

Prepared by Eugene R. Sanders, Esq., Dallas, Texas
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FOURTH AMENDMENT OF
LIMITED PARTNERSHIP CERTIFICATE AND AGREEMENT
THE BRIDGES APTS. ASSOCIATES

We, the undersigned, constituting all of the partners (the "Partners"), namely, the general partners, the Limited Partners-Class A and the Limited Partners-Class B (the Limited Partners-Class A and the Limited Partners-Class B are collectively the "Limited Partners") of The Bridges Apts. Associates (the "Partnership"), a limited partnership formed pursuant to and which is subject to the provisions of The North Carolina Uniform Limited Partnership Act, (1941, c.251, s.27), hereby adopt the hereinafter stated Fourth Amendment (the "Amendment") of the Partnership's original Limited Partnership Certificate and Agreement dated as of September 28, 1979, filed for record in the Office of the Register of Deeds of Forsyth County, North Carolina, on October 11, 1979, as the same was previously amended by the First Amendment of Limited Partnership Certificate and Agreement, filed for record in the Office of the Register of Deeds of Forsyth County, North Carolina, on December 28, 1979, as the same was previously further amended by the Second Amendment of Limited Partnership Certificate and Agreement dated as of September 29, 1981, filed for record in the Office of the Register of Deeds of Forsyth County, North Carolina, on February 28, 1983, and as the same was previously further amended by the Third Amendment of Limited Partnership Certificate and Agreement dated as of September 30, 1981, filed in the Office of the Register of Deeds of Forsyth County, North Carolina, on February 28, 1983, (collectively the "Amended Agreement of Limited Partnership"). The phrase "General Partners" shall mean and refer solely to John Luciani and to Bernard M. Rodin, two of the three general partners of the Partnership and does not include the other general partner of the Partnership.

The following amendments are necessary to evidence, among other things, the acknowledgment by the Partners of capital contributions made by the General Partners, the establishment of capital accounts for the Partners, certain allocations of profits and losses among the Partners, and to make such other changes as the Partners deem appropriate.

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, it is hereby agreed by the parties hereto that the Amended Agreement of Limited Partnership Agreement is further amended as follows:

1. The Partners hereby acknowledge that during calendar year 1985 the General Partners have made capital contributions to the Partnership in the total amount of \$82,000.00.

2. Notwithstanding anything contained in the Amended Agreement of Limited Partnership to the contrary, the Partners agree that a capital account shall be established for each Partner on the books and records of the Partnership. Each account shall be credited with a Partner's contributions to the capital of the Partnership, and shall be properly adjusted to reflect the Partner's distributive share of the Partnership's income, gains, losses, deductions, credits and distributions.

3. The provisions of this Paragraph 3 shall apply notwithstanding anything contained in the Amended Agreement of Limited Partnership to the contrary. If the net result from operations for calendar year 1985 is a net operating loss (that is, (i) the losses and deductions of the Partnership not taking into account cost recovery, depreciation, amortization or similar deductions allowed by the Internal Revenue Code of 1954, as amended, on the property owned by the Partnership on December 31, 1984 exceeds (ii) the income of the Partnership (reduced by the amount of income used by the Partnership to reduce mortgage debt secured by the Partnership's real property plus nondeductible payments made by the Partnership to the Reserve Fund for Replacement maintained with the holder of such mortgage debt) and gain of the Partnership, other than the gain described in Paragraph 4 of this Amendment) then 75% of such net operating loss for calendar year 1985 (and each related item of loss, deduction and tax preference) shall be allocated to the General Partners.

In addition, if the net result from operations for calendar years subsequent to 1985, is a net operating profit (that is, (i) the income of the Partnership (reduced by the amount of income used by the Partnership to reduce mortgage debt secured by the Partnership's real property plus nondeductible payments made by the Partnership to the Reserve Fund for Replacements maintained with the holder of such mortgage debt) and gain of the Partnership (other than the gain described in Paragraph 4 of this Amendment) exceeds (ii) the losses and deductions of the Partnership not taking into account cost recovery, depreciation, amortization, or similar deductions allowed by the Internal Revenue Code of 1954, as amended, on the property owned by the Partnership on December 31, 1984), then 75% of such net operating profit (and each related item of income and gain) shall be allocated to the General Partners until the General Partners have received allocations of taxable income equal to the allocation of losses as provided in this Paragraph 3. To the extent that there exists, from time to time, "cash flow" (as described in the Amended

Agreement of Limited Partnership) and to the extent the same is available for distribution by the Partnership, such cash flow shall first be distributed to the General Partners until the amount of the capital contribution specified in Paragraph 1 of this Amendment has been returned in full, without interest.

For calendar years of the Partnership beginning with calendar year 1985, the difference between (i) the taxable income or taxable loss of the Partnership for each such year and (ii) the amounts allocated to the General Partners as provided in this Paragraph 3, shall be allocated to all of the Partners in accordance with the profit and loss sharing percentages otherwise provided for in the Amended Agreement of Limited Partnership.

4. The provisions of this Paragraph 4 shall apply notwithstanding anything contained in the Amended Agreement of Limited Partnership to the contrary. All net gain recognized by the Partnership from the sale or other taxable disposition of all or substantially all of the Partnership's property securing nonrecourse debt (and each related item of gain or loss) shall be allocated in the following manner:

(a) An amount of profit equal to the Minimum Gain (herein defined) from the taxable disposition of such property shall be allocated first to the Partners having negative capital account balances (immediately prior to the taxable disposition) in proportion to their negative capital account balances until all such capital accounts shall have a zero balance;

(b) The next amount of profits shall be allocated to the Partners in proportion to their negative capital account balances until all such capital accounts have a zero balance; and

(c) Any remaining profit shall be allocated among the Partners in accordance with the profit percentages otherwise provided for in the Amended Agreement of Limited Partnership.

For purposes of this Amendment, the phrase "Minimum Gain" means the excess of the outstanding principal balance (excluding any portion of such principal balance which would not be treated as an amount realized under Internal Revenue Code Section 1001 and Treasury Regulations Section 1.1001-2(a) if such debt were foreclosed upon) of any nonrecourse debt of the Partnership (that is, debt with respect to which none of the Partners has any personal liability) plus the amount of any accrued but unpaid interest on such debt over the adjusted basis of the property encumbered by such debt as determined for federal income tax purposes.

All net loss recognized by the Partnership from the sale or other taxable disposition of all or substantially all of the Partnership's property (and each related item of gain or

loss) shall be allocated in accordance with the loss sharing percentages otherwise provided for in the Amended Agreement of Limited Partnership.

Prior to making the allocations set forth in this Paragraph 4 above, the Partners' capital accounts shall be adjusted to reflect the allocation of profit and loss otherwise provided for in the Amended Agreements of Limited Partnership and in this Amendment, to represent the Partnership's operations up to the time of sale or disposition.

5. The provisions of this Paragraph 5 shall apply notwithstanding anything contained in the Amended Agreement of Limited Partnership or in this Amendment to the contrary. (a) If, for any taxable year, any allocation of loss or deduction (or item thereof) which is attributable to nonrecourse debt would cause the sum of the deficit balances of the Partners' capital accounts to exceed the Minimum Gain (determined at the end of the Partnership's taxable year), such loss or deduction shall be reallocated first to the Partners with positive capital account balances in an amount equal to, and pro rata with, such positive balances; the remainder, if any, shall then be allocated in accordance with the loss sharing percentages otherwise provided for in the Amended Agreement of Limited Partnership;

(b) If at the end of any taxable year, the sum of the Partner's deficit capital account balances exceeds the Minimum Gain, the Partners with deficits in their capital accounts shall, to the extent possible and as rapidly as possible, be allocated profits, if any, pro rata in an amount which will eliminate such excess;

(c) For purposes of computing the sum of the Partners' deficit capital account balances as referred to in Paragraphs (a) and (b) immediately preceding, if any assets (including cash) are held by the Partnership at the end of the Partnership's taxable year and there is a reasonable expectation that such assets will be distributed to the Partners (other than pursuant to a distribution in liquidation of the Partnership) prior to a corresponding increase in the Partners' capital accounts, such assets shall be treated as having been distributed to the Partners on the last day of the taxable year;

(d) For purposes of Paragraphs (a) and (b) immediately preceding, the Minimum Gain shall be reduced by the cost of any improvements or replacements (which constitute capital expenditures) to be made to any property securing nonrecourse debt and by the amount of any principal payments to be made with respect to any nonrecourse debt allocable to the Partnership, to the extent there is a reasonable expectation that such capital expenditures or payments will reduce the Minimum Gain below the sum of the negative capital account balances; and

(e) It is the intention of the Partnership to conform, to the extent deemed advisable by the General Partners, in their sole and absolute discretion, to the require-

ments of the final regulations adopted by the U.S. Secretary of the Treasury with respect to the allocation of Partnership items relating to property securing nonrecourse debt. The General Partners are specifically authorized, but shall not be required, to amend this Paragraph to comply with such regulations upon the advice of their accountants or tax counsel. The General Partners shall, however, have no obligation to amend this Paragraph to so comply with such regulations to the extent any such compliance will be to their economic detriment.

6. In the event that any loan from a Partner to the Partnership is treated as a loan subject to Section 7872 of the Internal Revenue Code of 1954, as amended, any income and deduction in connection therewith shall be allocated to the Partner making such loan.

7. The provisions of this Paragraph 7 shall apply notwithstanding anything contained in the Amended Agreement of Limited Partnership to the contrary. Upon a termination and dissolution of the Partnership, the assets of the Partnership shall be accounted for and liquidated as presently provided for in the Amended Agreement of Limited Partnership. Thereafter, the assets of the Partnership, except for those assets to be distributed to the Partners in respect to their contributions to capital and interest in profits, shall be applied in the manner presently provided for in the Amended Agreement of Limited Partnership. Thereafter, the remaining assets of the Partnership, if any, shall be applied and distributed to the Partners in the following order:

(a) To the General Partners in an amount equal to their capital contribution as specified in Paragraph 1 of this Amendment less any amounts previously returned pursuant to Paragraph 3 of this Amendment;

(b) To the Partners, pro rata, in accordance with their capital account balances after giving effect to the allocations specified in the Amended Agreement of Limited Partnership and in this Amendment, as appropriate; and

(c) The balance of any assets or proceeds shall be distributed among the Partners in accordance with the profit (equity) sharing ratios otherwise provided for in the Amended Agreement of Limited Partnership.

8. All of the terms, covenants, provisions and conditions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

9. This Amendment may be executed in any number of counterparts and all of such counterparts shall for all purposes constitute one instrument binding on the parties hereto, notwithstanding that all parties are not signatory to the same counterpart.

10. Except as herein specifically amended, all of the terms, covenants, provisions and conditions of the Amended Agreement of Limited Partnership shall continue to remain in full force and effect. If there is any conflict between the terms and provisions of this Amendment and of the Amended Agreement of Limited Partnership, this Amendment shall control in all respects.

11. This Amendment does not provide for any new, increased or additional contributions to the capital of the Partnership by the Limited Partner.

IN WITNESS WHEREOF, this Amendment to the Amended Agreement of Limited Partnership has been duly executed by the parties hereto as of the 1st day of January, 1985, which date shall be deemed to be the effective date of this Amendment for all purposes.

One Executive Drive
Fort Lee, New Jersey 07024

231 174th Street
Miami Beach, Florida 33160

One Executive Drive
Fort Lee, New Jersey 07024

Attest: 
Bernard M. Rodin, Secretary

One Executive Drive
Fort Lee, New Jersey 07024

231 174th Street
Miami Beach, Florida 33160

231 174th Street
Miami Beach, Florida 33160

GENERAL PARTNERS


JOHN LUCIANI


BERNARD M. RODIN

J & B MANAGEMENT CORP.


By: 
John Luciani, President

LIMITED PARTNERS-CLASS A


JOHN LUCIANI


BERNARD M. RODIN

LIMITED PARTNERS-CLASS B


BERNARD M. RODIN, Attorney-in-fact for
Albert Ajar, William Ajar, Tony Converse,
Mary Ellis, Roger Gimbel, Robert Green,
HMH Realty Company, James Hammerstein
Millette Hammerstein, William Hammerstein,
Kanri, Inc., Nancy Lowendahl, John Luciani,
Robert Mulholland, Bernard M. Rodin,
Hans E. Schapira, Milton Steren, Threadtex,
Inc.

STATE OF NEW JERSEY)

COUNTY OF BERGEN)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared John Luciani and Bernard M. Rodin, known to me to be the persons whose names are subscribed to the foregoing instrument, and swore and acknowledged to me under oath that they executed the same for the purposes and consideration therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal of office this the 4 day of March, 1986.

My Commission Expires:

VERA SIEGEL
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires August 23, 1987

Vera Siegel
Notary Public

STATE OF NEW JERSEY)

COUNTY OF BERGEN)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared John Luciani and Bernard M. Rodin, each to me personally known to be the individuals described in and who executed the foregoing instrument and to be respectively the President and Secretary of J & B Management Corp., a corporation, and the said John Luciani and Bernard M. Rodin each swore and acknowledged to me under oath that he executed the said instrument in behalf of and as the free, true and lawful act and deed of said corporation for the uses and purposes therein mentioned, and they each acknowledged the same to be his true and lawful act.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal of office this the 4 day of March, 1986.

My Commission Expires:

VERA SIEGEL
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires August 23, 1987

Vera Siegel
Notary Public

STATE OF NEW JERSEY)

COUNTY OF BERGEN)

I, Vera Siegel, a Notary Public for said County and State, do hereby certify that Bernard M. Rodin, attorney in fact for Albert Ajar, William Ajar, Tony Converse, Mary Ellis, Roger Gimbel, Robert Green, HMM Realty Company, James Hammerstein, Millette Hammerstein, William Hammerstein, Kanri, Inc., Nancy Lowendahl, John Luciani, Robert Mulholland, Bernard M. Rodin, Hans E. Schapira, Milton Steren, Threadtex, Inc., personally appeared before me this day, and being by me duly sworn, says that he executed the foregoing and annexed instrument for and in behalf of the said Albert Ajar, William Ajar, Tony Converse, Mary Ellis, Roger Gimbel, Robert Green, HMM Realty Company, James Hammerstein, Millette Hammerstein, William Hammerstein, Kanri, Inc., Nancy Lowendahl, John Luciani, Robert Mulholland, Bernard M. Rodin, Hans E. Schapira, Milton Steren, Threadtex, Inc., and that his authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged, and recorded in the office of Register of Deeds in the County of Forsyth, State of North Carolina, on the 11th day of October, 1979, and that this instrument was executed under and by virtue of the authority given by said instrument granting him power of attorney.

I do further certify that the said Bernard M. Rodin acknowledged the due execution of the foregoing and annexed instrument for the purposes therein expressed for and in behalf of the said Albert Ajar, William Ajar, Tony Converse, Mary Ellis, Roger Gimbel, Robert Green, HMM Realty Company, James Hammerstein, Millette Hammerstein, William Hammerstein, Kanri, Inc., Nancy Lowendahl, John Luciani, Robert Mulholland, Bernard M. Rodin, Hans E. Schapira, Milton Steren, Threadtex, Inc.

Witness my hand and official seal, this 4 day of March, 1986.

My Commission Expires:

VERA SIEGEL
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires August 23, 1987

Vera Siegel
Notary Public

REGISTER OF DEEDS
FORSYTH CO., N.C.

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