

AMENDED CERTIFICATE OF LIMITED PARTNERSHIP

STATE OF IDAHO)
) ss.
County of Twin Falls)

The undersigned, formed a limited partnership pursuant to the laws of the State of Idaho and on October 3, 1985, and filed with the Idaho Secretary of State a Certificate of Limited Partnership. The purpose of this Amended Certificate of Limited Partnership is to correct the original Certificate of Limited Partnership filed on October 3, 1985, as follows:

1. The name of the partnership is Intermountain Equities & Leasing Limited Partnership Fund III.

2. The Partnership is organized for the following objectives and purposes:

(a) To purchase, lease, sell, own, develop and construct improvements upon, to finance the acquisition, operation and development of and the construction of improvements upon, and to operate and maintain for any uses, real property, or interests therein, wherever located.

(b) To incur indebtedness, secured or unsecured, for any of the purposes of the Partnership.

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

Thomas G. Walker, Jr.
184 Second Street West
P.O. Box 187
Twin Falls, ID 83303-0187

4. The name and business address of the General Partner are:

<u>Name</u>	<u>Address</u>
Quest Development Company	P.O. Box 1892 Twin Falls, ID 83303-1892

5. The names and business addresses of the Limited Partners are:

<u>Name</u>	<u>Address</u>
Thomas F. Barron and Shirly R. Barron, husband and wife	Route No. 1 Castleford, ID 83321
L. Clyel Berry and Jill Berry, husband and wife	Route No. 2 Kimberly, ID 83341
George L. Holzer and Kathleen J. Holzer, husband and wife	10410 Whispering Cliffs Boise, ID 83704
David B. McKenzie and Jan A. McKenzie, husband and wife	Route No. 3, Box 6421 Twin Falls, ID 83301
Will G. Smith and Bonnie K. Smith, husband and wife	10763 Blackhawk Drive Boise, ID 83709
Jeff Stoker and Rosemary Kay Stoker, husband and wife	P.O. Box 1597 Twin Falls, ID 83303-1597

6. A description of the capital contribution made by the General and each Limited Partner is described on Exhibit "A," attached hereto and by this reference made a part hereof.

7. No additional capital contributions have been agreed upon to be made by any partner at the present time.

8. (a) The Partnership interest of a Limited Partner, or any portion thereof, may be transferred or assigned only with the prior written consent of the General Partner. Such consent may be withheld in the sole discretion of the General Partner, and in no event shall be given unless:

(1) The assignment is of the Limited Partner's whole Partnership interest;

(2) The Assignee shall satisfy all of the conditions specified in Paragraph 8(f) below; and

(3) The terms of such assignment shall specify the end of a calendar quarter as the effective date thereof.

(b) An Assignee of Record shall be entitled to receive distributions of cash or other property from the Partnership attributable to the Units acquired by reason of such assignment from and after the effective date of the assignment of such Units to him; however, anything in the Partnership Agreement to the contrary notwithstanding, the Partnership and the General Part-

ner shall be entitled to treat the Assignor of such Units as the absolute owner thereof in all respects, and shall incur no liability for allocation of Net Income, Net Loss, or Distribution, or transmittal of reports and notices required to be given to Holders hereunder which are made in good faith to such Assignor until such time as the written instrument of assignment has been received by the Partnership and recorded on its books and the effective date of the assignment has passed.

(c) Except as provided in this Paragraph 8, no assignment of any Units by a Holder may be made if the Units sought to be assigned, when added to the total of all other Units assigned within the period of twelve consecutive months prior to the proposed date of assignment would, in the opinion of counsel for the Partnership, result in the termination of the Partnership under Section 708 of the Code. However, such assignment may be made, subject to all other requirements set forth in the Partnership Agreement, if upon the application and at the expense of the Holder desiring to assign his Units in the Partnership, there shall have been granted to the transferring Holder and the Partnership a private ruling by the Internal Revenue Service that the proposed assignment will not cause such termination.

(d) No assignment, sale, transfer, exchange or other disposition of any Units in the Partnership may be made except in compliance with the then applicable rules of any other applicable governmental authority.

(e) Any assignment, sale, transfer, exchange or other transfer in contravention of any of the provisions of this Paragraph 8 shall be void and ineffectual, and shall not bind or be recognized by the Partnership.

(f) No Assignee shall have the right to become a substituted Limited Partner in place of his Assignor unless all of the following conditions are first satisfied:

(1) A duly executed and acknowledged written instrument of assignment covering all of the Assignor's Units to be assigned shall have been filed with the Partnership which instrument shall specify the number of Units being assigned and set forth the intention of the Assignor that the Assignee succeed to Assignor's interest as a

substituted Limited Partner in his place to the extent of the assigned Units;

(2) The Assignor and Assignee shall have executed and acknowledged such other instruments as the General Partner may deem necessary or desirable to effect such substitution, including the written acceptance and adoption by the Assignee of the provisions of the Partnership Agreement and his execution, acknowledgement and delivery to the General Partner of a special power of attorney, the form and content of which are described herein;

(3) The written consent of the General Partner to such substitution shall have been obtained, the granting or denial of which shall be within the absolute discretion of the General Partner;

(4) A transfer fee shall have been paid to the Partnership which is sufficient to cover all reasonable expenses connected with such substitution; and

(5) The provisions of this Paragraph 8 are complied with.

9. (a) The Partnership term commenced on October 3, 1985 and shall continue until the 31st day of December 2015, unless previously terminated in accordance with the provisions of the Partnership Agreement.

(b) Upon the withdrawal, adjudication of bankruptcy or dissolution of the General Partner ("Terminated Partner"), the interest of such Terminated Partner in the Net Income, Net Loss and Distributions from the Partnership shall be purchased by the Partnership for a purchase price determined according to the provisions of Paragraph 9(c), following.

(c) The Terminated Partner shall receive from the Partnership the fair market value of its interest in the Partnership, determined by agreement between the Terminated Partner and the Partnership, or if they cannot agree, by arbitration in accordance with the then current rules of the American Arbitration Association. For this purpose, the fair market value of the interest of the Terminated Partner shall be deemed to be the amount the Terminated Partner would receive

upon dissolution and termination of the Partnership under Paragraph 9(g) assuming such dissolution or termination occurred on the date of the dissolving event specified in Paragraph 9(b) and assuming the assets of the Partnership were sold for their then fair market value without compulsion of the Partnership to sell such assets. Payment shall be made in cash at closing.

(d) Should a new General Partner be elected, such new General Partner ("Acquiring Partner") shall purchase from the Partnership, within 60 days of his election, the interest which the Partnership purchased from the Terminated Partner. For such interest the Acquiring Partner shall pay the amount determined pursuant to Paragraph 9(c) to be the fair market value of such interest. Payment shall be made in cash at closing.

(e) The General Partner's interest in the Partnership shall not be assignable except with the consent of all of the Holders. Any entity to which the entire interest of the General Partner in the Partnership is assigned in compliance with this Paragraph 9(e) shall be substituted by the General Partner by the filing of appropriate amendments to the Partnership Agreement in its stead as a General Partner of the Partnership.

(f) The Partnership shall be terminated and dissolved upon the earlier to occur of the following:

(1) The withdrawal (provided there has been 90 days' prior written notice to the Limited Partners), adjudication of bankruptcy, insolvency dissolution of the General Partner, unless (i) the Limited Partners, within 90 days of the date of such event, elect to continue the business of the Partnership, and (ii) the General Partner(s) elected in place thereof within 120 days of the date of such event the Limited Partners elect to continue the business of the Partnership. Expenses incurred in the reformation, or attempted reformation, of the Partnership shall be deemed expenses of the Partnership;

(2) The expiration of the term of the Partnership; or

(3) Provided there has been 90 days prior written notice to the Limited Partners, the written decision, of the General Partner to dissolve the Partnership.

(g) Upon a dissolution and termination of the Partnership, the General Partner shall take full account of the Partnership assets and liabilities, and shall either liquidate the assets as promptly as is consistent with obtaining the fair value thereof, and shall apply and distribute the proceeds therefrom in the following order or shall distribute in kind said assets:

(1) To the payment of creditors of the Partnership; and

(2) To the General Partner and Holders pursuant to the provisions of the Partnership Agreement.

10. (a) That portion of Net Income, Net Loss, Credits and Distributions of the Partnership allocated to the Holders shall be apportioned among the Holders, in the ratio in which the number of Units owned by each of them on the last day of each calendar month bears to the total number of Units owned by all of them as of that date, without regard to capital accounts or the number of days during such month in which a person was a Holder.

(b) Net Income, Net Loss, Credits and Distributions shall be allocated as follows: Prior to and including the calendar quarter in which the Final Closing Date occurs, the Net Income, Net Loss, Credits and Distributions allocable to the Limited Partners shall be allocable among such Limited Partners as follows: The Limited Partners' aggregate share of such items shall be allocated among the Limited Partners by multiplying the aggregate amount by a fraction, (x) the numerator of which is the daily weighted average of Units outstanding throughout such quarter represented by the Units held of record by a Limited Partner, and (y) the denominator of which is the daily weighted average of Units outstanding throughout such quarter represented by the Units held of record by all Limited Partners as of the close of business on the last day of such quarter. A Unit held of record during the quarter by one or more prior transferors will be deemed to be held of record by the transferee for such period or periods for purposes of calculating the daily weighted average of Units represented by such Unit in accordance with this paragraph (b). Except as provided above, that portion of Net Income, Net Loss and Distributions of the Partnership allocated to the Holders shall be apportioned among the Holders, in the

ratio in which the number of Units owned by each of them on the last day of each calendar month bears to the total number of Units owned by all of them as of that date, without regard to capital accounts or the number of days during such month in which a person was a Holder.

(c) The Net Income, Net Loss or other credits of the Partnership shall be computed for each calendar quarter and allocated among the Partners, Holders and Assignees of Record as of the close of business on the last day of such calendar quarter as follows:

(1) 1% to the General Partner and 99% to the Limited Partners pro rata according to their record ownership of Units as of the close of business on the last day of such calendar quarter, except as otherwise provided in paragraph (b) hereof, until such time as the Limited Partners shall have received cash distributions equal to 150% of their Original Invested Capital.

(2) After the Limited Partners have received cash distributions equal to 150% of their Original Invested Capital, 20% to the General Partner and 80% to the Limited Partners pro rata according to their record ownership of Units as of the close of business on the last day of such calendar quarter, except as otherwise provided in paragraph (b) hereof.

(d) Distributions of Cash Available for Distribution (determined as of the close of business on the last day of each calendar quarter) shall be allocated among and payable to the Partners, Holders and Assignees of Record within thirty (30) days after the end of such quarter as follows:

(1) 1% to the General Partner and 99% to the Limited Partners pro rata according to their record ownership of Units as of the close of business on the last day of such calendar quarter, except as otherwise provided in paragraph (b) hereof, until such time as the Limited Partners shall have received cash distributions equal to 150% of their Original Invested Capital.

(2) After the Limited Partners have received cash distributions equal to 150% of their Original Invested Capital, 20% to the General

Partner and 80% to the Limited Partners pro rata according to their record ownership of Units as of the close of business on the last day of such calendar quarter, except as otherwise provided in paragraph (b) hereof.

(e) The methods hereinabove set forth by which Distributions and allocations of Net Income and Net Loss are made and apportioned are hereby expressly consented to by each Partner as an express condition to become a Partner.

(f) All Distributions are subject to the payment of Partnership expenses, and to the maintenance of reasonable reserves for operations.

(g) To the extent that the Partnership shall be entitled to any deduction for Federal income tax purposes as a result of any interest in Net Income and Net Loss granted to the General Partner, such deduction shall be allocated for Federal income tax purposes to the General Partner.

(h) In no event shall the General Partner's interests in each material item of Partnership income, gain, loss, deduction or credit be less than one percent (1%) of each such item at all times during the existence of the Partnership. For this purpose, Units held by the General Partner or his Affiliates as a Limited Partner shall not be taken into account.

11. Except as provided in paragraphs 9 and 10 above, no provision has been made for the return of all or part of a Partner's contribution.

12. The net losses of the Partnership shall belong to and be allocated to the Limited Partners as provided in paragraph 10 above.

13. The net profits of the Partnership shall belong to and be credited to the Partners as provided in paragraph 10 above.

14. Upon the termination of the General Partner, a substituted General Partner shall have the right to continue the Partnership business.

15. Limited Partners have not been given the right to demand and receive property other than cash in return for contributions.

16. (a) By executing the Partnership Agreement, the Limited Partners grant to the General Partner a special power of attorney irrevocably making, constituting and appointing the General Partner as the attorney-in-fact for each Limited Partner, with power and authority to act in his name and on his behalf to execute, acknowledge and swear to in the execution, acknowledgement and filing of documents, which shall include, by way of illustration but not of limitation, the following:

(1) The Partnership Agreement, any separate certificates of limited partnership, as well as any amendments to the foregoing which, under the laws of the State of Idaho or the laws of any other state, are required to be filed or, which the General Partner deems to be advisable to file;

(2) Any other instrument or document which may be required to be filed by the Partnership under the laws of any state or by any governmental agency, or which the General Partner deems advisable to file; and

(3) Any instrument or document which may be required to effect the continuation of the Partnership, the admission of an additional or substituted Limited Partner, or the dissolution and termination of the Partnership (provided such continuation, admission or dissolution and termination are in accordance with the terms of the Partnership Agreement), or to reflect any reductions in amount of contributions of Partners.

(b) The special power of attorney being granted by the Limited Partners:

(1) Is a special power of attorney coupled with an interest, is irrevocable, shall survive the death or incapacity of the granting Limited Partner, and is limited to those matters herein set forth;

(2) May be exercised by the General Partner acting alone for the Limited Partner by a facsimile signature of the General Partner, or by listing the Limited Partner executing any instrument with a single signature of the General Partner; and

(3) Shall survive an assignment by the Limited Partner of all or any portion of his Units except that, where the Assignee of the Units owned by the Limited Partner has been approved by the General Partner for admission to the Partnership as a substituted Limited Partner, the special power of attorney shall survive such assignment for the sole purpose of enabling the General Partner to execute, acknowledge and file any instrument or document necessary to effect such substitution.

IN WITNESS WHEREOF, the Partners have executed this Amended Certificate of Limited Partnership effective the 30th day of March, 1987.

Thomas F. Barron

Shirly R. Barron

L. Clyel Berry

Jill Berry

George L. Holzer

Kathleen J. Holzer

David B. McKenzie

Jan A. McKenzie

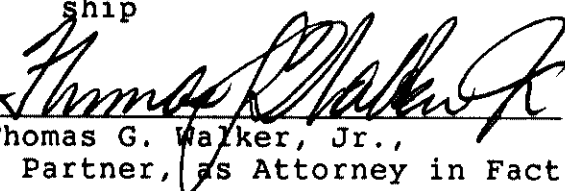
Will G. Smith

Bonnie K. Smith

Jeff Stoker

Rosemary Kay Stoker

By: Quest Development Company,
an Idaho General Partner-
ship

By: 
Thomas G. Walker, Jr.,
Partner, as Attorney in Fact

"Limited Partners"

Quest Development Company, an
Idaho General Partnership

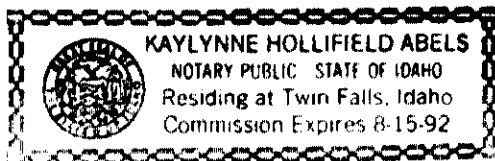
By: *Thomas G. Walker, Jr.*
Thomas G. Walker, Jr., Partner

"General Partner"

STATE OF IDAHO)
) ss.
County of Twin Falls)

On this 30th day of March, in the year 1987, before me, the undersigned, a notary public in and for said county and state, personally appeared Thomas G. Walker, Jr., known to me to be one of the partners in the partnership of Quest Development Company, and he is also known to me to be the person whose name is subscribed to the within instrument as the attorney in fact for Thomas F. Barron, Shirly R. Barron, L. Clyel Berry, Jill Berry, George L. Holzer, Kathleen J. Holzer, David B. McKenzie, Jan A. McKenzie, Will G. Smith, Bonnie K. Smith, Jeff Stoker and Rosemary Kay Stoker, and acknowledged to me that he subscribed each of the above-listed names thereto as principal, and his own name as attorney in fact.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the same day and year in this certificate first above written.

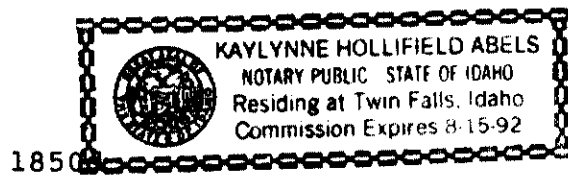


Kaylynn Hollifield Abels
NOTARY PUBLIC FOR IDAHO
Residing at Twin Falls, Idaho

STATE OF IDAHO)
) ss.
County of Twin Falls)

On this 30th day of March, 1987, before me, the undersigned, a notary public in and for said county and state, personally appeared Thomas G. Walker, Jr., known to me to be one of the partners in the partnership of Quest Development Company, and the partner or one of the partners who subscribed said partnership name to the foregoing instrument, and acknowledged to me that he executed the same in said partnership name.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the same day and year in this certificate first above written.



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Kaylynne Hollifield Abels
Notary Public for IDAHO
Residing at Twin Falls, Idaho

EXHIBIT "A"

The initial capital of the Partnership has been contributed by the partners as follows:

General Partner:

Quest Development Company	\$ 1,000.00
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Limited Partners:

Thomas F. Barron and Shirley R. Barron, husband and wife	12,760.00
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L. Clyel Berry and Jill Berry, husband and wife	36,950.00
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George L. Holzer and Kathleen J. Holzer, husband and wife	12,760.84
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David B. McKenzie and Jan A. McKenzie, husband and wife	6,380.42
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Will G. Smith and Bonnie K. Smith, husband and wife	6,380.42
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Jeff Stoker and Rosemary Kay Stoker, husband and wife	<u>6,380.42</u>
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TOTAL:	<u>\$82,612.10</u>
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