

Partner shall be deemed offered for sale to a person designated by the General Partner upon the happening of any of the following events:

(i) a petition seeking relief under any bankruptcy or insolvency law having been filed by or against a Limited Partner, which petition is not dismissed within ninety (90) days from the date of such filing; or

(ii) a receiver or committee having been appointed to manage a Limited Partner's property; or

(iii) a creditor of a Limited Partner having attached such Partner's Interest in the Partnership, which attachment is not discharged or vacated within ninety (90) days from the date it becomes effective.

(b) The General Partner shall have ninety (90) days after the occurrence of any of the foregoing within which to accept an offer to purchase such Interest and to transmit written notice thereof to such Limited Partner. If the General Partner fails to accept any such offer to purchase within such ninety (90) days, the offer of sale shall be deemed withdrawn. The purchase price for such Interest shall be its appraised value as determined in accordance with Paragraph 11. The purchaser shall pay the purchase price to the Limited Partner whose Interest is sold hereunder, in cash or by certified check or bank teller's check within thirty (30) days after such determination. Any amount paid by check shall not be treated as paid until the full amount of such check has been collected. Upon payment of the purchase price to such Limited Partner, his or its Interest shall be deemed transferred.

11. For the purposes of this Agreement, the appraised value of an Interest in the Partnership shall be the average of the values determined by three independent appraisers of literary works who are engaged in the business of publishing, distributing or exploiting literary works. Each party to the sale shall designate one such appraiser, and the two appraisers so designated shall designate the third appraiser. The appraisal made by such appraisers shall be binding and conclusive as between the parties. The cost of such appraisal shall be borne equally by the parties.

DISSOLUTION

12. (a) The Partnership shall be dissolved upon the earliest of:

(i) the expiration of its term as provided in this Agreement;

(ii) the failure to acquire Book Properties before December 31, 1979;

(iii) the sale of all of the Partnership's interest in all of the Property;

(iv) except if reconstituted as provided in Paragraph 12(g), the retirement, death, or insanity of the General Partner, or the filing of a petition in bankruptcy with respect to the General Partner which is not dismissed within ninety (90) days from the date thereof.

(b) Upon dissolution, all certificates or notices thereof required by law shall be filed and the Partnership business shall be concluded.

(c) Upon dissolution, all property of the Partnership other than cash shall, within a reasonable time, be sold or otherwise liquidated to the extent necessary to pay any debts of the Partnership as may be due and payable prior to the time of the making of distributions in liquidation. The Partnership shall pay any such debts prior to making any distributions in liquidation.

(d) Subject to Paragraph 12 (c) and the manner of distribution described in Paragraph 6, the General Partner may, in his complete discretion, (i) liquidate and convert into cash or receivables all, or any part, of the properties of the Partnership, including, but not limited to, its interest in the Property or (ii) distribute to the Partners all or any part of the properties of

the Partnership in addition to cash or receivables, including, but not limited to, the Partnership's interest in the Property.

(e) The General Partner may, in his complete discretion, (i) pay all or any part of the debts of the Partnership which have not yet become due and payable, and distribute the balance of the Partnership's properties to the Partners in accordance with Paragraph 6, and/or (ii) distribute the Partnership's properties to the Partners, pursuant to Paragraph 6, subject to any or all of such debts.

(f) The Partnership's accountant shall prepare and furnish to each Partner a statement setting forth the assets and liabilities of the Partnership as of the date of liquidation. Upon complete distribution of the Partnership properties and assets, the Limited Partners shall cease to be such and the General Partner shall execute, acknowledge and cause to be filed all certificates necessary to terminate the Partnership.

(g) (1) Notwithstanding anything herein to the contrary, if the Partnership shall have been dissolved upon the occurrence of any of the events specified in Paragraph 12(a)(iv), the Partnership may nevertheless be reconstituted, and continue as so reconstituted if all the Limited Partners agree in writing to such effect within 75 days following an event under paragraph 12(a)(iv).

(2) If the Partnership is to be reconstituted and continued as a successor limited partnership as provided in Paragraph 12(g)(1), each of the Limited Partners shall, as soon as is practicable, designate a person or corporation believed by such Limited Partner to be responsible and capable of performing the functions of a general partner of the Partnership. The Limited Partners shall vote with respect to such designees. The designee receiving the vote of Limited Partners representing a majority in interest of the P&L Percentages of the Limited Partners shall become a general partner upon acceptance of such position and upon the purchase of the Interest of the General Partner, which purchase shall be in cash or certified check or bank teller's check (the amounts of which checks shall not be treated as paid until the full amounts have been collected) at a price determined under Paragraph 11.

(3) If the Partnership is reconstituted and continued under this Paragraph 12(g), the provisions of Paragraphs 12(c) through 12(f) shall not be applicable to the dissolution preceding such reconstitution and continuation.

GENERAL PROVISIONS

13. (a) No Limited Partner shall be required or obligated to make any contribution to the Capital of the Partnership except as provided in Paragraph 5 of this Agreement.

(b) Each Limited Partner irrevocably constitutes and appoints the General Partner as his true and lawful attorney in his name, place and stead to make, execute, acknowledge, deliver, and file all documents and instruments which may be required by any governmental authority, or which the General Partner shall deem necessary or desirable for Partnership purposes, including, but not limited to, the Certificate, amendments or modifications thereto, and a cancellation thereof upon termination of the Partnership as provided in this Agreement. It is expressly intended by each Limited Partner that said power of attorney is coupled with an interest and that it shall survive the transfer by a Limited Partner of the whole or any part of his Interest.

(c) All notices or offers required or permitted pursuant to this Agreement shall be in writing and shall be deemed to be sufficiently given or served for all purposes when presented personally or sent by registered or certified mail, return receipt requested (i) to the Partnership at 1 Baldwin Orchard Drive, Cranston, Rhode Island or to such address as the General Partner may hereafter specify by notice to the Limited Partners, or (ii) to any Limited Partner at his address specified in the Schedule of Partners attached hereto or to such other address as any Limited Partner may hereafter specify by notice to the Partnership.

(d) Any vote of the Limited Partners on any matters upon which Limited Partners are entitled to

vote hereunder may be accomplished at a meeting of Limited Partners called for such purposes by the General Partner upon not less than 10 days prior notice or, in lieu of a meeting, by the written consent of the required percentage of Limited Partners.

(e) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Rhode Island.

(f) This Agreement, except as otherwise herein provided, shall be binding upon and inure to the benefit of the Partners and their personal representatives, successors, and assigns.

(g) If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

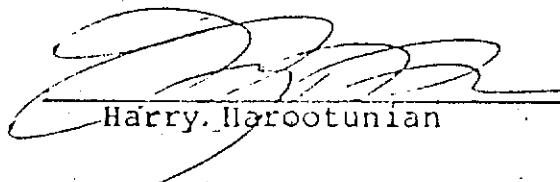
(h) Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and the plural, and pronouns stated in either the masculine, the feminine or the neuter gender shall include the masculine, feminine, and neuter.


(i) This Agreement may be executed in any number of counterparts each of which shall constitute an original counterpart and all of which, together, shall for all purposes constitute one Agreement, binding on all the Partners, notwithstanding that all Partners are not signatories to the same counterpart.

IN WITNESS WHEREOF, this Agreement has been executed by the Partners.

GENERAL PARTNER

LIMITED PARTNERS:

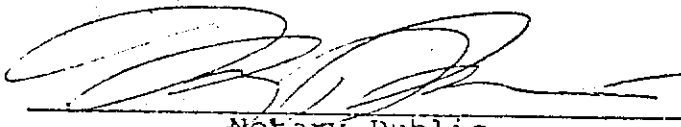

Harry Harootunian



LIMITED PARTNER'S ACKNOWLEDGMENT
[For Individuals]

STATE OF Illinois
COUNTY OF Franklin : ss.:

On the 29 day of August, 1979, before me personally came Richard L. Coleman Esq., to me known, who, being by me duly sworn, did depose and say that he resides at 261 Woodland Rd. Bloomington, Ill. 61701, that he is the individual described in and who executed the foregoing instrument and acknowledged that he executed the same.



Notary Public

STATE OF)
COUNTY OF) : ss.:

On the _____ day of _____, 1979, before me personally came _____, to me known, who, being by me duly sworn, did depose and say that he resides at _____, that he is the individual described in and who executed the foregoing instrument and acknowledged that he executed the same.

Notary Public