FORM PTO-1594
(Rev. 6-93)
OMB No. 0651-0011 (exp. 4/94)

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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

N.A.E., Inc.

❑ Individual(s) ❑ Association
❑ General Partnership ❑ Limited Partnership
XX Corporation-State (New York)
❑ Other

Additional name(s) of conveying party(ies) attached? ❑ Yes ❑ No

2. Name and address of receiving party(ies)

Name: NYI Holdings, L.P.

Internal Address:

Street Address: Nassau Veteran's Memorial Coliseum

City: Uniondale State: NY ZIP: 11553

❑ Individual(s) citizenship
❑ Association
❑ General Partnership
XX Limited Partnership Delaware
❑ Corporation-State
❑ Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: ❑ Yes ❑ No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? ❑ Yes ❑ No

3. Nature of conveyance:

❑ Assignment ❑ Merger
❑ Security Agreement ❑ Change of Name
XX Other Amended & Restated Agreement of Limited Partnership

Execution Date: April 7, 1997

4. Application number(s) or patent number(s):

A. Trademark Application No.(s)

74/646,848 74/647,149 75/167,356

B. Trademark Registration No.(s)

2,019,857 2,027,733 970,427
970,428 970,429 1,694,498
1,722,053 2,095,297 1,927,741 1,905,606

Additional numbers attached? ❑ Yes XX No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Samantha Payne

Internal Address: NHL Enterprises, L.P.

Street Address: 1251 Ave. of the Americas

City: New York State: NY ZIP: 10020-1198

6. Total number of applications and registrations involved: 13

7. Total fee (37 CFR 3.41)..... $ 340.00

❑ Enclosed

XX Authorized to be charged to deposit account

8. Deposit account number:

500205

(Attach duplicate copy of this page if paying by deposit account)

10/15/1998 JSHABAZZ 00000090 500205 74646848

01 FC:481 40.00 CH
02 FC:482 300.00 CH

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Mary J. Sotis
Name of Person Signing

Mary J. Sotis
Signature

10/9/98
Date

Total number of pages including cover sheet, attachments, and document: 59

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

EXECUTION COPY

1997 AGREEMENT OF LIMITED PARTNERSHIP

OF

NEW YORK ISLANDERS HOCKEY CLUB, L.P.

dated as of April 7, 1997

[NYCORP2:334730.6:4567B:04/03/97--7:21p]

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NEW YORK ISLANDERS HOCKEY CLUB, L.P.

1997 AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP

Amended and Restated Agreement of Limited Partnership dated as of April 7, 1997, among NYI Holdings, L.P., a Delaware limited partnership, as general partner ("NYI"), N.A.E. Inc., as a limited partner and withdrawing general partner ("NAE"), and FLI Islanders, L.P. ("FLI") and WG Islanders, L.P. ("WG"), as limited partners.

W I T N E S S E T H:

WHEREAS a New York limited partnership (the "Partnership") has heretofore been formed which was initially known as Nassau Sports and is now known as New York Islanders Hockey Club, L.P.;

WHEREAS a Certificate of Limited Partnership for the Partnership was filed with the Nassau County Clerk on April 27, 1972, which was amended by Amended Certificates of Limited Partnership filed with the Nassau County Clerk on June 1, 1972; August 14, 1972; December 18, 1975; June 30, 1976; April 7, 1977; April 27, 1979; February 14, 1984; March 1, 1985; and August 13, 1992;

WHEREAS on April 6, 1997, NAE, Robin R. Pickett ("RRP"), FLI, WG and Islanders Management Corp. ("IMC") amended the 1994 Amended and Restated Limited Partnership Agreement dated as of November 7, 1994, to provide for (i) the withdrawal of RRP, as a limited partner and contribution of her ownership interest indirectly to NAE and (ii) the withdrawal of IMC, as a general partner, and the contribution of its ownership interest to WG and FLI pursuant to an agreement among such parties;

WHEREAS, on April 6, 1997, NAE, WG and FLI have amended the 1994 Partnership's Amended and Restated Agreement of Limited Partnership dated as of November 7, 1994 to create Class A Partnership Interests and Class B Partnership Interests, all of which Class A and Class B Partnership Interests (such terms and all other capitalized terms used but not defined herein having the meanings defined in Article VII) were, immediately prior to the sale referred to in the next whereas clause, owned by NAE, FLI and WG.

WHEREAS on the date hereof, NAE, FLI and WG sold to NYI 100% of the Class A Partnership Interests; and

WHEREAS the parties desire to amend the Partnership's Amended and Restated Agreement of Limited Partnership dated as of November 7, 1994, as amended on April 6, 1997, in its entirety to reflect among other matters (i) the withdrawal of NAE as a general partner; (ii) the admission of NYI as a substitute general partner; (iii) the sale of the Class A Partnership Interests of NAE, FLI and WG to NYI; (iv) the special distribution to NAE, FLI and WG of a $35 million payment (the "Special Distribution"); (v) the contribution of $24,443,789 to the Partnership by NYI (the "Contribution"); (vi) the re-valuation of the Partnership's assets pursuant to Treasury Regulation § 1.704-1(b)(2)(ii)(g) (the "Initial Book-up") and (vii) the understanding among NYI, NAE, FLI and WG with respect to the conduct of the Partnership, as hereinafter set forth.

NOW, THEREFORE, it is mutually agreed that effective on the date hereof the 1994 Amended and Restated Agreement of Limited Partnership, dated as of November 7, 1994, as amended on April 6, 1997, is hereby amended and restated in its entirety by this 1997 Amended and Restated Agreement of Limited Partnership, as follows:

ARTICLE I

GENERAL PROVISIONS

SECTION 1.1. Formation and Purpose. The parties hereby agree that the Partnership shall continue in existence as a limited partnership pursuant to the Revised Limited Partnership Act as in effect in the State of New York from time to time (the "Act"). A Certificate of Adoption pursuant to the Act was filed on August 13, 1992. The purpose and business of the Partnership shall be, subject to rules and regulations, to the extent applicable, of the National Hockey League ("NHL"), as from time to time in effect:

> To engage in, conduct and carry on the business of owning, promoting, operating, managing, supervising and developing one or more major or minor league professional or other hockey teams, the promotion and exploitation of such business through any method, including without limitation radio, television, broadcast, film, publication, exhibition, sale, lease, franchise or otherwise; further, to engage in, conduct, and carry on the business of owning, promoting, operating and managing (directly or indirectly) ice

skating facilities on Long Island; and to conduct any other activities related to any of the foregoing.

In order to carry out its purpose, the Partnership is authorized to do any and all acts and things permitted under the laws of the State of New York and necessary, appropriate, proper, advisable, incident to or convenient for the protection and benefit of the Partnership.

SECTION 1.2. Partners. NYI shall be the sole general partner of the Partnership and shall be referred to herein as the "General Partner" or the "Class A Partner". Each of NAE, FLI and WG shall be a "Class B Limited Partner". The term "Partners" shall mean NYI and the Class B Limited Partners. Nothing herein shall prohibit any Person who is a General Partner from also being a limited partner in the Partnership, and such Person in his, her or its capacity as a limited partner shall enjoy all the rights of a limited partner.

The ownership interest of the Class A Partner in the Partnership is referred to herein as the "Class A Partnership Interest". The ownership interest of a Class B Partner is referred to herein as a "Class B Partnership Interest". The aggregate Class B Partnership Interests shall at all times equal 100%.

SECTION 1.3. Name of Partnership. The name of the Partnership shall be "New York Islanders Hockey Club, L.P.", or such other name selected by the General Partner.

SECTION 1.4. Principal Place of Business. The principal place of business of the Partnership shall be Nassau Veterans Memorial Coliseum ("Nassau Coliseum"), Uniondale, New York so long as that is where the New York Islanders (the "Team") play home hockey games and thereafter, at such other location where the New York Islanders play their home hockey games. The Partnership may also have such other offices or places of business as the General Partner may deem necessary or desirable.

SECTION 1.5. Term. The term of the Partnership (unless sooner terminated as provided in this Agreement) shall continue until April 7, 2047.

SECTION 1.6. Certificate and Filings. The General Partner shall cause an Amended and Restated Certificate of Limited Partnership to be filed in accordance with the Act to reflect the matters set forth in this Agreement that are required to be included in said Certificate. In addition, the General Partner shall file

and publish, as required by any provisions of any law of the United States or any state, any other notice, certificate, statement or other instrument which may govern the formation of the Partnership or the conduct of its business, all at the expense of the Partnership.

SECTION 1.7. New York Registered Office; Agent for Service of Process. The address of the Partnership's registered office in the State of New York is Nassau Veterans Memorial Coliseum, Uniondale, New York 11553, and the registered agent for service of process of the Partnership is the General Partner.

SECTION 1.8. Ownership of Property. Legal title to all assets, rights and property, whether real, personal or mixed or whether tangible or intangible, acquired by or contributed to the Partnership ("Partnership Properties") shall be acquired, held, owned and subsequently conveyed in the name of the Partnership or in the name of a subsidiary of the Partnership and no Partner, individually or collectively, shall have any ownership interest in such Partnership Properties or any portion thereof by virtue of his, her or it being a Partner.

SECTION 1.9. Definitions. Certain defined terms used in this Partnership Agreement shall have their respective meanings as set forth in Articles III and VII.

ARTICLE II

MANAGEMENT AND THE GENERAL PARTNER; POWERS, DUTIES AND LIABILITIES OF THE PARTNERS; NHL REPRESENTATION; ACCOUNTING MATTERS

SECTION 2.1. Management. (a) Management and operation of the Partnership shall be vested exclusively in the General Partner. Subject to the provisions of this Agreement, including but not limited to Sections 2.2 and 2.3 hereof, the General Partner shall have the power by itself and shall be authorized and empowered on behalf of and in the name of the Partnership to exclusively carry out those duties and functions specified in Section 2.1(c) and pursuant thereto to carry out any and all the objects and purposes of the Partnership and to perform all acts and enter into and perform all contracts and other undertakings which it may in its sole discretion deem necessary or advisable or incident thereto. The General Partner may not exercise its power hereunder to violate the express terms of the Purchase Agreement.

(b) Except as expressly provided in Sections 2.3 and 4.5(c), the Class B Limited Partners shall take no part in the management or control of the Partnership business and shall have no authority or power to act for or bind the Partnership, and the Class B Limited Partners shall not hold themselves out as general partners or take any action on behalf of the Partnership or in any way commit the Partnership to any agreement or contract and shall have no right or authority to do any of the foregoing. The liability of each Class B Limited Partner shall be limited to the total contribution to the Partnership it is required to make under this Agreement plus its share of undistributed assets and profits of the Partnership. Under the Act, a Class B Limited Partner may be liable for the portion, if any, of such Partner's contribution returned to it and for amounts wrongfully distributed.

(c) Without limiting the general powers and duties set forth elsewhere herein, and except as specifically limited by this Agreement or the Act, the General Partner is hereby authorized and empowered, on behalf of and in the name of the Partnership to exercise the following powers and duties:

(i) generally to conduct and manage the business and operations of the Partnership and to elect or appoint, delegate authority to, remove and terminate such agents and officers as it considers appropriate and to have such agents and officers report solely to the General Partner;

(ii) to borrow or loan money on a secured or unsecured basis and to pay, extend, renew, modify, adjust or compromise, upon such terms as it may determine, any obligation of the Partnership;

(iii) to take all action required in connection with the management and operation of the New York Islanders professional hockey team, including, establishing ticket prices and "Luxury Suite" rental rates for all hockey games (whether exhibition, regular season, play-off or otherwise); hiring, negotiating contracts of employment, trading or terminating the employment of hockey players, coaches, trainers, scouts and all other hockey and nonhockey personnel, including "front" office employees; designating the Governor and all Alternate Governors to represent and vote on behalf of the Partnership at meetings of the Board of Governors of the NHL; negotiating and entering into agreements on behalf of the Partnership with the NHL and owners of other NHL franchises; conducting all other business

with the NHL; negotiating and entering into all advertising and related agreements on behalf of the Partnership; and negotiating and entering into agreements with all media representatives on behalf of the Partnership;

(iv) to formulate an annual business plan and operating budget or a business plan or operating budget for any shorter or longer period as the General Partner deems necessary or advisable;

(v) to collect and receive the Partnership's revenues and to pay its expenses to the extent permitted by this Agreement;

(vi) to negotiate, enter into and execute any and all contracts necessary or desirable with respect to the Partnership's business (including, without limitation, employee bonus or benefit plans);

(vii) to engage, retain or terminate such independent agents, attorneys, accountants, managers and custodians as it deems necessary or advisable for the affairs of the Partnership;

(viii) to receive, buy, sell, exchange, improve, trade and otherwise deal in and with the real and personal property of the Partnership;

(ix) to open, maintain and close bank accounts, custodial accounts and all other accounts for the Partnership, to invest the excess cash of the Partnership in appropriate money market or time deposit accounts, U.S. government securities or other similar investments and to draw checks and other orders for the payment of money on behalf of the Partnership;

(x) to file, on behalf of the Partnership, all appropriate local, state and federal tax and other returns relating to the Partnership and to act as tax matters partner (as defined in Section 3.6);

(xi) to institute, prosecute, defend, settle, compromise and dismiss lawsuits or other judicial or administrative proceedings brought on or in behalf of, or against, the Partnership or the Partners in connection with the activities arising out of, concerned with or incidental to this Agreement or the Partnership, and to engage counsel or others in connection therewith;

(xii) to enter into, make and perform contracts, agreements and other undertakings, and to perform any other acts as it deems necessary or advisable for, or as may be incidental to, the conduct of the business of the Partnership, including, without limiting the generality of the foregoing, contracts, agreements, undertakings and transactions with any Person having any business, financial or other relationship with any Partner or the Partnership;

(xiii) to perform all administrative acts and duties relating to the payment of all indebtedness, and all taxes and assessments due or to become due with regard to the Partnership, and to give and receive notices, reports and other communications in connection with the foregoing;

(xiv) to cause the real property owned or leased by the Partnership to be maintained and operated in a manner which satisfies in all respects the obligations imposed with respect to such maintenance and operation by any assignment, mortgage or other security arrangement encumbering such real property, from time to time, and by any loan, lease or rental agreement pertaining to such real property;

(xv) to purchase from or through others contracts of liability, casualty or other insurance for the protection of the properties and affairs of the Partnership or the Partners or for any purpose beneficial to the Partnership, all in such amounts as the General Partner in its sole discretion shall deem appropriate;

(xvi) to undertake and accomplish all measures which may be required to permit the Partnership to legally function in the State of New York and to protect the Partnership;

(xvii) to merge or consolidate the Partnership, or to sell all or substantially all the assets of the Partnership;

(xviii) to admit new partners to the Partnership;

(ixx) to make distributions of cash or property to the Partners or to redeem, in whole or in part any Partner's partnership interest;

(xx) to renegotiate, amend or otherwise modify the terms and provisions of the lease for Nassau Coliseum; and

(xxi) to negotiate and enter into any agreement or other arrangement (including with respect to financing) for the construction of a new home arena or the renovation of Nassau Coliseum.

(d) Notwithstanding the powers of the General Partner under this Agreement and the Act, the General Partner may delegate from time to time any or all of its powers, rights, and obligations hereunder, and may appoint, employ, contract with, or otherwise deal with any Person (including any Partner or an Affiliate of any Partner) for the transaction of the business of the Partnership, which Persons may, under the supervision of the General Partner, perform any acts or services for the Partnership as the General Partner shall approve.

(e) The Partnership shall indemnify and hold harmless, to the fullest extent permitted by law, the General Partner, its officers, directors, partners and stockholders against any and all claims, actions, demands, lawsuits, costs, expenses (including attorneys fees and expenses), damages, loss and threats of loss, as a result of any claim or legal proceeding related to any action taken or omitted to be taken on behalf of the Partnership; provided that in the event the General Partner or any other Person entitled to indemnification hereunder is ultimately determined to have acted in bad faith or to have been grossly negligent it shall not be entitled to the indemnification set forth herein. No Person entitled to indemnity hereunder shall be liable to the Partnership or any Partner for any act or omission that is not ultimately determined to have been done in bad faith or to have been grossly negligent. The indemnification remedy contained herein shall not be deemed to be the exclusive remedy of the party entitled to indemnification hereunder in connection with or arising from this Agreement, nor shall such indemnification be deemed to prejudice or to operate as a waiver of any remedy to which such party may be entitled at law or in equity.

SECTION 2.2. Certain Approvals. Notwithstanding the provisions of Section 2.1 hereof, at any time any Class B Partnership Interest is outstanding, the General Partner shall not take any action listed below (the "Class B Approval Actions") without either (i) the prior written consent of Class B Limited Partners holding at least 90% of the Class B Partnership Interests: (a "Class B Consent") or

(ii) effecting a Voluntary Redemption of all Class B Partnership Interests pursuant to Section 4.4, which Voluntary Redemption shall be effective simultaneously with the occurrence of such Class B Approval Action:

(a) move the Team to a new facility outside the Playing Area unless such a move would not result in (i) the termination of the SportsChannel Contract or (ii) a reduction in the annual payments being made to the Partnership under the SportsChannel Contract immediately prior to such proposed move of more than 20% in any year or in an aggregate amount such that the net present value of the Excess Cable payments under the SportsChannel Contract for the remaining term (using an 8% discount rate compounded annually) is less than 150% of the Liquidation Value at the time of such move (such reduction of Excess Cable to be calculated as set forth in the definition of Excess Cable in Article VII);

(b) make distributions to the Class A Partners prior to the first distribution to the Class B Limited Partners of any Preferred Return; other than Class A Tax Distributions (which shall not require any consent from the Class B Limited Partners); provided, that after the first distribution to the Class B Limited Partners of any Preferred Return, the Partnership may make distributions to the Class A Partner without a Class B Consent unless, at the time of such distribution, (i) the Partnership is in default with respect to any required payment on account of the Preferred Return or required Class B Redemption or (ii) a Class B Approval Action has occurred without either a Class B Consent or a Voluntary Redemption having been effected with respect thereto;

(c) cause the Partnership to pay the General Partner (or any Affiliate) management fees that exceed, in the aggregate, $500,000 annually; provided, however, that in the event that the Partnership has defaulted on any payment of the Preferred Return or a Class B Redemption, the General Partner's (and such Affiliate's) management fees (if any) shall accrue but remain unpaid during the period such default has occurred and is continuing.

(d) sell, dispose or otherwise transfer to a third party all or substantially all the assets of the Partnership, including the franchise for the Team;

(e) elect or agree to terminate the SportsChannel Contract prior to the end of its term;

(f) amend the SportsChannel Contract in a manner that reduces the payments to the Partnership thereunder by (i) more than 20% in any year or (ii) in an aggregate amount such that the net present value of the remaining Excess Cable payments under the SportsChannel Contract (using an 8% discount rate compounded annually) is less than 150% of the Liquidation Value at the time of such amendment (such reduction of Excess Cable to be calculated as set forth in the definition of Excess Cable in Article VII); provided, however, that notwithstanding the foregoing, a termination of the SportsChannel Contract or reduction of any size in payments resulting from a "League Change" (as defined in the SportsChannel Contract) after observance of the procedure for negotiations between the parties or arbitration agreed to in connection therewith under the SportsChannel Contract shall not (i) constitute the occurrence of a Class B Approval Action, (ii) be subject to this Section 2.2 or (iii) require a Class B Consent or a Voluntary Redemption;

(g) issue any additional Class B Partnership Interests or create any other partnership interests in the Partnership which in terms of payment or distributions are senior to, or pari passu with, the Class B Partnership Interests; provided, however, that notwithstanding the foregoing, the Class B Approval Action contained in this paragraph (g) shall not prohibit the grant to the Partnership's senior lenders of security interests in all the assets of the Partnership including payments under the SportsChannel Contract or restrict loans to the Partnership from Class A Partners;

(h) borrow any amount from or incur any liability (other than liabilities other than for borrowed money incurred on terms no less favorable than the terms that could be obtained by third parties) to any Partner (or any Partner's Affiliate) that is not, pursuant to its terms, subordinated in right of payment to the Preferred Return and the Class B Limited Partners' Class B Redemption rights; provided, however, that nothing in this Class B Approval Action shall prohibit the payment of scheduled interest or principal (except that no payments of principal may be made during the two years prior to the tenth anniversary of the date hereof) on such subordinated Partner loans at any time that (i) no default has been made and is continuing on the payment of the Preferred Return and (ii) the Class B Limited Partners do not at such time have a right to require a Class B Redemption; or

(i) assign any of the Partnership's rights under the SportsChannel Contract to an Affiliate except (x) if such assignment is made on terms that are no less favorable

to the Partnership than terms that might be obtained at the time from unrelated third parties or (y) the Partnership otherwise receives fair market value for such assignment.

SECTION 2.3. Certain Rights of Class B Limited Partners. Notwithstanding anything to the contrary in this Agreement, in the event that the Partnership fails to make a payment of the Preferred Return or fails to effect any Full Class B Redemption or Extraordinary Class B Redemption, for the period such failure has occurred and is continuing (such period commencing on the date of a failure and ending on the date such failure is cured or waived in writing by the Class B Limited Partners is referred to herein as the "Non-Payment Period"), the Class B Limited Partners shall have the right to approve (i) any budgets formulated by the General Partner during such Non-Payment Period (and the General Partner agrees to formulate annual budgets in accordance with the Partnership's fiscal year during such Non-Payment Period) and (ii) any additional borrowings by the Partnership other than borrowings in the ordinary course under the Partnership's then-outstanding line of credit; provided, however, that (x) in the event that the General Partner and the Class B Limited Partners are unable to agree on the formulation of any budget during any Non-Payment Period, the General Partner shall operate the Partnership according to the most recent budget and (y) all rights under this Section 2.3 of the Class B Limited Partners with respect to any individual Non-Payment Period shall terminate at the end of such Non-Payment Period.

SECTION 2.4. NHL Representation. The Governor and all Alternate Governors appointed by the Partnership to serve on the Board of Governors of the NHL shall be selected by the General Partner after prior notice to all Partners.

SECTION 2.5. Expenses and Compensation of the General Partner. Subject to Section 2.2(c), the General Partner (or any Affiliate or other designee) shall be paid an annual $500,000 management fee payable in monthly or quarterly installments, as requested by the General Partner. No Partner, other than the General Partner, may receive compensation for services rendered to the Partnership except to the extent that the General Partner enters into arrangements with such Partner pursuant to Section 2.1(c)(i). The General Partner shall also be reimbursed by the Partnership for all reasonable out-of-pocket expenses hereafter incurred by it for services in connection with the Partnership's business.

SECTION 2.6. Other Activities. Nothing in this Agreement shall limit or restrict the right of any Partner

or any of their respective Affiliates, agents or employees to engage in business ventures and investments other than the Partnership, of any nature whatsoever, except that no Partner (or any Affiliate thereof) may engage in the operation of a professional ice hockey team other than that operated by the Partnership and no Partner (or any Affiliate thereof) may have a direct or indirect ownership interest in any other NHL franchise other than through ownership of securities in a public company with respect to which the hockey team is not a principal asset. For purposes of this Agreement the term "Affiliate", when used with respect to any Person, means (A) any other Person which, directly or indirectly, controls or is controlled by or is under common control with such Person; (B) any Person that is an officer of, partner in or trustee of, or serves in a similar capacity with respect to, such Person or of which such Person is an officer, partner or trustee, or with respect to which such Person serves in a similar capacity; (C) any Person that, directly or indirectly, is the beneficial owner of 10% or more of any class of equity securities of such Person or of which such Person is directly or indirectly the beneficial owner of 10% or more of any class of equity securities; (D) any relative or spouse of such Person who makes his or her home with that of such Person and (E) such Person's estate, spouse, lineal descendants or any trust for the benefit of such Person or such Person's spouse or lineal descendants. For purposes of this definition, "control" (including the correlative terms "controlling", "controlled by" and "under common control with"), with respect to any Person, shall mean possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise, and the term "Person" means an individual, corporation, partnership, firm, association, joint venture, trust, unincorporated organization, government, government body, agency, political subdivision or other entity.

SECTION 2.7. Books and Records; Method of Accounting; Fiscal Year. The Partnership's books and records shall be maintained by the General Partner at the Partnership's principal office and each Partner shall have access thereto at all reasonable times during normal business hours. The Partnership shall use the accrual method of accounting.

SECTION 2.8. Reports. Within 120 days of the end of each fiscal year of the Partnership, the General Partner shall furnish to each Partner audited financial statements of the Partnership prepared by independent, certified public accountants of recognized standing chosen by the General

Partner. Within 45 days of the end of each of the first three fiscal quarters, the General Partner shall furnish each Partner with a quarterly detailed statement of cash flows. Each Partner hereby agrees to keep confidential all information received under this Section 2.8 except as may be required by applicable law. Each Partner that is a partnership agrees not to distribute copies of the financial statements received under this Section 2.8 to any limited partners of such partnership except with the prior written consent of the General Partner. The General Partner shall, as soon as is reasonably practicable after the end of each calendar year, deliver to each Partner all information necessary for the preparation of such Partner's income tax returns.

SECTION 2.9. Financings. If requested by the Partnership's senior lenders from time to time, the Class B Limited Partners shall execute a subordination agreement from time to time, in a form substantially identical to the Affiliate Subordination Agreement dated as of the Closing Date, between Fleet Bank, as administrative agent, and the Class B Limited Partners, or such other form as may be approved by the Class B Limited Partners (such approval not to be unreasonably withheld), with respect to the Preferred Return. Without the consent of at least 90% of the Class B Limited Partners, the Partnership shall not amend the Credit Agreement to extend the Maturity Date (as such term is defined therein) and shall not enter into any other loan or other agreement with respect to which the Class B Limited Partners are required to enter into a subordination agreement pursuant to this Section 2.9 unless the Credit Agreement, as so amended, or such other loan or agreement, as the case may be, does not prohibit the Partnership from making the distributions required to be made to the Class B Limited Partners pursuant to Article IV hereof on the dates such distributions are required to be made other than during any period in which there is a breach of, or default or event of default under, such agreement.

ARTICLE III

CAPITAL ACCOUNTS; ALLOCATION OF PARTNERSHIP PROFITS AND LOSSES; RETURN OF CAPITAL

SECTION 3.1. Opening Capital Accounts. (a) Notwithstanding any other provisions of this Agreement, and after taking into account the Contribution, the Special Distribution and the Initial Book-up, the Partners Capital Account (as hereinafter defined) balances shall be as follows:

NYI	$24,443,789
NAE	$45,168,750
FLI	$ 4,915,625
WG	$ 4,915,625

(b) Except in satisfaction of its obligations pursuant to Section 5.5, the General Partner shall not be personally liable for the return of the capital contribution of any Class B Limited Partner or for the repayment of any loans made to the Partnership by any Partner, it being expressly understood that any such return shall be made solely from Partnership assets in accordance with this Agreement.

(c) No Partner shall have the right to demand a return of its capital contribution. No Partner shall have the right to demand or to receive property other than cash in return for its capital contribution. No Partner shall receive interest on its capital contribution or Capital Account (as hereinafter defined). Notwithstanding the foregoing, nothing in this Section 3.1(c) shall limit the rights of the Class B Limited Partners under Sections 4.3, 4.4, 4.5, 4.6 or 4.8.

SECTION 3.2. Adjustments to Capital Accounts. (a) The Partnership shall maintain a separate capital account ("Capital Account") on the books of the Partnership for each Partner in its capacity as a Class A Partner or as a Class B Limited Partner in accordance with the provisions set forth in this Section 3.2.

(b) A Partner's Capital Account shall be increased by (i) the amount of any capital contributions made by such Partner after the date hereof pursuant to the provisions of this Agreement, (ii) the fair market value at the time of contribution of any property contributed by such Partner (net of any liabilities secured by such property

that the Partnership is considered to assume or take subject to under Section 752 of the Code) after the date hereof pursuant to the provisions of this Agreement, and (iii) Partnership Gross Income allocated to the Class B Limited Partners, any items of income, gain or loss allocated pursuant to Section 3.4 hereof and Profits allocated to such Partner pursuant to the provisions of this Agreement. A Partner's Capital Account shall be reduced by (i) the amount of any Partnership Losses allocated to such Partner pursuant to the provisions of this Agreement, and (ii) all amounts distributed (including the fair market value at the time of distribution of any property distributed in kind, net of all liabilities secured by such property that such Partner is considered to assume or take subject to under Section 752 of the Code) to such Partner after the date hereof pursuant to the provisions of this Agreement.

(c) In addition, Capital Accounts shall be adjusted to reflect the revaluation of the Partnership's assets to equal their fair market values (as determined in good faith by the General Partner) pursuant to, and in a manner consistent with, Treasury Regulation Section 1.704-1(b)(2)(iv)(f): (i) immediately before any redemption distributions pursuant to Section 4.5, (ii) immediately before liquidating distributions pursuant to Section 4.6 and (iii) at such other times permitted under the Section 704(b) Treasury Regulations as the General Partner may consider appropriate.

(d) Partnership Profits and Losses for any taxable year shall mean an amount equal to the Partnership's Federal taxable income or loss for such taxable year, including without limitation each item of the Partnership's income, gain, loss or deduction, adjusted as follows:

(i) all income of the Partnership that is exempt from Federal income tax under the Code shall increase Partnership Profits or reduce Partnership Losses,

(ii) in calculating gain or loss resulting from any disposition of Partnership property with respect to which gain or loss is recognized for Federal income tax purposes, the basis of such property shall be its Asset Value (as defined in Section 3.3(i)(vii)) rather than its basis for Federal income tax purposes,

(iii) the depreciation, amortization or other cost recovery deductions with respect to partnership property shall be computed in accordance with Section 3.3(i)(xii),

(iv) in the event the Asset Value of any Partnership asset is adjusted pursuant to this Agreement, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Partnership Profits and Losses,

(v) notwithstanding any other provision of this Section 3.2, any items or amounts that are specifically allocated pursuant to Section 3.4 shall not be taken into account in computing Partnership Profits and Losses,

(vi) any amounts of Partnership Gross Income allocated to the Class B Limited Partners shall reduce Partnership Profits or increase Partnership Losses, and

(vii) Partnership expenditures described in Section 705(a)(2)(B) of the Code (or so treated) shall be deducted from Partnership Profits or Partnership Losses.

SECTION 3.3. Allocation of Profits and Losses. (a) For purposes of this Agreement, each Class B Limited Partner's "Class B Percentage Interest" shall initially be as follows:

Name of Class B Partner	Class B Percentage Interest
NAE	82.1250%
FLI	8.9375%
WG	8.9375%

The "Percentage Interest" shall mean, for the Class A Partner, 98.78% of the total Partnership Interests, and, for the Class B Limited Partners, an aggregate of 1.22% of the total Partnership Interests, in each case as of the Closing Date.

(b) For any Fiscal Year, an amount of Partnership Gross Income shall be allocated to the Class B Limited Partners equal to the amount of any distributions made during such Fiscal Year to the Class B Limited Partners with respect to the Preferred Return, provided, however, that for any Fiscal Year in

which all the Class B Limited Partners' interests are redeemed or the Partnership is liquidated, the amount of Partnership Gross Income that shall be allocated to the Class B Limited Partners shall be equal to the difference, if any, between (x) the Class B Limited Partners Aggregate Capital Account Balance immediately prior to this allocation and (y) the sum of (I) the Liquidation Value and (II) the greater of the Accrued Unpaid Preferred Return and the Accrued Unpaid Participating Return, in each case immediately prior to this allocation (the "Target Allocation Amount"), provided further, that if the amount of cash and/or assets available for distribution is less than the Target Allocation Amount, the amount of Partnership Gross Income allocated pursuant to this proviso shall be limited to the amount of cash and/or assets available for distribution with respect to the Target Allocation Amount.

(c) For any Fiscal Year, Partnership Profits shall be allocated among the Partners as follows:

(i) first, to the Class B Partners in an amount equal to the cumulative Partnership Losses allocated to the Class B Partners pursuant to Section 3.3(d)(i) hereof for all prior Fiscal Years and not previously taken into account under this clause;

(ii) second, to the Class B Limited Partners in an amount, if any, equal to the excess of (x) the Aggregate Participating Return, over (y) the sum of (I) Partnership Profits allocated to the Class B Limited Partners under this clause for all prior Fiscal Years, and (II) the aggregate amount of Partnership Gross Income allocated to the Class B Limited Partners for such Fiscal year and all prior Fiscal Years pursuant to Section 3.3(b);

(iii) third, to the Class A Partner in an amount equal to the cumulative Partnership Losses allocated to the Class A Partner pursuant to Section 3.3(d)(i) hereof for all prior Fiscal Years and not previously taken into account under this clause; and

(iv) fourth, to the Class A Partner.

(d) For any Fiscal Year, Partnership Losses shall be allocated among the Partners as follows:

(i) first, pro-rata to the Partners in an amount equal to the aggregate amount of Partnership Profits allocated to the Partners under Section 3.3(c)(ii) and (iv) for all prior Fiscal Years and not previously taken into account under this clause; and

(ii) second, to the Class A Partner.

(e) Allocations of Partnership Profits and Losses shall be made as of the last day of each Fiscal Year or at such other times as determined by the General Partner in its sole discretion.

(i) Except as otherwise set forth in this Section 3.3(e), in determining a Partner's share of Partnership Profits and Losses, the General Partner shall allocate to a Partner a share of Partnership Profits and Losses commencing on the first day in which such Partner is admitted to the Partnership (pro rated for any partial period in which such Partner was admitted to the Partnership).

(ii) All Partnership Profits and Losses accruing prior to the date of this Agreement shall be allocated in accordance with the provisions of this Agreement prior to its amendment and all Profits and Losses accruing on or after the date of this Agreement shall be allocated in accordance with the provisions of this Agreement.

(iii) The Percentage Interests of the Partners and the relative Class B Percentage Interests may each be adjusted only in conjunction with capital contributions by new or continuing Partners, redemptions by the Partnership of Partnership Interests and transfers of Partnership Interests made in accordance with this Agreement; provided, however, that in no event may the Class B Partners' Participating Percentage be reduced to less than 1% and in no event shall the relative Class B Percentage Interests be adjusted except as expressly provided for in this Agreement.

(iv) Except to the extent otherwise required by the Code and Regulations, if a Partnership Interest or part thereof is transferred during any Fiscal Year, the items of income, gain, loss, deduction and credit allocable to the Partnership Interest for such fiscal year shall be apportioned

between the transferor and the transferee in proportion to the number of days in such Fiscal Year the Partnership Interest is held by each of them.

(v) Except as otherwise provided herein, any amounts allocated to the Class B Partners shall be further allocated to each Class B Limited Partner in proportion to its respective Class B Percentage Interest.

(f) Except to the extent otherwise provided in this Section 3.3, the Partnership's items of income, gain, loss and deduction for Federal, state and local income tax purposes shall be allocated among the Partners in the same manner as the corresponding book items are allocated pursuant to Sections 3.3 and 3.4.

(g) In accordance with Section 704(c) of the Code and the Treasury Regulations thereunder, items of income, gain, loss and deduction ("Section 704(c) Items") with respect to any property contributed to the capital of the Partnership, and partnership property revalued pursuant to Section 3.3(i)(vi) hereof shall, solely for Federal, state and local income tax purposes, be allocated to the Partners so as to take into account any variation between the adjusted basis of such property to the Partnership for Federal income tax purposes and its Asset Value under any method permitted under Treasury Regulations Section 1.704-3 chosen by the General Partner in its sole discretion, provided, however, that the Class B Partners shall not be allocated in the aggregate more than $2 million of Section 704(c) Items in any Fiscal Year or $10 million in the aggregate as a result of the election of any method other than the "traditional" method.

(h) Consent. The provisions of this Partnership Agreement that govern allocations of Partnership Gross Income and Profits and Partnership Losses and distributions are consented to by each Class B Limited Partner (and any successor thereto) and General Partner as an express condition to either becoming or continuing as a Class B Limited Partner or General Partner.

(i) The following terms referred to in this Agreement are defined as follows:

(i) "Accrued Unpaid Deferred Preferred Return" shall mean at any time the excess, if any,

of the Deferred Preferred Return plus interest, if any, thereon due under Section 4.3(g) over the aggregate amounts previously distributed to the Class B Limited Partners with respect thereto.

(ii) "Accrued Unpaid DPR Interest" shall mean at any time the excess, if any, of the DPR Interest plus interest, if any, thereon due under Section 4.3(g) over the aggregate amount previously distributed to the Class B Limited Partners with respect thereto.

(iii) "Accrued Unpaid Participating Return" shall mean at any time the excess, if any, of the Aggregate Participating Return over the aggregate amounts treated as distributed in payment of the Aggregate Participating Return pursuant to Section 4.2(b) for such Fiscal Year or portion thereof ending on this date and all prior Fiscal Years.

(iv) "Accrued Unpaid Preferred Return" shall mean at any time the excess, if any, of the Aggregate Preferred Return over amounts previously distributed to the Class B Limited Partners with respect thereto for such Fiscal Year or portion thereof ending on this date, and all prior Fiscal Years.

(v) "Aggregate Participating Return" as of any date shall mean an amount equal to the product of the Class B Partners' Participating Percentage and Cumulative Partnership Income as of such date.

(vi) "Aggregate Preferred Return" as of any date means the aggregate amount of the accrued Preferred Return for such Fiscal Year or portion thereof ending on such date, and all prior Fiscal Years beginning on or after the date hereof.

(vii) "Asset Value" shall mean, with respect to any of the Partnership's assets, such asset's adjusted basis for federal income tax purposes except that:

(A) the initial Asset Value of any asset contributed by a Partner to the Partnership shall be the gross fair market value of such asset, as determined by the agreement of the Partners at the time of its contribution;

(B) the fair market value of each of the Partnership's assets on the date of this Agreement shall be as determined by the General Partner in its sole discretion and in a manner consistent with the amounts set forth in Section 3.1(a), as adjusted for the liabilities of the Partnership;

(C) the Asset Values of all of the Partnership's assets shall be adjusted to equal their respective gross fair market values, as determined in the sole discretion of the General Partner, as of (x) the distribution of the Partnership property to a Partner as consideration for all or a portion of an interest in the Partnership pursuant to Section 4.4 or 4.5, or (y) the liquidation of the Partnership within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g); and (z) at such other times permitted under the Treasury Regulations as the General Partner in its sole discretion considers appropriate;

(D) the Asset Value of any Partnership property distributed to any Partner shall be adjusted to equal the gross fair market value of such asset on the date of distribution as determined by the General Partner in good faith; and

(E) to the extent that the Asset Value is determined under Sections 3.3(i)(vii)(A), (B) or (C), the Asset Value of such property shall be subsequently adjusted by the amount of Depreciation (as computed pursuant to Section 3.3(i)(xii)) taken into account with respect to such asset for purposes of computing Profits or Losses.

(viii) "Class B Partners Aggregate Capital Account" means the sum of the balances in the Capital Accounts of each Class B Limited Partner having a positive balance therein.

(ix) "Class B Partners' Participating Percentage" means a percentage initially equal to 1.22%, as subsequently adjusted from time to time pursuant to Section 4.2(c).

(x) "Cumulative Net Profits" as of any date shall mean the excess, if any, of the aggregate Partnership Profits over the aggregate Partnership Losses allocated to the Class B Limited Partners pursuant to Sections 3.3(c) and (d) for such Fiscal Year or portion thereof ending on this date, and all prior Fiscal Years.

(xi) "Cumulative Partnership Income" as of the end of any Fiscal Year means the excess, if any, of (x) the aggregate amount of Partnership Profits for such Fiscal Year and all prior Fiscal Years beginning on or after the date hereof over (y) the aggregate amount of Partnership Losses for such Fiscal Year and all prior Fiscal Years beginning on or after the date hereof, determined in each case without regard to Section 3.2(d)(vi).

(xii) "Depreciation" shall mean, for each Fiscal Year, an amount equal to the depreciation, amortization, and other cost recovery deductions allowable with respect to an asset for such period, except that if the Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year, Depreciation shall be an amount which bears the same ratio to such beginning Asset Value as the federal income tax depreciation, amortization and other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis, provided however, that if any property has a zero adjusted tax basis, the book depreciation or amortization for such property may be determined under any reasonable method selected by the General Partner.

(xiii) "Fiscal Year" shall mean for tax and accounting purposes the 12 month (or shorter) period ending on the last day of May of each calendar year, unless otherwise determined by the General Partner in its sole discretion. A Fiscal Year that includes a redemption pursuant to Section 4.4 or 4.5 shall be deemed to close with respect to the Class B Limited Partners on the date of such redemption.

(xiv) "Liquidation Value" means an amount initially equal to $55,000,000, as subsequently adjusted from time to time pursuant to Section 4.2(b).

(xv) "Partnership Gross Income" shall mean the Partnership's gross income as defined for Federal income tax purposes, increased by all income of the Partnership that is exempt from Federal income tax under the Code.

(xvi) "Partner Nonrecourse Liability" means any "partner nonrecourse liability" as defined in Treasury Regulation § 1.704-2(b)(4).

(xvii) "Nonrecourse Deduction" means a "nonrecourse deduction" as defined in Treasury Regulation § 1.704-2(b)(1).

(xix) "Redemption Price" means as of any date:

(A) for purposes of Section 4.4 (including Voluntary Redemptions in accordance with Section 2.2 and 4.5(b)), an amount equal to the sum of the Liquidation Value on such date plus the greater of the Accrued Unpaid Preferred Return and the Accrued Unpaid Participating Return as of such date, and

(B) for purposes of Section 4.5 and 4.6, the Class B Partners Aggregate Capital Account, determined after taking into account all allocations of Partnership Gross Income, Profits and Losses and all distributions to the Class B Limited Partners (other than distributions pursuant to Sections 4.5, 4.6 or 4.8 as the case may be), in each case for the Fiscal Year that ends on such date and all prior Fiscal Years.

SECTION 3.4. Code Section 704(b) Allocations. (a) Notwithstanding Section 3.3, special allocations of Partnership Profits, Losses or specific items of Partnership income, gain, loss or deduction may be required for any Fiscal Year as follows:

(i) Minimum Gain Chargeback. The Partnership shall allocate items of Partnership income and gain among the Partners at such times and in such amounts as necessary to satisfy the minimum gain chargeback requirements of Treasury Regulation §§ 1.704-2(f) and 1.704-2(i)(4).

(ii) Allocation of Deductions Attributable to Partner Nonrecourse Liabilities. Any nonrecourse

deductions attributable to a Partner Nonrecourse Liability shall be allocated among the Partners that bear the economic risk of loss for such Partner Nonrecourse Liability in accordance with the ratios in which such Partners share such economic risk of loss and in a manner consistent with the requirements of Treasury Regulation §§ 1.704-2(c), 1.704-2(i)(2) and 1.704-2(j)(1).

(iii) Qualified Income Offset. The Partnership shall specially allocate Partnership Profits and Losses or items of Partnership income, gain, loss or deduction when and to the extent required to satisfy the "qualified income offset" requirement within the meaning of Treasury Regulation § 1.704-1(b)(2)(ii)(d).

(b) To the extent that any item of Partnership income, gain, loss or deduction has been specially allocated pursuant to Sections 3.4(a)(i), 3.4(a)(ii) or 3.4(a)(iii) and such allocation is inconsistent with the way in which the same amount otherwise would have been allocated under Section 3.3, subsequent allocations under Section 3.3 shall be made, in a manner consistent with Sections 3.4(a)(i), 3.4(a)(ii) or 3.4(a)(iii), which negate as rapidly as possible the effect of all such inconsistent allocations under Sections 3.4(a)(i), 3.4(a)(ii) or 3.4(a)(iii), provided however that this section shall not apply to the extent NAE is allocated one or more of the aforementioned Partnership items with respect to its negative capital account (as valued immediately prior to the date hereof).

SECTION 3.5. U.S. Federal Tax Elections. Subject to the provisions of Section 3.3(g), in the sole discretion of the General Partner, the Partnership may make any and all elections provided for under the Code, the Regulations promulgated thereunder or the applicable tax law of any state, local or non-United States jurisdiction, including the elections provided for in Section 754 of the Code and Treasury Regulation § 301.7701-3(c).

SECTION 3.6. U.S. Federal Tax Matters Partner. The General Partner shall be the "tax matters partner" of the Partnership within the meaning of Section 6231(a)(7) of the Code and shall act in any similar capacity under applicable foreign, state or local tax law as of the date hereof. In its capacity

as tax matters partner, the General Partner shall have the sole discretion to:

(i) represent the Partnership in connection with the examination of the Partnership by any taxing authority;

(ii) enter into an agreement with any taxing authority to extend the period of time for assessments of tax;

(iii) enter into a settlement agreement (which may or may not explicitly bind the Partners) with any taxing authority;

(iv) file a request for an administrative adjustment to be treated as a substitute return with any taxing authority;

(v) initiate an administrative or judicial proceeding (including any proceeding by way of appeal) on behalf of the Partnership;

(vi) represent the Partnership in an administrative or judicial proceeding;

(vii) furnish the name, address, profits interest, taxpayer identification number and other information of a Partner to any taxing authority; and

(viii) take all other actions necessary in connection with tax matters of the Partnership,

provided however, that the Tax Matters Partner shall treat any EAB debt issued on or after February 6, 1987 and the 1994 Nationsbank debt (together, the "Recourse Debt") for tax purposes in a manner consistent with the treatment of such debt on the Partnership's tax returns as filed prior to the Closing Date and shall not make any allocations with respect to the Recourse Debt under Section 3.4 with respect to the partnership items set forth therein as a result of NAE's negative capital account (as valued immediately prior to the date hereof), unless there has been a Final Determination that such prior treatment was not correct or that an allocation is required under Section 3.4 hereof.

All expenses incurred by the General Partner while acting in the capacity of tax matters partner shall be paid or reimbursed by the Partnership.

ARTICLE IV

DISTRIBUTIONS TO PARTNERS

SECTION 4.1. No Right to Withdraw. No Partner shall have the right to withdraw or demand distribution of any asset of the Partnership or of any portion of the Partner's Capital Account, except as expressly provided in this Agreement.

SECTION 4.2. Non-liquidating Distributions to the Partners. (a) Subject to any restrictions contained in this Agreement or any loan agreement, debenture, promissory note or other agreement by which the Partnership is bound, the General Partner shall make distributions to the Class A Partner in cash or in kind at times and in amounts to be decided in the sole discretion of the General Partner.

(b) The proceeds of any and all distributions to the Class B Limited Partners, including distributions pursuant to Sections 4.3, 4.4 and 4.5 but not Liquidating Distributions pursuant to Section 4.6, the Special Distribution or Tax Distributions (as herein defined) to the Class B Limited Partners, shall be applied in the following order:

(i) first, to reduce (but not below zero) the Accrued Unpaid DPR Interest (if any), including any related interest charges thereon,

(ii) second, to reduce (but not below zero) the Accrued Unpaid Preferred Return (other than the Accrued Unpaid DPR Interest and the Accrued Unpaid Deferred Preferred Return included therein) in chronological order from the amounts earliest payable to the amounts latest payable, including any related interest charges thereon;

(iii) third, to reduce (but not below zero) the Liquidation Value;

(iv) fourth, to reduce (but not below zero) the Accrued Unpaid Deferred Preferred Return; and

(v) fifth, to pay the Accrued Unpaid Participating Return.

Notwithstanding the foregoing, (i) in the event the Partnership elects pursuant to Section 4.4 to distribute to the Class B Limited Partners the 54th Month DPR Interest and the 54th Month Post-Calculation Date Preferred Return (as such terms are defined in Section 4.3(f) below) on the date that is 54 months after the Closing Date, such payment shall be applied first to reduce the 54th Month DPR Interest and the 54th Month Post-Calculation Date Preferred Return; and (ii) in the event the Partnership elects pursuant to Section 4.4 to distribute to the Class B Limited Partners the 60th Month DPR Interest and the 60th Month Post-Calculation Date Preferred Return (as such terms are defined in Section 4.3(f) below) on the date that is 60 months after the Closing Date, such payment shall be applied first to reduce the 60th Month DPR Interest and the 60th Month Post-Calculation Date Preferred Return.

(c) Immediately after any distribution to the Class B Limited Partners, the Participating Percentage shall be reduced to a percentage equal to the product of (i) the Participating Percentage immediately prior to such distribution and (ii) a fraction, the numerator of which is equal to the Liquidation Value immediately after such distribution, as adjusted pursuant to Section 4.2(b), and the denominator of which is an amount equal to the Liquidation Value immediately prior to such distribution; provided, however, that the Participating Percentage shall not be reduced below 1%.

(d) The General Partner shall make cash distributions to the Partners on or prior to the end of any calendar year which includes a sale or other taxable disposition of Partnership assets in amounts intended to enable the Partners (or any person whose tax liability is determined by reference to the income of a Partner) to discharge their U.S. federal, state and local income tax liabilities arising from the allocations of income or gain made pursuant to Article III hereof to the Partners in respect of such asset sale(s) or other taxable dispositions (collectively, a "Tax Liability Distribution"); provided, however, that in making such determinations, such allocations shall not include any Section 704(c) Items permitted to be made to the Class B Limited Partners pursuant to Section 3.3(g) hereof under a method other than the "traditional method" (i.e., the $2,000,000 per fiscal year of Section 704(c) Items) and provided, further that the amount of distributions

required to be made to the Class B Limited Partners pursuant to this Section shall be reduced by the amount of any distributions made in the current year to the Class B Limited Partners under Article IV hereof, net of each respective Class B Limited Partner's tax liability with regard to any such distributions. The amount of any such Tax Liability Distribution shall be determined on an individual basis for each Partner (or any person whose tax liability is determined by reference to the income of a Partner), taking into account (i) the maximum combined U.S. federal, and applicable state and local tax rates, if any, in each case applicable to individuals or corporations on ordinary income and net short-term capital gain or on net long-term capital gain, as applicable, and taking into account the deductibility of state and local income taxes for U.S. federal income tax purposes, and (ii) the amounts of such income and gain allocated to such Partner in connection with the sale of Partnership assets.

The amount of any distributions made to the Class B Limited Partners pursuant to this Section 4.2(d) shall first reduce Liquidation Value dollar for dollar (but not below zero), and any remaining Tax Distributions shall then reduce Accrued Unpaid Deferred Preferred Return.

(e) The General Partner may in its sole discretion make tax distributions to the Class A Partner ("Class A Tax Distributions"). The amount of any such Class A Tax Distributions shall be determined by taking into account (i) the maximum combined U.S. federal, and any applicable state and local tax rates, in each case applicable to the Class A Partner on ordinary income and net short-term capital gain, or on net long-term capital gains as applicable, and taking into account the deductibility of state and local income taxes for U.S. federal income tax purposes, and (ii) the amounts of income and gain allocated to the Class A Partner.

SECTION 4.3. The Preferred Return. (a) The Deferred Preferred Return, DPR Interest, the Post-Calculation Date Preferred Return, the amounts to be paid pursuant to Section 4.3(f) and in each case, any interest thereon, are collectively referred to herein as the "Preferred Return". The Partnership shall make distributions of the Preferred Return as provided below to each Class B Limited Partner in accordance with its Class B Percentage Interest.

(b) From the date hereof until the earlier of (i) April 7, 2001 (the "DPR Calculation Date"), and (ii) a redemption of all the outstanding Class B Partnership Interests, an aggregate return on the Class B Partnership Interests shall accrue, unpaid (such return for such period, the "Deferred Preferred Return"), in an aggregate amount equal to 8% per annum (compounded semi-annually from the date hereof until the earlier of (x) the DPR Calculation Date and (y) a redemption of all the outstanding Class B Partnership Interests) on the Liquidation Value, as it exists from time to time from the date hereof to the earlier of (x) the DPR Calculation Date and (y) a redemption of all the outstanding Class B Partnership Interests. If any distributions to the Class B Limited Partners are made on or prior to the DPR Calculation Date, (x) the aggregate amount of the Deferred Preferred Return shall be adjusted for all purposes (including for calculation of compounded interest) as appropriate under Section 4.2 and (y) for clarification, to the extent any such distributions have reduced Liquidation Value and or the Accrued Unpaid Deferred Preferred Return, the return provided for in this Section 4.3(b) shall continue to accrue on the balance of the Accrued Unpaid Deferred Preferred Return remaining after such distribution. The Deferred Preferred Return shall be computed on the basis of the actual number of days elapsed over a year of 365 or 366 days. If a redemption of all the outstanding Class B Partnership Interests has not occurred on or prior to the DPR Calculation Date, the following percentages of the amount of Deferred Preferred Return, accrued as of the DPR Calculation Date, shall be distributed to the Class B Limited Partners, in accordance with their respective Class B Percentage Interests, on the following dates (each a "DPR Distribution Date"):

Percentage (%) of Deferred Preferred Return to be Distributed	Date Measured in Months After the Closing Date on which Distribution is to be Made
6	66 Months
6	72 Months
7.5	78 Months
7.5	84 Months
8.5	90 Months
8.5	96 Months
13.5	102 Months
13.5	108 Months
14.5	114 Months

14.5 120 Months

(c) From and after the DPR Calculation Date, the Deferred Preferred Return that is outstanding from time to time shall accrue 8% per annum simple interest ("DPR Interest"). On the date that is 66 months after the Closing Date, the Partnership shall distribute to the Class B Limited Partners the DPR Interest computed for the period from the DPR Calculation Date to the date that is 54 months after the Closing Date and the Partnership shall also distribute to the Class B Limited Partners the DPR Interest computed for the period from the date that is 60 months after the Closing Date to the date that is 66 months after the Closing Date. On the date that is 72 months after the Closing Date, the Partnership shall distribute to the Class B Limited Partners the DPR Interest computed for the period from the date that is 54 months after the Closing Date to the date that is 60 months after the Closing Date and the Partnership shall also distribute to the Class B Limited Partners the DPR Interest computed for the period that is 66 months after the Closing Date to the date that is 72 months after the Closing Date. On each DPR Distribution Date thereafter, the Partnership shall distribute to the Class B Limited Partners the DPR Interest computed for the period beginning on the immediately preceding DPR Distribution Date and ending on the next DPR Distribution Date. All distributions to Class B Limited Partners shall be in accordance with their respective Class B Percentage Interests. DPR Interest shall be computed on the basis of the actual number of days elapsed over a year of 365 or 366 days.

(d) Unless all the Class B Partnership Interests have been redeemed, the Class B Limited Partners shall also be entitled, from and including the DPR Calculation Date until the eighth anniversary of the date hereof (the "Eighth Anniversary"), to an aggregate return on the Class B Partnership Interests of an amount equal to 8% per annum, simple interest, of the Liquidation Value from time to time, and thereafter, an amount equal 12% per annum, simple interest, of the Liquidation Value from time to time (such returns for such periods, the "Post-Calculation Date Preferred Return"). The Post-Calculation Date Preferred Return shall be computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, beginning on the date of the last Distribution Date (as defined below) (or from the DPR

Calculation Date, in the case of the first Distribution Date).

(e) Unless and until the Class B Partnership Interests have been redeemed in full, the Partnership shall distribute on the date that is 66 months after the Closing Date the Post Calculation Date Preferred Return accrued for the period from the DPR Calculation Date to the date that is 54 months after the Closing Date and the Partnership shall also distribute the Post Calculation Date Preferred Return accrued from the date that is 60 months after the Closing Date to the date that is 66 months after Closing Date. On the date that is 72 months after Closing Date, the Partnership shall distribute the Post Calculation Date Preferred Return accrued from the date that is 54 months after Closing Date to the date that is 60 months after the Closing Date and the Partnership shall also distribute the Post Calculation Date Preferred Return accrued from the date that is 66 months after Closing Date to the date that is 72 months after the Closing Date. The Partnership shall thereafter distribute on each 6-month anniversary (each a "Regular Distribution Date") of such 72nd month date any Post-Calculation Date Preferred Return that accrued with respect to the period beginning on the last Regular Distribution Date (or the 72nd month date, in the case of the first Regular Distribution Date) and ending on the next Regular Distribution Date. Distributions under this Section 4.3(e) shall be payable to each Class B Limited Partner in accordance with its Class B Partnership Interest on each such Regular Distribution Date, except to the extent that any such payment must be deferred under Section 4.3(h).

(f) The Partnership shall calculate on the date that is 54 months after the Closing Date the amounts of DPR Interest and Post-Calculation Date Preferred Return that would have been paid on such date if the first DPR Distribution Date and the first Regular Distribution Date were on such date (such amounts, the "54th Month DPR Interest" and the "54th Month Post-Calculation Date Preferred Return"). For illustration, assuming (i) no distributions had been made on account of the Deferred Preferred Return prior to the date that is 54 months after the Closing Date, (ii) the amount of Deferred Preferred Return is $20,271,294, and (c) no other redemptions have been made, then the 54th Month DPR Interest amount and the 54th Month Post-Calculation Date Preferred Return amount would be $810,852 and $2,200,000, respectively. The Partnership also shall calculate on the date that

is 60 months after the Closing Date the amounts of DPR Interest and Post-Calculation Date Preferred Return that would have been paid on such date if the second DPR Distribution Date and the second Regular Distribution Date were on such date (such amounts, the "60th Month DPR Interest" and the "60th Month Post-Calculation Date Preferred Return"). If a redemption of all the outstanding Class B Partnership Interests has not occurred on or prior to the dates that are 66 months and 72 months, respectively, after the Closing Date, the Partnership shall distribute to the Class B Limited Partners, in accordance with their respective Class B Percentage Interests, (i) on the date that is 66 months after the Closing Date, an amount equal to 8% per annum, compounded semi-annually, on the amount of the 54th Month DPR Interest and on the amount of the 54th Month Post-Calculation Date Preferred Return computed from the date that is 54 months after the Closing Date through but excluding the date that is 66 months after the Closing Date and (ii) on the date that is 72 months after the Closing Date, an amount equal to 8% per annum, compounded semi-annually, on the amount of the 60th Month DPR Interest and on the amount of the 60th Month Post-Calculation Date Preferred Return computed from the date that is 60 months after the Closing Date through but excluding the date that is 72 months after the Closing Date. Interest paid pursuant to this paragraph (f) shall be computed on the basis of the actual number of days elapsed over a year of 365 or 366 days.

(g) If the Partnership shall fail to timely pay any portion of the Preferred Return in accordance with Sections 4.3(b), 4.3(c), 4.3(e) or 4.3(f), such defaulted Preferred Return shall accrue interest at a rate of 11% per annum (compounded semi-annually) for the period (if any) prior to the Eighth Anniversary, from and including the date such Preferred Return was to be distributed to the date such distribution is made, and after the Eighth Anniversary, at a rate of 15% per annum (compounded semi-annually) for the period (if any) from and including the date such Preferred Return, was to be distributed to the date such distribution is made.

(h) For clarification, an illustration of the amounts required to be distributed pursuant to this Section 4.3 is attached hereto as Schedule 4.3.

(i) Notwithstanding any other provision of this agreement, the maximum amount that the Partnership

shall distribute pursuant to this section in any Fiscal Year shall not exceed Partnership's Gross Income for such Fiscal Year, determined at the end of the prior Fiscal Year, as estimated by the General Partner in good faith. The General Partner shall promptly inform the Class B Limited Partners after the close of any Fiscal Year of the amount, if any, by which distributions during such Fiscal Year pursuant to this section exceeded the Partnership's Gross Income for such Fiscal Year, and the Class B Limited Partners shall promptly pay such excess amount to the Partnership. Supplemental distributions, if appropriate, will be made promptly after the General Partner determines the Partnership's Gross Income for any Fiscal Year. In addition, if any portion of the accrued Preferred Return is not paid because of the provisions of this Section, such unpaid amount shall remain due and shall be paid, together with interest as provided in Section 4.3(g), on the earliest succeeding Regular Distribution Date to the extent such payment on such Regular Distribution Date is not limited by this Section.

SECTION 4.4. Voluntary Redemption of the Class B Partnership Interests. In addition to the distributions to Class B Limited Partners required pursuant to Section 4.3, the Partnership may make distributions to the Class B Limited Partners without notice in any amount on any date ("Voluntary Redemptions"). Voluntary Redemptions shall be applied in the manner set forth in Section 4.2(b). If the amount of a Voluntary Redemption equals the Redemption Price then due, all outstanding Class B Partnership Interests shall be deemed to have been redeemed and the Class B Limited Partners shall cease to be Partners of the Partnership. Notwithstanding the foregoing, the General Partner shall be required to give the Class B Limited Partners notice of any voluntary redemption after the ninth anniversary of the date hereof and before the tenth anniversary hereof during the first six months after such ninth year anniversary although the actual redemption may take place at any time during such year or on such tenth anniversary.

SECTION 4.5. Class B Redemption of the Class B Partnership Interests. (a) The Class B Limited Partners shall have the right to require the Partnership to redeem all (but not less than all) the Class B Partnership Interests upon the occurrence of

any of the following events (each, a "Full Class B Redemption"):

(i) upon 10th anniversary of the date hereof; provided, however, that at least 8% of the Class B Limited Partners shall have given the Partnership at least sixty calendar days prior written notice of their intent to exercise their right to such Full Class B Redemption;

(ii) upon each of the 15th, 20th, 25th, 30th and 35th anniversaries of the date hereof; provided, however, that the Class B Limited Partners shall have given the Partnership at least sixty calendar days prior written notice of their intent to exercise their right to such Full Class B Redemption;

(iii) upon the date 180 days after the date any payment of Preferred Return was due and not paid, in each case, if such failure to pay is continuing and shall not have been waived in writing by all the Class B Limited Partners prior to such 180th day or upon the failure to make an Extraordinary Class B Redemption upon the date that proceeds from a Trigger Event are distributed to the Class A Partner;

(iv) immediately upon written notice from the Class B Limited Partners to the Partnership of the Class B Approval Action described in Section 2.2 (a), (d) or (e) without either a Class B Consent or a Voluntary Redemption having been effected with respect thereto or upon the date 90 days after written notice from the Class B Limited Partners to the Partnership of the occurrence of any Class B Approval Action described in Section 2.2 (b), (c) or (f) through (i) without either a Class B Consent or a Voluntary Redemption having been effected with respect thereto, if such failure to obtain a Class B Consent or to effect such Voluntary Redemption is continuing and shall not have been waived in writing by all the Class B Limited Partners prior to such 90th day; or

(v) upon the date John Spano ceases to own, directly or indirectly, at least 51% of all partnership interests in the Partnership other than the Class B Partnership Interests.

All payments made in connection with a redemption hereunder shall be made pro rata to each Class B Limited Partner based on its Class B Percentage Interest at the time of the payment.

In the case of any redemption pursuant to clauses (ii) through (v) above, the aggregate redemption price payable to the Class B Limited Partners shall be equal to the Redemption Price as of such date. In the case of a redemption pursuant to clause (i), the aggregate redemption price shall be an amount equal to the sum of (i) the Redemption Price as of such date and (ii) $2,000,000.

(b) If all or any portion of the proceeds of any Trigger Event (as defined below) are distributed to the Class A Partner (or its Affiliates), then the Partnership shall be obligated to distribute to the Class B Limited Partners an aggregate amount equal to the proceeds of such Trigger Event to be distributed to the Class A Partner (or its Affiliates). Such distribution shall be treated as a "Voluntary Redemption" under Section 4.4. "Trigger Event" shall mean (a) a move of the Franchise to a geographical area outside the Playing Territory accompanied by an upfront payment or loan from a municipality (or other interested party in such geographical area) as an inducement for such move, (b) an upfront payment or loan from SportsChannel Associates or (c) any debt or equity financing of the Partnership. Any such redemption caused by the distribution of proceeds to the Class A Partner from a Trigger Event shall be referred to herein as an "Extraordinary Class B Redemption". Full Class B Redemptions and Extraordinary Class B Redemptions shall be collectively referred to herein as "Class B Redemptions".

Notwithstanding the foregoing, under no circumstances shall any Extraordinary Class B Redemption require the redemption of the Class B Partnership Interests for more than an aggregate amount equal to the Redemption Price as of such date.

(c) In the event that the Partnership shall fail to pay any Class B Redemption, and such failure to pay is still continuing 360 days after (i) in the case of clauses (i), (ii) and (v) under paragraph (a) above, the occurrence of the event specified therein as triggering such Class B Redemptions, (ii) in the case of clauses (iii) and (iv) under paragraph (a) above, the date of the payment default or the date written

notice of a breach of covenant was given to the Partnership by the Class B Limited Partners, as the case may be, and (iii) in the case of paragraph (b) above, the related Trigger Event, the Class B Partners shall have the right to cause the General Partner to sell either the assets of the Partnership or the Class A Partnership Interests. The Class B Limited Partners shall exercise such right by giving a written notice to the General Partner (the "Exercise Notice") executed by holders of at least 8% of the Class B Partnership Interests and requesting the General Partner to commence such sales. If at any time after the period commencing on the date the Exercise Notice is received by the General Partner and ending sixty days thereafter, the Class B Limited Partners believe in good faith that the General Partner has not commenced reasonable efforts to sell the Partnership's assets or the Class A Partnership Interests and is not diligently pursuing such sales, then the Class B Limited Partners shall have the right to make such sales (the exercise of which shall not prohibit the General Partner from continuing its own efforts) and the General Partner shall reasonably cooperate with the Class B Limited Partners in making such sales. Notwithstanding the foregoing, (i) any such sale of the assets of the Partnership by the General Partner or the Class B Limited Partners shall be made in accordance with commercially reasonable standards as provided in Section 9-504(3) of the Uniform Commercial Code as in effect in the State of New York and (ii) the proceeds of any such sale of assets or interests shall be applied as agreed upon herein for liquidations of the Partnership. The Class B Limited Partners shall have reasonable access to information and personnel of the Partnership necessary in order to conduct any such sale.

(d) The Class B Limited Partners' exclusive and sole remedy for the occurrence of a Class B Approval Action without a Class B Consent or the calling of a Voluntary Redemption by the Partnership shall be their right to a Class B Redemption pursuant to the terms set forth above. Upon redemption of all the Class B Partnership Interests by payment of the Redemption Price then due, the Class B Limited Partners shall cease to be Partners of the Partnership.

SECTION 4.6. Liquidating Distributions. Upon dissolution and liquidation of the Partnership, the assets of the Partnership shall be applied or

distributed by the General Partner in one or more installments in the following order of priority:

(i) first, to the payment and discharge of the Partnership's outstanding liabilities to all Persons who are not Partners (or the provision of adequate reserves therefor as reasonably determined by the General Partner), and to the expenses of the dissolution and winding up of the Partnership; provided, however, that under no circumstances shall liabilities to any Affiliates of Partners be paid to the extent such liabilities are required to be subordinated to the Class B Partnership Interests under Section 2.2(h);

(ii) second, to the establishment of such reserves as the General Partner may deem reasonably necessary for contingent or unforeseen liabilities or obligations of the Partnership, which reserves shall be held in escrow for a reasonable period of time and then distributed as herein provided;

(iii) third, to the payment and discharge of the Partnership's outstanding liabilities (under no circumstances to include loans to the Partnership by the Class A Partner, any liabilities that are required to be subordinated to the Class B Partnership Interests or any liabilities incurred in violation of Section 2.2(h)), if any, to all Persons or entities who are Partners, and which have been incurred in the ordinary course of business on terms no less favorable to the Partnership than the terms that could have been obtained, at the time incurred, from third parties, in the order of priority set forth in the terms and provisions of any agreements or instruments evidencing such liabilities;

(iv) fourth, an amount equal to the Redemption Price as defined in Section 3.3(i)(xix)(B) as of such date to the Class B Limited Partners in accordance with their respective Class B Partnership Interests;

(v) fifth, to the payment and discharge of any outstanding partnership liabilities to the Partners or Affiliates of Partners that are not included in clauses (i) through (iv); and

(vi) sixth, to the Class A Partner.

SECTION 4.7. Form of Distributions. Distributions of the assets of the Partnership made pursuant to this Article IV may be made in cash or in kind; provided, however, that all distributions pursuant to Section 4.3, 4.4, 4.5 and 4.8 shall be made in cash unless agreed to by the Class B Limited Partners. Distributions in kind, to the extent practicable, shall be made so that each Partner receives a pro rata share of each item of property distributed. The General Partner shall reasonably determine the value of any distribution in kind based on fair market value. Payments of principal or interest with respect to any loans made by a Partner to the Partnership shall not be deemed distributions to the Partner receiving such payments.

SECTION 4.8. Special Distribution. On the Closing Date, the General Partner shall cause the Partnership to make a special distribution to the Class B Limited Partners in an aggregate amount equal to $35 million in accordance with their respective Class B Partnership Interests. The Special Distribution is not a payment of any other obligation to the Class B Limited Partners under this Agreement.

ARTICLE V

ASSIGNMENT OF PARTNERSHIP INTERESTS

SECTION 5.1. Death, Incompetency or Bankruptcy of Class B Limited Partner. If a Class B Limited Partner shall die, his executor, administrator or trustee, or, if he shall be adjudicated insane or incompetent, his committee, conservator or representative, or if it shall be dissolved, merged or consolidated, its successor in interest, or upon his or its bankruptcy, his or its legal representative shall have the same rights as an assignee of a Class B Partnership Interest.

SECTION 5.2. Assignment of Interests; Assignee's Rights. (a) Subject to Section 5.3, the Partners may assign their Partnership Interests to other Partners or, with the prior written consent of the General Partner, third parties on such terms and conditions as the assigning Partner may determine; provided, however, that notwithstanding the foregoing, any Partner may assign its interest without the consent

of the General Partner pursuant to the applicable laws of descent and distribution or to an Affiliate of such Partner. An assignee of any Partnership Interest shall be entitled to distributions from the Partnership and to allocations of Partnership Gross Income, Profit and Loss of the Partnership attributable to such Partnership Interest after the effective date of the assignment. The "effective date" of an assignment of a Partnership Interest under the provisions of this Section shall be that date specified in the written instrument whereby the assignment is effected.

(b) The Partnership and the General Partner shall be entitled to treat the record owner (on the books of the Partnership) of any Partnership Interest as the absolute owner thereof in all respects, and shall incur no liability for distributions of cash or other property made in good faith to such owner until such time as a written assignment of such Partnership Interest has been received and, if required under Section 5.2(a), approved by the General Partner and recorded on the books of the Partnership.

(c) Each Class B Limited Partner agrees, upon the request of the General Partner, to execute such certificates or other documents and perform such acts as the General Partner deems appropriate to preserve the limited liability status of the Partnership after the completion of such assignment under applicable law. For purposes of this Section, any transfer of a Partnership Interest, whether voluntary or by operation of law, shall be considered an assignment, provided that this Section shall apply only to assignments permitted by this Agreement.

(d) Each Partner hereby agrees to indemnify and hold harmless each of the other Partners from and against any losses, liabilities, damages and claims (including taxes), and all costs and expenses related thereto, in the event that a transfer of part or all of such Partner's interest in the Partnership triggers a deemed termination of the Partnership for tax purposes pursuant to Section 708(b)(1)(B) of the Code, or any comparable provisions under state law. For the avoidance of doubt, a Partner may be required to indemnify each of the other Partners under this section notwithstanding the fact that the transfer of part or all of its partnership interest would not, alone, trigger a Section 708(b)(1)(B) deemed termination.

SECTION 5.3. Substitute Limited Partner. The assignee of any Class B Partnership Interest may only become a substituted Class B Limited Partner in place of his assignor if the assignment or transfer is expressly permitted by the provisions of this Agreement. Unless waived by the General Partner, the following conditions are to be satisfied in connection with such assignment:

(a) A duly executed and acknowledged written instrument of assignment, being either a certificate evidencing the Class B Partnership Interest owned by the assignor prior to such assignment or some other instrument reasonably acceptable to the General Partner, is filed with the Partnership setting forth the intention of the assignor that the assignee become a substituted Class B Limited Partner in his place and, if required pursuant to Section 5.2(a), such assignment is consented to in writing by the General Partner;

(b) The assignee executes an irrevocable power of attorney appointing the General Partner as the assignee's lawful attorney-in-fact in the form and for the purposes specified in Section 8.7;

(c) The assignor executes and acknowledges such other instruments as the General Partner in its reasonable judgment may deem necessary or desirable to effect such substitution; and

(d) Prior to the substitution, the substituted Class B Limited Partner pays all reasonable expenses, including attorneys' fees, incurred by the Partnership in connection with such assignment and substitution.

The effective date of a substitution shall be the date on which the above conditions have been satisfied. The General Partner shall cause the Partnership's Certificate of Limited Partnership to be amended, if and when appropriate or required by law, to reflect the substitution or addition of Class B Limited Partners.

SECTION 5.4. Effect of Assignment. To the extent permitted by applicable law, upon the transfer of all or any part of the Partnership Interest of a Partner as hereinabove provided, items of income, gain, deduction, loss or credit for tax purposes shall be allocated between the assignor and assignee based upon the number of days during the applicable fiscal year of the Partnership that the Partnership Interest so

transferred was held by each of them, without regard to the results of the Partnership activities during the period in which each was the holder.

SECTION 5.5. Deficiency in Capital Account. If upon dissolution and liquidation of the Partnership, and after crediting any Partnership Profits or charging any Partnership Losses pursuant to Section 3.3 and 3.4 hereof, the General Partner has a deficit balance in its Capital Account, the General Partner shall be required to contribute to the Partnership cash or property with a fair market value equal to the amount of such deficiency.

ARTICLE VI

TERMINATION AND WINDING UP

SECTION 6.1. Termination. The Partnership shall dissolve promptly upon the happening of the earliest of (a) the expiration of the term of this Agreement as provided in Section 1.5 hereof, (b) the bankruptcy of the General Partner unless all remaining Partners consent to the continuation of the Partnership's business, (c) the written agreement thereto of all of the Partners or (d) the sale of all or substantially all of the assets of the Partnership.

SECTION 6.2. Distributions. Upon the dissolution of the Partnership as provided in this Article, the assets of the Partnership shall be distributed in the manner and order provided in Section 4.6 hereof.

SECTION 6.3. Winding Up. After dissolution, the winding up of the affairs of the Partnership and the distribution of its assets and property shall be performed by the General Partner or, if there is no General Partner, any Person selected to perform such distribution by written consent of holders of a majority of the Class B Limited Partnership Interests.

ARTICLE VII

DEFINITIONS

SECTION 7.1. Definitions. For the purposes of this Partnership Agreement, the following terms shall have the following meanings:

"Closing Date" shall mean April 7, 1997.

"Credit Agreement" shall mean the Credit Agreement dated as of March 31, 1997, among New York Islanders Hockey Club, L.P., as Borrower, the lenders named therein and Fleet National Bank, as Administrative Agent.

"Excess Cable" shall mean the stream of payments set forth as Exhibit A hereto. For purposes of calculating the reductions referred to in Section 2.2(a) and (f), the percentage of any reduction in the aggregate amount of payments under the SportsChannel Contract that shall be deemed to reduce the Excess Cable Payments shall be the percentage indicated under the column "Excess Cable Percentage" in Exhibit C hereto (the percentage indicated under the column "Remaining Percentage" in Exhibit C hereto shall be deemed to reduce the portion of the payments in any year in excess of the Excess Cable for such year).

"Final Determination" shall mean the earlier of the following events to occur for NAE: (i) the execution of a closing agreement (as that term is defined in Section 7121 of the Code and the regulations promulgated thereunder) on behalf of NAE and the IRS with respect to the total tax liability of NAE for the taxable year of NAE which includes the Closing Date, or (ii) the last to occur of (A) the expiration of the applicable statute of limitations, or any extension thereof, with respect to the federal income tax liability of NAE for its taxable year which includes the Closing Date, or (B) if any administrative or judicial proceeding is commenced prior to the expiration of the time period specified in clause (A) above relating to the Recourse Debt, the earlier of (I) the entry of a final and unappealable decision binding on the IRS and NAE by any court of competent jurisdiction with respect thereto or (II) the execution on behalf of NAE and the IRS of a final and binding settlement agreement addressing such matter.

"Partnership Interests" shall mean the Class A Partnership Interest and the Class B Partnership Interests.

"Playing Area" shall mean the New York State counties of Queens, Nassau and Suffolk.

"Purchase Agreement" shall mean the Purchase and Sale Agreement dated as of November 18, 1996, by and among NAE, RRP, WG, FLI, FMC and NYI, as amended.

"SportsChannel Contract" shall mean the Agreement, dated as of July 1, 1996, between the Partnership and SportsChannel Associates, as amended from time to time.

SECTION 7.2. Other Terms. Certain tax matters related terms are defined in Section 3.3(i). Each term listed below is defined in the Section set forth opposite such terms.

Term	Section
Act	1.1
Affiliate	2.6
Class A Limited Partner	1.2
Class A Partnership Interest	1.2
Class A Tax Distributions	4.2(a)
Class B Approval Actions	2.2
Class B Consent	2.2
Class B Limited Partners	1.2
Class B Partnership Interest	1.2
Class B Percentage Interests	3.3(a)
Class B Redemptions	4.5(b)
Contribution	preamble
Control	2.6
DPR Calculation Date	4.3(b)
DPR Interest	4.3(c)
Deferred Preferred Return	4.3(b)
Effective Date	5.2
Eighth Anniversary	4.3(a)
Extraordinary Class B Redemption	4.5(b)
Full Class B Redemption	4.5(a)
General Partner	1.2
Initial Book-up	preamble
Liquidation Value	3.3(i)(xii)
Luxury Suite	2.1
Nassau Coliseum	1.4
New York Islanders Hockey Club L.P.	1.3
NHL	1.1
Partners	1.2

Percentage Interests	3.3(a)
Person	2.6
Post-Calculation Date Preferred Return	4.3(d)
Preferred Return	4.3(a)
Recourse Debt	3.6
Special Contribution	preamble
tax matters partner	3.6
Team	1.4
Trigger Event	4.5(b)
Voluntary Redemption	4.4

SECTION 7.3. Interpretation. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof and (d) all references herein to Articles and Sections shall be construed to refer to Articles and Sections of this Agreement.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

SECTION 8.1. Notices. Any notice or other communication required or permitted to be given by this Agreement shall be in writing and shall be delivered personally, or sent by first class mail (with a copy also to be sent by telecopy, provided that delivery by telecopy shall not be required for a notice or other communication to be effective hereunder) to the address

of the General Partner or of any Class B Limited Partner, or to such other address as the General Partner or any Class B Limited Partner concerned may designate (with copies to such other Persons as may be so designated). Any such notice shall be deemed to have been received or delivered for purposes of this Agreement upon personal delivery, or 48 hours after being sent by first class mail. The Class B Limited Partners shall, within 15 days, notify the General Partner of changes in their addresses.

SECTION 8.2. Captions and Section Headings. The captions and Section headings in this Agreement are inserted for convenience and identification and are not intended to have any effect upon the interpretation of construction of this Agreement.

SECTION 8.3. Choice of Law. This Agreement shall be governed and construed in accordance with the laws of the State of New York, without regard to conflict of law principles thereof.

SECTION 8.4. Amendment. This Agreement may be amended at any time by the Class A Partner; provided, however, that (i) so long as any Class B Partnership Interests are outstanding, (x) no amendment shall be made to Sections 2.2, 2.3, 2.5, 2.8, 2.9, 4.2, 4.3, 4.4, 4.5 and 4.6 without the written consent of Class B Limited Partners holding 90% or more of the outstanding Class B Partnership Interests and (y) no other amendment to this Agreement that would reasonably be expected to adversely impair the ability of the Partnership to pay the Preferred Return or to adversely affect (other than in an immaterial manner) the Class B Limited Partners' rights under this Agreement shall be made without the written consent of Class B Limited Partners holding an aggregate of at least 51% of the Class B Percentage Interests, (ii) without the consent of the Partner so affected, no amendment to decrease the participation of any Partner in, or the amount to which it is entitled under, the allocations and distributions provided in Articles III, IV and VI and (iii) without the consent of all Partners no amendment to this Section 8.4 shall be made; provided, however, that notwithstanding the foregoing, the General Partner may amend and supplement this Agreement to reflect substitutions of Partners or the addition of Partners made in accordance with this Agreement without being required to obtain the agreement of other Partners.

SECTION 8.5. Execution in Counterparts. This Agreement may be executed in various counterparts, each of which shall be deemed an original, with the same effect as if all parties hereto had signed the same document. Delivery of an executed counterpart by facsimile shall be as effective as delivery of a manually signed counterpart.

SECTION 8.6. Confidentiality. Except as otherwise required by law or consented to by the General Partner, the Class B Limited Partners agree not to disclose, or permit any of their agents to disclose, any information which the General Partner distributes or conveys to such Class B Limited Partners relating to the business, operations, financial condition or prospects of the Partnership except, subject to the restrictions in Section 2.8, as part of its normal and reasonable reporting procedures to its parents, partners, management consultants, auditors and attorneys and to potential or actual purchasers or lenders, provided that all such parties to whom any such disclosure is made agree to be bound by the provisions of this subsection.

SECTION 8.7. Power of Attorney. Each Partner by its execution and delivery of this Agreement, severally consents to be bound by the terms of this Agreement and irrevocably constitutes and appoints the General Partner with full power of substitution, as his true and lawful agent and attorney-in-fact in his name, place and stead to execute, acknowledge and file the original certificate of limited partnership and all certificates and other instruments necessary to qualify or continue the Partnership as a limited partnership or any form of partnership wherein the Class B Limited Partners have limited liability in the states or countries where the Partnership may do business. The Partners agree that the power of attorney herein granted shall be deemed to be coupled with the Partner's interest and shall survive the death or incapacity of the Partner. In the event of any conflict between this Agreement and any instruments executed by any one of said agents or attorneys-in-fact pursuant to the power of attorney granted in this paragraph, this Agreement shall control.

SECTION 8.8. Separability. In case one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality

and enforceability of the remaining provisions contained herein and other applications thereof shall not in any way be affected or impaired thereby.

SECTION 8.9. NHL Consent. National Hockey League policy prohibits any direct or indirect sale, transfer, assignment, pledge, hypothecation, encumbrance or other disposition of, or with respect to, the New York Islanders franchise or any direct or indirect interest therein without the prior consent of the National Hockey League. Please contact the National Hockey League, League Counsel, 1251 Avenue of the Americas, 47th Floor, New York, New York 10020-1198 to determine the applicable requirements.

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SECTION 8.10. Entire Agreement. This Agreement constitutes the entire agreement among the Partners relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

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

GENERAL PARTNER

NYI HOLDINGS, L.P., as General Partner,

By: NYI Inc., its general partner

By _____
Name: John A. Spano
Title: President

CLASS B LIMITED PARTNERS

N.A.E. INC.

By _____
Name: BARRETT N PICKETT
Title: VICE PRESIDENT

FLI ISLANDERS, L.P.

By: First Long Island Investors, Inc., its general partner

By _____
Name: ROBERT D. ROSENTHAL
Title: PRESIDENT & CEO

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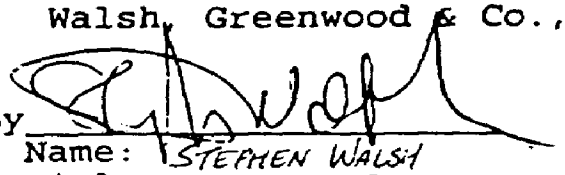
WG ISLANDERS, L.P.

By: Walsh, Greenwood & Co., its general partner



By _____
Name: STEPHEN WALSH
Title: MANAGING PARTNER

WITHDRAWING GENERAL PARTNER

N.A.E. INC.

By _____
Name: BARRETT N. PICKETT
Title: VICE PRESIDENT

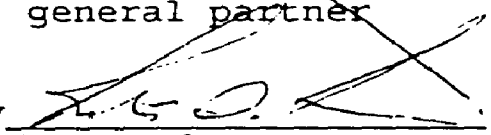
WITHDRAWING CLASS A PARTNERS

N.A.E. INC.

By _____
Name: BARRET N PICKETT
Title: VICE PRESIDENT

FLI ISLANDERS, L.P.

By: First Long Island Investors, Inc., its general partner



By _____
Name: ROBERT D. ROSENTHAL
Title: PRESIDENT & CEO

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WG ISLANDERS, L.P.

By: Walsh, Greenwood & Co., its general partner

By _____
Name: STEPHEN WALSH
Title: MANAGING PARTNER

{NYCORP2:334730.4:4567B:03/20/97--4:31p}

Excess Cable

Year of Sports Channel Contract	Amount
(1996-97)	$5,624,000
(1997-98)	$6,260,000
(1998-99)	$6,978,000
(1999-2000)	$7,790,000
(2000-01)	$10,000,000
(2001-02)	$9,500,000
(2002-03)	$9,000,000
(2003-04)	$9,550,000
(2004-05)	$9,550,000
(2005-06)	$9,550,000
(2006-07)	$9,978,000
(2007-08)	$10,364,000
(2008-09)	$10,765,000
(2009-10)	$11,271,000
(2010-11)	$11,705,000
(2011-12)	$12,157,000
(2012-13)	$12,752,000
(2013-14)	$13,240,000
(2014-15)	$13,748,000
(2015-16)	$14,338,000
(2016-17)	$14,887,000
(2017-18)	$15,159,000
(2018-19)	$15,456,000
(2019-20)	$16,073,000
(2020-21)	$16,716,000
(2021-22)	$17,095,000
(2022-23)	$17,436,000
(2023-24)	$17,783,000
(2024-25)	$18,127,000
(2025-26)	$18,488,000
(2026-27)	$18,857,000
(2027-28)	$19,270,000
(2028-29)	$19,654,000
(2029-30)	$20,046,000
(2030-31)	$20,431,000

SCHEDULE 4.3

Illustration of Payment Schedule for Preferred Return Assuming (1) No Distributions Made on Account of Deferred Preferred Return Prior to 54 Months from Closing; (2) the Amount of the Deferred Preferred Return is $20,271,294; and (3) A full redemption of the Class B Partnership Interests occurs at the End of Year 10.

Payment Date Measured in Month From Closing	Payment of the Deferred Preferred Return and the DPR Interest	Payment of the Post-Calculation Date Preferred Return	Section 4.3(f) Payments
Up to Month 66	0	0	0
Month 66	2,837,982	4,400,000	245,685
Month 72	2,789,330	4,400,000	245,685
Month 78	2,233,897	2,200,000	0
Month 84	2,173,083	2,200,000	0
Month 90	2,314,982	2,200,000	0
Month 96	2,246,059	2,200,000	0
Month 102	3,190,702	3,300,000	0
Month 108	3,081,237	3,300,000	0
Month 114	3,174,485	3,300,000	0
Month 120	3,056,911	3,300,000	0

Exhibit C

Year	Excess Cable Percentage	Remaining Percentage
(1996-97)	50.56%	49.44%
(1997-98)	51.06%	48.94%
(1998-99)	51.77%	48.23%
(1999-2000)	52.67%	47.33%
(2000-01)	57.14%	42.86%
(2001-02)	54.29%	45.71%
(2002-03)	51.43%	48.57%
(2003-04)	51.48%	48.52%
(2004-05)	51.48%	48.52%
(2005-06)	51.48%	48.52%
(2006-07)	51.23%	48.77%
(2007-08)	52.17%	47.83%
(2008-09)	53.12%	46.88%
(2009-10)	52.99%	47.01%
(2010-11)	53.93%	46.07%
(2011-12)	54.87%	45.13%
(2012-13)	54.84%	45.16%
(2013-14)	55.77%	44.23%
(2014-15)	56.70%	43.30%
(2015-16)	56.36%	43.64%
(2016-17)	57.29%	42.71%
(2017-18)	57.08%	42.92%
(2018-19)	55.49%	44.51%
(2019-20)	56.45%	43.55%
(2020-21)	57.41%	42.59%
(2021-22)	56.62%	43.38%
(2022-23)	57.10%	42.90%
(2023-24)	57.58%	42.42%
(2024-25)	56.60%	43.40%
(2025-26)	57.08%	42.92%
(2026-27)	57.57%	42.43%
(2027-28)	56.73%	43.27%
(2028-29)	57.21%	42.79%
(2029-30)	57.69%	42.31%
(2030-31)	56.70%	43.30%