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FLORIDA DIVISION OF CORPORATIONS
PUBLIC ACCESS SYSTEM
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((H97000003156 1)))

TO: DIVISION OF CORPORATIONS

FAX #: (904)922-4000

FROM: FOLEY & LARDNER

ACCT#: 072720000061

CONTACT: KAREN PETERSON

PHONE: (904)359-2000

FAX #: (904)359-8700

NAME: MORNINGSIDE NATIONAL, INC.

AUDIT NUMBER.....H97000003156

DOC TYPE.....BASIC AMENDMENT

CERT. OF STATUS..0 PAGES..... 4

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To	New Filings Section	From	Leighann Whitten
Co.	Division of Corps	Co.	Foley & Lardner
Dept.	R. Sec. of State	Phone #	904 359-2000
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057077/0115

057077, 057074, 057073, 057071,
The proposed amendment is
not legible.

FILED
97 FEB 25 PM 1:31
TALLAHASSEE, FLORIDA

February 24, 1997

MORNINGSIDE NATIONAL, INC.
280 PARK AVENUE -EAST BLDG. -20TH FLOOR
NEW YORK, NY 10017

SUBJECT: MORNINGSIDE NATIONAL, INC.
REF: P97000004464

We received your electronically transmitted document. However, the document has not been filed. Please make the following corrections and refax the complete document, including the electronic filing cover sheet.

The preparer's statement is not legible.

The date of adoption of each amendment must be included in the document.

Please return your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call (904) 487-6902.

Linda Stitt
Corporate Specialist

FAX Aud. #: H97000003156
Letter Number: 097A00009603

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CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
MORNINGSIDE NATIONAL, INC.

97 FEB 25 PM 1:31
FILED
TALLAHASSEE
FLORIDA

MORNINGSIDE NATIONAL, INC., a corporation organized and existing under and by virtue of the Florida Business Corporation Act,

DOES HEREBY CERTIFY:

FIRST

That the Board of Directors of said corporation, at a meeting duly held, by the unanimous written consent of its members, filed with the minutes of the Board, adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of said corporation:

RESOLVED, that the Certificate of Incorporation of Morningside National, Inc. (the "Corporation") be amended by adding to Article **SEVENTH** thereof the following:

Notwithstanding anything else contained herein, any and all powers of the Corporation shall be limited to the ownership and operation of that certain apartment complex commonly known as Morningside Apartments, located in Jacksonville, Florida (the "Property").

RESOLVED, that the Certificate of Incorporation of the Corporation be amended by adding as Article **TENTH** thereto as follows:

TENTH. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to:

(a) make, alter, amend or repeal the Bylaws of the Corporation (to the extent any provisions of the Bylaws are inconsistent herewith, the provisions of this Certificate shall govern), and

(b) adopt from time to time Bylaw provisions with respect to indemnification of directors, officers, employees, agents and other persons as it shall deem expedient and in the best interests of the Corporation and to the extent permitted by law; provided, however, that any obligation of the Corporation to indemnify such persons shall be subordinate to any claim of the holder of the first mortgage loan secured by the Property (the "Loan") arising thereunder for so long as the Loan is outstanding.

Linda Y. Kaliso, Fla. Bar No. 298662
Foley & Laidner
200 Laura Street, Jacksonville, FL 32202
904/359-2000

Prepared by:

Prepared by:

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RESOLVED, that the Certificate of Incorporation of the Corporation be amended by adding to the end of Article ELEVENTH thereto of, the following:

At the request of the holder of the Loan, the Board shall include an "independent" director (the "Independent Director") recommended by the Corporation and approved by the holder of the Loan. The Independent Director shall not, at the time of his or her appointment as a director, be, and shall not have been at any time during the preceding five years, (a) a stockholder, director, officer, partner or employee of the Corporation or any of its affiliates, (b) a customer of or supplier to the Corporation, (c) a person controlling any such stockholder, partner, customer or supplier, or (d) a member of the immediate family of any such stockholder, director, officer, employee, partner, customer or supplier.

RESOLVED, that the Certificate of Incorporation of the Corporation be amended by adding as Article TWELFTH thereto as follows:

TWELFTH. Special Voting Requirements. Notwithstanding anything herein to the contrary, the affirmative vote of each member of the Board of Directors, including the Independent Director, shall be required for the Corporation to:

- (a) liquidate or dissolve;
- (b) merge or consolidate;
- (c) sell all or substantially all of its assets or purchase or otherwise come into possession of the business or assets of, or any stock or other evidence of beneficial ownership of any entity; or
- (d) take any Bankruptcy Action.

For purposes hereof, "Bankruptcy Action" means:

- (i) Commencing any case, proceeding or other action on behalf of the Corporation as a debtor under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors;
- (ii) Instituting proceedings to have the Corporation adjudicated as bankrupt or insolvent;
- (iii) Consenting to the institution of bankruptcy or insolvency proceedings against the Corporation;

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(iv) Filing a petition or consent to a petition seeking reorganization, arrangement, adjustment, winding-up, dissolution, composition, liquidation or other relief on behalf of the Corporation under any federal or state law relating to bankruptcy;

(v) Seeking or consenting to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for the Corporation or a substantial portion of its properties;

(vi) Making any assignment for the benefit of the Corporation creditors; and

(vii) Taking any action in furtherance of any of the foregoing.

RESOLVED, that the Certificate of Incorporation of the Corporation be amended by adding Article **THIRTEENTH** thereto as follows:

THIRTEENTH. Notwithstanding anything herein to the contrary, the Corporation shall:

- (a) maintain books and records separate from any other person or entity;
- (b) not commingle assets with those of any other entity;
- (c) conduct its own business in its own name;
- (d) maintain separate financial statements;
- (e) pay its own liabilities out of its own funds;
- (f) observe all corporation formalities;
- (g) maintain an arm's length relationship with its affiliates;
- (h) pay the salaries of its own employees;
- (i) not guarantee or become obligated for the debts of any other entity or hold out its credit as being available to satisfy the obligations of others;
- (j) allocate fairly and reasonably any overhead for shared office space;
- (k) use separate stationary and invoices;

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- (l) not pledge its assets for the benefit of any other entity; and
- (m) hold itself out as a separate entity.

RESOLVED, that the Certificate of Incorporation of the Corporation be amended by adding Article FOURTEENTH thereto as follows:

FOURTEENTH. Any obligation of the Corporation to indemnify its officers, directors or employees shall be subordinate to any claims of the holder of the Loan arising thereunder.

SECOND

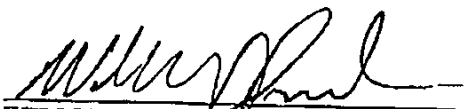
That in lieu of a meeting and vote of stockholders, the stockholders have given unanimous written consent to said amendment in accordance with the provisions of the Florida Business Corporation Act and written notice of the adoption of the amendment has been given to every stockholder entitled to such notice. This amendment was adopted by the shareholders on January 30, 1996.

THIRD

That the aforesaid amendment was duly adopted in accordance with the applicable provisions of the Florida Business Corporation Act.

FOURTH

That this Certificate of Amendment of the Certificate of Incorporation shall be effective as of January 30, 1996.


WILLIAM S. FRIEDMAN, Director

NATIONAL INCOME REALTY TRUST,
a California business trust,
sole shareholder

By: 
WILLIAM S. FRIEDMAN, President