

FEB 27 1984

SECRETARY OF STATE
STATE OF WASHINGTON

AMENDED AND RESTATED
AGREEMENT AND CERTIFICATE
OF LIMITED PARTNERSHIP
OF

PRIME TIMESHARE INVESTORS (SUN VALLEY),
a Washington Limited Partnership

THIS AMENDED AND RESTATED AGREEMENT AND CERTIFICATE OF LIMITED PARTNERSHIP (the "Agreement") is entered into as of the 16 day of February, 1984, by and among DIVERSIFIED TIMESHARE, INC., as General Partner (the "Managing General Partner"), JACQUE L. MAYO, individually as General Partner, GENE SCHMIDT, individually as a General Partner, and those persons who have executed, either directly or by attorney-in-fact, and whose names and residences are set forth in this Agreement as limited partners (the "Limited Partners"). The General Partners and the Limited Partners are referred to herein collectively as "Partners" and individually as a "Partner."

PRIME TIMESHARE INVESTORS (SUN VALLEY), a Washington limited partnership (the "Partnership") was organized in accordance with the Uniform Limited Partnership Act of the state of Washington by the filing of a Certificate and Agreement of Limited Partnership with the Office of the Secretary of State of the state of Washington, which agreement was dated September 3, 1982. Certain Limited Partners of the Partnership have relinquished their interests in the Partnership in accordance with the terms and provisions of an Acknowledgement and Agreement Regarding Relinquishment of Interests. The General Partners and the Limited Partners of the Partnership wish to make such amendments and revisions to the Certificate and Agreement of Limited Partnership of Prime Timeshare Investors (Sun Valley) including a change of name as are set forth below.

NOW, THEREFORE, to reflect the foregoing, the parties hereto agree that the Agreement of Limited Partnership of the Partnership is hereby amended in its entirety and completely restated to read as follows:

ARTICLE 1

FORMATION AND NAME OF LIMITED PARTNERSHIP

1.1 Name and Place of Business. The name of the Partnership shall remain as PRIME TIMESHARE INVESTORS (SUN

VALLEY), a Washington Limited Partnership. The principal place of business of the Partnership shall be located at 11400 S.E. 6th, Suite 105, Bellevue, WA 98004, or at such other location or locations as the Managing General Partner may from time to time designate. The foregoing address shall also be the address for service of process, and Daniel Haggart, President of the Managing General Partner, shall be the agent for service of process on the Partnership.

1.2 Purpose and Character. The primary purpose and character of the Partnership is to acquire that certain property located at 591 2nd Avenue S. in Ketchum, Idaho, commonly known as the Ptarmigan Lodge or Ptarmigan Interval Ownership Project, and to finance the acquisition of, purchase, own, manage, operate, maintain and repair, lease, refinance, sell and otherwise deal with condominiums, condominium timeshare and interval interests, projects, properties and assets related thereto (collectively "Partnership Assets") together with all business activities incident thereto. Pursuant to such purposes, the Partnership may incur indebtedness, secured or unsecured, and participate in any other business activities necessary or appropriate to protect, enhance or increase the assets of the Partnership.

1.3 Term. The Partnership having previously commenced shall continue until January 31, 1994, unless sooner terminated in accordance with the provisions of this Agreement or as otherwise provided by law.

ARTICLE 2

DEFINITIONS

The following defined terms used in this Agreement shall, unless the context otherwise requires, have the meanings specified in this Article.

2.1 Affiliate: Any person or entity directly or indirectly controlling, controlled by or under common control with another person or entity.

2.2 Capital Account: The account established on the books of the Partnership for each Partner. The initial balance of each Partner's Capital Account shall be the amount of his Capital Contribution to the Partnership. Each Partner's Capital Account shall be increased for all amounts of Partnership profits allocated to such Partner and for all

additional Capital Contributions to the Partnership that he makes and shall be reduced for all amounts of cash and the net fair market value of all property distributed to him and all losses allocated to him. Any and all amounts paid to the General Partners as compensation or reimbursement for expenses, costs and services shall not reduce the General Partners' Capital Accounts, except as provided herein.

2.3 Capital Contribution: All cash actually contributed (excluding loans) to the Partnership by a Partner after February 1, 1984.

2.4 Cash Available for Distribution: Cash funds (including Sale and Refinancing Proceeds) of the Partnership in excess of amounts reasonably required for the repayment of Partnership borrowings, interest thereon, other liabilities, Partnership working capital and reserves which the Managing General Partner deems reasonably required for the proper operation of the business of the Partnership.

2.5 Partners: The Limited Partners as constituted from time to time and the General Partners, unless otherwise specified.

2.6 Payout: That point in time when the Limited Partners have received in accumulated distributions the full amount of the Preferred Distributions to which they are entitled under the terms of this Agreement.

2.7 Percentage Interest of a Partner, General or Limited: The number of Units held by such partner divided by the aggregate number of Units from time to time held by all partners, general and limited unless otherwise specifically provided.

2.8 Preferred Distributions: Accumulated cash distributions to Limited Partners equal in amount to one and one-half times (1 1/2x) those Capital Contributions of Limited Partners as set forth in Article 5.2 herein.

2.9 Sale and Refinancing Proceeds: The net cash proceeds to the Partnership from a sale, transfer or refinancing of Partnership property.

2.10 Units: Partner participation interests in the Partnership. "General Partner Units" means units held by general partners as general partners. "Limited Partner

Units" means units held by limited partners or by general partners as limited partners.

ARTICLE 3

CAPITAL CONTRIBUTIONS

3.1 Contributions by the Limited Partners. The Limited Partners shall contribute the following initial Capital Contributions in cash upon execution of this Agreement:

Joseph L. Schocken	\$200,000
William G. Prime	100,000
Alison Margaret Shaw	<u>100,000</u>
Total Initial Capital Contributions	\$400,000

The General Partners shall not be liable for the return of the Capital Contributions or advances of Limited Partners or any portion thereof. Any such returns shall be made solely from Partnership assets. The Limited Partners shall not receive interest on their Capital Contributions. Except as specifically set forth herein, Limited Partners shall not have the right to demand the return of or otherwise withdraw or reduce their Capital Contributions.

ARTICLE 4

COMPENSATION OF MANAGING GENERAL PARTNER; COSTS AND EXPENSES

4.1 Compensation to the Managing General Partner. Beginning the effective date of this Agreement, Diversified Timeshare Interests, Inc., a Washington corporation, as Managing General Partner shall receive a fee of Five Thousand Dollars (\$5,000) per month as compensation for managing the business operations of the Partnership.

4.2 Partnership Costs and Expenses. The Managing General Partner will apply the Capital Contributions of Limited Partners toward payment of the costs and expenses of managing the Partnership upon such terms and condition as the Managing General Partner deems to be most advantageous for the Partnership. Except as otherwise provided herein, the Partnership shall reimburse the Managing General Partner

for the actual cost to the General Partner of goods, materials, services, administrative services, wages and salaries used by or for the benefit of the Partnership.

ARTICLE 5

ALLOCATION OF PROFITS, AND LOSSES AND DISTRIBUTIONS

5.1 Allocation of Profits and Distributions After Payout. After Payout, and except as modified herein, the Partnership profits, as reported for federal tax purposes, and distributions of Cash Available for distribution shall be allocated among the Partners in accordance with the Percentage Interests of the respective Partners. As of the effective date of this Agreement, the Percentage Interests of and the number of Units held by the respective Partners are as follows:

<u>Name</u>	<u>No. of Units</u>	<u>Percentage Interest</u>
General Partners -		
Diversified Timeshare Inc.	30	30%
Jacque L. Mayo	10	10%
Gene Schmidt	10	10%
Limited Partners -		
William G. Prime	12.5	12.5%
Alison Margaret Shaw	12.5	12.5%
Joseph L. Schocken	25	25%

5.2 Preferred Distributions. Until Payout, ninety-nine percent (99%) of all Cash Available for Distribution shall be distributed to those Limited Partners as listed below until such time as the accumulated amount of distributions to Limited Partners equals Six Hundred Thousand Dollars (\$600,000). These distributions shall be Preferred Distributions and shall be payable in the following amounts and order of payment:

1. First Two Hundred Thousand Dollars (\$200,000) payable to Joseph L. Schocken

2. Next Three Hundred Thousand Dollars (\$300,000) payable to remaining Limited Partners on a pro rata basis -

William G. Prime	50%
Alison Margaret Shaw	50%

3. Next One Hundred Thousand Dollars
(\$100,000) payable to Joseph L. Schocken.

The remaining one percent (1%) shall be distributed to the General Partners for division among them in accordance with their proportional ownership interests in the Partnership. After Six Hundred Thousand Dollars (\$600,000) in accumulated Preferred Distributions have been paid in accordance with the order of payment as set forth immediately above, Payout will have been achieved and no further Preferred Distributions will be made.

5.3 Allocation of Losses. One percent (1%) of all Partnership losses, as reported for federal income tax purposes, shall be allocated to the General Partners. The remaining ninety-nine percent (99%) of all Partnership losses, as reported for federal income tax purposes, shall be allocated among those Partners who have made Capital Contributions after January 1, 1984. The allocation shall be based upon each contributing Partner's pro-rata share of total Capital Contributions, reduced by returns of capital made and accumulated reported losses accrued after January 1, 1984. In the event Partnership losses occur after the point in time all Partners who have made Capital Contributions after January 1, 1984 have reduced their Capital Accounts by the full amounts of their Capital Contributions by either (or both) reporting Partnership losses or receiving returns of capital from the Partnership, then, from that point of time forward, all Partnership losses shall be allocated among all of the Partners in accordance with each Partner's respective Percentage Interest in the Partnership.

5.4 Allocation of Profits Until Payout. Except as modified by Article 5.8, until Payout, one percent (1%) of all Partnership profits, as reported for federal income tax purposes, shall be allocated to the General Partners to be divided among them in proportion to their relative percentage interests in the Partnership. The remaining ninety-nine percent (99%) shall be allocated pro rata among those Limited Partners entitled to receive Preferred Distributions. If any Preferred Distributions are made during the Partnership year, any such Partnership profits should be allocated among the Preferred Distribution recipients based upon the amount of the Preferred Distribution to each such recipient during the Partnership year in proportion to the total amount of Preferred

Distributions received by all recipients during the Partnership year.

5.5 Repayment of Return Capital. It is desired by all Partners that the initial Capital Contributions from Limited Partners be repaid by the Partnership to the contributing Partners as soon as the Partnership is able to make such distributions. It is acknowledged that the source of any such distributions from the Partnership shall be the amount by which the Cash Available for Distribution exceeds tax-reportable profit.

Accordingly, to the extent the amount of Cash Available for Distribution exceeds tax reportable profit, distributions to the Limited Partners listed in Article 3.1 shall be specifically designated as returns of capital until such time as the initial Capital Contributions have been returned in full either through cash distributions in excess of profit allocations or as loss allocations. Any such distributions shall be referred to herein as "Capital Returns."

5.6 Adjustment After Payout. After Payout, any such designated Capital Returns to Limited Partners shall be simultaneously offset by a special allocation of profits to the General Partners. This special allocation shall be made by reducing the amount of profit otherwise allocable pursuant to Article 5.1 to the Limited Partners receiving the Capital Return and allocating such reduction to the General Partners. The amount of the reduction shall be the amount by which the Capital Return exceeds the amount of the distribution which would have been considered return of capital had the Capital Return not been provided.

5.7 Effect of Reallocation of Profits as Provided in Article 5.8. It is acknowledged that by operation of Article 5.8, Schocken may receive returns of his initial Capital Contribution by reason of reallocation of profits from Schocken to the General Partners. It is intended that Article 5.8 should only affect the relative rights and Capital Accounts of Schocken and the General Partners. Accordingly, any returns of capital to Schocken resulting solely from such reallocation of profits as provided in Article 5.8 shall be disregarded in determining "Capital Returns" and adjustments after Payout as provided above in Article 5.5 and Article 5.6.

5.8 Reallocation of Profits Between Schocken and General Partners. Notwithstanding any provisions to the contrary in Articles 5.1 through 5.6, until such time as Schocken has received full repayment of his initial Capital Contribution either through cash distributions in excess of profit allocations or as loss allocations, all profits otherwise allocable to Schocken under Articles 5.4, 5.5 and 5.6 shall be reallocated to the General Partners. Correspondingly, to the extent Schocken receives full repayment of his initial Capital Contribution as a result of the reallocation of profits provided in Article 5.8, any subsequent Capital Returns otherwise allocable to Schocken or adjustment to the amount of reportable profit allocable to Schocken in accordance with Articles 5.5 and 5.6 shall be reallocated instead, to those General Partners who received reallocations of profits pursuant to Article 5.8. Reallocation of such profits and Capital Returns among the General Partners shall be made in accordance with their relative Percentage Interests in the Partnership.

ARTICLE 6

GENERAL PARTNERS

6.1 Independent Activities. The General Partners shall devote as much of their time to the business of the Partnership as in their judgment the conduct of the Partnership's business reasonably requires. The General Partners may engage in business ventures and activities of any nature and description independently or with others, whether or not in competition with the business of the Partnership, and neither the Partnership nor any of the other Partners shall have any rights in or to such independent ventures and activities or the income or profits derived therefrom by reason of their acquisition of Units.

6.2 Rights and Powers of Managing General Partner. The management and control of the business of the Partnership shall rest exclusively with the Managing General Partner, which shall have all rights and powers which may be possessed by a general partner pursuant to applicable law, including the full and exclusive power and authority to act for or to bind the Partnership. The scope of the Managing General Partner's power and authority shall encompass all matters connected with or incident to the business of the Partnership, including but not limited to the power and authority:

- (1) To purchase the Partnership Assets.
- (2) To spend the capital and revenues of the Partnership for Partnership purposes;
- (3) To manage, sell, develop, improve, operate, increase and dispose of any Partnership Assets, including the authority to act on behalf of the Partnership with respect to any partnerships or joint ventures in which the Partnership participates. However, the Managing General Partner shall not have the right to sell substantially all of the Partnership assets without the approval of those Partners owning a three-fourths (75%) majority interest in the Partnership;
- (4) To employ persons, firms and/or corporations for the operation, management, development and sale of the Partnership Assets, including but not limited to sales agents, management agents, engineers, contractors, attorneys and accountants;
- (5) To employ agents, attorneys, accountants, engineers and other consultants or contractors who may be Affiliates of the Managing General Partner; however, any employment of persons affiliated with the Managing General Partner must be on terms not less favorable to the Partnership than those offered by unaffiliated persons for comparable services in the same area;
- (6) To acquire, lease, sell, exchange or otherwise dispose of personal and/or real property, hire and fire employees, and to do all other acts necessary, appropriate, or helpful for the operation of the Partnership business;
- (7) To appoint representatives to manage the day-to-day operations of the Partnership;
- (8) To enter into agreements of partnership, joint venture, co-ownership or similar arrangements with other persons, firms, partnerships, or corporations as necessary or appropriate to accomplish the purposes of the Partnership;
- (9) To borrow money on a secured or unsecured basis from individuals, banks and other lending institutions to finance or refinance the Partnership Assets, to meet other Partnership obligations, to provide Partnership

working capital or for any other Partnership purpose, and to execute promissory notes, mortgages, deeds of trust and assignments of Partnership Assets, and such other security instruments as a lender of funds may require to secure repayment of such borrowings. However, the Managing General Partner shall not permit any creditor who makes a nonrecourse loan to have or acquire at any time, as a result of making such a loan, any direct or indirect interest in the profits, capital, or property of the Partnership other than as a secured creditor; and

(10) To purchase, at the expense of the Partnership, such liability and other insurance as the Managing General Partner, in its sole reasonable discretion, deems advisable to protect the Partnership's assets and business; and

(11) To sue and be sued, complain, respond, defend, settle, and/or compromise, with respect to any claim in favor of or against the partnership in the name and on behalf of the Partnership; and

(12) To enter into, execute, acknowledge and deliver any and all contracts, agreements and other documents and instruments to effectuate any of the foregoing powers and any other powers granted the Managing General Partner by the laws of the state of Washington or other provisions of this Agreement.

6.3 Authority of Managing General Partner. No person, firm or corporation dealing with the Partnership or a partnership or joint venture for which the Partnership is managing general partner or is authorized to so act, shall be required to inquire into the authority of the Managing General Partner to take any action, make any decision, or sign and deliver any document, instrument, or deed.

6.4 Tax Matters Partner. The Managing General Partner shall have full power and is hereby authorized to exercise all authority conferred upon the "tax matters partner" in connection with federal income tax consequences of Partnership transactions (and the related effect on all Partners' non-partnership items) to the maximum extent permitted by the Tax Equity and Fiscal Responsibility Act of 1982. Such power and authority shall include, without limitation, extending the statute of limitations, commencing suit, defending, settling, compromising and/or conceding any and/or all tax disputes with the Internal Revenue Service

and/or seeking a judicial resolution of any and/or all such disputes in the judicial forum selected by the General Partner. Such actions will generally be binding on all other Partners with respect to their individual tax liabilities attributable to Partnership transactions.

6.5 Limitation on Liability. The Managing General Partner shall not be liable to the Partnership or the Limited Partners for any act or omission performed or omitted by it in good faith pursuant to the authority granted to it by this Agreement unless such act or omission constitutes gross negligence or willful misconduct by the General Partner.

ARTICLE 7

INDEMNIFICATION

The Partnership shall indemnify and hold harmless the General Partners from any loss or damage, including attorneys' fees actually and reasonably incurred by it, by reason of any act performed by it on behalf of the Partnership or in furtherance of the Partnership's interests; however, such indemnification or agreement to hold harmless shall be recoverable only out of the assets of the Partnership and not from the Limited Partners. The foregoing indemnity shall extend only to acts or omissions performed or omitted by a General Partner in good faith and in the interests of the Partnership or the interests of a joint venture or partnership of which the Partnership is a member, or not opposed to the best interests of the Partnership and which are not a result of gross negligence or willful misconduct on the part of a General Partner.

ARTICLE 8

LIMITED PARTNERS

8.1 Authority of Limited Partners. No Limited Partner shall take any part in the management or control of the Partnership business nor have any right, power or authority to act for or bind the Partnership (except a Limited Partner who may also be a general partner, and then only in his capacity as a general partner within the scope of his authority hereunder).

8.2 Liability of Limited Partners. No Limited Partner shall be personally liable for any indebtedness, obligations

or loss of the Partnership in excess of the amount of his agreed Capital Contributions pursuant to Articles 3.1 and 3.2 to the Partnership plus an amount equal to his or her share of undistributed profits of the Partnership, if any, plus an amount equal to any distributions made to Limited Partners required to be returned pursuant to the Act or other applicable law.

8.3 Other Restrictions. No Limited Partners shall have the right or power to: (i) bring an action for partition against the Partnership, (ii) cause the dissolution and termination of the Partnership other than as specifically set forth in Article 18.1, (iii) demand or receive property other than cash as a Partnership distribution, except as otherwise specifically provided herein.

ARTICLE 9

ADMISSION OF ADDITIONAL LIMITED PARTNERS

The Managing General Partner is authorized to admit additional Limited Partners to the Partnership pursuant to the provisions of Article 10.10 and pursuant to the substitution and assignability provisions of Article 10.6. Upon the admission of additional Limited Partners, an amendment to this Agreement shall be filed by the Managing General Partner reflecting such admission and increases, if any, in contributions to the Partnership.

ARTICLE 10

SUBSTITUTION AND ASSIGNABILITY OF PARTNERS' INTEREST

No Partnership Units or any interest therein (including the right to a share of Partnership profits, losses and distributions) may be sold, assigned, exchanged or otherwise transferred by a Partner, whether voluntarily or by operation of law, except as permitted by this Article.

10.1 Assignment to Immediate Family. The Limited Partners may assign all or some of their Units: (i) by will or, in the case of intestacy, by the laws of descent and distribution, to any person; (ii) during such Partner's lifetime, by gift or intervivos trust, to or for the sole benefit of such Partner, such Partner's spouse, adult child, and minor child (if such minor child's interest is held

under a trust, or a custodial arrangement pursuant to the Uniform Gifts to Minors Act or similar statute in effect in any jurisdiction), or any of them.

10.2 Consent Required. Except as otherwise provided in this Article, no Partner may sell, assign, exchange or otherwise transfer such Units without (i) the prior written consent of the Managing General Partner, which consent shall not be unreasonably withheld, and (ii) complying with the terms of Article 10.3 of this Agreement.

10.3 Offer to Sell to Other Partners. The holder of any Limited Partner Units (the "Selling Limited Partner") may not transfer such Units transfer to any third party, except as provided in Article 10.1 above, unless the Selling Limited Partner or person holding the interest shall have first given 30 days written notice to all the other Partners of his intent to do so and of the terms and conditions of the proposed transfer. The other Partners shall have an option during the foregoing 30 day period to purchase not less than 100 percent of the Units proposed to be sold by the Selling Limited Partner in proportion to the number of Units owned by such Partners, on the same terms and conditions as the proposed transfer. The option of a non-exercising Partner shall pass to the exercising Partners in proportion to their respective ownership of Units. Notice of exercise of such option shall be made in writing and delivered to the Selling Limited Partner within such 30 day period. Any notice of the proposed transfer required to be given by the Selling Limited Partner pursuant to this Section shall contain all of the terms of the proposed transfer including the name and address of the prospective transferee.

10.4 Rights of Transferee. At the time of a transfer of any Limited Partner's interest, whether or not such transfer is made in accordance with this Article, all the rights possessed as a Partner in connection with the transferred interest, which rights otherwise would be held either by the transferor or the transferee, shall terminate unless the transferee is admitted to the Partnership as a substitute Limited Partner pursuant to the provisions hereof, except that such transferee shall be entitled to receive the share of profits or other compensation by way of income, or the return of capital contribution, to which his transferor would otherwise be entitled provided the transfer is made in accordance with this Article.

10.5 Purchase by General Partner. The General Partners are not under any obligation to sell, liquidate or purchase Units for or from any Limited Partner. In the event a General Partner purchases the interest in the Partnership of a Limited Partner, such interest shall continue to be treated as a Limited Partner interest with respect to all allocations and distributions of the Partnership.

10.6 Substituted Limited Partner. No purchaser, assignee, donee or other transferee shall become a substituted Limited Partner unless all of the following conditions have been satisfied: (i) the written consent of the Managing General Partner to such purchaser, assignee or transferee becoming a substitute Limited Partner is first obtained, which consent may be arbitrarily withheld; (ii) the transfer complies with this Agreement; (iii) the prospective transferee has executed an instrument, in form and substance satisfactory to the Managing General Partner, accepting and agreeing to be bound by all the terms and condition of this Agreement, and has paid all expenses of the General Partner and the Partnership in effecting the transfer; (iv) all requirements of the Act, including amendment of this Agreement, have been complied with by the transferee, the transferring Limited Partner, and the Partnership; and (v) such transfer is effected in compliance with all applicable state and federal securities laws.

10.7 Effective Date of Assignment. Any assignment or transfer shall be deemed to be effective as of the first day of the calendar month succeeding the month in which all requirements specified in this Article and the Act have been satisfied. All distributions made on or after the effective date on account of the transferred Units shall be paid to the transferee and profits and losses of the Partnership shall be prorated as of the effective date. In the absence of actual notice to, and where required by this Article consent of, the Managing General Partner of the transfer of Units, whether by operation of law or otherwise, any distributions or other payments to a transferor or his executors, administrators or legal representatives shall relieve the Partnership and the Managing General Partner of liability, to the extent of such distributions or payments, to any other person and/or entity who may have an interest in such distributions or payments.

10.8 Amendment to Certificate. In the event of a transfer complying with all the requirements of this Article and the transferee becoming a substituted Limited Partner,

the Managing General Partner, for itself and any other General Partners and for each Limited Partner pursuant to the Power of Attorney granted by each Limited Partner, shall execute an amendment to this Agreement, and shall file an amendment to the Certificate of Limited Partnership. Unless named in this Agreement, as amended, no person shall be considered a Partner and the Partnership, each Partner, and any other person having business with the Partnership need deal only with Partners so named and shall not be required to deal with any other person by reason of a transfer by, or by reason of the death of, a Partner, except as otherwise expressly provided herein. A transfer of a Unit by a Limited Partner, including transfer of all or less than all rights hereunder, shall not relieve the transferor of obligations under this Agreement or the Act, nor shall any transfer require an accounting by the Managing General Partner to more than one party (which shall be the transferor if he retains an interest, or a person designated in writing by multiple transferees).

10.9 Limitation on Transfer Causing Termination. Notwithstanding the foregoing, a Limited Partner may not transfer his Units in any case if in the opinion of counsel to the Partnership such a transfer, when aggregated with all other transfers within a 12-month period, would cause the termination of the Partnership as a partnership for federal income tax purposes pursuant to section 708 of the Internal Revenue Code of 1954, as amended.

10.10 General Partners' Rights to Transfer. Notwithstanding anything to the contrary contained herein, holders of General Partner Units shall be entitled to sell, transfer and/or assign up to 50 percent of such Units without the consent of any other party and to admit such transferee as a Limited Partner.

A General Partner may not assign or sell its interest (or any part thereof) as general partner, nor admit any person as a general partner, except as provided above. In addition, with the consent of a majority of the holders of the remaining Limited Partnership Units, a General Partner may at any time designate one or more persons to be additional general partners with such participation in the General Partner's interest in the Partnership as the General Partner and such successor or additional general partners may agree upon. A General Partner may as follows:

(1) Assign, pledge or otherwise grant a security interest in its interest in profits and surplus (but not its right to participate in the management) of the Partnership, whether as general or limited partner, and in all revenues, fees, distributions and other amounts payable to the General Partner by the Partnership, whether as general or limited partner, as collateral for any loan, and in connection therewith, the General Partner may permit a creditor to require information and accounting of Partnership transactions and to inspect Partnership books and nothing herein shall restrict any creditor's rights with respect to such security interest, including any secured collateral realization procedures; and

(2) Assign its interest in the Partnership to, and substitute as general partner, another partnership or corporation in connection with an acquisition of or merger with the General Partner, so long as such partnership or corporation assumes all the obligations of the General Partner with regard to the Partnership.

ARTICLE 11

LOANS

11.1 Loans by General Partner. A General Partner or any Affiliate thereof may loan monies to the Partnership for use by the Partnership in its operations. The aggregate amount of such loans shall become an obligation of the Partnership to such General Partner or Affiliate, and shall be repaid with interest (at an annual rate not exceeding two (2) percentage points above the Prime Rate) to such General Partner or Affiliate out of the gross receipts of the Partnership before any cash distributions to Partners. No prepayment charge or penalty shall be permitted on such a loan. Such amounts shall constitute a loan by such General Partner or Affiliate to the Partnership and not a capital contribution.

11.2 Partnership Restricted from Making Loans. The General Partner shall have a fiduciary responsibility for the safekeeping and use of all funds and assets of the Partnership and all such funds and assets shall be used in accordance with the terms of this Agreement. Neither the General Partner nor any Affiliate may borrow any funds from the Partnership.

ARTICLE 12

POWER OF ATTORNEY

Each of the Partners, General and Limited, hereby irrevocably constitutes and appoints the Managing General Partner, Diversified Timeshare, Inc., with full power of substitution, as their true and lawful attorney, in their name, place and stead, to do the following:

(1) Execute the Certificate of Limited Partnership for this Partnership, and any and all amendments or modifications of the Certificate and any instrument required to be signed and filed on behalf of this Partners, pursuant to the Uniform Limited Partnership Act of the state of Washington.

(2) Execute all instruments that the Managing General Partner deems appropriate to reflect a change or modification of the Partnership Agreement or the Partnership in accordance with the Partnership Agreement, including, without limitation, the substitution of assignees as substitute Limited Partners.

(3) Execute all conveyances and other instruments deemed necessary or advisable by the Managing General Partner to effect the business purposes of the Partnership, including, but not limited to conveyances of real property and and personal property interests including timeshare interests in the assets of the Partnership.

(4) Execute all conveyances and other instruments deemed necessary or advisable by the Managing General Partner to effect the dissolution and termination of the Partnership.

(5) Execute all other instruments or papers which may be required or permitted by law to be filed on behalf of the Partnership.

The power of attorney granted hereby is coupled with an interest and shall be irrevocable and survive the death, incompetency, bankruptcy or dissolution of the grantor and shall survive the delivery of an assignment by the undersigned of the whole or any fraction of his interest in the Partnership. This power may be exercised by the Managing General Partner either by signing separately as attorney in fact for each Partner or, after listing all of

the Partners executing an instrument, by a single signature of the Managing General Partner acting as attorney in fact for all of them.

ARTICLE 13

ACCOUNTING AND TAX

13.1 Books and Records. The Partnership shall keep, for an annual accounting period consisting of the calendar year (which shall be the Partnership's fiscal year), full and accurate books and record reflecting all financial activities of the Partnership. The Managing General Partner shall maintain such books or records for the duration of the Partnership. Such books and records shall be available for inspection and audit by any Limited Partner or his duly authorized representative (at the expense of such Limited Partner) during business hours at the office of the Partnership. Such financial statements shall be audited upon the request of all of the Limited Partners.

13.2 Cash or Accrual Method. The records and books of account shall be maintained in accordance with the cash or accrual method of accounting, as determined by the Managing General Partner, which is used for federal income tax purposes. Financial statements will be prepared in accordance with generally accepted accounting principles.

13.3 Tax Returns. The General Partner shall, at the Partnership's expense, cause the Partnership to file a U.S. Partnership Return of Income and all other tax returns required to be filed by the Partnership for each calendar year or part thereof during the term of the Partnership. No election shall be made to be excluded from the application of Subchapter K of the Internal Revenue Code of 1954, as amended ("Code"), or from any similar provisions of state law. The Managing General Partner is authorized to cause the Partnership to make such other elections for federal income tax purposes as it deems necessary or advisable, including, in the event of a transfer of all or part of the Partnership interest of any Partner, an election pursuant to section 754 of the Internal Revenue Code, as amended, to adjust the basis of the assets of the Partnership.

ARTICLE 14

REPORTS, STATEMENTS AND RECORDS

The Managing General Partner shall send, at the Partnership's expense, to each Partner the following:

(1) Within 75 days after the end of each fiscal year of the Partnership, such information with respect to the Partnership as is necessary for the preparation by such Partner of his federal income tax return. Such information shall include a computation of the distributions to such Partner and the allocation to such Partner of the profits or losses, as the case may be. Such financial statements shall be audited upon the request of all of the Limited Partners; and

(2) Within 75 days after the end of each fiscal year of the Partnership, a balance sheet, statement of income and cash flow statement; and

(3) Such additional reports as the Managing General Partner deems appropriate.

Each Partner shall be entitled to a copy of the Partnership tax return upon his written request.

ARTICLE 15

BANK ACCOUNTS

The bank accounts of the Partnership shall be maintained in such banking institutions as the Managing General Partner determines, and withdrawals shall be made on such signature or signatures as the Managing General Partner determines. All cash reserves set aside by the Managing General Partner shall be deposited in such bank accounts or invested in bank or government securities, certificates of deposit, money market instruments or in any similar securities. The funds of the Partnership shall not be commingled with the funds of any other person or entity.

ARTICLE 16

AMENDMENTS

16.1 Amendment for Admission of New Limited Partner.
Any writing to amend this Agreement or the Certificate of

Limited Partnership to admit a new Limited Partner or for any other authorized purpose need be executed only by the Managing General Partner for itself and, pursuant to the power of attorney granted to it, on behalf of all Limited Partners, and by the member to be added as a Limited Partner and, if the Managing General Partner deems appropriate, by any Limited Partner who is disposing of an interest in the Partnership or any part thereof.

16.2 Proposed Amendments. Any General Partner or Limited Partners owning 10% or more of the Units shall have the right to propose a vote on amendments to this Agreement.

16.3 Required Consent. This Agreement shall not be amended without the unanimous consent of all Limited Partners, if the effect of such amendment would be to increase their liability or change the Capital Contributions required of them, their rights and interests in profits and losses of the Partnership, their rights upon dissolution of the Partnership, or if the amendment would otherwise amend a provision which requires unanimous vote of the Limited Partners. Furthermore, this Agreement shall not be amended without the written consent of all General Partners if the effect of such amendment would be to increase their liability or change the Capital Contributions required of them, their rights and interests in profits and losses of the Partnership, or in distributions of the Partnership, or their rights upon removal of the Managing General Partner or dissolution of the Partnership.

16.4 Consent Not Required. Notwithstanding sections 2 and 3 above, the General Partner may, without prior notice to or consent from any other Partner, amend any provision of this Agreement from time to time (i) for the purpose of adding any further restrictions or provisions for the protection of the Limited Partners, or (ii) to resolve any ambiguity in, or to correct or supplement, any provision of this Agreement which may be defective or inconsistent with any other provision of this Agreement in regard to matters which do not adversely affect the interests of the Limited Partners. Following any such amendment the Limited Partners shall be notified thereof.

ARTICLE 17

MEETINGS

Upon the written request of Limited Partners owning more than twenty percent of the outstanding Units, the Managing General Partner shall call a meeting of the Partners. Notice of such meeting shall be given within ten days after, and the meeting shall be held within thirty days after receipt of such request upon thirty (30) days written notice to all Limited Partners. Meetings may be called by the Managing General Partner at any time. Voting by proxy shall be permitted at any time.

ARTICLE 18

DISSOLUTION AND LIQUIDATION

18.1 Dissolution. The dissolution of the Partnership shall occur upon the earlier of the following events:

- (1) The termination date as set forth herein.
- (2) The election of the Managing General Partner to dissolve and wind up the affairs of the Partnership 60 days after written notice to the Limited Partners, in the event that, in the sole reasonable opinion of the Managing General Partner, the purposes of the Partnership cannot be fulfilled.
- (3) The election by a seventy-five percent (75%) majority in interest of all Partners to dissolve and wind up the affairs of the Partnership;
- (4) The sale or other disposition of all or substantially all the assets of the Partnership; or
- (5) One of the following, and only the following, events of withdrawal of the Managing General Partner:
 - (a) The Managing General Partner withdraws from the Partnership at any time after 30 days' written notice to the Limited Partners; or
 - (b) The Managing General Partner files a voluntary petition for bankruptcy or is adjudicated bankrupt or insolvent, or is dissolved legally.

Notwithstanding the foregoing, if within 90 days of withdrawal or removal of the Managing General Partner, all Limited Partners agree in writing to continue the business of the Partnership and to the appointment of one or more general partners, the Partnership shall not dissolve, and a right to continue the Partnership is expressly granted to such general partner(s).

18.2 Liquidation. Upon dissolution of the Partnership, a Certificate of Cancellation for the Partnership shall be filed and the Managing General Partner (or another party designated by a majority of interest of the Partners if the General Partner cannot or will not so serve) shall cause the Partnership Assets to be sold, if possible, in such manner as it, in its sole discretion, determines appropriate in order to obtain the best prices therefor. Pending such sales, the Managing General Partner or such other party shall have the right to continue to operate and otherwise deal with the assets of the Partnership. No Limited Partner has any right to demand or receive any distribution from the Partnership other than in cash. The Managing General Partner may, however, in its sole discretion, distribute any or all assets to Limited Partners in kind if such assets cannot, in the Managing General Partner's reasonable belief, be sold at a reasonable price within a reasonable period of time. The proceeds of such sales plus any unsold assets of the Partnership shall be applied and distributed in the following order of priority:

(1) First, to payment of debts and liabilities of the Partnership (including any loans or advances made by any Partners) and expenses of the liquidation;

(2) Second, to setting up any reserves which the General Partner, in its sole discretion, deems reasonably necessary for any contingent liabilities or obligations of the Partnership or the General Partners arising out of or in connection with the Partnership. Such reserves shall be placed in escrow by the Managing General Partner to provide for payment of any such contingencies, and at the expiration of such period as the Managing General Partner in its sole discretion deems advisable, any balance remaining shall be distributed in the order of priority set forth herein; and

(3) Third, repayment on a pro rata basis of any positive balances in the Partners' Capital Accounts, subject to the adjustment set forth in Article 5, for those Limited

Partners who have not received returns of their initial Capital Contributions.

(4) Fourth, the remaining assets shall be sold, transferred, assigned and distributed in accordance with the provision of Article 5.

18.3 No Recourse Against General Partners. The Limited Partners and their assignees shall look solely to the assets of the Partnership for the return of their Capital Contributions, and if the assets remaining after the payment and discharge of the Partnership debts and liabilities are insufficient to return their Capital Contributions, then they shall have no recourse against the General Partners.

18.4 Distribution of Property Other Than Cash. In the event the Partnership distributes any property to any Partner, rather than cash, then the property shall be allocated between the Partners and distributed in accordance with this Article as if it were a cash distribution in an amount equal to such property's fair market value in excess of the amount of outstanding debts which are secured by such property.

18.5 No Dissolution Upon Withdrawal of Limited Partner. The Partnership shall not dissolve upon the death, bankruptcy, insolvency, dissolution, retirement, adjudication of incompetency or insanity, resignation or expulsion of any Limited Partner; or upon the sale, exchange, assignment or transfer of a Limited Partner, nor upon the admission of additional Limited Partner(s).

18.6 Restoration of Negative Capital Account. Upon liquidation of the Partnership and distribution of the proceeds as set forth in Article 18.2 above, if after adjustment of the Capital Accounts of the Partners to reflect (i) the allocations of profits and losses resulting from the sale of the Partnership's assets and (ii) the distributions in liquidation pursuant to Article 18.2, the balance of the Capital Account of any Partner is less than zero (0), such Partner is required to restore the amount of such deficit to the Partnership which amount will be distributed in accordance with the provisions of Article 18.2.

ARTICLE 19

MISCELLANEOUS

19.1 Validity. If any provision of this Agreement shall be determined to be invalid, unlawful or unenforceable, the remainder of the Agreement shall not be affected and shall continue to be valid and enforceable.

19.2 Waiver. No modification or waiver of this Agreement or any part hereof shall be valid or effective unless in writing signed by the party or parties sought to be charged therewith. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other breach or condition, whether of like or different nature.

19.3 Notices. All notices or other communications given or made under this Agreement shall be in writing. Notices or other communications shall be mailed to a Partner at its address as set forth on the execution page hereof or at such other address as it may specify in a notice to the Managing General Partner at the office of the Partnership or at such other address as the Managing General Partner specifies in a notice to all Limited Partners. Notices given in accordance with the foregoing shall be deemed delivered, and any applicable time shall run, from the date such notice is placed in the mail or delivered to the telegraph company as to any notice given by the Managing General Partner, and when received as to any notice by any other party.

19.4 Applicable Law. Notwithstanding the place where this Agreement may be executed or the location of the Partnership Assets, this Agreement shall be governed by and construed in accordance with the internal laws of the state of Washington.

19.5 Counterparts. This Agreement may be executed in one or more counterparts and each of such counter parts shall, for all purposes, be deemed to be an original, but all of such counterparts shall constitute one and the same instrument.

19.6 Gender. All pronouns and any variations thereof shall be deemed to refer to masculine, feminine neuter, singular or plural, as the identity of the person or persons may require.

19.7 Successors Bound. Except as herein otherwise provided to the contrary, this Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, devisees, personal representatives, successors and assigns.

DATED this 14 day of February, 1984.

GENERAL PARTNER:

DIVERSIFIED TIMESHARE, INC.

By

Daniel Haggart
Daniel Haggart
Its President

Jacque L. Mayo

Gene Schmidt
Gene Schmidt

LIMITED PARTNERS:

Joseph L. Schocken

Address: 3500 Union Square
Seattle, WA 98101

William G. Prime

Address: _____

Alison Margaret Shaw

Address: _____

DATED this 9th day of February, 1984.

GENERAL PARTNER:

LIMITED PARTNERS:

DIVERSIFIED TIMESHARE, INC.

By

Daniel Haggart
Its President

Joseph L. Schocken

Address: _____

Jacques L. Mayo
Jacques L. Mayo

William G. Prime

Address: _____

Gene Schmidt

Allison Margaret Shaw

Address: _____

19.7 Successors Bound. Except as herein otherwise provided to the contrary, this Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, devisees, personal representatives, successors and assigns.

DATED this 15 day of February, 1984.

GENERAL PARTNER:

LIMITED PARTNERS:

DIVERSIFIED TIMESHARE, INC.

By Daniel Haggart
Its President

Joseph L. Schocken

Address: _____

Jacque L. Mayo

W.G. Prime
William G. Prime

Gene Schmidt

Address: Equity Research
540 Madison Avenue
New York, NY 10022

Alison Margaret Shaw

Address: _____

ORIGINAL

DATED this 15 day of February, 1984.

GENERAL PARTNER:

LIMITED PARTNERS:

DIVERSIFIED TIMESHARE, INC.

By

Daniel Haggart
Its President

Joseph L. Schocken

Address: _____

Jacque L. Mayo

William G. Prime

Address: _____

Gene Schmidt

Alison Shaw
Alison Margaret Shaw

Address: # 6. 6 Collingham gds
SWS
Linda. England

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me DANIEL HAGGART, to me known to be the President of DIVERSIFIED TIMESHARE INTEREST, INC., the partnership that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said partnership, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

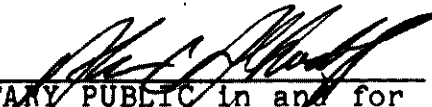
GIVEN under my hand and official seal this _____ day of _____, 1984.

NOTARY PUBLIC in and for
the state of Washington,
residing at _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me JACQUE L. MAYO, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the purposes therein mentioned.

GIVEN under my hand and official seal this 9th day of February, 1984.



NOTARY PUBLIC in and for
the state of Washington,
residing at Seattle

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me GENE SCHMIDT, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the purposes therein mentioned.

GIVEN under my hand and official seal this 23rd day of February, 1984.

Ann E. Lawin
NOTARY PUBLIC in and for
the state of Washington,
residing at Meru Island

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me JOSEPH L. SCHOCKEN, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the purposes therein mentioned.

GIVEN under my hand and official seal this 14 day of February, 1984.

A Kyle Johnson
NOTARY PUBLIC in and for
the state of Washington,
residing at Seattle

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me GENE SCHMIDT, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the purposes therein mentioned.

GIVEN under my hand and official seal this ____ day of _____, 1984.

NOTARY PUBLIC in and for
the state of Washington,
residing at _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me ^{Daniel Heugger} ~~JOSEPH L.~~ ^{President} ~~SCHOECKEN~~, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the purposes therein mentioned. ^{of} ^{Diversified} ^{Timeliness, Inc.}

GIVEN under my hand and official seal this 14 day of February, 1984.

A Kyle Johnson
NOTARY PUBLIC in and for
the state of Washington,
residing at Seattle

STATE OF New York)
COUNTY OF New York) ss.

On this day personally appeared before me WILLIAM G. PRIME, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the purposes therein mentioned.

GIVEN under my hand and official seal this 15th day of February, 1984.

ILSE G. MECKAUEN
Notary Public, State of New York
No. 41-2645825
Qualified in Queens County
Commission Expires March 30, 1985

Ilse G. Meckau
NOTARY PUBLIC in and for
the state of N.Y.,
residing at 440 Ketchum St
Elmhurst, NY 11373.

STATE OF)
COUNTY OF) ss.

On this day personally appeared before me ALISON MARGARET SHAW, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the purposes therein mentioned.

GIVEN under my hand and official seal this ____ day of _____, 1984.

NOTARY PUBLIC in and for
the state of _____,
residing at _____

STATE OF

COUNTY OF

ss.

On this day personally appeared before me WILLIAM G. PRIME, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the purposes therein mentioned.

GIVEN under my hand and official seal this ____ day of _____, 1984.

KINGDOM OF ENGLAND
STATE OF
CITY OF LONDON
COUNTY OF LONDON

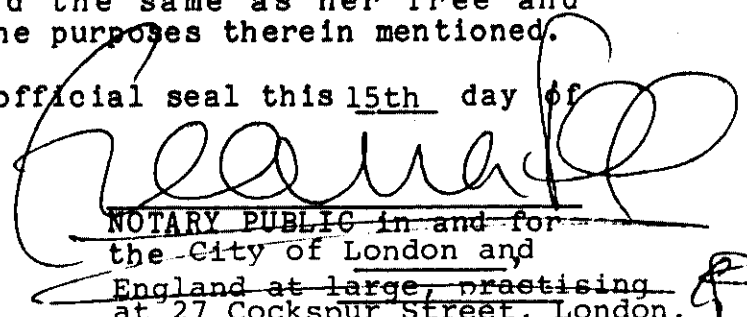
)
) ss.
)

NOTARY PUBLIC in and for
the state of _____,
residing at _____

On this day personally appeared before me ALISON MARGARET SHAW, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the purposes therein mentioned.

GIVEN under my hand and official seal this 15th day of February _____, 1984.




NOTARY PUBLIC in and for
the City of London and
England at large, practising
at 27 Cockspur Street, London,
S.W.1, England

ELEANOR FOGAN
Notary Public of London, England
(My Commission Expires at death)