and Acceptance, substantially in the form of EXHIBIT H hereto (an "ASSIGNMENT AND ACCEPTANCE"), together with any Notes subject to such assignment. Upon such execution, delivery, acceptance, and recording, from and after the effective date specified in each Assignment and Acceptance, which effective date shall be at least five (5) Business Days after the execution thereof, (i) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Bank hereunder, and (ii) the assigning Bank shall, to the extent provided in such assignment and upon payment to the Agent of the registration fee referred to in Section 18.3, be released from its obligations under this Credit Agreement.

18.2. CERTAIN REPRESENTATIONS AND WARRANTIES; LIMITATIONS; COVENANTS. By executing and delivering an Assignment and Acceptance, the parties to the assignment thereunder confirm to and agree with each other and the other parties hereto as follows: (a) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, the assigning Bank makes no representation or warranty, express or implied, and assumes no responsibility with respect to any statements, warranties, or representations made in or in connection with this Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency, or value of this

Credit Agreement, the other Loan Documents or any other instrument or document furnished pursuant hereto; (b) the assigning Bank makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower and its Subsidiaries or any other Person primarily or secondarily liable in respect of any of the Obligations, or the performance or observance by the Borrower and its Subsidiaries or any other Person primarily or secondarily liable in respect of any of the Obligations of any of their obligations under this Credit Agreement or any of the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; (c) such assignee confirms that it has received a copy of this Credit Agreement, together with copies of the most recent financial statements referred to in Section 6.4 and Section 7.4 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (d) such assignee will, independently and without reliance upon the assigning Bank, the Agent, or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Credit Agreement; (e) such assignee represents and warrants that it is an Eligible Assignee; (f) such assignee appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under this Credit Agreement and the other Loan Documents as are delegated to the Agent by the terms hereof or thereof, together with such powers as are reasonably incidental thereto; (g) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Credit Agreement are required to be performed by it as a Bank; and (h) such assignee represents and warrants that it is legally authorized to enter into such Assignment and Acceptance.

18.3. REGISTER. The Agent shall maintain a copy of each Assignment and Acceptance delivered to it and a register or similar list (the "REGISTER") for the recordation of the names and addresses of the Banks and the Commitment Percentage of, and principal amount of the Revolving Credit Loans owing to, the Banks from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Agent, and the Banks may treat each Person whose name is recorded in the Register as a Bank hereunder for all purposes of this Credit Agreement. The Register shall be available for

inspection by the Borrower and the Banks at any reasonable time and from time to time upon reasonable prior notice. Upon each such recordation, the assigning Bank agrees to pay to the Agent a registration fee in the sum of $3,000.

18.4. NEW NOTES. Upon its receipt of an Assignment and Acceptance executed by the parties to such assignment, together with each Note subject to such assignment, the Agent shall (a) record the information contained therein in the Register, and (b) give prompt notice thereof to the Borrower and the Banks (other than the assigning Bank). Within five (5) Business Days after receipt of such notice, the Borrower, at its own expense, shall execute and deliver to the Agent, in exchange for each surrendered Note, a new Note to the order of such Eligible Assignee in an amount equal to the amount assumed by such Eligible Assignee pursuant to such Assignment and Acceptance and, if the assigning Bank has retained some portion of its obligations hereunder, a new Note to the order of the assigning Bank in an amount equal to the amount retained by it hereunder. Such new Notes shall provide that they are replacements for the surrendered Notes, shall be in an aggregate principal amount equal to the aggregate principal amount of the surrendered Notes, shall be dated the effective date of such Assignment and Acceptance and shall otherwise be in substantially the form of the assigned Notes. The surrendered Notes shall be cancelled and returned to the Borrower.

18.5. PARTICIPATIONS. Each Bank may sell participations to one or more banks or other entities in all or a portion of such Bank's rights and obligations under this Credit Agreement and the other Loan Documents; PROVIDED that (a) any such sale or participation shall not affect the rights and duties of the selling Bank hereunder to the Borrower and (b) the only rights granted to the participant pursuant to such participation arrangements with respect to waivers, amendments, or modifications of the Loan Documents shall be the rights to approve waivers, amendments or modifications that would reduce the principal of or the interest rate on any Loans, extend the term or increase the amount of the Commitment of such Bank as it relates to such participant, reduce the amount of any commitment fees to which such participant is entitled, or extend any regularly scheduled payment date for principal or interest. Each Bank shall, promptly upon request of the Borrower in each instance, disclose to the Borrower the parties to which such Bank has granted participations under this section unless such Bank is subject to a contractual restriction not to do so.

18.6. DISCLOSURE. Any Bank may disclose information obtained by such Bank pursuant to this Credit Agreement to assignees or participants and potential assignees or participants hereunder subject to Section 7.4(f).

18.7. ASSIGNEE OR PARTICIPANT AFFILIATED WITH THE BORROWER. If any assignee Bank is an Affiliate of the Borrower, then any such assignee Bank shall have no right to vote as a Bank hereunder or under any of the other Loan Documents for purposes of granting consents or waivers or for purposes of agreeing to amendments or other modifications to any of the Loan Documents or for purposes of making requests to the Agent pursuant to Section 12, and the determination of the Majority Banks shall for all purposes of this Agreement and the other Loan Documents be made without regard to such assignee Bank's interest in any of the Loans. If any Bank sells a participating interest in any of the Loans to a participant, and such participant is the Borrower or an Affiliate of the Borrower, then such transferor Bank shall promptly notify the Agent of the sale of such participation. A transferor Bank shall have no right to vote as a Bank hereunder or under any of the other Loan Documents for purposes of granting consents or waivers or for purposes of agreeing to amendments or modifications to any of the Loan Documents or for purposes of making requests to the Agent pursuant to Section 12 to the extent that such participation is beneficially owned by the Borrower or any Affiliate of the Borrower, and the determination of the Majority Banks shall for all purposes of this Agreement and the other Loan Documents be made without regard to the interest of such transferor Bank in the Loans to the extent of such participation.

18.8. MISCELLANEOUS ASSIGNMENT PROVISIONS. Any assigning Bank shall retain its rights to be indemnified pursuant to Sections 5.8, 5.9, 5.11, 15, and 16 with respect to any claims or actions arising prior to the date of the assignment. If any assignee Bank is not incorporated under the laws of the United States of America or any state thereof, it shall, prior to the date on which any interest or fees are payable hereunder or under any of the other Loan Documents for its account, deliver to the Borrower and the Agent certification as to its exemption from deduction or withholding of any United States federal income taxes. Anything contained in this Section 18 to the contrary notwithstanding, any Bank may at any time pledge all or any portion of its interest and rights under this Credit Agreement (including all or any portion of its Notes) to any

of the twelve Federal Reserve Banks organized under Section 4 of the Federal Reserve Act, 12 U.S.C. Section 341. No such pledge or the enforcement thereof shall release the pledgor Bank from its obligations hereunder or under any of the other Loan Documents.

18.9. ASSIGNMENT BY BORROWER. The Borrower shall not assign or transfer any of its rights or obligations under any of the Loan Documents without the prior written consent of each of the Banks.

19. NOTICES, ETC.

Except as otherwise expressly provided in this Credit Agreement, all notices and other communications made or required to be given pursuant to this Credit Agreement or the Notes shall be in writing and shall be delivered in hand, mailed by United States registered or certified first class mail, postage prepaid, sent by overnight courier, or sent by telegraph, telecopy, telefax or telex and confirmed by delivery via courier or postal service, addressed as follows:

(a) if to the Borrower, at 1345 Avenue of the Americas, New York, New York 10105 (Fax Number (212) 307-5534), Attention: Chief Accounting Officer, with a copy sent via the same means to General Counsel of the Borrower at 1345 Avenue of the Americas, New York, New York 10105 (Fax Number (212) 554-4613), or at such other address for notice as any of such Persons shall last have furnished in writing to the Person giving the notice;

(b) if to the Agent, at 100 Federal Street, Boston, Massachusetts 02110, USA, Attention: Carol A. Clark, Managing Director, or such other address for notice as such Person shall last have furnished in writing to the Person giving the notice; and

(c) if to any Bank, at such Bank's address set forth on SCHEDULE 1 hereto, or such other address for notice as such Bank shall have last furnished in writing to the Person giving the notice.

Any such notice or demand shall be deemed to have been duly given or made and to have become effective (i) if delivered by hand, overnight courier or facsimile to a responsible officer of the party to which it is directed, at

the time of the receipt thereof by such officer or the sending of such facsimile, or when delivery is duly attempted and refused, and (ii) if sent by registered or certified first-class mail, postage prepaid, on the third Business Day following the mailing thereof.

20. GOVERNING LAW.

THIS CREDIT AGREEMENT AND, EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED THEREIN, EACH OF THE OTHER LOAN DOCUMENTS ARE CONTRACTS UNDER THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS AND SHALL FOR ALL PURPOSES BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF SAID COMMONWEALTH (EXCLUDING THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW). EACH OF THE AGENT, THE BANKS, AND THE BORROWER AGREES THAT ANY SUIT FOR THE ENFORCEMENT OF THIS CREDIT AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS MAY BE BROUGHT IN THE COURTS OF THE COMMONWEALTH OF MASSACHUSETTS OR ANY FEDERAL COURT SITTING THEREIN AND CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF SUCH COURT AND THE SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE UPON THE BORROWER BY MAIL AT THE ADDRESS SPECIFIED IN SECTION 19. EACH OF THE AGENT, THE BANKS, AND THE BORROWER HEREBY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH SUIT OR ANY SUCH COURT OR THAT SUCH SUIT IS BROUGHT IN AN INCONVENIENT COURT.

21. HEADINGS.

The captions in this Credit Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

22. COUNTERPARTS.

This Credit Agreement and any amendment hereof may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. In proving this Credit Agreement it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

23. ENTIRE AGREEMENT, ETC.

The Loan Documents and any other documents executed in connection herewith or therewith express the entire understanding of the parties with respect to the transactions contemplated hereby. Neither this Credit Agreement nor any term hereof may be changed, waived, discharged or terminated, except as provided in Section 25.

24. WAIVER OF JURY TRIAL.

EACH OF THE AGENT, THE BANKS, AND THE BORROWER HEREBY WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY PROCEEDING ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS CREDIT AGREEMENT, THE NOTES, OR ANY OF THE OTHER LOAN DOCUMENTS, AND RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER, OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS. EXCEPT AS PROHIBITED BY LAW, EACH OF THE AGENT, THE BANKS, AND THE BORROWER HEREBY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY PROCEEDING REFERRED TO IN THE PRECEDING SENTENCE ANY SPECIAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. THE BORROWER (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT, OR ATTORNEY OF ANY BANK OR THE AGENT HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH BANK OR THE AGENT WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (B) ACKNOWLEDGES THAT EACH OF THE AGENT AND THE BANKS HAS BEEN INDUCED TO ENTER INTO THIS CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS TO WHICH IT IS A PARTY BY, AMONG OTHER THINGS, THE WAIVERS AND CERTIFICATIONS CONTAINED HEREIN.

25. CONSENTS, AMENDMENTS, WAIVERS, ETC.

Except as otherwise expressly provided in this Credit Agreement, any term of this Credit Agreement, the other Loan Documents, or any other instrument related hereto or mentioned herein may be amended with, but only with, the written consent of the Borrower and the Majority Banks. Any consent or approval required or permitted by this Credit Agreement to be given by the Banks may be given, any acceleration of amounts owing under the Loan Documents may be rescinded, and the performance or observance by the Borrower of any terms of this Credit Agreement, the other Loan Documents, or any other instrument related hereto or mentioned herein or the continuance of any Default or Event of Default may be waived (either generally or in a particular instance and either retroactively or

prospectively) with, but only with, the written consent of the Majority Banks. Notwithstanding the foregoing, the rate of interest on the Notes (other than interest accruing pursuant to Section 5.12 following the effective date of any waiver by the Majority Banks of the Default or Event of Default relating thereto), the term of the Notes, the amount of the Commitments of the Banks, and the amount of commitment fees hereunder may not be changed without the written consent of the Borrower and the written consent of Banks holding one hundred percent (100%) of the outstanding principal amount of the Notes (or, if no Notes are outstanding, Commitments representing one hundred percent (100)% of the Total Commitment); neither this Section 25 nor the definition of Majority Banks may be amended without the written consent of all of the Banks; and the amount of the Agent's fee and Section 14 may not be amended without the written consent of the Agent. No waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon. No course of dealing or delay or omission on the part of any Bank in exercising any right shall operate as a waiver thereof or otherwise be prejudicial thereto. No notice to or demand upon the Borrower shall entitle the Borrower to other or further notice or demand in similar or other circumstances.

26. SEVERABILITY.

The provisions of this Credit Agreement are severable and if any one clause or provision hereof shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Credit Agreement in any jurisdiction.

IN WITNESS WHEREOF, the undersigned have duly executed this Credit Agreement as a sealed instrument as of the date first set forth above.

ALLIANCE CAPITAL MANAGEMENT L.P.

By: Alliance Capital Management
Corporation, General Partner

By:

Name:
Title:

THE FIRST NATIONAL BANK OF BOSTON,
individually and as Agent

By: /s/ Nancy E. Fuller

Name: Nancy E. Fuller
Vice President

THE CHASE MANHATTAN BANK, N.A.

By: /s/ Charles T. Cornell

Name: Charles T. Cornell
Title: Vice President

THE BANK OF NEW YORK

By: /s/ Lee B. Stephens III

Name: Lee B. Stephens III
Title: Vice President

NATIONSBANK OF GEORGIA

By: /s/ R. K. Grunewald

Name: R. K. Grunewald
Title: Vice President

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK

By: /s/ Lauren S. McCoy

Name: Lauren S. McCoy
Title: Vice President

SCHEDULE 1

BANKS AND COMMITMENTS

NAME & ADDRESS	COMMITMENT	PERCENTAGE
The First National Bank of Boston 100 Federal Street Boston, Massachusetts 02110 Domestic Lending Office: 100 Federal Street Boston, Massachusetts 02110 Eurodollar Lending Office: Nassau Branch c/o The First National Bank of Boston 100 Federal Street Boston, Massachusetts 02110	$24,000,000	24.0%
The Chase Manhattan Bank, N.A. Insurance Division, Concourse Level 1285 Sixth Avenue New York, New York 10019 Domestic Lending Office: One Chase Manhattan Plaza New York, New York 10081 Eurodollar Lending Office: One Chase Manhattan Plaza New York, New York 10081	$19,000,000	19.0%
The Bank of New York One Wall Street New York, New York 10286 Domestic Lending Office: One Wall Street New York, New York 10286	$19,000,000	19.0%

Eurodollar Lending Office:
One Wall Street
New York, New York 10286

Nationsbank of Georgia Securities Industry Group - 21st Floor 600 Peachtree Street, NE Atlanta, Georgia 30308-2213	$19,000,000	19.0%

Domestic Lending Office:
600 Peachtree Street, NW
Atlanta, Georgia 30308-2213

Eurodollar Lending Office:
600 Peachtree Street, NW
Atlanta, Georgia 30308-2213

Morgan Guaranty Trust Company of New York 60 Wall Street New York, New York 10260-0060	$19,000,000	19.0%

Domestic Lending Office:
60 Wall Street
New York, New York 10260-0060

Eurodollar Lending Office:
Nassau Office
c/o Morgan Guaranty Trust Company
of New York
60 Wall Street
New York, New York 10260-0060

TOTAL	$100,000,000	100.00%

ALLIANCE CAPITAL MANAGEMENT L.P.

SCHEDULE 6.1.4 - EQUITY SECURITIES

Alliance Capital Management L.P.

Units Outstanding	-	72,157,200
Class A Convertible - into Units	-	100,000
Options (Held by Management and Employees) Exercisable into Units	-	3,185,800

Alliance Capital Management Corporation - 1,000 shares of common stock

ALLIANCE CAPITAL MANAGEMENT L.P.

SCHEDULE 6.2 - GOVERNMENT APPROVALS

NONE

ALLIANCE CAPITAL MANAGEMENT L.P.

SCHEDULE 6.15 - BENEFIT PLANS

Retirement Plan For Employees Of Alliance Capital Management L.P.

Profit Sharing Plan For Employees Of Alliance Capital Management L.P.

Profit Sharing Plan For Former Employees Of Equitable Capital Management Corporation

ALLIANCE CAPITAL MANAGEMENT L.P.

SCHEDULE 6.18 - SUBSIDIARIES

NAME OF SUBSIDIARY	JURISDICTION OF INCORPORATION	PERCENTAGE OF VOTING STOCK OWNED BY COMPANY AND EACH OTHER SUBSIDIARY
Alliance Capital Management Corporation of Delaware*	Delaware	100%
Alliance Capital Oceanic Corporation*	Delaware	100%
Alliance Capital Limited*	England	100%
Dimensional Asset Management Limited*	England	100%
Dimensional Trust Management Limited*	England	100%
Alliance Fund Services, Inc.*	Delaware	100%
Alliance Fund Distributors, Inc.*	Delaware	100%
Alliance Capital Management (Japan) Inc.*	Delaware	100%
Alliance Capital (Luxembourg) S.A.*	Luxembourg	100%
Alliance Capital Management Australia Pty. Ltd.*	Victoria, Australia	100%
Alliance Capital Management Canada, Inc.*	British Columbia, Canada	100%
Alliance Capital Management (India) Ltd.*	Delaware	100%
Alliance International Fund Services S.A.*	Delaware	100%
Alliance Capital Management (Asia) Ltd.*	Delaware	100%
Alliance Corporate Finance Group Incorporated	Delaware	100%

ALLIANCE CAPITAL MANAGEMENT L.P.

SCHEDULE 6.18 CONT'D. - SUBSIDIARIES

NAME OF SUBSIDIARY	JURISDICTION OF INCORPORATION	PERCENTAGE OF VOTING STOCK OWNED BY COMPANY AND EACH OTHER SUBSIDIARY
Alliance Capital Global Derivatives Corporation*	Delaware	100%
Meiji - Alliance Capital Corporation	Delaware	50%
Alliance Barra Research Institute Inc.	Delaware	50%

*Restricted Subsidiaries of Alliance Capital Management L.P.

ALLIANCE CAPITAL MANAGEMENT L.P.

SCHEDULE 6.19 - FUNDED DEBT

Amended Senior Note Agreement dated as of January 15, 1992 (the "Note Agreement") between Alliance Capital Management L.P. and the holders of the notes	$105,000,000
Deferred compensation liabilities to 16 employees under the Alliance Partners Plan	$ 2,596,068
Deferred compensation liabilities to five employees	$ 1,724,376
Unsecured loan notes issued November 7, 1991 by Alliance Capital Management Corporation of Delaware in connection with the acquisition of Dimensional Asset Management Limited (due 1996):	
Rolf Weiner Banz	$ 609,000
Elizabeth Grabyna Banz	$ 609,000
R.W Banz and E. G. Banz	$ 702,000
Letter of Credit opened with State Street Bank and Trust by Alliance Capital Management L.P., Alliance Fund Services, Inc., Alliance Fund Distributors, Inc. and U.S. registered mutual funds managed by the Company in favor of the ICI Mutual Insurance Company ("ICI Mutual") and related undertaking to commit additional capital to ICI Mutual	$ 1,095,308
Commitment by the Company to provide financial support to Alliance Capital Management Pty. Ltd. through February 28, 1994	A$ 650,000
Commitment by the Company to provide financial support to Alliance Capital Management Pty. Ltd. through February 28, 1995	A$ 500,000
Keepwell Agreement issued by Alliance Capital Management L.P. in favor of Alliance Corporate Finance Group Incorporated	$ 10,000,000
Promissory Note issued by Alliance Capital Management L.P. payable on demand to the order of Alliance Corporate Finance Group Incorporated	$ 5,000,000
Promissory Note payable to Equitable Capital Partners, L.P.	$ 2,501,793
Promissory Note payable to Equitable Capital Partners (Retirement Fund), L.P.	$ 1,608,142
Capitalized Leases of Alliance Capital Management L.P. and its Subsidiaries:	
Master Lease Corp. capital lease (Cleveland - AT&T phone system)	$ 8,106
NCR Credit Corp. capital lease (NCR Remittance Processing System)	$ 13,459

ALLIANCE CAPITAL MANAGEMENT L.P.

SCHEDULE 6.19 CONT'D. - FUNDED DEBT

IBM Corp. capital lease (IBM magnetic disk drives)	$ 54,918
IBM Credit Corp. capital lease (IBM printer)	$ 133,409
Alliance Capital Limited Automobile Leases (various automobiles)	$ 72,460
Alliance Capital Management Canada, Inc. Furniture and Equipment	$ 42,763

ALLIANCE CAPITAL MANAGEMENT L.P.

SCHEDULE 8.4 - LIENS

Liens on the items of equipment and vehicles under Capitalized Leases, as described in Schedule 6.19.

ALLIANCE CAPITAL MANAGEMENT L.P.

SCHEDULE 8.6 - INVESTMENTS

Alliance Mutual Funds and Deposit Products:	
Various Seed Money	$ 3,176,124
Other Investments in Alliance Mutual Funds and Deposit Products:	
Alliance Bond Fund - U.S. Government	1,705,607
Alliance Capital Reserves	17,664,779
Alliance Money Reserves	8,000,000
ACM Institutional Reserves	22,443,174
Alliance Tax Exempt Reserves	903,694
Alliance Government Reserves	2,016,556
Alliance Insured Account	588,373
Alliance Technology Fund	53,322
	53,375,505
Total Investment in Alliance mutual funds	$56,551,629
Other Investments:	
ICI Mutual Insurance Company	$ 386,632
Meiji- Alliance Capital Corporation (common stock par value $1.00 per share, 100,000 shares authorized)	62,050
Japanese Government Bond series 98	34,969
Equitable Deal Flow Fund L.P.	8,966
ECM Fund, L.P. I	86,991
Equitable Capital Partners L.P.	2,447,133
Equitable Capital Partners Retirement Fund L.P.	1,578,337
Equitable Capital Diversified Holdings L.P. II	360,917
	$ 4,965,995
Keepwell Agreement issued by Alliance Capital Management L.P. in favor of Alliance Corporate Finance Group Incorporated	$10,000,000
Promissory Note issued by Alliance Capital Management L.P. payable on demand to the order of Alliance Corporate Finance Group Incorporated	$ 5,000,000

EXHIBIT A TO THE
CREDIT AGREEMENT

ASSUMPTION AGREEMENT

THIS ASSUMPTION AGREEMENT, dated as of _____, 199_ (this "ASSUMPTION AGREEMENT"), among _____, a _____ corporation (the "COMPANY"), and The First National Bank of Boston, individually and as agent (the "AGENT") for the Banks listed on the signature page to the Credit Agreement referred to below [**Adjust description of parties as appropriate to reflect the requirements of Alternatives 2 and 3 in Section 2**];

W I T N E S S E T H:

WHEREAS, Alliance Capital Management L.P., a Delaware limited partnership (the "BORROWER"), the Banks and the Agent have entered into that certain Revolving Credit and Term Loan Agreement dated as of February 14, 1994 (the "CREDIT AGREEMENT");

WHEREAS, Section 8 of the Credit Agreement contemplates certain circumstances in which the obligations of the Borrower under the Credit Agreement will be assumed, on a joint and several basis with the Borrower, by one or more corporations that are successor(s) to the Borrower or transferee(s) of certain portions of the business or assets of the Borrower;

WHEREAS, [**describe circumstances giving rise to the execution of this Agreement**] (the "Transaction"); and

WHEREAS, Section [**8.1(c), or 8.2(a), or 8.2(c)(iii)**] of the Credit Agreement requires that, as a condition precedent of the Transaction, the Company execute and deliver this Agreement in order to (a) become jointly and severally liable, with the Borrower and any other corporations that have entered into, or will in the future enter into, Assumption Agreements (any such corporations, the "OTHER OBLIGORS"), for all the obligations of the Borrower under the Credit Agreement and the other Loan Documents and (b) agree to be bound by all of the covenants and agreements set forth therein;

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements set forth hereinbelow, and other good and valuable consideration, the Company, the Banks and the Agent hereby agree as follows:

Section I. ASSUMPTION.

1. The Company hereby assumes, jointly and severally with the Borrower and the Other Obligors, all of the duties, liabilities and obligations of the Borrower under the Credit Agreement, and the Company shall be bound by, and shall perform and observe the terms and conditions of, the Credit Agreement as if it had originally executed the Credit Agreement as the Borrower. Without limiting the generality of the foregoing, the Company, jointly and severally with the Borrower and the Other Obligors, shall pay to the order of the Banks or the Agent, as appropriate, all principal, interest, and other amounts that are due and payable from time to time under the Credit Agreement. The closing of the Transaction shall be the sole condition precedent to the effectiveness of this assumption by the Company. Notwithstanding the foregoing, the Company shall comply with Section 7.6.4 of the Credit Agreement only to the extent required by Government Mandate.

2. [**Insert one of the three following alternatives, as appropriate.**]

FIRST ALTERNATIVE
[**To be inserted for (a) transfers of assets to Restricted Subsidiaries under Credit Agreement section 8.1(c) provided the Borrower will survive the transfer and (b) Reorganizations between Restricted Subsidiaries under Credit Agreement section 8.2(a).**]

The rights of the Borrower under the Credit Agreement, including, without limitation, the right to request borrowings and determine the interest rates applicable to Loans, shall continue to be exercised exclusively by the Borrower.

SECOND ALTERNATIVE
[**To be inserted for Reorganizations under Credit Agreement section 8.2(c) in which all of the business and assets of the Borrower remaining after any other transfers to Other Obligors or others are transferred to the Company and the Borrower does not survive, provided that, upon completion of such Reorganization investment management contracts with respect to at least eighty percent (80%) of the assets under management by the Borrower and the Consolidated Subsidiaries immediately prior to such Reorganization will, if held by the Borrower and/or one or more of the Consolidated Subsidiaries prior to such Reorganization, be held by the Company and its Consolidated Subsidiaries. For this alternative, the Banks, the Borrower, and any Other Obligors must join this Agreement.**]

Upon the effectiveness of the Transaction, the Company shall assume the rights of the Borrower under the Credit Agreement and shall be entitled to exercise the same subject to the terms and conditions of the Credit Agreement. Without limiting any provisions hereof or of any other Loan Document, each Other Obligor acknowledges that its liability under the Assumption Agreement to which it is party shall extend to all amounts owing under the Credit Agreement by virtue of the Company's exercise of the rights assumed by it hereunder.

THIRD ALTERNATIVE
[**To be inserted in all cases other than those to which either the First Alternative or the Second Alternative applies. For this alternative, the Borrower and any Other Obligor must join this Agreement.**]

Upon the effectiveness of the Transaction, (a) the Commitment shall terminate and the Banks shall be relieved of all obligations to make Loans under the Credit Agreement, and (b) subject to clause (a) [**insert name of party to exercise remaining rights of Borrower**] shall assume the rights of the Borrower under the Credit Agreement and shall be entitled to exercise the same subject to the terms and conditions of the Credit Agreement. Without limiting any provisions hereof or of any other Loan Document, the Company and each Other Obligor acknowledges that its liability under the Assumption Agreement to which it is party shall extend to all amounts owing under the Credit Agreement by virtue of the [**insert name of party to exercise remaining rights of Borrower**]'s exercise of the rights assumed by it hereunder.

3. [**This section may be deleted if the Company is to be the sole obligor in respect of the Credit Agreement.**] The obligations of the Company under this Agreement shall be primary, absolute and unconditional (except for the condition specified in the last sentence of paragraph 1 of this Section I), and, without limiting the generality of the foregoing, shall not be released, discharged, modified or otherwise affected by:

(i) any additional borrowings under the Credit Agreement, regardless of whether the Company shall have approved any of such borrowings or been given notice thereof;

(ii) any extension, renewal, settlement, compromise, waiver or release in respect of the obligations of the Borrower or any Other Obligor under any Loan Document;

(iii) any change in the legal existence, structure or ownership of the Borrower or any Other Obligor or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Borrower or any Other Obligor;

(iv) the existence of any claim, set-off or other rights that the Company may have at any time against the Agent, any of the Banks or any other Person, whether in connection herewith or any unrelated transaction, provided that nothing herein shall prevent the assertion of such claim by separate suit or compulsory counterclaim;

(v) any act, omission to act or delay of any kind by the Borrower, the Agent, any Bank or any other Person; or

(vi) any other event or circumstance whatsoever that might, but for this paragraph 3, constitute a legal or equitable discharge of the Guarantor's obligations hereunder.

4. [**This section may be deleted if the Company is to be the sole obligor in respect of the Credit Agreement.**] The Company's obligations hereunder shall remain in full force and effect until the principal of and interest on the Notes, and all other amounts payable by the Borrower and any Other Obligors under the Credit Agreement and the other Loan Documents, shall have been paid in full. If at any time any payment under any of the Notes or the Credit Agreement is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of the Borrower or any Other Obligor, or otherwise, the Company's obligations hereunder with respect to such payment shall be reinstated as though such payment had been due but not made at the time of such rescission, restoration or return.

5. [**This section may be deleted if the Company is to be the sole obligor in respect of the Credit Agreement.**] The Company shall not exercise against the Borrower or any Other Obligor any rights or remedies in respect of payments under this Agreement, whether for contribution, by way of subrogation or otherwise, until after the full and final payment of all Obligations.

Section II. DEFINITIONS.

For the purposes of this Agreement, each capitalized term used herein and not otherwise defined herein has the meaning assigned to that term under the Credit Agreement.

Section III. CERTAIN DOCUMENTS.

The Company shall, as a condition precedent to the Transaction, furnish to the Agent and each Bank the following documents, each of which shall be reasonably satisfactory to the Agent and each of the Banks in form and substance:

1. (a) A copy of the Company's certificate of incorporation or other articles of corporate organization duly certified as of a recent date by the secretary of state or other appropriate official of the jurisdiction in which the Company is incorporated, (b) a copy, certified by a duly authorized officer of the Company to be true and complete on the date of this Agreement, of its by-laws as in effect on such date, and (c) a certificate of the secretary of state or other appropriate official of the jurisdiction in which the Company is incorporated, dated as of a recent date, as to the due incorporation, legal existence and good standing of the Company.

2. A certificate of the Company, the Borrower, and any Other Obligors dated as of the effective date of the Transaction certifying, jointly and severally, that (a) no Default or Event of Default has occurred or is continuing or will exist immediately after giving effect to the Transaction, (b) if the Transaction is subject to Section 8.2(c)(vi) of the Credit Agreement, any diminution in the aggregate net worth of the Borrower (if it survives the Transaction), the Company, any Other Obligors, and their respective consolidated Subsidiaries (after adjustment of such aggregate net worth to eliminate intercompany items and without double counting), when compared with the Consolidated Net Worth of the Borrower as of the date of the most recently completed fiscal quarter immediately prior to such Reorganization, is not more than five percent (5%) of such Consolidated Net Worth, and (c) the Transaction otherwise satisfies the conditions of the Credit Agreement applicable thereto.

3. A certificate from the Company with respect to the incumbency and signature of each of its officers (a) who is authorized to sign this Agreement and any other document executed in connection herewith on its behalf and (b) who will, until replaced by another officer or officers duly authorized for that purpose, act as its representative for the purposes of signing documents and giving notices and other communications in connection with the Credit Agreement and any documents executed in connection therewith and the transactions contemplated hereby and thereby. The Agent and the Banks may conclusively rely on such certificate until

the Agent receives a notice in writing from the Company providing the names and signatures of replacement officers.

4. An opinion of Seward & Kissel, or other counsel to the Company satisfactory to the Agent and the Banks, in the form of EXHIBIT J to the Credit Agreement with such changes as may be satisfactory to the Agent and required so that such opinion relates to (a) the Company, (b) this Agreement, (c) any other Loan Documents to which the Company is party, and (d) any other Loan Documents to which the Company is required to become a party in order to satisfy the applicable conditions of the Credit Agreement giving rise to the execution and delivery of this Agreement (the Loan Documents referred to in clauses (c) and (d), the "REQUIRED LOAN DOCUMENTS").

Section IV. REPRESENTATIONS AND WARRANTIES

In order to induce the Agent to enter into this Agreement, the Company represents and warrants to the Agent and the Banks that:

1. The Company is duly organized, validly existing and in good standing as a corporation organized under the laws of the State of _____, and has the corporate power and authority to (a) execute and deliver this Agreement and any Required Loan Documents and (b) perform its obligations under, and comply with the requirements of, this Agreement and any Required Loan Documents. The Company is duly qualified or authorized to conduct business in all jurisdictions other than the jurisdiction in which it is incorporated in which it owns or leases property, or conducts any business, so as to require such qualification, except where the failure to be so qualified would not have a Material Effect.

2. All corporate action necessary for the valid execution, delivery and performance by the Company of this Agreement and any Required Loan Documents, has been duly and effectively taken and is in full force and effect at the date of this Agreement. Each of this Agreement and any Required Loan Documents has been duly executed and delivered by the Company. This Agreement and such Required Loan Documents constitute the Company's legal, valid and binding obligations, enforceable against the Company in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights generally and by general principles of equity, regardless of whether enforcement is sought in a proceeding in equity or at law.

3. The Company has duly obtained all consents and approvals of Government Authorities and has duly effected all notices, filings and registrations with Government Authorities, as may be required in connection with the execution, delivery, performance and observance of this Agreement and any Required Loan Documents, and such consents, approvals, notices, filings and registrations are in full force and effect at the date of this Agreement. Except as would not have a Material Effect, the Company has duly obtained all consents and approvals of third parties other than Government Authorities, and has duly effected all notices to such third parties, as may be required in connection with the execution, delivery, performance and observance of this Agreement and any Required Loan Documents, and such consents, approvals, and notices are in full force and effect at the date of this Agreement.

4. The execution and delivery by the Company of this Agreement and any Required Loan Documents to be entered into by the Company concurrently with this Agreement, and the performance and observance by the Company of this Agreement and such Required Loan Documents will not, contravene, or result in a default or event of default under, (a) the Company's certificate of incorporation (or other articles of corporate organization) or by-laws, (b) any Contract to which the Company is party or to which any of its assets are subject (except as will not be likely to have a Material Effect); or (c) any Government Mandate applicable to the Company or its assets.

5. The Company is in full compliance with the terms and conditions of the Credit Agreement, and will be in full compliance with all such terms and conditions upon the effectiveness of the Transaction.

Section V. EXPENSES.

The Company shall, jointly and severally with the Borrower, upon demand, pay in the first instance, or reimburse the Agent for, all reasonable out-of-pocket expenses of the Agent (including the reasonable fees and disbursements of counsel to the Agent) incurred in connection with the preparation, execution and delivery of this Agreement and all transfer, stamp, documentary or other similar taxes, in respect of this Agreement or any other document or instrument referred to herein. The Agent shall deliver to the Company, to support such expenses, true copies of unpaid invoices, receipted bills, and such other supporting information as the Company may reasonably request. The provisions of this Section V shall survive the termination of the Credit Agreement.

Section VI. GOVERNING LAW.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS (EXCLUDING THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW). EACH PARTY HERETO AGREES THAT ANY SUIT FOR THE ENFORCEMENT OF THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS MAY BE BROUGHT IN THE COURTS OF THE COMMONWEALTH OF MASSACHUSETTS OR ANY FEDERAL COURT SITTING THEREIN AND CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF SUCH COURT AND THE SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE UPON THE BORROWER BY MAIL AT THE ADDRESS SPECIFIED IN SECTION 19 OF THE CREDIT AGREEMENT. EACH PARTY HERETO HEREBY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH SUIT OR ANY SUCH COURT OR THAT SUCH SUIT IS BROUGHT IN AN INCONVENIENT COURT.

Section VII. COUNTERPARTS; BINDING EFFECT.

This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute but one and the same instrument. This Agreement is binding upon the parties hereto and their respective successors and assigns, and is intended to benefit and to be enforceable by the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as a sealed instrument as of the day and year first above written.

[**THE COMPANY**]

By:_____
Authorized Signatory

THE FIRST NATIONAL BANK OF BOSTON,
individually and as Agent

By:_____
Authorized Signatory

[**OTHER BANKS**]
[**only required for the Second Alternative in Section 2**]

By:_____
Authorized Signatory

[**Insert signatures for the Borrower and Other Obligors as required for the Second and Third Alternatives in Section 2**]

EXHIBIT B to the
CREDIT AGREEMENT

REVOLVING CREDIT AND TERM NOTE

$_____ _____, 199__

FOR VALUE RECEIVED, the undersigned ALLIANCE CAPITAL MANAGEMENT, L.P., a Delaware limited partnership (the "BORROWER"), hereby promises to pay to the order of _____ (the "BANK") at the head office of the Agent as such term is defined in the Revolving Credit and Term Loan Agreement dated as of February 14, 1994 (as amended and in effect from time to time, the "CREDIT AGREEMENT"), among the Borrower, The First National Bank of Boston, individually and as agent, and the Banks listed on SCHEDULE 1 thereto, at 100 Federal Street, Boston, Massachusetts 02110:

(a) prior to or on the Revolving Credit Loan Maturity Date the principal amount of _____ ($_____) or, if less, the aggregate unpaid principal amount of Revolving Credit Loans advanced by the Bank to the Borrower pursuant to the Credit Agreement;

(b) in the event the Bank makes the Term Loan on the Revolving Credit Loan Maturity Date as provided in Section 4 of the Credit Agreement, the principal amount of the Term Loan, such principal amount to be paid as follows:

(i) seven consecutive quarterly installments due and payable on the last day of each calendar quarter commencing on June 30, 1997, each in amount equal to the quotient of (A) the initial principal amount of the Term Loan, divided by (B) eight (8); and

(ii) the unpaid balance of the Term Loan on the Term Loan Maturity Date; and

(c) interest from the date hereof on the principal balance from time to time outstanding through and including the respective maturity dates of the Loans evidenced hereby at the times and rates specified in, and in all cases in accordance with the terms of, the Credit Agreement.

This Note evidences borrowings under and has been issued by the Borrower in accordance with the terms of the Credit Agreement. The Bank is entitled to the benefit of the Credit Agreement and the other Loan Documents, and may enforce the agreements of the Borrower contained therein, and the Bank may exercise the respective remedies provided for thereby or otherwise available in respect thereof, all in accordance with the respective terms thereof. All capitalized terms used in this Note and not otherwise defined herein shall have the same meanings herein as in the Credit Agreement.

The Borrower irrevocably authorizes the Bank to make or cause to be made, at or about the time of the Drawdown Date of any Revolving Credit Loan, at or about the time the Term Loan is made (in the event the Term Loan is made), or at the time of receipt of any payment of principal of this Note, an appropriate notation on the appropriate grid attached to this Note, or the continuation of such grid, or any other similar record, including computer records, reflecting (as the case may be) the making of such Revolving Credit Loan, the making of the Term Loan or receipt of such payment. The outstanding amount of the Loans set forth on the grids attached to this Note, or the continuation of such grids, or any other similar record, including computer records, maintained by the Bank with respect to any Loans shall be PRIMA FACIE evidence of the principal amount thereof owing and unpaid to the Bank, but the failure to record, or any error in so recording, any such amount on any such grid, continuation, or other record shall not limit or otherwise affect the obligation of the Borrower hereunder or under the Credit Agreement to make payments of principal of and interest on this Note when due.

The Borrower has the right in certain circumstances and the obligation under certain other circumstances to prepay the whole or part of the principal of this Note on the terms and conditions specified in the Credit Agreement.

If any one or more of Events of Default shall occur and be continuing, the entire unpaid principal amount of this Note and all of the unpaid interest accrued thereon may become or be declared due and payable in the manner and with the effect provided in the Credit Agreement.

No delay or omission on the part of the Bank in exercising any right hereunder shall operate as a waiver of such right or of any other rights of the Bank, nor shall any delay, omission or waiver on any one occasion be deemed a bar or waiver of the same or any other right on any further occasion.

The Borrower and every endorser and guarantor of this Note or the obligation represented hereby waives presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note, and assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of collateral and to the addition or release of any other party or person primarily or secondarily liable.

THIS NOTE AND THE OBLIGATIONS OF THE BORROWER HEREUNDER SHALL FOR ALL PURPOSES BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE COMMONWEALTH OF MASSACHUSETTS (EXCLUDING THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW). THE BORROWER AGREES THAT ANY SUIT FOR THE ENFORCEMENT OF THIS NOTE MAY BE BROUGHT IN THE COURTS OF THE COMMONWEALTH OF MASSACHUSETTS OR ANY FEDERAL COURT SITTING THEREIN AND CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF SUCH COURT AND THE SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE UPON THE BORROWER BY MAIL AT THE ADDRESS SPECIFIED IN SECTION 19 OF THE CREDIT AGREEMENT. THE BORROWER HEREBY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH SUIT OR ANY SUCH COURT OR THAT SUCH SUIT IS BROUGHT IN AN INCONVENIENT COURT.

This Note shall be deemed to take effect as a sealed instrument under the laws of the Commonwealth of Massachusetts.

IN WITNESS WHEREOF, the undersigned has duly executed this Note as of the day and year first above written.

ALLIANCE CAPITAL MANAGEMENT L.P.

[Corporate Seal]

By: Alliance Capital Management
Corporation, General Partner

By:_____
Name:
Title:

GRID FOR REVOLVING CREDIT LOANS

Date	Amount of Loan	Amount of Principal Paid or Prepaid	Balance of Principal Unpaid	Notation Made By:
__/__/9_	$_____	$_____	$_____	_____
__/__/9_	$_____	$_____	$_____	_____
__/__/9_	$_____	$_____	$_____	_____
__/__/9_	$_____	$_____	$_____	_____
__/__/9_	$_____	$_____	$_____	_____
__/__/9_	$_____	$_____	$_____	_____
__/__/9_	$_____	$_____	$_____	_____
__/__/9_	$_____	$_____	$_____	_____
__/__/9_	$_____	$_____	$_____	_____
__/__/9_	$_____	$_____	$_____	_____
__/__/9_	$_____	$_____	$_____	_____
__/__/9_	$_____	$_____	$_____	_____
__/__/9_	$_____	$_____	$_____	_____
__/__/9_	$_____	$_____	$_____	_____
__/__/9_	$_____	$_____	$_____	_____
__/__/9_	$_____	$_____	$_____	_____
__/__/9_	$_____	$_____	$_____	_____
__/__/9_	$_____	$_____	$_____	_____
__/__/9_	$_____	$_____	$_____	_____

GRID FOR TERM LOANS

Initial Principal Amount of Term Loan: $_____

Date	Amount of Principal Paid or Prepaid	Balance of Principal Unpaid	Notation Made By:
__/__/9_	$_____	$_____	_____
__/__/9_	$_____	$_____	_____
__/__/9_	$_____	$_____	_____
__/__/9_	$_____	$_____	_____
__/__/9_	$_____	$_____	_____
__/__/9_	$_____	$_____	_____
__/__/9_	$_____	$_____	_____
__/__/9_	$_____	$_____	_____
__/__/9_	$_____	$_____	_____
__/__/9_	$_____	$_____	_____
__/__/9_	$_____	$_____	_____
__/__/9_	$_____	$_____	_____
__/__/9_	$_____	$_____	_____
__/__/9_	$_____	$_____	_____
__/__/9_	$_____	$_____	_____
__/__/9_	$_____	$_____	_____
__/__/9_	$_____	$_____	_____
__/__/9_	$_____	$_____	_____

EXHIBIT C to the
CREDIT AGREEMENT

ALLIANCE CAPITAL MANAGEMENT L.P.

_____, 199_

The First National Bank
of Boston, as Agent
100 Federal Street
Boston, MA 02110

Attention: _____

Re: Loan Request under the Revolving Credit and Term Loan Agreement dated as of February 14, 1994

Ladies and Gentlemen:

Please refer to that certain Revolving Credit and Term Loan Agreement dated as of February 14, 1994 (the "CREDIT AGREEMENT") among Alliance Capital Management L.P., The First National Bank of Boston, individually and as agent, and certain other Banks referred to therein. Capitalized terms defined in the Credit Agreement and used in this letter without definition shall have for purposes of this letter the meanings assigned to them in the Credit Agreement.

Pursuant to Section 2.6 of the Credit Agreement, we hereby request that a Revolving Credit Loan consisting of [**an Alternate Base Rate Loan in the principal amount of $_____, and/or a Eurodollar Rate Loan in the principal amount of $_____ with an Interest Period of _____**] be made on _____, 199_. We understand that this request is irrevocable and binding on us and obligates us to accept the requested Loan on such date.

We hereby certify (a) that the aggregate outstanding principal amount of the Revolving Credit Loans on today's date is $_____, (b) that the aggregate principal amount of the Revolving Credit Loans to be outstanding on the Drawdown Date for the Revolving Credit Loan requested hereby (assuming disbursement of such Loan and all other Loans requested under outstanding Loan Requests) will be $_____, (c) that we will use the proceeds of the

requested Revolving Credit Loan in accordance with the provisions of the Credit Agreement, (d) that each of the representations and warranties contained in the Credit Agreement or in any document or instrument delivered pursuant to or in connection with the Credit Agreement was true as of the date as of which they were made and is true at and as of the date hereof (except (i) to the extent that such representations and warranties expressly relate to a prior date, in which case they were true and correct in all material respects as of such earlier date, and (ii) to the extent of changes resulting from transactions contemplated or permitted by the Credit Agreement and the other Loan Documents and changes occurring in the ordinary course of business that singly or in the aggregate are not materially adverse to the undersigned and its Consolidated Subsidiaries taken as a whole), (e) that no Default or Event of Default has occurred and is continuing and (f) all conditions precedent to the Loan requested hereby set forth in Sections 10 and 11 of the Credit Agreement have been duly satisfied or waived.

Very truly yours,

ALLIANCE CAPITAL MANAGEMENT L.P.

By: Alliance Capital Management
Corporation, General Partner

By:_____

Name:_____

Title:_____

EXHIBIT D to the
CREDIT AGREEMENT

ALLIANCE CAPITAL MANAGEMENT L.P.

_____, 19__

The First National Bank
of Boston, as Agent
100 Federal Street
Boston, MA 02110

Attention: _____

Re: Confirmation of Loan Request under the
Revolving Credit and Term Loan Agreement
dated as of February 14, 1994

Ladies and Gentlemen:

Please refer to that certain Revolving Credit and Term Loan Agreement dated as of February 14, 1994 (the "CREDIT AGREEMENT") among Alliance Capital Management L.P., The First National Bank of Boston, individually and as agent, and certain other Banks referred to therein. Capitalized terms defined in the Credit Agreement and used in this letter without definition shall have for purposes of this letter the meanings assigned to them in the Credit Agreement.

Pursuant to Section 2.6 of the Credit Agreement, we hereby confirm that a telephonic request for a Revolving Credit Loan consisting of [**an Alternate Base Rate Loan in the principal amount of $_____, and/or a Eurodollar Rate Loan in the principal amount of $_____ with an Interest Period of _____**] to be made on _____, 199_ was made by us on _____, 199_. We understand that this request was irrevocable and binding on us and obligated us to accept the requested Revolving Credit Loan on such date.

We hereby certify (a) that the aggregate outstanding principal amount of the Revolving Credit Loans on the date of the request was $_____, (b) that the aggregate principal amount of the Revolving Credit Loans to be outstanding on the Drawdown Date for the Revolving Credit Loan requested as described above (assuming disbursement of such Loan and all other Loans requested under outstanding

Loan Requests) will be $_____, (c) that we will use the proceeds of the requested Revolving Credit Loan in accordance with the provisions of the Credit Agreement, (d) that each of the representations and warranties contained in the Credit Agreement or in any document or instrument delivered pursuant to or in connection with the Credit Agreement was true as of the date as of which they were made and is true at and as of the date hereof (except (i) to the extent that such representations and warranties expressly relate to a prior date, in which case they were true and correct in all material respects as of such earlier date, and (ii) to the extent of changes resulting from transactions contemplated or permitted by the Credit Agreement and other Loan Documents and changes occurring in the ordinary course of business that singly or in the aggregate are not materially adverse to the undersigned and its Consolidated Subsidiaries taken as a whole), (e) that no Default or Event of Default has occurred and is continuing and (f) all conditions precedent to the Loan requested as described above that are set forth in Sections 10 and 11 of the Credit Agreement have been duly satisfied or waived.

Very truly yours,

ALLIANCE CAPITAL MANAGEMENT L.P.

By: Alliance Capital Management
Corporation, General Partner

By:_____

Name:_____

Title:_____

EXHIBIT E to the
CREDIT AGREEMENT

ALLIANCE CAPITAL MANAGEMENT L.P.

_____, 19__

The First National Bank
of Boston, as Agent
100 Federal Street
Boston, MA 02110

Attention: _____

Re: Conversion Request under the Revolving Credit and
Term Loan Agreement dated as of February 14, 1994

Ladies and Gentlemen:

Please refer to that certain Revolving Credit and Term Loan Agreement dated as of February 14, 1994 (the "CREDIT AGREEMENT") among Alliance Capital Management L.P., The First National Bank of Boston, individually and as agent, and certain other Banks referred to therein. Capitalized terms defined in the Credit Agreement and used in this letter without definition shall have for purposes of this letter the meanings assigned to them in the Credit Agreement.

Pursuant to Section 2.7 of the Credit Agreement, we hereby request that the [**Revolving Credit, or Term**] Loan consisting of [**an Alternate Base Rate Loan in the principal amount of $_____, and/or a Eurodollar Rate Loan in the principal amount of $_____ with an Interest Period of _____ ending on _____, 199_**] currently in effect be converted to [**an Alternate Base Rate Loan in principal amount of $_____, or a Eurodollar Rate Loan in principal amount of $_____ with an Interest Period of _____**] on _____, 199_. We understand that this request is irrevocable and binding on us.

We hereby certify (a) that the aggregate outstanding principal amount of the [**Revolving Credit Loans, or Term Loan**] on today's date is $_____, (b) upon giving effect to the request set forth in this letter (and any other

outstanding conversion requests under the Credit Agreement) there will be outstanding Eurodollar Rate Loans having _____ different Interest Periods, (c) if this letter requests conversion of an Alternate Base Rate Loan to a Eurodollar Rate Loan or continuation of a Eurodollar Rate Loan as such, that no Default or Event of Default has occurred and is continuing and (d) the requests set forth in this letter are made in accordance with the terms and conditions of the Credit Agreement.

Very truly yours,

ALLIANCE CAPITAL MANAGEMENT L.P.

By: Alliance Capital Management
Corporation, General Partner

By:_____

Name:_____

Title:_____

EXHIBIT F to the
CREDIT AGREEMENT

ALLIANCE CAPITAL MANAGEMENT L.P.

_____, 19__

The First National Bank
of Boston, as Agent
100 Federal Street
Boston, MA 02110

Attention: _____

Re: Confirmation of Conversion Request under the Revolving Credit and Term Loan Agreement dated as of February 14, 1994

Ladies and Gentlemen:

Please refer to that certain Revolving Credit and Term Loan Agreement dated as of February 14, 1994 (the "CREDIT AGREEMENT") among Alliance Capital Management L.P., The First National Bank of Boston, individually and as agent, and certain other Banks referred to therein. Capitalized terms defined in the Credit Agreement and used in this letter without definition shall have for purposes of this letter the meanings assigned to them in the Credit Agreement.

Pursuant to Section 2.7 of the Credit Agreement, we hereby confirm our telephonic request that the [**Revolving Credit, or Term Loan**] consisting of [**an Alternate Base Rate Loan in the principal amount of $_____, and/or a Eurodollar Rate Loan in the principal amount of $_____ with an Interest Period of _____ ending on _____, 199_**] in effect at the time of such request be converted to [**an Alternate Base Rate Loan in principal amount of $_____, or a Eurodollar Rate Loan in principal amount of $_____, with an Interest Period of _____**] on _____, 199_. We understand that this request was irrevocable and binding on us.

We hereby certify (a) that the aggregate outstanding principal amount of the [**Revolving Credit Loans, or Term Loan**] on today's date is $_____, (b) upon giving effect to the request confirmed in this letter (and any other outstanding conversion requests under the Credit Agreement) there will be outstanding Eurodollar Rate Loans having ____ different Interest Periods, (c) if this letter confirms a request for conversion of an Alternate Base Rate Loan to a Eurodollar Rate Loan or continuation of a Eurodollar Rate Loan as such, that no Default or Event of Default has occurred and is continuing and (d) the requests confirmed in this letter were made in accordance with the terms and conditions of the Credit Agreement.

Very truly yours,

ALLIANCE CAPITAL MANAGEMENT L.P.

By: Alliance Capital Management
Corporation, General Partner

By:_____

Name:_____

Title:_____

EXHIBIT G to
CREDIT AGREEMENT

[ALLIANCE CAPITAL MANAGEMENT L.P. LETTERHEAD]

The First National Bank of
Boston, as Agent
100 Federal Street
Boston, Massachusetts 02110

Each of the Banks as defined in the
Credit Agreement referred to below

Attention: _____

Re: Compliance Certificate under Revolving Credit and Term Loan Agreement dated as of February 14, 1994

Ladies and Gentlemen:

Please refer to that certain Revolving Credit and Term Loan Agreement dated as of February 14, 1994 (the "CREDIT AGREEMENT") among Alliance Capital Management L.P., The First National Bank of Boston, individually and as agent, and certain other Banks referred to therein. Capitalized terms defined in the Credit Agreement and used in this certificate without definition shall have for purposes of this certificate the meanings assigned to them in the Credit Agreement.

This is a certificate delivered pursuant to Section 7.4(c) of the Credit Agreement with respect to compliance with the financial covenants as set forth in Section 9 of the Credit Agreement. This certificate has been duly executed by the principal financial or accounting officer of the Borrower.

1. NO DEFAULT. To the best of the knowledge and belief of the undersigned, no Default or Event of Default has occurred and is continuing under the Credit Agreement. Attached hereto as APPENDIX I are all relevant calculations setting forth the Borrower's compliance with Sections 9.1 through 9.3, inclusive, of the Credit Agreement as at the end of or, if required, during the [**annual or quarterly**] period covered by the financial statements delivered herewith, together with the reconciliations to reflect changes, if any, in generally accepted accounting principles since the Balance Sheet Date.

2. FINANCIAL STATEMENTS. Together with this Certificate, the Borrower is delivering to the Agent the financial statements required pursuant to Section 7.4 of the Credit Agreement. [Also delivered herewith is a reconciliation of the covenant calculations and the financial statements of the Borrower to the extent they differ as the result of changes in generally accepted accounting principles since the Balance Sheet Date.]

IN WITNESS WHEREOF, the undersigned has signed this certificate as an instrument under seal on this _____ day of _____, 199_.

ALLIANCE CAPITAL MANAGEMENT L.P.

By: Alliance Capital Management
Corporation, General Partner

By: _____
Name:
Title:

APPENDIX I

COMPLIANCE CERTIFICATE WORKSHEET

_____, 199_

OPERATING COVERAGE RATIO (Section 9.1) From___to___

(1) Consolidated Adjusted Cash Flow:

(a) (i) EBITDA:

(A) Consolidated Net Income (Loss)	$_____
(B) Taxes	_____
(C) Interest	_____
(D) Depreciation	_____
(E) Amortization	_____
(F) EBITDA (the sum of (A) through (E))	_____
(ii) Non-cash charges (excluding depreciation and amortization) to the extent deducted from Consolidated Net Income	_____
(iii) Subtotal ((i) (F) PLUS (ii))	_____

(b) Brokerage commissions paid in connection with "B" share sales (net of contingent deferred sales charges from redemptions of such "B" shares) _____

(c) Consolidated Adjusted Cash Flow ((a) (iii) MINUS (b)) $_____

(2) Consolidated Fixed Charges:

(a) Interest Installments on Funded Debt	$_____
(b) Scheduled Principal Installments on Funded Debt Funded Debt (including non-contingent amounts payable in respect of certain keepwell obligations)	_____
(c) Cash Taxes	_____
(d) Capital Expenditures	_____
(e) Rental payments and scheduled installments under Capitalized Leases	_____
(f) Consolidated Fixed Charges (the sum of (a) through (e))	$_____

Ratio of (1) (c) to (2)(f)	_____
Required Ratio Covenant	1.25:1

TOTAL COVERAGE RATIO (SECTION 9.2) From__to____

(1) Total Available Cash:

(a) Consolidated Adjusted Cash Flow (from 1(c) above)	$_____
(b) At the start of the fiscal period (i) lesser of (x) Working Capital Reserve and (y) sum of Cash and Cash Equivalents PLUS Readily Marketable Securities as reduced by (ii) EXCESS of (A) Amounts Payable to Affiliated Funds for Shares Purchases OVER (B) Receivables from Brokers for Sale of Fund Shares	_____
(c) Total Commitment MINUS aggregate amount of Revolving Credit Loans outstanding (each as of the first day of the period or, if later, the Closing Date)1/	_____
(d) Cash proceeds from Unit Sales and exercises of options to buy Units (net of selling commissions and offering expenses)	_____
(e) Total Available Cash (sum of (a), (b), (c) and (d))	$_____

- - ----------

1/ Calculation (c) is included only if the first day of the period being reported is prior to the Revolving Credit Loan Maturity Date.

(2) Total Payments:

(a) Consolidated Fixed Charges (from 2(f) above)	$_____
(b) Mandatory Principal Installments on Funded Debt (except scheduled installments included in Consolidated Fixed Charges)	_____
(c) Mandatory payments under Capitalized Leases (except rental payments and scheduled installments included in Consolidated Fixed Charges)	_____
(d) Voluntary prepayments of principal of Funded Debt	_____
(e) Distributions Paid	_____
(f) Cash payments for Acquisitions	_____
(g) Total Payments (sum of (a) through (f))	$_____
Ratio of (1)(e) to (2) (g)	_____
Required Ratio	1.00:1

Ratio of Funded Debt to Adjusted Cash Flow (Section 9.3) At December 31, 199_

(1) Consolidated Adjusted Funded Debt:

(a) Aggregate principal of Funded Debt on a consolidated basis	$_____
(b) Aggregate principal of Funded Debt owed to any Consolidated Subsidiary that is not a Restricted Subsidiary	_____
(c) Consolidated Adjusted Funded Debt ((a) PLUS (b))	$_____

(2)	Consolidated Adjusted Cash Flow2/		$_____
(a)	(i)	EBITDA:	
		(A) Consolidated Net Income (Loss)	$_____
		(B) Taxes	_____
		(C) Interest	_____
		(D) Depreciation	_____
		(E) Amortization	_____
		(F) EBITDA (the sum of (A) through (E))	_____
	(ii)	Non-cash charges (excluding depreciation and amortization) to the extent deducted from Consolidated Net Income	_____
	(iii)	Subtotal ((i) (F) PLUS (ii))	_____
(b)		Brokerage commissions paid in connection with "B" share sales (net of contingent deferred sales charges from redemptions of such "B" shares)	_____
(c)		Consolidated Adjustment Cash Flow ((a) (iii) MINUS (b))	$_____
Ratio of (1) to (2)			_____
Required Ratio		On or prior to 6/30/94	2.15:1
		After 6/30/94	2.00:1

- - ------------------------

2/ The following calculation is to be used only if the calculation of Consolidated Adjusted Cash Flow for the purposes of the ratio of Funded Debt to Adjusted Cash Flow will be different from that reported in subpart (1) under the section entitled "Operating Coverage Ratio."

EXHIBIT H to
CREDIT AGREEMENT

ASSIGNMENT AND ACCEPTANCE

Dated as of _____, 19__

Reference is made to the Revolving Credit and Term Loan Agreement, dated as of February __, 1994 (as from time to time amended and in effect, the "CREDIT AGREEMENT"), by and among Alliance Capital Management L.P., a Delaware limited partnership (the "BORROWER"), the banking institutions referred to therein as Banks (collectively, the "BANKS") and The First National Bank of Boston, as agent for the Banks (in such capacity, the "AGENT"). Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Credit Agreement.

_____ (the "ASSIGNOR") and _____ the ("ASSIGNEE") hereby agree as follows:

1. Subject to the terms and conditions of this Assignment and Acceptance, the Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes without recourse to the Assignor, a $_____ interest in and to the rights, benefits, indemnities, and obligations of the Assignor under the Credit Agreement equal to _____% in respect of the Total Commitment immediately prior to the Effective Date (as hereinafter defined).

2. The Assignor (a) represents and warrants that (i) it is legally authorized to enter into this Assignment and Acceptance, (ii) as of the date hereof, its Commitment is $_____, its Commitment Percentage is _____%, and the aggregate outstanding principal balance of its Loans equals $_____, (in each case after giving effect to the assignment contemplated hereby but without giving effect to any contemplated assignments which have not yet become effective), and (iii) immediately after giving effect to all assignments which have not yet become effective, the Assignor's Commitment Percentage will be sufficient to give effect to this Assignment and Acceptance, (b) makes no representation or warranty, express or implied, and assumes no responsibility with respect to any statements, warranties, or representations made in or in connection with the Credit Agreement or any of the other Loan Documents or the execution, legality, validity, enforceability, genuineness, sufficiency, or value of the Credit Agreement, the other Loan Documents or any other instrument or document

furnished pursuant thereto or the attachment, perfection, or priority of any Lien, other than that it is the legal and beneficial owner of the interest being assigned by it hereunder free and clear of any Lien; (c) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower, any Other Obligor, or any other Person primarily or secondarily liable in respect of any of the Obligations, or the performance or observance by the Borrower, any Other Obligor, or any other Person primarily or secondarily liable in respect of any of the Obligations of any of its obligations under the Credit Agreement or any of the other Loan Documents or any other instrument or document delivered or executed pursuant thereto; and (d) attaches hereto the Note delivered to it under the Credit Agreement.

The Assignor requests that the Borrower exchange the Assignor's Note for new Notes payable to the Assignor and the Assignee as follows:

Notes Payable to the Order of:	Amount of Note
Assignor	$_____
Assignee	$_____

3. The Assignee (a) represents and warrants that (i) it is duly and legally authorized to enter into this Assignment and Acceptance, (ii) the execution, delivery, and performance of this Assignment and Acceptance do not conflict with any Government Mandate, the charter or by-laws of the Assignee, or any Contract binding on the Assignee, (iii) all acts, conditions, and things required to be done and performed and to have occurred prior to the execution, delivery, and performance of this Assignment and Acceptance, and to render the same the legal, valid, and binding obligation of the Assignee, enforceable against it in accordance with its terms, have been done and performed and have occurred in due and strict compliance with all applicable Government Mandates; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 7.4 (a) and (b) thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will,

independently and without reliance upon the Assignor, the Agent or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (d) represents and warrants that it is an Eligible Assignee; (e) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Loan Documents as are delegated to the Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (f) agrees that it will perform in accordance with their terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Bank.

4. The effective date for this Assignment and Acceptance shall be _____, 19__ (the "EFFECTIVE DATE"). Following the execution of this Assignment and Acceptance and if required, the consent of the Borrower hereto, each party hereto shall deliver its duly executed counterpart hereof to the Agent for acceptance by the Agent and recording in the Register by the Agent. SCHEDULE 1 to the Credit Agreement shall thereupon be replaced as of the Effective Date by the SCHEDULE 1 annexed hereto.

5. Upon such acceptance and recording, from and after the Effective Date, (a) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Bank thereunder, and (b) the Assignor shall, with respect to that portion of its interest under the Credit Agreement assigned hereunder, relinquish its rights and be released from its obligations under the Credit Agreement; PROVIDED, HOWEVER, that the Assignor shall retain its rights to be indemnified pursuant to Sections 5.8, 5.9, 5.11, 15 and 16 of the Credit Agreement with respect to any claims or Proceedings arising prior to the Effective Date (and without limiting any other rights of Assignee, Assignee shall also be entitled to indemnity thereunder for such Proceedings).

6. Upon such acceptance of this Assignment and Acceptance by the Agent and such recording, from and after the Effective Date, the Agent shall make all payments in respect of the rights and interests assigned hereby (including payments of principal, interest, fees, and other amounts) to the Assignee. The Assignor and the Assignee shall make any appropriate adjustments in payments for periods prior to the Effective Date by the Agent or with respect to the making of this assignment directly between themselves.

7. THIS ASSIGNMENT AND ACCEPTANCE IS INTENDED TO TAKE EFFECT AS A SEALED INSTRUMENT TO BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS (WITHOUT REFERENCE TO CONFLICT OF LAWS).

8. This Assignment and Acceptance may be executed in any number of counterparts which shall together constitute but one and the same agreement.

IN WITNESS WHEREOF, intending to be legally bound, each of the undersigned has caused this Assignment and Acceptance to be executed on its behalf by its officer thereunto duly authorized, as of the date first above written.

[THE ASSIGNOR]

By:_____
Title:_____

[THE ASSIGNEE]

By:_____
Title:_____

CONSENTED TO:

ALLIANCE CAPITAL MANAGEMENT L.P.

By: Alliance Capital Management
Corporation, General Partner

By:_____
Title:_____

THE FIRST NATIONAL BANK OF BOSTON,
as Agent

By:_____
Title:_____

EXHIBIT I

[Letterhead: Seward & Kissel]

February 22, 1994

Addressed to Each of the Parties
Listed on the Attached Schedule 1

$100,000,000 Revolving Credit and Term Loan Agreement dated as of February 14, 1994 among Alliance Capital Management L.P., the Banks which are parties thereto and THE FIRST NATIONAL BANK OF BOSTON AS AGENT

Ladies and Gentlemen:

We are acting as counsel for Alliance Capital Management L.P., a Delaware limited partnership (the "Company"), in connection with the Revolving Credit and Term Loan Agreement dated as of February 14, 1994 (the "Agreement") entered into among the Company, each of the Banks which are parties thereto, and The First National Bank of Boston, as Agent. This opinion is being delivered pursuant to Section 10.6 of the Agreement.

Except as otherwise herein defined, each of the terms used in this opinion which is defined in the Agreement is used herein as defined therein.

As counsel to the Company, we have examined and relied, as to factual matters (but not as to any question of law), upon originals, or copies certified to our satisfaction, of such records, documents, certificates of the Company and of public officials and other instruments,

and made such other inquiries, as, in our judgment, are necessary or appropriate to enable us to render the opinion expressed below. We have assumed the genuineness of all signatures and the conformity to originals of all certified copies. We have relied on the representations and warranties set forth in the Agreement as to factual matters (but not as to any question of law). We have also assumed that the information contained in certificates of public officials which we have relied upon to render the opinion expressed below, and which certificates are dated a date reasonably near the date hereof, is still true and accurate as of the date hereof. We have further assumed, with your permission, that each party to the Agreement, other than the Company and Alliance Capital Management Corporation, the general partner of the Company (the "General Partner"), is duly organized and validly existing, has full power and authority to enter into and perform its obligations under the Agreement, and has duly authorized, executed and delivered the Agreement, which Agreement constitutes their legal, valid and binding contract and agreement.

Based on the foregoing, we are of the opinion that:

1. The Company is a limited partnership, duly organized and validly existing under the laws of the State of Delaware, has the power and authority and is duly authorized to enter into and perform the Agreement and to issue the Notes thereunder, and is duly qualified and is in good standing as a foreign partnership in the State of New York.

2. The General Partner is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, has corporate power and authority and is duly authorized to act as general partner of the Company and to execute and deliver the Agreement and the Notes on behalf of the Company, and is duly qualified and in good standing as a foreign corporation in the State of New York.

3. The Agreement has been duly authorized, executed and delivered by the Company and constitutes the legal, valid and binding contract and agreement of the Company enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, fraudulent transfer and similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application

of such principles in considered in a proceeding in equity or at law).

4. The Notes issued on the date hereof have been duly authorized, executed and delivered by the Company and constitute, and any Note issued hereafter to an assignee pursuant to Section 18 of the Agreement (assuming due execution and delivery of the Note issued to the assignee, a legal, valid, binding and enforceable assignment, compliance with all of the provisions of the Agreement and no change in applicable law or circumstances, including without limitation no change in the status of the assignee being in all relevant respects the same as the status of the Banks which are originally parties to the Agreement) will constitute, the legal, valid and binding obligations of the Company enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, fraudulent transfer and other similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

5. No approval or consent on the part of, or filing with, any Federal or Delaware or New York State governmental body is necessary in connection with the execution, delivery and performance of the Agreement or the Notes (it being understood that no opinion is expressed with respect to compliance with any Federal or State securities laws).

6. The execution, delivery and performance by the Company of the Agreement and the Notes do not conflict with or result in any breach of any of the provisions of, or constitute a default under, (a) the Agreement of Limited Partnership or the Certificate of Limited Partnership of the Company, (b) the Certificate of Incorporation or By-laws of the General Partner, (c) any of the Note Agreements dated as of January 15, 1992, as amended, or, to our knowledge, without having undertaken any investigation for purposes of this opinion, any other agreement to which the Company is a party, except where the conflict, breach or default would not be likely to have a Material Effect, or (d) any Federal or Delaware or New York State law or regulation applicable to the Company, the General Partner or their respective property.

7. The Company is registered as an investment adviser under the Investment Advisers Act of 1940, as amended. Alliance Distributors is registered as a broker-dealer under the Securities Exchange Act of 1934, as amended, and is a member in good standing of the National Association of Securities Dealers, Inc. Neither the Company nor any of its Subsidiaries is a "holding company" or a "subsidiary company" of a "holding company" as those terms are defined in the Public Utility Holding Company Act of 1935, as amended. The Company is not an "investment company", as that term is defined in the Investment Company Act of 1940, as amended.

8. To our knowledge, without having undertaken any investigation for purposes of this opinion, there is no Proceeding pending or threatened against the Company, any of its Subsidiaries or the General Partner that questions the validity of (a) the Agreement or the Notes, or (b) any Permits of the Borrower or its Subsidiaries or any 12b-1 Fee plan or arrangement which is likely to have a Material Effect.

We are members of the bar of the State of New York. This opinion is limited to the laws of the State of New York , the Delaware Revised Uniform Limited Partnership Act, the corporate laws of the State of Delaware and the Federal laws of the United States of America. We have assumed in this opinion that the laws of the Commonwealth of Massachusetts (by which the Agreement and the Notes are stated to be governed) are the same as the laws of the State of New York insofar as they relate to the enforceability of the Agreement and the Notes.

This opinion is given only as of its date, and we have no obligation to notify you of the effect of any change in law or circumstances which may occur after the date hereof.

This opinion is addressed to you in connection with the closing under the Agreement and may not be relied upon by you for any other purpose or furnished to or relied upon by any other person for any purpose (other than being (i) furnished to your regulators, auditors and legal counsel in connection with the closing under the Agreement and (ii) furnished to and relied upon by a subsequent assignee of the Agreement and a Note solely for the purpose of such assignment, and subject in any case to the immediately

preceding paragraph and to the parenthetical assumptions in the paragraph numbered 4 above) without our prior written consent.

Very truly yours,

/s/ Seward & Kissel

SCHEDULE 1

The First National Bank of Boston,
individually and as Agent
100 Federal Street
Boston, Massachusetts 02110

The Chase Manhattan Bank, N.A.
Insurance Division, Concourse Level
1285 Sixth Avenue
New York, New York 10019

The Bank of New York
One Wall Street
New York, New York 10286

Nationsbank of Georgia
Securities Industry Group - 21st Floor
600 Peachtree Street, NE
Atlanta, Georgia 30308-2213

Morgan Guaranty Trust Company
of New York
60 Wall Street
New York, New York 10260-0060

STATE OF DELAWARE

OFFICE OF THE SECRETARY OF STATE

I, WILLIAM T. QUILLEN, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF LIMITED PARTNERSHIP OF "ALLIANCE CAPITAL MANAGEMENT L.P.", FILED IN THIS OFFICE ON THE EIGHTEENTH DAY OF NOVEMBER, A.D. 1987, AT 2:30 O'CLOCK P.M.

/s/ WILLIAM T. QUILLEN

WILLIAM T. QUILLEN, SECRETARY OF STATE

2143943 8100

AUTHENTICATION: 7023258

944016549

DATE: 02-08-94

ALLIANCE CAPITAL MANAGEMENT L.P.

CERTIFICATE OF LIMITED PARTNERSHIP
(pursuant to Section 17-201)

1. The name of the limited partnership is Alliance Capital Management L.P. (the "Partnership").

2. The registered office of the Partnership is located in New Castle County at 1209 Orange Street, Wilmington, Delaware 19801. The name of the registered agent for service of process at such office is The Corporation Trust Company.

3. The sole general partner of the Partnership is Alliance Capital Management Corporation whose address is 1345 Avenue of the Americas, New York, New York, 10105.

IN WITNESS WHEREOF, the undersigned has executed this certificate as the General Partner of the Partnership as of this 18th day of November, 1987.

GENERAL PARTNER:

ALLIANCE CAPITAL MANAGEMENT
CORPORATION

By: /s/

Executive Vice President

STATE OF DELAWARE

OFFICE OF THE SECRETARY OF STATE

I, WILLIAM T. QUILLEN, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "ALLIANCE CAPITAL MANAGEMENT L.P", FILED IN THIS OFFICE ON THE TWELFTH DAY OF DECEMBER, A.D. 1991, AT 1:32 O'CLOCK P.M.

/s/ WILLIAM T. QUILLEN

WILLIAM T. QUILLEN, SECRETARY OF STATE

2143943 8100

AUTHENTICATION: 7023259

944016549

DATE: 02-08-94

12-12-91

ALLIANCE CAPITAL MANAGEMENT L.P.

CERTIFICATE OF AMENDMENT OF
CERTIFICATE OF LIMITED PARTNERSHIP
(PURSUANT TO SECTION 17-202)

1. The name of the limited partnership is Alliance Capital Management L.P. (the "Partnership").

2. Alliance Capital Management Corporation is withdrawing as the Partnership's general partner. The new general partner is Alliance GP Incorporated whose address is 1345 Avenue of the Americas, New York, New York 10105.

3. The corporate name of Alliance GP Incorporated, the general partner of the Partnership, has been amended to Alliance Capital Management Corporation.

IN WITNESS WHEREOF, the undersigned has executed this certificate as the General Partner of the Partnership as of this 12th day of December, 1991.

GENERAL PARTNER:

ALLIANCE CAPITAL MANAGEMENT
CORPORATION

By: /s/ DAVID R. BREWER

Senior Vice President

STATE OF DELAWARE

OFFICE OF THE SECRETARY OF STATE

I, WILLIAM T. QUILLEN, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "ALLIANCE GP INCORPORATED", FILED IN THIS OFFICE ON THE FIFTH DAY OF SEPTEMBER, A.D. 1991, AT 3 O'CLOCK P.M.

/s/ WILLIAM T. QUILLEN

WILLIAM T. QUILLEN, SECRETARY OF STATE

2272830 8100

AUTHENTICATION: 7023255

944016548

DATE: 02-08-94

CERTIFICATE OF INCORPORATION

OF

ALLIANCE GP INCORPORATED

Pursuant to the General Corporation Law
of the State of Delaware

FIRST: The name of the Corporation is Alliance GP Incorporated (hereinafter called the "Corporation").

SECOND: The location of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at that address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: The total number of shares of all classes of capital stock which the Corporation shall have authority to issue is one thousand shares of Common Stock of the par value of one cent ($.01) per share.

FIFTH: Election of directors need not be by written ballot unless the By-Laws so provide.

SIXTH: In furtherance and not in limitation of the powers conferred by law, the Board of Directors of the

Corporation is expressly authorized:

(a) To make, alter, amend or repeal the By-Laws of the Corporation.

(b) To direct and determine the use and disposition of net profits or net assets in excess of capital; to set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose; and to abolish any such reserve in the manner in which it was created.

(c) To establish bonus, profit-sharing, stock option, retirement or other types of incentive or compensation plans for the employees (including officers and directors) of the Corporation and its subsidiaries and to fix the amount of the profits to be distributed or shared and to determine the persons to participate in any such plans and the amounts of their respective participations.

(d) From time to time to determine whether and to what extent, and at what time and places and under what conditions and regulations, the accounts and books of the Corporation (other than the stock ledger), or any of them, shall be open to the inspection of the stockholders; and no stockholder shall have any right to inspect any account or book or document of the Corporation, except as conferred by statute or authorized by the Board of Directors or by a resolution of the stockholders.

(e) To authorize, and cause to be executed mortgages and liens upon the real and personal property of the Corporation.

SEVENTH: The name of the initial director of the Corporation who shall serve until the first annual meeting of stockholders or until his successor is duly chosen and qualifies is David R. Brewer, Jr. and his address is 1345 Avenue of the Americas, New York, New York 10105.

EIGHTH: A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. If the Delaware General Corporation Law is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended. Any repeal or modification of this Article EIGHTH by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

NINTH: Subject to Article EIGHTH, no person shall be liable to the Corporation for any loss or damage suffered by it on account of any action taken or omitted to be taken by him as a director or officer of the Corporation in good

faith, if such person (i) exercised or used the same degree of diligence, care and skill as an ordinarily prudent man would have exercised or used under the circumstances in the conduct of his own affairs, or (ii) took, or omitted to take, such action in reliance upon advice of counsel for the Corporation, or upon statements made or information furnished by officers or employees of the Corporation which he had reasonable grounds to believe to be true, or upon a financial statement of the Corporation prepared by an officer or employee of the Corporation in charge of its accounts or certified by a public accountant or firm of public accountants.

TENTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation in the manner now or hereafter prescribed by law, and all rights and powers conferred herein on stockholders and directors are subject to this reserved power.

ELEVENTH: The name of the incorporator is Patricia A. Poglinco and her mailing address is One Battery Park Plaza, New York, New York 10004.

IN WITNESS WHEREOF, the undersigned, being the incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, does make this certificate this 5th day of September, 1991.

/s/ PATRICIA A. POGLINCO

Patricia A. Poglinco

STATE OF DELAWARE

OFFICE OF THE SECRETARY OF STATE

I, WILLIAM T. QUILLEN, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "ALLIANCE GP INCORPORATED", CHANGING ITS NAME FROM "ALLIANCE GP INCORPORATED" TO "ALLIANCE CAPITAL MANAGEMENT CORPORATION", FILED IN THIS OFFICE ON THE TWELFTH DAY OF DECEMBER, A.D. 1991, AT 1:31 O'CLOCK P.M.

/s/ WILLIAM T. QUILLEN

WILLIAM T. QUILLEN, SECRETARY OF STATE

2272830 8100

AUTHENTICATION: 7023256

944016548

DATE: 02-08-94

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION

* * * * *

Alliance GP Incorporated, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of said corporation, by the unanimous action of its members at a regular meeting adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of said corporation:

> RESOLVED, that the Certificate of Incorporation of Alliance GP Incorporated be amended by changing the First Article thereof so that, as amended, said Article shall be and read as follows:
>
> "The name of the Corporation is Alliance Capital Management Corporation (hereinafter called the "Corporation")."

SECOND: That in lieu of a meeting and vote of the stockholder, the sole stockholder has consented to said amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Section 242 and 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said Alliance GP Incorporated has caused this certificate to be signed by David R. Brewer, Jr., its Senior Vice President and attested by Christine W. Manfre, its Assistant Secretary, this 12th day of December, 1991.

ALLIANCE GP INCORPORATED

By /s/ DAVID R. BREWER

Senior Vice President

ATTEST:

By /s/ CHRISTINE W. MANFRE

Assistant Secretary

STATE OF DELAWARE
OFFICE OF THE SECRETARY OF STATE

I, WILLIAM T. QUILLEN, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THAT "ALLIANCE CAPITAL MANAGEMENT L.P." IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE NOT HAVING BEEN CANCELLED OR REVOKED SO FAR AS THE RECORDS OF THIS OFFICE SHOW AND IS DULY AUTHORIZED TO TRANSACT BUSINESS.

THE FOLLOWING DOCUMENTS HAVE BEEN FILED:

CERTIFICATE OF LIMITED PARTNERSHIP, FILED THE EIGHTEENTH DAY OF NOVEMBER, A.D. 1987, AT 2:30 O'CLOCK P.M.

CERTIFICATE OF AMENDMENT, FILED THE TWELFTH DAY OF DECEMBER, A.D. 1991, AT 1:32 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CERTIFICATES ARE THE ONLY CERTIFICATES ON RECORD OF THE AFORESAID LIMITED PARTNERSHIP.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.

/s/ WILLIAM T. QUILLEN

WILLIAM T. QUILLEN, SECRETARY OF STATE

2143943 8310

AUTHENTICATION: 7023260

944016549

DATE: 02-08-94

STATE OF DELAWARE
OFFICE OF THE SECRETARY OF STATE

I, WILLIAM T. QUILLEN, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THAT "ALLIANCE CAPITAL MANAGEMENT CORPORATION" IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE NOT HAVING BEEN CANCELLED OR DISSOLVED SO FAR AS THE RECORDS OF THIS OFFICE SHOW AND IS DULY AUTHORIZED TO TRANSACT BUSINESS.

THE FOLLOWING DOCUMENTS HAVE BEEN FILED:

CERTIFICATE OF INCORPORATION, FILED THE FIFTH DAY OF SEPTEMBER, A.D. 1991, AT 3 O'CLOCK P.M.

CERTIFICATE OF AMENDMENT, CHANGING ITS NAME FROM "ALLIANCE GP INCORPORATED" TO "ALLIANCE CAPITAL MANAGEMENT CORPORATION", FILED THE TWELFTH DAY OF DECEMBER, A.D. 1991, AT 1:31 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CERTIFICATES ARE THE ONLY CERTIFICATES ON RECORD OF THE AFORESAID CORPORATION.

AND I DO FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES

/s/ WILLIAM T. QUILLEN

WILLIAM T. QUILLEN, SECRETARY OF STATE

2272830 8310

AUTHENTICATION: 7023257

944016548

DATE: 02-08-94

STATE OF DELAWARE

OFFICE OF THE SECRETARY OF STATE

HAVE BEEN PAID TO DATE.

/s/ WILLIAM T. QUILLEN

WILLIAM T. QUILLEN, SECRETARY OF STATE

2272830 8310

AUTHENTICATION: 7023257

944016548

DATE: 02-08-94

SECRETARY OF STATE

199402090021

STATE OF NEW YORK)
) SS:
DEPARTMENT OF STATE)

I HEREBY CERTIFY, THAT ALLIANCE CAPITAL MANAGEMENT L.P. A DELAWARE LIMITED PARTNERSHIP, FILED AN APPLICATION FOR AUTHORITY OF LIMITED PARTNERSHIP PURSUANT TO ARTICLE 8-A OF THE PARTNERSHIP LAW, ON 04/20/1988, AND SO FAR AS SHOWN BY THE RECORDS OF THIS DEPARTMENT IS AUTHORIZED TO DO BUSINESS UNDER THE LAWS OF THE STATE OF NEW YORK.

***

WITNESS MY HAND AND THE OFFICIAL SEAL OF THE DEPARTMENT OF STATE AT THE CITY OF ALBANY, THIS 08TH DAY OF FEBRUARY ONE THOUSAND NINE HUNDRED AND NINETY-FOUR.

SECRETARY OF STATE

199492090021

STATE OF NEW YORK)
) SS:
DEPARTMENT OF STATE)

I HEREBY CERTIFY, THAT ALLIANCE GP INCORPORATED A DELAWARE CORPORATION, FILED AN APPLICATION FOR AUTHORITY TO DO BUSINESS IN THE STATE OF NEW YORK ON 11/07/1991.

A CERTIFICATE CHANGING NAME TO ALLIANCE CAPITAL MANAGEMENT CORPORATION WAS FILED WITH THIS OFFICE ON 12/16/1991.

THE STATEMENT OF ADDRESSES AND DIRECTORS IS PAST DUE.

I FURTHER CERTIFY THAT NO CERTIFICATE OF SURRENDER OF AUTHORITY HAS BEEN FILED, AND SO FAR AS SHOWN BY THE RECORDS OF THIS DEPARTMENT, SUCH CORPORATION IS STILL AUTHORIZED TO DO BUSINESS IN THE STATE OF NEW YORK.

***

WITNESS MY HAND AND THE OFFICIAL SEAL OF THE DEPARTMENT OF STATE AT THE CITY OF ALBANY, THIS 08TH DAY OF FEBRUARY ONE THOUSAND NINE HUNDRED AND NINETY-FOUR.

SECRETARY OF STATE

199402090022

CONTRIBUTION AGREEMENT

CONTRIBUTION AGREEMENT, dated May 6, 1994, between Alliance Capital Management L.P., a Delaware limited partnership ("Alliance"), and The Equitable Life Assurance Society of the United States, a New York stock life insurance company (the "Investor"). Capitalized terms not otherwise defined herein are used as defined in the Agreement of Limited Partnership (As Amended and Restated) of Alliance, dated as of November 19, 1987 (the "Partnership Agreement").

The parties hereby agree as follows:

1. CASH CONTRIBUTIONS. Subject to and in accordance with the terms hereof, in exchange for the Class B Limited Partnership Interest, (a) concurrent with the execution of this Agreement, the Investor shall contribute to the capital of Alliance $50 million in cash (the "Initial Contribution") and (b) at any time prior to August 15, 1994, the Investor in its sole discretion, may make one or more additional contributions to the capital of Alliance of up to an aggregate of $50 million in cash (each, an "Additional Contribution"). The Class B Limited Partnership Interest shall be convertible in accordance with the terms and conditions of the Partnership Agreement into a number of Units (the "Conversion Units") (rounded to the nearest whole number) equal to the amount of the Initial Contribution and the amount of each Additional Contribution, if any, divided in each case by the Unit Price applicable to such Initial Contribution or Additional Contribution determined in accordance with Section 4.2(e) of the Partnership Agreement.

2. CLOSING. (a) The closing with respect to the Initial Contribution and each Additional Contribution (each, a "Contribution Closing") shall take place on the date each such Contribution is made.

(b) Subject to the terms and conditions set forth herein:

(i) at each Contribution Closing, the Investor will deliver the amount of the Initial Cash Contribution or an Additional Cash Contribution, as the case may be, in cash

to Alliance by wire transfer of immediately available funds to a bank account designated by Alliance; and

(ii) at the Contribution Closing of the Initial Contribution, Alliance shall issue the Class B Limited Partnership Interest to the Investor and deliver to the Investor a certificate registered in the name of the Investor representing the Class B Limited Partnership Interest.

3. CONDITIONS TO EACH CONTRIBUTION CLOSING.

(a) The making of the Initial Contribution and any Additional Contribution by the Investor and the obligations of Alliance and the Investor in connection therewith shall, except as provided in Section 6, be subject to the satisfaction to the parties hereto of all requirements applicable under the Partnership Agreement, in the case of the Initial Contribution, to permit the issuance of the Class B Limited Partnership Interest and any corresponding Conversion Units and, in the case of any Additional Contributions, to permit the issuance of any corresponding Conversion Units, including, without limitation, in connection with the issuance of the Class B Limited Partnership Interest and all Conversion Units, the issuance of a Tax Determination, an Assignment Determination and a Limited Liability Determination.

(b) The representations and warranties of each of Alliance and the Investor contained herein shall be true and correct in all material respects at and as of the date of each Contribution Closing with the same effect as though made on and as of the date of each Contribution Closing.

4. REPRESENTATIONS AND WARRANTIES OF ALLIANCE.
Alliance represents and warrants to the Investor as follows:

(a) Alliance is a limited partnership organized under the Delaware Revised Uniform Limited Partnership Act, as amended (the "Delaware Act"), validly existing and in good standing under the laws of the State of Delaware. Alliance has the power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by Alliance, and the consummation of the transactions contemplated

hereby, have been duly authorized by all requisite action by the General Partner and Alliance. This Agreement constitutes the valid and legally binding obligation of Alliance, enforceable against Alliance in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and to general principles of equity, regardless of whether enforcement is sought in a proceeding in equity or at law.

(b) The Class B Limited Partnership Interest issued and any Conversion Units to be issued pursuant to this Agreement have been duly authorized and the Class B Limited Partnership Interest has been, and any Conversion Units when issued pursuant to this Agreement will be, validly issued, free and clear of any liens, encumbrances, equities or claims. Subject only to the provisions of the Delaware Act, any other applicable law and the Partnership Agreement, the Investor, as holder of the Class B Limited Partnership Interest issued and any Conversion Units to be issued pursuant hereto, will have no liability to Alliance or any of its creditors. Subject to Section 4(c), the Class B Limited Partnership Interest and any Conversion Units may be freely transferred by the Investor. The issuance pursuant to this Agreement of the Class B Limited Partnership Interest and any Conversion Units is not subject to preemptive rights of any partner in, or any Affiliate or creditor of, Alliance or any other person. The issuance and delivery of the Class B Limited Partnership Interest and any Conversion Units do not and will not conflict with or breach any term or provisions of or constitute a default under the Partnership Agreement or the certificate of limited partnership of Alliance, or any other agreement or instrument to which Alliance is a party or by which any of Alliance's properties is bound or any applicable law, rule, regulation, judgment, order or decree of any government, governmental agency or instrumentality or court, domestic or foreign, having jurisdiction over Alliance or any of its properties. No consent, approval, authorization, waiver, permit, grant, franchise, concession, agreement, license, exemption or order of, registration, declaration or filing with ("Consent"), approval or authorization or order of any nation or government, any state or other political subdivision thereof, any governmental authority, agency, department, board, commission or instrumentality and any tribunal or arbitrator of competent jurisdiction and any self-regulatory organization ("Governmental Approval") is

required for the valid authorization, issuance and delivery of the Class B Limited Partnership Interest and any Conversion Units by Alliance pursuant to this Agreement, except (i) the approval of the New York Stock Exchange (the "NYSE") to the listing, upon notice of issuance, of the Conversion Units, (ii) such Consents or Governmental Approvals, if any, as shall have been obtained at the time of each Contribution Closing and (iii) the approval of the Limited Partners and Unitholders as referred to in Section 6.

(c) Subject to and in reliance upon the representation given in Section 5(c), the issuance of the Class B Limited Partnership Interest and any Conversion Units by Alliance pursuant to this Agreement will be exempt from registration under the Securities Act. The Conversion Units issued to the Investor will be registerable under the Securities Act upon demand by the Investor or any Corporate Affiliate of the General Partner subject to and in accordance with the provisions of Section 6.11 (or any successor provisions) of the Partnership Agreement.

5. REPRESENTATIONS AND WARRANTIES OF THE INVESTOR. The Investor represents and warrants to Alliance as follows:

(a) The Investor is a stock life insurance company duly organized, validly existing and in good standing under the laws of the State of New York. The Investor has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by the Investor, and the consummation of the transactions contemplated hereby, have been duly authorized by all requisite corporate action of the Investor. This Agreement constitutes the valid and legally binding obligation of the Investor, enforceable against the Investor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, rehabilitation, fraudulent transfer, reorganization, moratorium and similar laws relating to the creditors of insurance companies or the rights of creditors generally and by general equitable principles.

(b) No Consent or Governmental Approval is required to be obtained by or on behalf of the Investor or any Affiliate of the Investor in connection with (i) the execution and delivery by the Investor of this Agreement,

(ii) the performance of its obligations or the making of an Additional Contribution hereunder and (iii) the consummation of the transactions contemplated hereby except such Consents or Governmental Approvals, if any, as shall have been obtained at the time of each Contribution Closing.

(c) The Investor is acquiring the Class B Limited Partnership Interest and any Conversion Units for investment only and not with a view to any distribution thereof. The Investor acknowledges that the Class B Limited Partnership Interest and any Conversion Units have not been registered under the Securities Act, and may not be transferred in the absence of such registration requirements of the Securities Act. The Investor also acknowledges that any certificate or certificates evidencing the Class B Limited Partnership Interest or any Conversion Units issued to the Investor pursuant to this Agreement shall carry a legend to such effect.

6. APPROVAL OF ALLIANCE UNITHOLDERS. The NYSE requires the approval of the Unitholders of the issuance of the Conversion Units to the Investor as a condition to the listing of the Conversion Units on the NYSE. Therefore, Alliance agrees to proceed diligently to take whatever steps are necessary to hold a meeting of Unitholders for the purpose of approving the issuance of the Conversion Units; provided that Alliance may defer temporarily the preparation and submission to the Securities and Exchange Commission of preliminary copies of the proxy materials for such meeting until (i) such time as is mutually agreeable to Alliance and the Investor or (ii) Alliance shall have received written notice from the Investor directing Alliance to proceed with the preparation and submission of such proxy materials. Alliance further agrees, subject to the approval by Unitholders of the issuance of the Conversion Units, to proceed diligently to obtain the approval of the NYSE of the listing of the Conversion Units thereon.

7. BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

8. ASSIGNMENT. This Agreement shall not be assignable by any party hereto without the prior written consent of the other party hereto.

9. GOVERNING LAW. This Agreement shall be governed in all respects, including as to validity, interpretation and effect, by the internal laws of the State of New York, without giving effect to the conflict of laws rules thereof.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

Alliance Capital
Management L.P.

By Alliance Capital
Management Corporation,
as General Partner

By: /s/ John D. Carifa

Name: John D. Carifa
Title: President

The Equitable Life Assurance
Society of the United States

By: /s/ J.M. de St. Paer

Name: J.M. de St. Paer
Title: Executive Vice
President and Chief
Financial Officer

AMENDMENT OF AGREEMENT OF LIMITED PARTNERSHIP OF ALLIANCE CAPITAL MANAGEMENT L.P. (AS AMENDED AND RESTATED) PURSUANT TO SECTIONS 4.2(D) AND 17.1(E)

Alliance Capital Management Corporation, the general partner of Alliance Capital Management L.P., a Delaware limited partnership (the "Partnership"), hereby amends the Agreement of Limited Partnership of the Partnership (As Amended And Restated) dated as of November 19, 1987 (the "Partnership Agreement") pursuant to Sections 4.2(d) and 17.1(e) thereof as follows, such amendment to the Partnership Agreement to be effective as of the date hereof:

1. Article I of the Partnership Agreement is amended as follows:

(a) to insert the following definitions, each in alphabetical order by reference to the first word thereof following the relevant prior definition now in the Partnership Agreement or hereby added thereto:

"CLASS B LIMITED PARTNERSHIP INTEREST" shall mean the Class B Limited Partnership Interest issued to ELAS in exchange for one or more

Contributions in accordance with Section 4.2(e) and as set forth in Section 4.12.

"CONVERSION EQUIVALENT" shall mean the Conversion Equivalent as defined in Section 4.12(a).

"ELAS" means The Equitable Life Assurance Society of the United States.

(b) the definition of "LIMITED PARTNER" is amended by inserting the following sentence at the end thereof:

"The holder of the Class B Limited Partnership Interest will not, however, be considered a Limited Partner for purposes of voting on any matter that requires the approval of Limited Partners."

2. Section 4.9 is amended by inserting the following sentence at the end thereof:

"Notwithstanding any other provision in this Section 4.9, in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(b), the

Capital Account of ELAS with respect to the Class B Limited Partnership Interest shall, with respect to each relevant Contribution, thereupon be credited with an amount equal to the product of the applicable Conversion Equivalent and the Capital Account of a Normal Public Unit."

3. Article IV is amended by adding the following new Section 4.12 immediately after Section 4.11:

"CLASS B LIMITED PARTNERSHIP INTEREST. Notwithstanding any other provision of the Partnership Agreement to the contrary, distributions, allocations and other matters pertinent to the Class B Limited Partnership Interest, shall be governed by the following terms and conditions:

(a) Partnership distributions and allocations shall be made with respect to the Class B Limited Partnership Interest as if, as of each date as of which determinations are made as to such distributions and allocations, the Class B Limited Partnership Interest

constituted the number of Limited Partnership Interests or Units, as appropriate, that ELAS will receive upon the conversion of the Class B Limited Partnership Interest determined with respect to each relevant Contribution made by ELAS in accordance with Section 4.2(e) pursuant to the formula set forth in Section 4.2(e)(each a "Conversion Equivalent").

(b) If at any time the Class B Limited Partnership Interest is outstanding, the Units, Limited Partnership Interests, including the Class A Limited Partnership Interest, and General Partnership Interest are converted into equity interests of a New Entity pursuant to clause (z) of the first sentence of Section 2.6, the holder of the Class B Limited Partnership Interest shall receive an equity interest in such New Entity having rights substantially similar to the rights embodied in the Class B Limited Partnership Interest pursuant to this Section 4.12.

(c) The Class B Limited Partnership Interest shall automatically convert into the aggregate number of Limited Partnership Interests or Units equal to the Conversion Equivalents upon the approval by the Limited Partners and Unitholders of the issuance of the Limited Partnership Interests or Units issuable upon such conversion of the Class B Limited Partnership Interest. Upon the conversion of the Class B Limited Partnership Interest, the Partnership shall issue to the holder of the Class B Limited Partnership Interest an aggregate number of Limited Partnership Interests or Units equal to the Conversion Equivalents in exchange for the Class B Limited Partnership Interest. Immediately after receipt of any Limited Partnership Interests pursuant to this Section 4.12(c), the holder of the Class B Limited Partnership Interest will transfer all the Limited Partnership Interests issued to it by the Partnership to the Assignor Limited Partner, the Partnership will issue a certificate representing the Limited

Partnership Interests so assigned to the Assignor Limited Partner, and the Partnership and the Assignor Limited Partner will issue and deliver to the holder of the Class B Limited Partnership Interest Units representing the Limited Partnership Interests so assigned.

(d) The holder of the Class B Limited Partnership Interest will have the same rights upon a liquidation of the Partnership as a Limited Partner holding the aggregate number of Limited Partnership Interests equal to the Conversion Equivalents."

4. The third sentence of Section 12.4(b) is modified to read in its entirety as follows:

"Any holder (other than the Assignor Limited Partner) of Limited Partnership Interests, other than the Class B Limited Partnership Interest, may exchange any or all of such Limited Partnership Interests for

corresponding Units by (A) delivering to the General Partner and the Assignor Limited Partner such documents as may be reasonably required by the General Partner and the Assignor Limited Partner and (B) paying such reasonable fees and expenses as may be required with respect thereto by the General Partner."

Dated: May 6, 1994

ALLIANCE CAPITAL MANAGEMENT
CORPORATION, in its capacities
as General Partner and
attorney-in-fact for the
Limited Partners and Unitholders

By:/s/ John D. Carifa

Name: John D. Carifa
Title: President