

AMENDED AND RESTATED
CERTIFICATE OF LIMITED PARTNERSHIP
for
ISLAND PARK COMPANY LIMITED PARTNERSHIP

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We, the undersigned, desiring to certify to an Amended and Restated Certificate of Limited Partnership pursuant to the Idaho Limited Partnership Act, Idaho Code §53-201 through §53-267, do hereby agree and certify:

1. Name.

The name of the limited partnership is:

ISLAND PARK COMPANY LIMITED PARTNERSHIP.

2. Character of Business.

The general character of the business of the partnership is: Owning, developing, marketing, and managing the resort properties known as Island Park Village Resort, in Fremont County, Idaho.

3. Registered Agent.

The name and address of the registered agent of the limited partnership, for service of process, as required by Idaho Code §53-204, are:

Clayter F. Forsgren
350 N. 2nd E.
Rexburg, ID 83440

The office of the partnership is located in the commercial area in Island Park Village Resort.

4. Partners' Names and Addresses.

(a) The names and business addresses of the General Partners are:

<u>NAME</u>	<u>ADDRESS</u>
Bitterroot Investment Co., an Idaho general partnership	c/o Clyde G. Charles, General Partner 1000 S. Milligan Rd. Idaho Falls (Rural), Bonneville County, Idaho Mailing address: P.O. Box 51450 Idaho Falls, ID 83405
Clayter F. Forsgren	350 North 2nd East Rexburg, ID 83440
Ross N. Reese	Commercial Area Island Park Village Resort Fremont County, Idaho Mailing Address: HC 66, Box 12E Island Park, ID 83429

(b) The names and business addresses of the Limited Partners are:

<u>NAME</u>	<u>ADDRESS</u>
Rexburg Realty, Inc.	C/O Ross N. Reese HC 66 BOX 12E Island Park, ID 83429
Crow Investment Co. an Idaho General Partnership	C/O Clayter Forsgren 350 N. 2nd E. Rexburg, ID 83440
Bitterroot Investment Co.	C/O Clyde G. Charter P.O. Box 51450 Idaho Falls, ID 83405

5. Initial Contributions to Capital.

(a) The amount of cash (or the equivalent in services or property) and the percentage contributed by each Limited Partner to the Limited Partners Pool, made at the original inception of the limited partnership, (or subsequently acquired by assignment) are as follows:

<u>Limited Partner</u>	<u>Cash or Cash Equivalent</u>	<u>Percentage</u>
Rexburg Realty, Inc., an Idaho corporation	\$128,957.33	33 1/3%
Crow Investment Co., a General partnership	\$128,957.33	33 1/3%
Bitterroot Investment Co., a General partnership	\$128,957.33	33 1/3%
TOTAL	<u>\$386,871.99</u>	<u>100 %</u>

(b) After the inception of the partnership, the General Partners from time to time made cash loans to the partnership, necessary for continuation of the partnership business. It is agreed that those contributions are to now be classified as partnership capital known as "General Partners Pool". The name of the General Partner, the amount of cash contributed to the General Partners Pool, and the percentage of the General Partners Pool owned by each General Partner, are as follows:

<u>General Partner</u>	<u>Cash</u>	<u>Percentage</u>
Bitterroot Investment Co.	\$ 228,813.55	37.0%
Clayter F. Forsgren	254,391.02	41.1%
Ross N. Reese	<u>135,345.61</u>	<u>21.9%</u>
TOTAL:	\$ 618,550.18	100.0%

(c) The Limited Partners Pool constitutes 38.5% of the total capital of the partnership and the General Partners Pool constitutes 61.5% of the total capital of the partnership.

(d) The assets of the partnership now consists of all unsold real estate in Island Park Village Resort, including unsold lots, time share condominium units, and commercial real

estate; related personal property; accounts and contracts receivable; and cash assets, subject to all lawful indebtedness of the partnership.

6. Additional Contributions.

(a) There is no agreement by Limited Partners to make additional contributions to capital.

(b) Whenever the reasonable demands of the business of the partnership require additional capital, it shall be contributed by the General Partners as mutually agreed. Such contributions shall be credited to the General Partners Pool.

(c) Any Limited Partner with the consent of the General Partners, may make voluntary contributions to the General Partners Pool; in that event, the Limited Partner would own a proportionate share of the General Partners Pool. Such contribution shall not be deemed to make the Limited Partner so contributing a General Partner.

7. Substitute Limited Partners.

A Limited Partner has no power to grant the right to become a Limited Partner to an assignee of any part of his partnership interest except with written approval by the General Partners.

8. Termination.

No partner has the right to terminate his membership in the partnership prior to the end of the agreed term of the partnership.

9. Rights to Distributions.

(a) The General Partners shall cause the limited partnership to maintain such reserves to cover anticipated future expenses and disbursements as in the discretion of the General Partners seem appropriate.

(b) The General Partners shall be compensated from time to time for management and other services provided to the partnership. Compensation shall be in a reasonable amount. At the present, Ross N. Reese is a full time employee of the partnership; while so employed he shall receive salary and compensation as agreed upon between himself and the partnership.

(c) Balances of revenues and profits, if any, after payment of necessary expenses, service of debt, compensation and reimbursement of expenses to General Partners, and after maintenance of necessary reserves, shall be allocated and distributed at periodic intervals, not less often than annually, as shall be determined by the General Partners, as follows:

(1) Allocation, by credit on the books and not by cash payment, shall be made to the Limited Partners Pool until such allocation shall equal the amount of losses previously allocated to the Limited Partners in excess of their capital contributions.

(2) Balances will then be allocated to the General Partners Pool and shall be paid in cash to the General Partners in proportion to their capital accounts until each General Partner (or Limited

Partner, who with consent, has contributed to the General Partners Pool) has received the return of his General Partner contribution to capital.

(3) Balances will then be allocated to the Limited Partners Pool, and paid in cash to the Limited Partners in proportion to their capital in the Limited Partners Pool, until the Limited Partners have received return of their stated capital contributions

(4) After allocations pursuant to sub-subclauses (1), (2) and (3), supra, have been made in full, the General Partners Pool as provided herein (with any addition thereto) shall be combined with the Limited Partners Pool as provided herein. Each partner's contributions as provided herein (plus his addition to the General Partners Pool) shall be compared to the combined pool and a percentage of the combined pool assigned for that partner's interest. Then any balances will be allocated and paid to each partner, general and limited, according to that partner's percentage interest in the combined pool.

(d) In the event of liquidation of the partnership, all proceeds shall be distributed in the following order of priority:

(1) To the payment of the debts and liabilities of the partnership and the expense of liquidation. For this purpose the liquidator in his discretion, shall set up such reserves as may seem necessary for any

contingent or unforeseen liabilities of the partnership.

(2) Current and unpaid compensation or reimbursement of expenses, owing to the General Partners.

(3) To the partners in the same order of priority and under the same principles as the distribution of revenues and profits provided for in subclause (c), supra.

10. No Other Right to Disbursement.

There is no other right of a partner to receive, nor of the General Partners to make, distributions to a partner, whether by way of return of all or any part of the partner's contribution.

11. Dissolution of Partnership.

The limited partnership shall be dissolved and its affairs wound up upon the first of the following events to occur:

(a) Retirement, death, bankruptcy, dissolution or insanity of a General Partner. Any General Partner may retire from the partnership, if the partnership is unable to pay its debts and liabilities when due without additional contributions of capital from the General Partners, upon thirty (30) days notice to the partnership and to the other General Partners.

(b) In the event that the partnership is unable to pay its debts and liabilities when due, without

additional contributions to capital from the General Partners, then any two General Partners may agree in writing to the dissolution of the partnership.

(c) Bankruptcy of the partnership or the inability of the partnership to continue in business.

12. Continuance of Business.

(a) In the event of dissolution of the partnership, then a remaining General Partner, if there be one, or if not any one or more Limited Partners may elect, by notice in writing to all interested parties within thirty (30) days of dissolution, to become a substituted General Partner or Partners and to continue the business. But if a General Partner does not continue, then a Limited Partner or Partners becoming a General Partner or Partners must pay to each Limited Partner who requests in writing (within 15 days) withdrawal of his partnership units, the value of the interest of each partner not continuing or withdrawing. Value shall be determined and paid as provided in sub-paragraphs (c) and (d) hereof. If more than one Limited Partner elects to be a new General Partner, but not together, then the Limited Partners shall determine who shall be the new General Partner by majority vote of units; otherwise, the partnership shall be liquidated.

(b) The new General Partners shall have the right to form a new limited partnership and shall have the right:

(1) To transfer and convey the assets of the dissolved limited partnership to the new limited partnership, subject to liabilities;

(2) Amend this certificate to establish the new General Partner or Partners;

(3) Perform all such other acts or cause all such things to be done as shall be necessary or advisable for the formation of the new limited partnership.

(c) In the event of the formation of a new limited partnership, the value of each partnership interest, as to any non-continuing or withdrawing partner, shall be based upon book value adjusted to include fair market value of all real property and personal property owned by the partnership. In determining fair market value, partnership capital shall be allocated between the Limited Partners Pool and the General Partners Pool in accordance with the rights to distribution set forth in subclauses 9(c) and (d) hereof. Any disputes as to the value shall be arbitrated in accordance with sub-paragraph (e) hereof.

(d) The price of an interest in the partnership shall be payable in cash within thirty (30) days after determination of the value.

(e) In the event of any dispute as to the value of a partnership interest, upon an election for continuance of the business, then the continuing partner or partners (or representative thereof) shall appoint an appraiser, the retiring partner or partners shall appoint an appraiser, the two appraisers shall jointly appoint a third appraiser, and the three appraisers shall determine, in compliance with this agreement, and by majority vote, the value of the partnership

interests being retired, which determination shall bind all parties.

13. Additional Agreements.

The partners agree to the following additional provisions:

(a) This certificate, and the partnership agreement contained herein, may not be amended by General Partners without consent in writing of the Limited Partners.

(b) Except as otherwise expressly herein provided, the partnership may not, by General Partners, without written consent of the Limited Partners, do any of the following:

(1) Dissolve or wind up the limited partnership;

(2) Sell, exchange, lease, mortgage, pledge, or make any other transfer of all or substantially all of the assets of the limited partnership other than in the ordinary course of business;

(3) Incur any indebtedness other than in the ordinary course of business; nor

(4) Change the nature of the business.

(c) The Limited Partners shall not participate in the control of the business and shall not be liable for any obligations of the limited partnership.

(d) Any partner, with consent of the General Partners, may loan money to the partnership, from time to time, with the amount, interest, terms and repayment of each loan to be evidenced by a written promissory note. Each such loan shall constitute a debt of the limited partnership.

(e) Adequate books of account shall be kept at all times under the supervision of the General Partners. The books shall be open to inspection by any Limited Partner, or his accredited representative, at any reasonable time.

(f) The partnership books shall contain a capital account and an income account for each partner. Profits and losses shall be credited or debited to an individual income account of each partner as soon as practicable after the close of each fiscal year. Allocations shall be in accordance with clause 9(c), supra. If there be no balance in the individual income account, net losses shall be debited to the individual capital accounts. If there be no balance in the capital account of a partner, or if the capital account shall have been depleted by the debiting of losses under this paragraph, future profits of that partner shall not be credited to his income account until the depletion shall have been made good, but shall be credited to his capital account. After such depletion in this capital account shall have been made good his share of the profits shall thereafter be credited to his income account.

(g) The books of account shall be examined and reviewed at the close of each fiscal year by an independent public accountant designated by the General Partners, who shall make a report thereon. A copy of the report shall be furnished to each Limited Partner.

(h) The fiscal year of the partnership shall be the calendar year.

(i) The General Partners shall not be required to devote their entire business time to this partnership. Except as otherwise determined by the General Partners, any General Partner may have other employment. The General Partners shall devote such time and attention to this enterprise as may be necessary in the discretion of the General Partners for the successful functioning and completion of the work of the partnership.

(j) Each party hereto shall execute such other and further instruments and shall perform such additional acts as are necessary to effectuate this partnership and to carry on its business.

(k) Losses in the partnership will be allocated in accordance with Internal Revenue Code §704(b)(2), as follows: All losses will be allocated to the separate General Partners Pool and Limited Partners Pool based upon their "economic effect". Therefore, until each Limited Partner has a positive capital account all losses will be allocated to the General Partners Pool. Once the Limited Partners have a positive capital account, losses will be allocated based upon the relative percentages of the Limited Partners and General Partners "at risk" amounts.

(l) Special allocations: Interest expense deductions will be specifically allocated by the partnership to the General Partners in proportion to their separate capital accounts.

(m) The parties certify that proper assignments have previously been executed and delivered to vest ownership in General Partners and Limited Partners as provided herein. Such assignments are on file at the office of the partnership; further, Island Park Company Limited Partnership certifies that all of the partners named in this certificate, who were not original partners, have been properly substituted as partners.

14. Prior Amended Certificate.

This amends and restates to comply with current law that "Amended Certificate of Limited Partnership of Island Park Company Limited Partnership" recorded on August 11, 1981, as Instrument No. 371971, records of Fremont County, Idaho.

ADOPTED ON THE 1st day of March, 1989.

"GENERAL PARTNERS"

BITTERROOT INVESTMENT CO.,
an Idaho General Partnership

By: Clyde G. Charles
Clyde G. Charles
General Partner

Clayton F. Forsgren
Clayton F. Forsgren

Ross N. Reese
Ross N. Reese

"LIMITED PARTNERS"

Rexburg Realty, Inc.,
an Idaho corporation

By: Ross N. Reese
Ross N. Reese, President

Crow Investment Co.
a General Partnership

By: Clayton F. Forsgren
Clayton F. Forsgren
General Partner

Bitterroot Investment Co.
a General Partnership

By: Clyde G. Charles
Clyde G. Charles
General Partner