

KNIGHTSBRIDGE ARMS, A CONDOMINIUM**PUBLIC OFFERING STATEMENT**

NAME OF CONDOMINIUM: Knightsbridge Arms, A Condominium
LOCATION OF CONDOMINIUM: Blackstone Drive
Nashua, New Hampshire
(Hillsborough County)
NAME OF DECLARANT: Blackstone Realty Associates
ADDRESS OF DECLARANT: Caldwell Drive
Amherst, New Hampshire
DATE OF REGISTRATION: March 25, 1988

THIS CONDOMINIUM IS REGISTERED WITH THE CONSUMER PROTECTION AND ANTITRUST BUREAU OF THE DEPARTMENT OF JUSTICE OF THE STATE OF NEW HAMPSHIRE PURSUANT TO THE PROVISIONS OF THE NEW HAMPSHIRE CONDOMINIUM ACT, R.S.A. 356-B. THE ACT REQUIRES THAT A CURRENT PUBLIC OFFERING STATEMENT BE FURNISHED TO A PURCHASER PRIOR TO OR AT THE TIME HE ENTERS INTO A PURCHASE AGREEMENT. THE PURPOSE OF THE STATEMENT IS TO DISCLOSE MATERIAL FACTS PERTAINING TO THIS CONDOMINIUM. IT IS RECOMMENDED THAT THE PURCHASER READ THIS STATEMENT CAREFULLY, PHYSICALLY INSPECT THE PROPERTY, REVIEW ALL SALES AND OTHER DOCUMENTS IN DETAIL AND CONSULT AN ATTORNEY FOR ADVICE. NOTHING CONTAINED HEREIN SHOULD BE CONSTRUED AS SUGGESTING THAT THE CONSUMER PROTECTION AND ANTITRUST BUREAU OR ANY OTHER PUBLIC AGENCY RECOMMENDS THE CONDOMINIUM OR HAS DETERMINED THAT THE DISPOSITION OF ANY CONDOMINIUM UNIT OR INTEREST THEREIN IS LEGALLY SUFFICIENT TO PROTECT THE RIGHTS OF PURCHASERS.

RECEIPT OF THIS STATEMENT MUST BE ACKNOWLEDGED IN WRITING BY THE PURCHASER.

ANY COMPLAINT ALLEGING UNFAIR OR DECEPTIVE TRADE PRACTICES OR A VIOLATION OF THE CONDOMINIUM ACT MAY BE DIRECTED TO THE CONSUMER PROTECTION AND ANTITRUST BUREAU, STATE HOUSE ANNEX, CONCORD, NEW HAMPSHIRE 03301.

I M P O R T A N T

NOTICE OF PURCHASER'S CANCELLATION RIGHTS

NEW HAMPSHIRE LAW PROVIDES THAT YOU HAVE AN EXPRESS AND UNQUALIFIED RIGHT TO CANCEL YOUR PURCHASE AND SALE AGREEMENT WITHIN FIVE (5) CALENDAR DAYS FROM THE DATE THE AGREEMENT WAS ENTERED INTO OR THE DELIVERY TO YOU OF THE PUBLIC OFFERING STATEMENT, WHICHEVER IS LATER. IF YOU ELECT TO CANCEL, YOU MAY DO SO BY WRITTEN NOTICE THEREOF HAND-DELIVERED OR DEPOSITED IN THE UNITED STATES MAIL, RETURN RECEIPT REQUESTED, WITHIN THE FIVE (5) DAY PERIOD, TO THE DECLARANT OF THE CONDOMINIUM OR TO ANY AGENT OF THE DECLARANT; PROVIDED, HOWEVER, THAT IF YOU ELECT TO MAIL THE NOTICE OF CANCELLATION, YOU MUST ALSO PROVIDE THE DECLARANT WITH TELEPHONIC NOTICE OF CANCELLATION WITHIN THE FIVE (5) DAY PERIOD. SUCH CANCELLATION SHALL BE WITHOUT PENALTY AND ANY DEPOSIT MADE BY YOU MUST BE REFUNDED IN ITS ENTIRETY NO LATER THAN TEN (10) CALENDAR DAYS FROM THE DECLARANT'S RECEIPT OF YOUR WRITTEN NOTICE OF CANCELLATION.

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PUBLIC OFFERING STATEMENT

INTRODUCTION

Blackstone Realty Associates, a New Hampshire limited partnership, having a principal place of business at Caldwell Drive, Amherst, New Hampshire, offers condominium ownership of certain real estate located in Hillsborough County, New Hampshire, in the City of Nashua, off Blackstone Drive. The Declarant, Blackstone Realty Associates, offers for sale to the public two hundred eighty-eight (288) condominium units in twelve (12) buildings. As of March 31, 1992 the Declarant had sold 151 units and owned 137 units. The structures and leased land will constitute a condominium known as Knightsbridge Arms, A Condominium.

This Public Offering Statement consists of two (2) parts, a narrative portion and an Exhibit portion. The Exhibits, as numbered in the Index, are the principal legal documents for the creation and operation of the Condominium. The documents include copies of the Declaration of Condominium, By-Laws, a Public Offering Statement Receipt, a sample Purchase and Sale Agreement, a sample Warranty Deed, the current management agreement, a summary of past actual expenditures, and a statement of the present condition of structural components. Purchaser is advised to read the Exhibits in their entirety to obtain a full understanding of how the Condominium is being operated.

1. THE DECLARANT:

The Declarant is a New Hampshire Limited Partnership, the principals of which have been engaged in the development of real estate projects, including condominium construction and conversions, in New Hampshire since 1973. These projects include Westchester Heights I and II Condominiums in Milford; Millstone Village I and II Condominiums in Nashua; Bluestone I and II Condominiums in Nashua, Heritage Way Subdivision in Milford; Bramber II, A Condominium in Rochester; and Tidewater Estates Condominium in Dover.

2. THE CONDOMINIUM CONCEPT:

The term "Condominium" refers to a form of property ownership. Property which is owned as a Condominium contains two (2) distinct types of property -- Units and Common Area. Units are portions of a Condominium which are set aside for individual ownership. In the case of a residential condominium, the units are the separate living quarters which may be used only by the Unit Owner. Common area, on the other hand, is all portions of the Condominium which are not included within the units. The Common Area in this condominium consists of leased land and those portions of the structures which support, enclose or service the units. Each Unit Owner owns an "undivided interest" in the

Common Area, which is a fractional percentage share of ownership of all the Common Area. In this Condominium, each unit will have an undivided percentage interest in the Common Area based on the assigned value of that unit, which will sometimes hereafter be referred to as a "Percentage Interest". This proportionate undivided interest gives the Unit Owner the right to participate in the control and management of all the Common Area but carries with it the obligation of each Unit Owner to pay his share of the normal expenses of operating and maintaining all of the Common Area.

Certain Common Area is designated Limited Common Area. A limited Common Area is a portion of the Common Area assigned to a particular unit. The Unit Owner to whom a Limited Common Area is assigned has an exclusive right to use the Limited Common Area.

The condominium is a so-called "Leasehold Condominium," which means that the land is leased to the Declarant and unit owners may elect either to be assigned a proportionate leasehold in the in the land or to exercise the option to acquire such proportionate interest in fee simple. In 1988 the Declarant, Blackstone Realty Associates (Lessee), executed a ground lease with Whitestone Realty Associates, a New Hampshire Limited Partnership (Lessor), for rental of the Condominium land. The Lease was amended in 1990. The Lease and Amendment are Exhibit D to the Declaration. The term of the Lease is ninety-nine (99) years with one right of renewal for an additional fifty (50) years. Each Unit Owner's deed will include either an assignment of a 1/288 proportionate undivided interest in the ground lease or the conveyance of a 1/288 undivided fee simple interest in the land. Each unit owner who does not purchase his proportionate fee interest at the time of the unit conveyance is granted several options to purchase such proportionate undivided fee simple interest in the land. Unit Owners may exercise the option in the month of March or September, so long as twenty (20) days written notice is provided to Declarant. If this option is exercised, then the unit will not revert to the Lessor upon termination of the ground lease.

In the alternative, a Purchaser may acquire the undivided fee interest in the Land from Whitestone Realty Associates at the time of the purchase of his Unit. In such case, the Unit Owner will not be subject to the terms of the Lease.

3. CREATION OF THE CONDOMINIUM:

The Declaration, a copy of which is attached as Exhibit 1 to this Public Offering Statement, is the legal document which creates the Condominium. The Declaration becomes effective when recorded in the office of the Hillsborough County Registry of Deeds, together with the Site and Floor Plans for the project. The Declaration and Plans establish the boundaries of the Condominium as a whole, as well as the boundaries of and percentage of interests in the Common Area appertaining to each

unit. In addition, the Declaration establishes special property rights within the Condominium, such as Limited Common Area and easements (both discussed in following sections). Amendments of the Declaration may be accomplished by a sixty-seven percent (67%) vote of the Unit Owners, except that certain amendments will require unanimous approval and certain amendments will require the approval of lenders holding first mortgages on condominium units.

4. DESCRIPTION OF THE CONDOMINIUM:

The Condominium is located on a site consisting of approximately 23.5± acres off Blackstone Drive in Nashua, New Hampshire. The leased land constituting the Condominium is described in Exhibit A to the Declaration. The Condominium consists of twelve (12) woodframe buildings constructed between 1985 and 1987, containing twenty-four (24) units each, for a total of two hundred eighty-eight (288) units.

The project is serviced by privately maintained roads and contains a recreation building, two swimming pools, two tennis courts, and a play area. Blackstone Drive, a public street lying outside the Condominium Property, is the means of access to the Project.

The Condominium will not be expanded or contracted, but will have a total of two hundred eighty-eight (288) units.

5. INDIVIDUAL UNITS:

Generally speaking, each unit consists of the space bounded by the walls, floor and ceiling of the unit. The unit also includes any floor covering (carpet, tile, etc.), wall covering, exterior doors and windows and any portion of the plumbing, electrical and mechanical systems serving only that unit. The units are more fully described in the Declaration of Condominium attached hereto as Exhibit 1. Each unit has an undivided Percentage Interest in the Common Area based on the assigned value of the unit as described in the Declaration of Condominium.

The Condominium contains units of four (4) types: efficiency, one-bedroom, two-bedroom and two-bedroom deluxe. All units are complete and being offered in their present condition. A purchaser is free to redecorate and refurbish his unit on his own, subject to compliance with all local ordinances and Condominium rules and regulations, as set forth in the Condominium By-Laws. The Declarant will deliver the unit to the purchaser at closing with all appliances in operating condition; however, no separate warranties will be provided, except any manufacturers' warranties that may still be in existence.

The units are heated by forced hot air or forced hot water via natural gas, the cost of which is borne separately

by each unit owner. Each unit is separately metered for electricity. The Condominium sewer and water systems are connected to the existing municipal systems, and the cost of these services will be a common expense.

6. COMMON AREA FACILITIES AND AMENITIES:

The Common Area constitutes all of the Condominium other than the units. The following items constitute the major components of the Common Area of the Condominium: the leasehold interest in the land, the tennis courts, swimming pools, recreation building, the supporting structure of the buildings, exterior walls, walls separating units, portions of the plumbing, electrical, heating and mechanical systems serving more than one unit, parking areas, garages, common hallways and common laundry and utility rooms.

The decks, balconies and utility closets adjacent to units are Limited Common Area, which means that the right to exclusive use thereof is reserved to the Unit Owner of the unit in question, except for the access easement referred to in Section 7.3(e). In addition, each unit is assigned a garage space which is Limited Common Area to that unit.

As indicated above, each unit has a Percentage Interest in the Common Area based on the assigned value of the unit as measured against the aggregate assigned value of all units. Exhibit C of the Declaration lists the undivided Percentage Interest in the Common Area for each of the two hundred eighty-eight (288) units. The values assigned to units in Exhibit C are intended to provide a fair allocation of percentage interests among the different types of units and do not necessarily reflect fair market values, and bear no relationship to purchase price.

7. EASEMENTS AND RESTRICTIONS; GOVERNMENTAL APPROVALS:

The Condominium will be subject to easements and restrictions normally associated and necessary with condominiums. The easements and restrictions are of three types: (1) utility easements; (2) governmental requirements; and (3) condominium easements and restrictions.

(1) Utility Easements. The Condominium will be subject to normal utility easements for water, sewer, electric, gas, cable television and telephone. The legal documents describing these easements will be available from the Declarant upon request for inspection and/or copying.

(2) Governmental Requirements. The Condominium site is located in a (RC) zone in the City of Nashua. Any use or occupancy of the units must comply with the local zoning laws and regulations, as well as the Declaration, Bylaws and Rules of the Condominium.

(3) Condominium Easements and Restrictions. The Condominium is subject to and has the benefit of certain easements created by the Declaration and by the Condominium Act, R.S.A. 356-B. These are:

(a) Easement for encroachments. By virtue of this easement, Unit Owners and the Unit Owners' Association are protected in the event that a unit or portion of Common Area encroaches upon another unit or portion of Common Area.

(b) Easement to facilitate sales. The Declarant may use units in the Condominium as models or as sales offices and may place advertising signs anywhere within the Condominium.

(c) Easement for ingress and egress. Each Unit Owner has a right of access to the Common Area, subject to rules, regulations and restrictions established by the Unit Owners' Association.

(d) Easement for access to units. Authorized representatives of the Unit Owners' Association, including the Declarant and the managing agent, may enter any unit to the extent necessary to correct conditions threatening other units or the Common Area, to make repairs to Common Area which are accessible only from the unit, or to correct conditions which constitute violations of the Declaration, By-Laws or Regulations. The violation may be corrected without the consent of the Unit Owner, and the Unit Owner may be charged with the resulting expense.

(e) Easement for support. Each Unit Owner has the benefit of a restriction upon any action of a neighboring Unit Owner, or of the Unit Owners' Association with respect to the Common Area, which would endanger the stability or safety of his unit.

(f) Restriction for Residential Use. Each unit is restricted for residential use only, except that limited professional use may be allowed by the Board of Directors if permissible under the Nashua Zoning Ordinance.

8. ENCUMBRANCES:

The Condominium is subject to the lien of a first mortgage upon the property to Fleet National Bank, One Indian Head

Plaza, Nashua, New Hampshire, which secures a loan, the proceeds of which have been used to construct the Condominium. Under New Hampshire law any supplier of material or contractor involved in construction of the Condominium acquires a mechanics' lien for its labor and/or materials. Under R.S.A. 356-B:8 the Declarant is required to obtain a release of all such liens on a unit prior to conveyance of that unit. Failure to obtain such releases would result in the unit being conveyed subject to these liens. To facilitate obtaining necessary releases, the Declarant has obtained from the mortgagee agreed upon figures which it will accept in return for releases of units from the mortgage. The Declarant will also provide each Unit Owner at the time of transfer of title with an Affidavit stating that all services and materials provided in connection with the construction of the unit have been paid. A purchaser at the closing should require the delivery of a partial release from the mortgage for his or her unit and the Affidavit with respect to mechanics' liens.

A copy of all legal documents pertaining to these liens, encumbrances and any other matters of title are available on request from the Declarant.

9. MANAGEMENT; PROJECTED BUDGET:

The Unit Owners' Association has entered into a management contract with Great North Property Management. A copy of the contract is set forth as Exhibit 5 to this Public Offering Statement. The contract expires December 31, 1996.

The By-Laws contain a provision which permits fifty-one percent (51%) of lenders holding first mortgages on units to require the Unit Owners' Association to retain a manager, and any decision thereafter to re-establish self-management requires the approval of sixty-seven percent (67%) of the individual Unit Owners. This provision is included in order to comply with Federal National Mortgage Association (FNMA) guidelines.

Declarant's estimate of expenses and fee schedules for the 1993-1994 budget year are set forth in Exhibit 6 entitled "1993/1994 Projected Budget, Knightsbridge Arms Condominium Association." All the common expenses are estimated on the basis of prior experience with wages and costs. In addition to estimates of yearly expenses, the budget provides for major maintenance and repair reserves that will be deposited in a separate account for use as needed. Although the Declarant believes the estimates are reasonable, they have been prepared by the independent management company and the Board of Directors and no guarantee, warranty or representation is hereby made or implied as to accuracy or completeness, or as to future conditions. Actual expenditures may differ from these estimates.

Each year, the amount of unit owner's monthly assessment will be determined based upon each unit's Percentage Interest. The annual budget is prepared by the Board of Directors and presented to the Unit Owners. The Declarant cannot guarantee the amount of future budgets or monthly assessments.

10. LEASE PAYMENTS; REAL ESTATE TAXES:

In addition to the monthly Condominium fee, each Unit Owner who does not elect to purchase a proportional fee interest in the land will be required to pay a monthly rental fee to Whitestone Realty Associates, the ground lessor. The base rental payments terms are described in Section 2(a) of the Lease which is Exhibit D to the Declaration of Condominium. The monthly rent for the period August 1, 1993 to August 1, 1994 is Two Hundred Eleven Dollars (\$211.00) per unit payable on the first day of each month. The rent payment is adjusted annually on August 1, based on the Consumer Price Index.

If a Unit Owner defaults under the Lease and does not cure the default within the prescribed time period, the lessor will be entitled to commence eviction proceedings. It is also likely that a default under the Lease would constitute a default under the typical unit mortgage resulting in the potential of foreclosure by the lender involved. It should be noted, however, that default under the Lease by one Unit Owner will not result in a general default adversely affecting the rights and occupancy of any other Owner.

Each Unit Owner shall be responsible for payment for all real estate taxes assessed against this unit and its undivided percentage interest in the common area. Each Unit Owner is also required to pay real estate taxes on his 1/288 interest in the underlying land regardless of whether he has elected to acquire a 1/288 undivided fee simple interest in the land or to be assigned a 1/288 undivided leasehold interest in the land. Pursuant to the terms of the Lease, the Unit Owner is required to reimburse the Lessor for his share of the land tax if he elects not to purchase the land.

11. WARRANTIES:

Each unit, together with its appurtenant undivided Percentage Interest in the Common Area, will be conveyed by Warranty Deed in the form attached hereto as Exhibit 4.

In accordance with the requirements of state law, New Hampshire R.S.A. 356-B:41, II, the Declarant will provide a one year structural warranty for each unit dating from the date of closing.

Structural defects are defined in the statute as:

... those defects in components constituting any unit or Common Area which reduce the stability or safety of the structure below accepted standards or restrict the normal intended use of all or part of the structure and which require repair, renovation, restoration, or replacement.

12. UNIT OWNERS' ASSOCIATION:

The Unit Owners' Association is an unincorporated association to which each Unit Owner must belong by virtue of the Declaration.

The Unit Owners' Association is the organization responsible for governing the Condominium. Each Unit Owner has a vote in the Association equal to his or her Percentage Interest in the Common Area.

All of the normal operations of the Unit Owners' Association will be accomplished under the direction of a five (5) to nine (9) member Board of Directors. The Unit Owners elect the Board of Directors. The Declarant does not control the Board of Directors, but does have the right to vote with respect to the Units which it owns.

The Board of Directors may employ a Managing Agent to act in its behalf in the performance of its duties. Presently the Board has retained Great Northern Management, Inc. to act as the Managing Agent.

The Board of Directors elects the officers of the Unit Owners' Association. The officers are a President, Clerk and Treasurer, and any other officers the Directors may deem necessary. The President must be a Director.

The operation of the Unit Owners' Association is governed by the By-Laws. The By-Laws are recorded in the Hillsborough County Registry of Deeds along with the Declaration at the time the Condominium is created. In addition to provisions for a Board of Directors, Managing Agents and officers as discussed above, the By-Laws provide for: annual and special meetings; common expense assessments; insurance; restrictions on the use of units and Common Area; upkeep and repair of the leased land, common areas of the buildings and recreational facilities; and numerous other matters affecting the occupancy and operation of the Condominium. A copy of the By-Laws is attached as Exhibit B to the Declaration.

The By-Laws may be amended by agreement of the Unit Owners of sixty-seven percent (67%) of the votes in the Unit Owners' Association, except that during the period when the Declarant

controls the Board of Directors, no amendment which affects the Declarant's right to control the Board of Directors may be made without the Declarant's approval.

13. RESTRICTIONS ON TRANSFER:

The Declarant is not reserving any rights of first refusal or limitations on leasing or other restraints on free alienability of the Condominium units. Purchaser is directed to Article VIII of the Condominium By-Laws (Exhibit 1) concerning "Sales, Leases and Alienation of Units" for further details. Purchaser should also note that a minimum initial term of six (6) months is required for all leases. A Unit Owner may not separate the ownership of the Unit from his interest in land, i.e. he must sell or assign his interest in the land simultaneously with his sale of the Unit.

14. FINANCIAL MATTERS:

In addition to the purchase price, the initial fees or charges which the purchaser is required to pay at the closing are:

(1) A prorated monthly assessment of the common expenses plus an initial payment equal to two (2) months' common assessment (based on the original monthly assessment) to establish a working capital fund that and a \$100.00 payment to the Association's capital reserve fund;

(2) The purchaser's prorated share of current real estate taxes;

(3) Where the Purchaser has elected to be assigned a proportionate leasehold interest in the land, a prorated share of the rent due to Whitestone Realty Associates under the ground lease (Exhibit D to the Declaration).

(4) Documentary stamps required to be affixed to the deed;

(5) Recording fees for the deed;

(6) Costs of settlement charges by purchaser's mortgagee if purchaser's unit is to be mortgaged;

(7) Utility deposits apportioned to the unit which may be required by the utility company; and

(8) Purchaser's own attorney's fees.

The purchaser, along with all other Unit Owners, is required to pay the recurring Condominium Unit Owners' Association assessment as set forth in Paragraph 9 above. The purchaser is also responsible for his/her own utility charges, mortgage payments, land rent and real estate taxes on his Unit and his 1/288th interest in the land (whether owned or pursuant to the Lease).

Declarant does not finance the sale of units. Although Fleet Bank NH Has indicated a willingness to finance units in the Condominium such interest may end at any time and the Declarant has not acquired any commitments for the placement of permanent mortgage loans for the Condominium units and Declarant assumes no responsibility for assisting the purchaser in acquiring financing or for procuring financing for the purchaser.

15. INSURANCE:

Article VI of the By-Laws sets forth in detail the various insurance requirements for the Condominium. As part of the monthly assessment, Unit Owners contribute to the premium charged for the Association's master or blanket fire insurance policy with standard extended coverage endorsement, vandalism and malicious mischief endorsements insuring all buildings in the Condominium, including all portions of the interior as are for insurance purposes normally deemed to constitute part of the building and customarily covered by such insurance. In addition, the Association purchases public liability insurance for bodily injury and property damage occurring on the Common Area only (not on or within units or Limited Common Area serving individual units). Each Unit Owner should purchase, at his own expense, additional insurance for improvements or betterments to a unit, as well as a Tenant Homeowner's Policy or its equivalent to insure against loss or damage to personal property used or incidental to the occupancy of the unit, additional living expense, vandalism, or malicious mischief, theft, personal liability and the like.

16. LITIGATION:

The Declarant is unaware of the existence of any legal proceeding against the Condominium Association which may affect the financial status of the Condominium. The Declarant is, however, a defendant in a lawsuit brought in Hillsborough County Superior Court by a group of Unit Owners who allege that the Declarant and its agents failed to adequately disclose to them their responsibility under the lease to pay their proportionate share of the real estate taxes on the land. The plaintiffs seek rescission of their purchase and damages, or in the alternative, relief from their liability to pay the land taxes. The case was tried in March of 1994 and a decision has not yet been rendered by the Court. An adverse decision by the Court could have a

material adverse affect on the financial condition of the Declarant, but should not affect the ability of the Declarant to complete its obligations under Purchase and Sale Agreements as construction on all Units has been fully completed.

17. ESCROW OF DEPOSITS:

All deposits or down payments made pursuant to any purchase and sales agreement will be held in an escrow account until the transfer of title or default by the Declarant. The escrow agent is Houck and Hall, Inc., Realtors.

18. ACTUAL PAST EXPENDITURES ON REPAIRS, MAINTENANCE AND UPKEEP AND OPERATIONS:

The expenditures made by the Association on repairs, maintenance, upkeep and operation of the buildings and other improvements during the fiscal year ended June 30, 1993 are itemized in the financial statements of the Association prepared by Seelye & Schulz, Certified Public Accountants, which are attached as Exhibit 7.

19. STATEMENT OF PRESENT CONDITION OF STRUCTURAL COMPONENTS:

The Declarant states that the structural components and major utility installations in the Condominium are presently in generally good condition. Exhibit 8 to this Public Offering Statement provides a table of information concerning the structural components and utility installations, recent major repairs, and estimated replacement costs.

EXHIBIT 1

**DECLARATION OF CONDOMINIUM
KNIGHTSBRIDGE ARMS, A CONDOMINIUM**

Blackstone Realty Associates, a New Hampshire limited partnership, with a place of business at Caldwell Drive, Amherst, New Hampshire, hereinafter called the "Lessee-Declarant" or "Declarant", and Whitestone Realty Associates, a New Hampshire limited partnership with a place of business at Caldwell Drive, Amherst, New Hampshire, hereinafter called the "Lessor-Declarant", join in and execute this Declaration to satisfy the requirements of Section 10 of the New Hampshire Condominium Act hereby declare:

1. Submission and Declaration. The Lessee-Declarant, owner of a ninety-nine (99) year leasehold interest, with an option to renew for one additional term of fifty (50) years, in the land described in Exhibit A hereto, and Lessor-Declarant, owner of the fee interest in such land, hereby submit the land, subject to the Lease, together with all buildings and improvements now existing or hereafter constructed thereon, and all easements, rights and appurtenances to said land, hereby submits said land and improvements to the provisions of the Condominium Act, New Hampshire Revised Statutes Annotated, Chapter 356-B (hereafter R.S.A. 356-B), and hereby creates with respect to said property, a condominium with a condominium form of ownership.

2. Definitions. As provided in R.S.A. 356-B:12 (I) terms shall have the meanings specified in R.S.A. 356-B:3, except as defined in this paragraph, in the By-Laws or in the Plans.

(a) "By-Laws" means the by-laws of the Unit Owners' Association set out in Exhibit B to this Declaration attached hereto as a part hereof, as they may be amended from time to time.

(b) "Condominium Act" means New Hampshire Revised Statutes Annotated Chapter 356-B, as amended from time to time.

(c) "Eligible Mortgage Holder" means a holder of a first mortgage on a unit who has requested notice of certain matters as provided in Article X, Paragraph 2 of the By-Laws.

(d) "Eligible Insurer or Guarantor" means an insurer or governmental guarantor of a first mortgage who has requested notice of certain matters as provided in Article X, Paragraph 2 of the By-Laws.

(e) "Land" means the real property described in Exhibit A to this Declaration, attached hereto as a part hereof, in which Declarant holds a ninety-nine (99) year leasehold interest, together with all easements, rights and appurtenances but exclusive of all improvements.

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(f) "Lease" means the Lease dated June 1, 1988, between Whitestone Realty Associates and Blackstone Realty Associates, described in Exhibit D to this Declaration, attached hereto as a part hereof.

(g) "Owner" or "Unit Owner" means any Person who owns a condominium unit. No mortgagee shall be deemed to be an Owner or Unit Owner merely because of rights acquired under a mortgage.

(h) "Property" means the Land and all improvements now or hereafter constructed thereon.

(i) "Site Plan and Floor Plans" or "Plans" means the plans of the Property described herein and recorded herewith or to be subsequently recorded.

3. Statutory Requirements. Provisions required by Section 16, I of the Condominium Act:

(a) Name: This Condominium shall be known as "Knightsbridge Arms, A Condominium".

(b) Location: The Condominium is located off Blackstone Drive in the City of Nashua, Hillsborough County, State of New Hampshire.

(c) Description of Land: Exhibit A contains a legal description by metes and bounds of the Land submitted to the Condominium Act.

(d) Description of Units:

(i) Buildings. The Condominium includes twelve (12) residential buildings constructed between 1985 and 1987, containing a total of two hundred eighty-eight (288) units. The three-floor buildings are of wood-frame construction with partial brick veneer and vinyl siding. The Condominium will contain a maximum of two hundred eighty-eight (288) units. The buildings are, or will be, constructed at the location and with the dimensions shown on the Plans.

(ii) Units. Each of the units is hereby declared to be held in fee simple and may be retained, occupied, conveyed, transferred, encumbered, inherited or devised in the same manner as any other parcel of real property independent of the other individual units. The unit number of each unit and a statement of its location, dimensions, and the immediate Common Area to which it has access and all other data necessary for its proper identification are set forth in the Site Plan and Floor Plans to be recorded herewith.

(iii) Unit Boundaries. Each unit (which includes a garage) consists of the space within the following boundaries:

184020-0200

Horizontal Boundaries: The upper and lower (horizontal) boundaries of each unit shall be the following boundaries extended to an intersection with the vertical boundaries:

Upper Boundary: The unfinished interior surface of the ceiling.

Lower Boundary: The unfinished interior surface of the concrete slab or floor.

Vertical Boundaries: The perimeter (vertical) boundaries of each unit shall be the vertical plane of the interior surface of all walls bounding the unit extended to intersections with each other and with the upper and lower boundaries, together with the exterior unfinished surfaces of the window frames, doors and glass.

Each unit includes the portion of the building within the above boundaries and the space enclosed by the boundaries, except any Common Area described in paragraph 3(e) below which may be located therein. The finished interior of the floors, perimeter walls and ceilings of a unit consisting of, without limitation, all paint, paneling, wallpaper, rough flooring, finished flooring, carpeting, tiles, and any other materials constituting any part of the finishing materials and finished surfaces thereof are a part of each unit. The Owner of a unit owns the interior walls and partitions which are contained in his unit, and window and door glass, the entrance doors and windows frames (to the unfinished exterior surfaces thereof). The Owner of a unit does not own any pipes, wires, cables, chutes, flues, conduits, utility lines, ventilation or other ducts, bearing walls, bearing columns, or structural portions of the building running through that unit which are utilized for or serve more than one unit or serve any portion of the Common Area, or Limited Common Area and such items are a part of the Common Area. A unit does not include any balcony or porch serving that unit, all of which shall be Limited Common Area.

(e) Description of Common Area and Limited Common Area.

(i) Common Area consists of all of the Property other than the units and includes, without limitation, the following:

the leasehold interest Land together with the benefits and subject to the burdens of all easements and rights pertaining to the Land, as described in Exhibit A and including all improvements to the Land except the units;

the water supply, sewerage disposal, electrical, cable television, and telephone systems serving the Condominium to the extent such systems are located within the Property and are not owned by the supplier of the utility service (but not including any portions thereof contained within, and serving, only a single unit, which portions shall be a part of the unit);

the detached garages, parking areas and recreational amenities;

the roofs, foundations, columns and supports of the buildings; the perimeter walls, ceilings and floors enclosing each unit to the interior surfaces thereof; and

the pipes, ducts, flues, chutes, conduits, plumbing, wires, meters, meter housings and other facilities for the furnishing of utility services or waste removal not located within a unit and such facilities located within a unit, which serve parts of the Condominium other than the unit within which they are located.

(ii) Limited Common Areas. Certain areas are delineated on the Plans as Limited Common Area or are hereafter designated as Limited Common Area, each such area being reserved for the exclusive use of the unit to which it is adjacent. The rear decks and balconies adjacent to units and the detached garages, as more particularly shown on the Site Plan, and the leasehold interest land on which they are situated are Limited Common Area to the units served by them. Any Limited Common Area not specifically designated with a Unit Number on the Plans is Limited Common Area to the unit to which it is contiguous. Each Limited Common Area is owned in common by the Owners, but it is restricted to the use and benefit of the unit which it serves. Limited Common Area may not be reassigned.

(f) Additional Assignment of Common Area as Limited Common Area. No Common Area will subsequently be assigned as Limited Common Area.

(g) Allocation of Undivided Interests. The undivided interest in the Common Area of each unit is based on an assigned value as set forth in Exhibit C of the Declaration.

(h) Statement of Purposes and Restrictions as to Use. The Condominium and each of the units are intended for residential use and the following provisions, together with the provisions of the By-Laws, are in furtherance of that intent:

(i) Residential Use. Each unit shall be occupied and used only for residential purposes by the Owner and his family or by tenants, guests, invitees or licensees of the Owner, or by the Owner or tenant, except for such limited

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professional use as the Board of Directors, upon application of the Owner, from time to time may authorize as not being incompatible with the residential character of the Condominium as long as such use does not contravene the City of Nashua ordinances and regulations. No commercial or business use of any kind may be made of the units or Common Area. This restriction shall not be construed to prohibit Owners from leasing their units so long as the lessees thereof occupy and use the leased premises in accordance with the provisions of this Declaration and the By-Laws and so long as any lease is in writing, has a minimum initial term of six (6) months, and renewal terms of not less than thirty (30) days, and a copy thereof is filed with the Unit Owners' Association.

The Common Area shall be used only by the Owners and tenants in residence and their guests, invitees and licensees. Limited Common Area shall be used only by the Owners and tenants in residence and their guests, invitees and licensee of the units to which the Limited Common Area is assigned. The manner of use, charges or fees for said use, and the responsibilities for maintenance and repair of the Common Area and the Limited Common Area shall be governed by the By-Laws and by any rules adopted by the Board of Directors, as such By-Laws and rules may be amended.

Common Area includes Limited Common Areas and all Unit Owners own an undivided interest in the Common and Limited Common Areas, although Limited Common Areas are reserved for the exclusive use of Owners of units to which such Limited Common Areas are assigned.

(ii) Easement to Facilitate Completion and Sales. The Declarant as the Owner of all units which have not been sold and its duly authorized agents, representatives and assigns may make such reasonable use of the Condominium as may facilitate the completion of any construction and such sale, including without limiting the generality of the foregoing, the right to enter all units and Common Area for repairing and remodeling purposes, and the right to store materials, the maintenance of a sales office and a rental office, the showing of property and the displaying of signs. In addition, the Declarant and its duly authorized agents, representatives and employees shall have the right to use any and all unsold unit or units as sales offices and/or model units. Such units shall be units within the meaning of this Declaration and the Condominium Act and not parts of the Common Area. The Declarant shall have the absolute right to enter into certain agreements with other Unit Owners who may agree to lease their units to the Declarant for use by the Declarant as model units and/or sales offices.

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(iii) Easements for Structural Encroachments. None of the rights and obligations of the Owners created herein, or in any deed conveying a unit from the Declarant to a purchaser shall be altered in any way by encroachments as a result or due to settling or shifting of structures. There shall be valid easements for the maintenance of such encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful conduct of said Owner or Owners.

(iv) Pipes, Ducts, Cables, Wires, Conduits, Public Utility Lines and other Common Area Located Inside of Units; Support. Each Unit Owner shall have an easement in common with the Owners of all other units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Area serving such other units or the Common Area and located in such unit. The Board of Directors shall have a right of access to each unit to inspect the same, to correct violations of the Rules or By-Laws and to maintain, repair or replace the Common Area contained therein or elsewhere in the buildings. Every portion of a unit which contributes to the structural support of a building shall be burdened with an easement of structural support for the benefit of all other units and the Common Area.

(v) Units Subject to Declaration, By-Laws and Rules and Regulations. This Declaration, the By-Laws, any rules and regulations adopted by the Board of Directors, and decisions and resolutions of the Board of Directors or its representatives, as amended from time to time, all contain, or will contain certain restrictions as to use of the units and other parts of the Condominium. Each Owner shall comply therewith and failure to comply with any such provision, decision or resolution shall be grounds for an action to recover sums due, for damages or for injunction relief. All such actions in law or at equity shall be authorized by resolution of the Board of Directors and the Condominium Unit Owners' Association shall be entitled to recover all reasonable costs and expenses of such actions including attorneys' fees.

All present or future Owners, tenants and occupants of units, or any other person who might use the facilities of the Property in any manner are subject to the provisions of this Declaration, the By-Laws and the rules. The acceptance or the entering into occupancy of any unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules, as they may be lawfully amended from time to time, are accepted and ratified by such Owner, tenant or occupant and all of such provisions shall be deemed and taken to be enforceable servitudes and covenants running with the land and shall bind any person having at any time any interest or estate in such unit as though such provisions were recited and stipulated at length in each and every deed of conveyance or lease thereof.

(vi) Condominium Subject to Easements for Ingress and Egress and Use. Each Unit Owner shall have an easement in common with the Owners of all other units for ingress and egress through, and use and enjoyment of, all Common Area so long as such use is in accordance with this Declaration and By-Laws. Each unit shall be subject to an easement for ingress and egress through, and use and enjoyment of, all Common Area so long as such use is in accordance with this Declaration and By-Laws.

(vii) No Subdivision or Partition. No unit may be divided or subdivided into a smaller unit; no unit or portion thereof shall be added to or incorporated into another unit. The Common Area shall remain undivided and no Unit Owner or any other person shall bring any actions for partition or division thereof; nor shall the Common Area be abandoned by act or omission, unless the Condominium shall be terminated pursuant to the Condominium Act and the provisions hereof.

(viii) No Harmful or Offensive Use of Condominium. No harmful or offensive use shall be made of any part of the Condominium and nothing shall be done therein which is or will become in the judgment of the Board of Directors an annoyance or nuisance to the other Unit Owners. No use shall be made of any part of the Condominium which will constitute a fire hazard, result in the cancellation of insurance on any part of the Condominium or be in violation of any law, ordinance or governmental regulation applicable thereto. No use shall be made of any part of the Condominium which would increase the rate of insurance on the Common Area without prior written consent of the Board of Directors.

(i) Determination of Action following Casualty Damage. In the event of damage to any portion of the Condominium by fire or other casualty, the proceeds of the master casualty policy shall, pursuant to Section 43, III of the Condominium Act, be used to repair, replace or restore the structure or Common Area damaged, unless the Unit Owners vote to terminate the Condominium pursuant to Section 34 of the Condominium Act and such vote is consented to by the first mortgages as provided in paragraph 7 hereof. The Board of Directors is hereby irrevocably appointed the agent for each Unit Owner, for each mortgagee of a unit and for each Owner of any other interest in the Condominium to adjust all claims resulting from such damage and to deliver releases upon the payment of claims; provided, however, that proceeds of insurance shall be payable and paid, not to the Board of Directors, but to a national or State of New Hampshire chartered banking institution as trustee for the benefit of the Unit Owners' Association, the Unit Owners or any mortgagees as their interests may appear. The procedure for reconstruction and repair is set forth in Article VII of the By-Laws.

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4. Amendment of Declaration. Except as otherwise provided in the Condominium Act and herein, this Declaration may be amended by the vote of at least sixty-seven percent (67%) of the percentage of common interest owned by all Unit Owners, cast in person or by proxy at a meeting held in accordance with the provisions of the By-Laws; provided, however, that:

(a) no such amendment shall be effective until evidence thereof has been duly recorded at said Hillsborough County Registry of Deeds pursuant to Section 34, IV of the Condominium Act;

(b) so long as the Declarant owns one or more units, no amendment to the Declaration shall be adopted that could interfere with the construction, sale, lease or other disposition of such unit(s) by Declarant; and

(c) no such amendment shall be contrary to the provisions of the Condominium Act.

5. Leasehold Condominium:

(a) Each Unit Owner shall pay his share of the annual rent under the Lease monthly, in advance, to Whitestone Realty Associates at Caldwell Drive, Amherst, New Hampshire, or at such other address as may be designated by the Lessor-Declarant from time to time.

(b) Any Unit Owner who makes timely payment of his share of the rent to the Lessor-Declarant and who otherwise complies with all covenants which, if violated, would entitle the Lessor to terminate the Lease, shall not have the Lease terminated with respect to his unit. Nothing herein shall limit the right of the Lessor-Declarant to terminate the Lease with respect to any units for which the rent is not timely paid or whose Owners do not comply with the covenants contained in the Lease.

(c) Date on which Lease is due to expire: May 31, 2087, subject to right of renewal for fifty (50) years.

(d) The improvements upon the Land described in Exhibit A are owned by the Unit Owners during the term of the Lease but upon expiration of the Lease or any renewal thereof title to the improvements rests in the Lessor-Declarant. (See Exhibit D, Section 19.)

(e) The Unit Owners have no right to redeem the reversionary interest of the Lessor.

(f) Each Unit Owner has an option to purchase in fee simple the proportionate, undivided interest in the leased land appurtenant to his or her unit at certain times and under certain terms and conditions as provided in Section 24 of the Lease (see Exhibit D).

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6. No Revocation or Partition. The Common Area shall remain undivided and no Unit Owner or any other Person shall bring any action for partition or division thereof, nor shall the Common Area be abandoned by act or omission, unless the Condominium is terminated pursuant to Section 34 of the Condominium Act.

7. Consent of First Mortgagees. Notwithstanding any other provision of this Declaration, the By-Laws or the rules, unless the mortgagees holding mortgages recorded at the Hillsborough County Registry of Deeds constituting first liens on the units to which at least seventy-five percent (75%) of the undivided interest appertains have given their prior written approval, the Owners, the Unit Owners' Association and Board of Directors shall not be entitled to:

(a) By act or omission to seek to abandon or terminate the Condominium.

(b) Change the pro rata interest or obligations of any unit:

(i) for the purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards; or

(ii) for determining the undivided percentage interest of each unit in the Common Area (except as permitted by Section 23 of the Condominium Act).

(c) Partition or subdivide any unit.

(d) Seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area by the Condominium shall not be deemed a transfer within the meaning of this clause.)

(e) Use hazard insurance proceeds for losses to any condominium property (whether to units or Common Areas) for other than the repair, replacement or reconstruction of such condominium property.

The consent of fifty-one percent (51%) of the mortgagees is required to enact certain other amendments or modifications to this Declaration or the By-Laws as set forth in Article IX, Section 4 of the By-Laws to which reference is made.

8. Priority of First Mortgages. No provision of this Declaration, the By-Laws, or the Rules shall be construed to grant to any Unit Owner, or to any other party, any priority over any rights of first mortgagees of the Condominium units pursuant to their first mortgages in the case of the distribution to Unit Owners of insurance proceeds or condemnation awards for losses to, or a taking of, units and/or the Common Area or any portions thereof.

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9. Condemnation. The rights of Unit Owners in the event of a total or partial taking by eminent domain shall be governed by Section 6 of the Condominium Act and the Lease. In the event of a taking or acquisition of part or all of the Common Areas by a condemning authority, the award or proceeds of settlement on account of the leasehold interest shall be payable to the Unit Owners for their use and benefit and their mortgagees as their interests may appear in accordance with the provisions of said Section 6 and the Lease. The Unit Owners' Association shall represent the Unit Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authorities for acquisition of the Common Areas or any part thereof and the Unit Owners' Association is hereby appointed Attorney-in-Fact for each Unit Owner for such purpose.

10. Invalidity. It is the intention of the Declarant that the provisions of this Declaration are severable so that if any provision, condition, covenant, or restriction hereof shall be invalid or void under any applicable federal, state or local law or ordinance, the remainder shall be unaffected thereby. In the event that any provision, condition, covenant or restriction hereof is, at the time of recording of this Declaration, void, voidable or unenforceable as being contrary to any applicable law or ordinance, the Declarant, its successors and assigns and all persons claiming by, through or under this Declaration covenant and agree that any future amendments or supplements to the said laws having the effect of removing said invalidity, voidability or unenforceability, shall be deemed to apply retrospectively to this Declaration thereby operating to validate the provisions of this instrument which otherwise might be invalid and it is covenanted and agreed that any such amendments and supplements to the said laws shall have the effect herein declared as fully as if they had been in effect at the time of this instrument.

11. Waiver. No provision contained in this Declaration shall be deemed to have been waived by reason of any failure to enforce the same irrespective of the number of prior violations which may have occurred.

12. Gender and Number. The use of the masculine gender herein shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, Lessee-Declarant, Blackstone Realty Associates, and Lessor-Declarant, Whitestone Realty Associates, have caused this Declaration to be executed by their duly authorized representatives this 21 day of June, 1988.

WITNESS:

BLACKSTONE REALTY ASSOCIATES

Neil P. Quinn

By: Edward H. Fillmore Price
Edward H. Fillmore, President of
JEF, Inc., General Partner

REC-01
JUN 21 1988

STATE OF NEW HAMPSHIRE
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this 21 day of June, 1988, by Edward H. Fillmore, President of JEF, Inc., General Partner of Blackstone Realty Associates, a New Hampshire limited partnership, on behalf of the partnership.

Nail P. Quinn
Justice of the Peace/~~Notary Public~~

WITNESS:

WHITESTONE REALTY ASSOCIATES

Nail P. Quinn

By: *Edward H. Fillmore Pres.*
Edward H. Fillmore, President of
EHF, Inc., General Partner

STATE OF NEW HAMPSHIRE
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this 21 day of June, 1988, by Edward H. Fillmore, President of EHF, Inc., General Partner of Whitestone Realty Associates, a New Hampshire limited partnership, on behalf of the partnership.

Nail P. Quinn
Justice of the Peace/~~Notary Public~~

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EXHIBIT A

DESCRIPTION OF PREMISES

KNIGHTSBRIDGE ARMS CONDOMINIUM

A certain tract or parcel of land situate in the City of Nashua, County of Hillsborough, State of New Hampshire, being shown as Lot 25 on a plan entitled "Corrective Subdivision Plan, Amherst Street, Nashua, New Hampshire" prepared for Jade Realty by Allan H. Swanson, Inc., dated September 5, 1986, recorded with the Hillsborough County Registry of Deeds as Plan No. 19686, more particularly bounded and described as follows:

Beginning at a point on the westerly side of Blackstone Drive, being the northeasterly corner of a Sewer Easement shown on said plan, thence

1. North 72° 15' 00" West a distance of 15.00 feet to a concrete bound; thence
2. North 44° 17' 03" West a distance of 368.35 feet along land now or formerly of Cadorette to a concrete bound; thence
3. South 50° 42' 34" West a distance of 199.49 feet to a concrete bound; thence
4. North 44° 13' 16" West a distance of 303.26 feet along land now or formerly of Rollins to a concrete bound; thence
5. North 25° 24' 53" East a distance of 1,181.44 feet along land now or formerly of Nim-Cor, Inc. to a concrete bound in the thread of the Pennichuck Brook, so-called; thence
6. In a generally easterly and southeasterly direction along the thread of the Pennichuck Brook a distance of 1,339 feet, more or less, to a point; thence
7. South 58° 20' 26" West along Lot 519 a distance of 616 feet, more or less, to a point; thence
8. South 24° 55' 52" East continuing along said Lot 519 a distance of 123.78 feet to a point; thence
9. Along a curve to the left having a radius of 60.00 feet and a length of 102.95 feet along Blackstone Drive to a point; thence
10. Continuing along Blackstone Drive along a curve to the left having a radius of 475.00 feet and a length of 81.94 feet to a point; thence
11. Continuing along Blackstone Drive along a curve to the left having a radius of 60.00 feet and a length of 100.76 feet to a point; thence

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12. Continuing along Blackstone Drive along a curve to the right having a radius of 30.00 feet and a length of 43.86 feet to a point; thence
13. Continuing along Blackstone Drive along a curve to the left having a radius of 385.00 feet and a length of 56.12 feet to the point of beginning.

Said Lot containing 23.50 acres, according to the plan.

The above described premises are subject to:

- A. The provisions of a "Declaration of Easement" entered into by Jade Realty Corporation and recorded at Book 3323, Page 527 at the Hillsborough County Registry of Deeds.
- B. A Conservation Easement granted to the Conservation Commission of the City of Nashua recorded in the Hillsborough County Registry of Deeds at Book 2677, Page 55.
- C. A Sewer Easement for the benefit of the City of Nashua, as shown on Plan No. 19686, referred to above.

Meaning and intending to describe the same premises conveyed to Whitestone Realty Associates by deed of Edward H. Fillmore and JoAnn D. Fillmore, dated April 1, 1988 and recorded in the Hillsborough County Registry of Deeds.

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EXHIBIT B

BY-LAWS OF

KNIGHTSBRIDGE ARMS, A CONDOMINIUM

ARTICLE I

PLAN OF UNIT OWNERSHIP

1. Purpose. The administration of the Condominium shall be governed by these By-Laws which are annexed to the Declaration of Knightsbridge Arms, A Condominium and are made a part thereof, and all present and future holders of any interest in the Condominium shall hold said interest subject to these By-Laws as well as to the Declaration and the Rules promulgated hereunder.

2. Definitions. Terms not defined herein or in the Declaration shall have the meanings specified in Section 3 of the Condominium Act.

3. By-Laws' Applicability. The provisions of these By-Laws are applicable to the Property, and the use, occupancy, sale, lease or other transfer thereof. All present and future owners, tenants, future tenants, their guests, licensees, servants, agents, employees and any other person who shall use the Condominium, shall be subject to these By-Laws and to the Rules of the Condominium. The acceptance of a deed of conveyance or the entering into a lease or the act of occupancy of a Unit or any other portion of the Condominium shall constitute an acknowledgment that such owner, tenant or occupant has accepted and ratified these By-Laws, the provisions of the Declaration and the Rules and will comply with them.

4. Office. The office of the Condominium and of the Board of Directors shall be located at the Condominium or at such other place as may be designated from time to time by the Board of Directors. The address of the Condominium is: Blackstone Drive, Nashua, New Hampshire.

ARTICLE II

UNIT OWNERS' ASSOCIATION

1. Composition. All of the Unit Owners, acting as a group in accordance with the Condominium Act, the Declaration and these By-Laws, shall constitute the "Unit Owners' Association" which shall have the responsibility of administering the Condominium, establishing the means and methods of collecting the assessments for Common Expenses, arranging for the management of the Condominium, and performing all of the acts that may be required to be performed by the Unit Owners' Association by the Condominium Act. Except as to those matters which the Act specifically requires to be performed by the vote of the Unit Owners, the administration of the Condominium shall be performed by the Board of Directors (as more particularly set forth in Article III).

2. Voting. Each Unit which has been conveyed or rented by the Declarant shall be entitled to the number of votes equal to the Percentage Interest assigned to such Unit in the Declaration. Since a Unit Owner may be more than one person, if only one of such persons is present at a meeting of the Association that person shall be entitled to cast the votes appertaining to that Unit. But if more than one of such persons is present, the vote appertaining to that Unit shall be cast only in accordance with the agreement of a majority of them, and such consent shall be conclusively presumed if any one of them purports to cast the vote appertaining to that Unit without protest being made forthwith by any of the others to the person presiding over the meeting. As applied to a person which is not a natural person, the word "person" shall be deemed for the purposes of this Section to include, without limitation any one natural person having authority to execute deeds on behalf of such person which is not a natural person and which is, either alone or in conjunction with another person or persons, a Unit Owner. Except where a greater number is required by the Condominium Act, the Declaration, or these By-Laws, a majority of the votes of Unit Owners present, in good standing and entitled to vote is required to adopt decisions at any meeting of the Unit Owners' Association. If the Declarant owns or holds title to one or more Condominium Units, the Declarant shall have the right at any meeting of the Unit Owners' Association to cast the votes to which such Units are entitled.

3. Place of Meeting. Meetings of the Unit Owner's Association shall be held at the principal office of the Condominium or at such other suitable place as may be designated by the Board of Directors and stated in the notice of meeting.

4. Annual Meeting. Meetings of the Unit Owner's Association shall be held on April 1 of each year, or on such other date within a thirty (30) day period prior to or subsequent from such date, as may be designated by the Board of Directors and reflected in the notice provided for in Paragraph 6 below. At such annual meetings the Board of Directors shall be elected by ballot of the Owners in accordance with the requirements of Article III. Provided, however, that until two (2) years after the recordation of the Declaration or until Units to which three-fourths (3/4) of the undivided interest in the common area appertain have been conveyed by the Declarant, whichever occurs first, the Declarant shall be entitled to elect all of the members of the Board of Directors. The Association may transact such other business as may properly come before them at such meetings.

5. Special Meetings.

(a) Transfer of Control by Declarant. Promptly after Units representing seventy-five percent (75%) or more of the undivided interest in common area have been conveyed by Declarant, but in no event later than two (2) years after the formation of the Association by the recordation of the Declaration, the Declarant shall notify the Unit Owners thereof and shall call a special meeting of the Unit Owners. Notice of such meeting shall be given in accordance with the provisions of Section 6 of this Article II. At such meeting the persons

designated by the Declarant shall resign as members of the Board of Directors, and all of the Owners, including the Declarant if the Declarant owns any Unit or Units, shall elect a new Board of Directors.

(b) Other Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners' Association if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Clerk by Owners having not less than thirty percent (30%) of the votes of all Owners. The notice of any special meeting shall set forth the purpose thereof and no business shall be transacted at a special meeting except as stated in the notice.

6. Notice of Meeting. It shall be the duty of the Clerk to mail, by United States mail, return receipt requested, a notice of each annual meeting or special meeting, at least twenty-one (21) days in advance of such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Owner of record, at the address of their respective Units and at such other address as each Owner may have designated by notice in writing to the Clerk; provided, however, that such notice may be hand delivered by the Clerk or Manager, if the Clerk or Manager obtains a receipt of acceptance of such notice from the Unit Owner.

7. Voting Requirements. An Owner shall be deemed to be in good standing and entitled to vote at any annual meeting or at any special meeting of the Unit Owners' Association if and only if he shall have fully paid all assessments made or levied and due against him and his Condominium Unit by the Board of Directors as hereinafter provided, together with all interest, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to him and against his Condominium unit, at least three (3) days prior to the date fixed for such annual or special meeting.

8. Proxies. The vote appertaining to any Unit may be cast pursuant to a proxy executed by or on behalf of the Unit Owner or, where the Unit Owner is more than one person, by or on behalf of all such persons. The validity and revocation of proxies is governed by Section 39, IV of the Condominium Act as the same may be amended from time to time.

9. Quorum. A quorum shall be deemed to be present throughout any meeting of the Unit Owners, until adjourned, if persons entitled to cast more than thirty-three and one-third percent (33 1/3%) of the total votes are present at the beginning of such meeting.

10. Order of Business. The order of business at all meetings of the Unit Owners' Association may be as follows:

- (a) roll call;
- (b) recitation of proof of notice of meeting;
- (c) reading of minutes of preceding meeting;

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- (d) reports of officers;
- (e) report of Board of Directors;
- (f) reports of committees;
- (g) election of directors, if applicable;
- (h) unfinished business; and
- (i) new business any of which may be waived.

11. Conduct of Meeting. The President, or his designated alternative, shall preside over all meetings of the Unit Owners' Association and the Clerk shall keep the minutes of the meeting and shall record all transactions occurring and all resolutions adopted at the meeting. Roberts Rules of Order shall govern the conduct of all meetings of the Unit Owners' Association when not in conflict with the Declaration, these By-Laws or the Condominium Act.

ARTICLE III

BOARD OF DIRECTORS

1. Powers and Duties. The affairs and business of the condominium shall be managed by a Board of Directors (sometimes hereinafter referred to as the "Board") which shall have all of the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things as are not by the Condominium Act or by these By-Laws directed to be exercised and done by the Unit Owners' Association. The Board of Directors shall have the power from time to time to adopt any Rules deemed necessary for the enjoyment of the Condominium provided that such Rules shall not be in conflict with the Condominium Act, the Declaration or these By-Laws. The Board of Directors may delegate to one of its members the authority to act on behalf of the Board of Directors on all matters which might arise between meetings of the Board of Directors. In addition to the general duties imposed by these By-Laws, the Board of Directors shall have the power to, and be responsible for, the following:

(a) Preparation of an annual budget, in which there shall be established the assessment of each Owner for the Common Expenses.

(b) Making assessments against Owners to defray the Common Expenses of the Condominium, establishing the means and methods of collecting such assessments from the Owners, collecting said assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to carry out the administration of the Property. Unless otherwise determined by the Board of Directors, the annual assessments against each Owner for his proportionate share of the Common

Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month.

(c) Providing for the compliance by the Unit Owners' Association with all terms, covenants and provisions of the Lease and for the operation, care, upkeep, replacement and maintenance of all of the Common Area and services of the Condominium, including but not limited to trash collection, snow removal, and hydrant clearance from the Common Area, water, electrical, gas, telephone and any other necessary utility service for the Common Area.

(d) Designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the Common Area, and providing services for the Property, and where appropriate, providing for the compensation of such personnel and for the purchase or use of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment, if purchased, shall be deemed the common property of the Owners.

(e) Making and amending Rules respecting the use of the Property and enforcing the provisions of the Declaration, these By-Laws and such Rules, and bringing any proceedings which may be instituted on behalf of the Owners.

(f) Obtaining and maintaining insurance against casualties and liabilities, as provided in Article VI of these By-Laws, and paying the premiums therefore and making, or contracting for the making of, repairs, additions, and improvements to, or alterations to the Property and repairs to and restoration of, the Property, in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty.

(g) Maintaining books of account showing the receipts and expenditures of the Unit Owners' Association.

(h) Obtaining an audited financial statement within one hundred twenty (120) days of the end of each fiscal year.

(i) To do such other things and acts not inconsistent with the Condominium Act or with the Declaration which it may be authorized to do by a resolution of the Unit Owners' Association.

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2. Managing Agent. The Board of Directors may employ, or contract with, a professional manager or management firm ("Manager") for a fee or compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize, including, but not limited to, the duties listed in Section 1 of this Article III. The Board of Directors may delegate to the Manager all of the powers granted to the Board of Directors by these By-Laws; provided that any actions by the Manager with respect to the powers set forth in paragraph (b) of Section 1 of this Article III shall require the written consent of the Board of Directors. The term of any employment contract for a Manager may not exceed two (2)

years, and any such employment contract shall provide, inter alia, that such agreement may be terminated without penalty and without cause upon no more than ninety (90) days written notice. The Unit Owners' Association and the Board of Directors shall retain a Manager when requested to do so by Eligible Mortgage Holders or Eligible Insurers or Guarantors holding, insuring or guaranteeing mortgages on Units which have at least fifty-one percent (51%) of the votes of the Units subject to such mortgages and when a Manager has been so required, any decision to reestablish self management by the Unit Owners' Association shall require the prior consent of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Unit Owners' Association are allocated and the approval of Eligible Mortgage Holders holding mortgages on Units which have at least fifty-one percent (51%) of the votes of the Units subject to such mortgages.

3. Number of Directors and Initial Selection of Board. The Board of Directors shall be composed of five (5) to nine (9) persons. Until the election of the Board of Directors takes place at the first annual meeting of the Unit Owners' Association, as provided in Section 5 of Article II, the Board of Directors shall consist of such persons as shall have been designated by the Declarant. Thereafter, anything in these By-Laws to the contrary notwithstanding, until two (2) years after the date of recordation of this Declaration in the Hillsborough County Registry of Deeds, or until Units to which three-fourths (3/4ths) of the undivided interests in the common area appertain have been conveyed by the Declarant, whichever first occurs, the members of the Board of Directors shall be selected and designated by the Declarant. The Declarant shall have the right in its sole discretion to replace such Directors as may be so selected and designated by it, and to select and designate their successors. The Declarant may relinquish its rights hereunder at any prior time. Directors shall consist only of Owners or spouses of Owners, or, where a Person which is an Owner is not a natural person, any natural person having authority to execute deeds in behalf of such person.

4. Election and Term of Office. At the first annual meeting of the Unit Owners' Association five (5) to nine (9) directors shall be elected. The term in office of two (2) directors shall expire at the second annual meeting, the term in office of two (2) directors shall expire at the third annual meeting and the term in office of the remaining director(s) shall expire at the fourth annual meeting, subject to the provisions of Section 3 above. At the expiration of the initial term of office of each director, his successor shall be elected to serve a term of three (3) years and each director shall hold office until his successor has been elected.

5. Organization Meeting. The first meeting of the members of the Board of Directors following the annual meeting of the Unit Owners' Association shall be held within ten (10) days after the annual meeting at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present thereat.

6. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least two (2) such meetings shall be held during each twelve (12) month period after the annual meeting of the Unit Owners' Association. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or telegraph, at least five (5) business days prior to the day named for such meeting, except that no notice shall be required for a regular meeting held immediately after, and at the same place as the annual meeting of the Association.

7. Special Meetings. Special meetings of the Board of Directors may be called by the President on five (5) business days' notice to each director. Such notice shall be given personally or by mail, telephone or telegraph, and such notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Clerk in like manner and on like notice on the written request of at least two (2) directors.

8. Waiver of Notice. Before or within ten (10) days after any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

9. Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

10. Vacancies. Vacancies in the Board of Directors caused by any reason other than removal of a director by a vote of the Unit Owners' Association shall be filled by vote of the majority of the remaining directors, at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy, even though the directors present at such meeting may constitute less than a quorum of the Board; and each person so elected shall be a director for the remainder of the term of the director so replaced; provided, however, that the vacancy of any director designated by the Declarant pursuant to a right of the declarant to make such designation shall be filled by the Declarant.

11. Removal of Directors. A director may be removed with or without cause, and his successor elected, at any duly called regular or special meeting of the Unit Owners' Association at which a quorum

is present, by an affirmative vote of two-thirds (2/3) of the votes represented and voting. Any director whose removal has been proposed by the Owners shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof and an opportunity to be heard at the meeting. Notwithstanding anything in this Section to the contrary, no person selected and designated by the Declarant as a member of the Board of Directors may be removed without the consent of the Declarant and in such event the Declarant shall select and designate his successor.

12. Availability of Records. The Board of Directors shall make available to all Owners, mortgagees, and to insurers or guarantors of any mortgage on a Unit current copies of the Declaration, Bylaws, other Rules concerning the Condominium and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances. Any holder, insurer or guarantor of a mortgage on a Unit shall be entitled, within a reasonable time after written request to an audited financial statement for the immediately preceding fiscal year.

13. Licenses and Easements. The Board of Directors on behalf of the Unit Owners' Association and the individual Unit Owners shall have the power and authority to grant permits, licenses and easements over the Common Area for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of the Condominium. Each Unit Owner, by acceptance of the conveyance of a Unit and in consideration for an undivided Percentage Interest in the Common Area, and for the sole purpose set forth in this subparagraph 13, hereby grants to the Board of Directors, as the same may be constituted from time to time, an irrevocable power of attorney to execute any and all such permits, licenses and easements.

14. Compensation. No director shall receive any compensation from the Condominium for acting as such, but shall be entitled to reimbursement for any out of pocket expenses.

15. Conduct of Meetings. The President, or, in his absence, a president pro tem elected by the Board, shall preside over all meetings of the Board of Directors and the Clerk shall keep the minutes of the meetings of the Board of Directors recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings, which minutes shall be filed in the Record Book of the Condominium.

16. Report of Board of Directors. The Board of Directors shall present at each annual meeting, and when called for by vote of the Unit Owners' Association at any special meeting of the Association, a full and clear statement of the business and condition of the Condominium.

17. Fidelity Bonds. The Board of Directors shall require that all officers, directors, agents and employees of the Unit Owners' Association or of any Manager handling or responsible for funds furnish adequate fidelity bonds. The total amount of fidelity bond coverage shall be no less than the lesser of:

(a) the estimated maximum amount of funds, including reserve funds, in the custody of the Unit Owners' Association or the Manager at any given time during the term of the bond; or

(b) three (3) months aggregate assessments on all Units plus reserve funds. The premiums on such bonds shall constitute a Common Expense.

18. Dispensing with Vote. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

19. Liability of the Board of Directors. The members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the Directors from and against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Owners unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability (except as Owners) with respect to any contract made by them on behalf of the Owners, unless made in bad faith or due to willful misconduct or contrary to such provisions. It is also intended that the liability of any Owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportion of the total liability thereunder as his Unit's percentage of common interest bears to the total percentage of common interest of all Units. Every written agreement made by the Board of Directors or by the Manager on behalf of the Owners shall, if obtainable, provide that the members of the Board of Directors or the Manager, as the case may be, are acting only as agents for the Owners and shall have no personal liability thereunder (except as Owners), and that each Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his Unit's percentage of common interest bears to the total percentage of all Units. The Owners shall indemnify any person who was or is a party or is threatened to be made a party to any action, suit, or proceeding, whether or not based on contract, or by reason of the fact that he is or was a Director, or officer, for expenses (including attorneys' fees) judgments, fines and amounts paid in settlement incurred by him in connection with such action, suit or proceeding unless he acted in bad faith or was guilty of willful misconduct.

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ARTICLE IV

OFFICERS

1. Designation. The principal officers of the Condominium shall be a President, a Clerk, and a Treasurer, all of whom shall be elected by the Board. The Board may appoint assistants or such other officers as in its judgment may be necessary. With the exception of the President, no officer need be a member of the Board. The offices of Treasurer and Clerk may be held by the same person.

2. Election of Officers. The officers of the Condominium shall be elected annually by the Board at the organization meeting of each new Board and shall hold office at the pleasure of the Board. Any vacancy in an office shall be filled by the Board at a regular meeting or special meeting called for such purpose.

3. Removal of Officers. The officers shall hold office until their respective successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board, and his successor may be elected at any regular meeting of the Board of Directors, or any special meeting of the Board of Directors called for such purpose.

4. President. The President shall be the chief executive officer; he, or his designated alternate, shall preside at meetings of the Unit Owners' Association and, if present, at meetings of the Board of Directors, and shall be an ex officio member of all committees; he shall have general and active management of the business of the Condominium and shall see that all orders and resolutions of the Board are carried into effect. He shall have all of the general powers and duties which are usually vested in or incident to the office of President of a stock corporation organized under the laws of the State of New Hampshire.

5. Clerk. The Clerk, or his designated alternate, shall attend all meetings of the Board of Directors and all meetings of the Unit Owners' Association, shall record the minutes of all proceedings in the Record Book of the Condominium and shall perform like duties for committees when required. The clerk shall keep the Record Book current and in his custody. He shall give, or cause to be given, notice of all meetings of the Unit Owners' Association the Board and committees and shall perform such other duties as may be prescribed by the Board or President. The Clerk shall compile and keep current at the principal office of the Condominium, a complete list of the Owners and their last known post office addresses. This list shall be open to inspection by all Owners and other persons lawfully entitled to inspect the same, at reasonable hours during regular business days.

6. Treasurer. The Treasurer shall have the custody of all funds and securities that are not under the control of the Manager, and, with the assistance of the Manager, shall keep full and accurate records of receipts and disbursements, shall prepare all required

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financial data, and shall deposit all monies and other valuable personal property in such depositories as may be designated by the Board. He shall disburse funds as ordered by the Board, where possible taking proper vouchers for such disbursements, and shall render to the President and directors, at the regular meetings of the Board, or whenever they may require it, an account of all of his transactions as Treasurer and of the financial condition of the Condominium.

7. Agreements, Contracts, Deeds, Checks, Etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium for expenditures or obligations may be executed by any officer of the Condominium or by such other person or persons as may be designated by the Board of Directors.

8. Compensation of Officers. No officer shall receive any compensation from the Condominium for acting as such, but shall be entitled to reimbursement for any out-of-pocket expenses.

ARTICLE V

OPERATION OF THE PROPERTY

1. Determination of Common Expenses and Assessments Against Owners.

(a) Fiscal Year. The fiscal year of Condominium shall consist of the twelve (12) month period commencing on January 1 of each year and terminating on December 31 of the same year, except that the first fiscal year shall begin at the date of the organization and terminate on December 31. The fiscal year herein established shall be subject to change by the Board of Directors.

(b) Preparation and Approval of Budget. Each year the Board of Directors shall adopt a budget for the Condominium containing an estimate of the total amount which it considers necessary to pay the cost of Lease rent payments, maintenance, management, operation, repair and replacement of the Common Area and any parts of the units as to which it is the responsibility of the Board of Directors to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Condominium Act, the Declaration, these By-Laws or a resolution of the Unit Owners' Association, and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and rendering to the Owners of all related services. Such budget shall also include such reasonable reserves as the Board of Directors considers necessary to provide a general operating reserve, and reserves for contingencies and replacements. The Board of Directors shall make reasonable efforts to send to each Owner a copy of the budget, in a reasonably itemized form which sets forth the amount of the

Common Expenses payable by each Owner, at least fifteen (15) days in advance of the fiscal year to which the budget applies. The said budget shall constitute the basis for determining each Owner's contribution for the Common Expenses of the Condominium.

(c) Assessment and Payment of Common Expenses. The total amount of the estimated funds required for the operation of the Property set forth in the budget for the fiscal year adopted by the Board of Directors shall be assessed against the Owners of Units which have been conveyed by the Declarant as of January 1 of each fiscal year. Assessments shall be made against each Owner in proportion to the number of votes in the Unit Owners' Association appertaining to the Owner's Unit, and shall be a lien against each Owner's Condominium Unit when perfected in accordance with the Condominium Act. Within one hundred twenty (120) days after the end of each fiscal year, the Board of Directors shall supply to all Owners an audited financial statement. Any amount accumulated in excess of the amount required for actual expense and budgeted reserves shall, in the discretion of the Board of Directors, either be returned to the Owners in accordance with each Owner's votes in the Unit Owner's Association, be credited according to each Owner's votes in the Association to the next monthly installment due from Owners under the current fiscal year's budget, until exhausted, or be added to reserves. Any net shortage shall, if the Board of Directors deems it advisable, be added according to each Owner's votes in the Unit Owners' Association to the installments due in the succeeding six (6) months after the rendering of the accounting.

(d) Reserves. The Board of Directors shall build up and maintain an adequate operating reserve and reserve for replacement of the Common Area, which shall be funded by regular monthly payments, as provided for in subsection (c). At the end of each fiscal year, all funds accumulated during such year for reserves for replacement of Common Area shall be placed in a separate bank account, segregated from the general operating funds, and used only for such purposes. If for any reason, including nonpayment of any Owner's assessment, the reserves are inadequate, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Owners according to their respective votes in the Unit Owners' Association, and which may be payable in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall serve notice of any such further assessment on all Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment. All Owners shall be obligated to pay the adjusted monthly amount or, if the additional assessment is not payable in installments, the amount of such assessments.

(e) Working Capital Reserve. The Board of Directors shall establish a working capital fund equal to two (2) months' estimated common area charge for each Unit. Each Unit's contribution shall be collected at the time of conveyance of such Unit by the Declarant but not later than sixty (60) days after the conveyance of the first Unit in the Condominium, whichever occurs first. The Declarant shall be entitled to reimbursement for any assessment contributed by the Declarant from a Unit Owned at the time of conveyance of such Unit by the Declarant. The fund shall be maintained in a segregated account for the use and benefit of the Association of Owners.

(f) Initial Assessment. When the first Board of Directors takes office, it shall determine the budget, as defined in this section, for the period commencing upon the recordation of the Declaration at the Hillsborough County Registry of Deeds and ending on the last day of the fiscal year in which their election occurs. Assessments shall be levied against the Owners during said period as provided in paragraph (c) of this section. The Board of Directors may establish an initial operating reserve through special assessment of each Owner upon purchase of his Condominium Unit from the Declarant.

(g) Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Directors to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of an Owner's obligation to pay his allocable share of the Common Expenses as herein provided, whenever the same shall be determined, and in the absence of any annual budget or adjusted budget, each Owner shall continue to pay the monthly charge at the then existing monthly rate established for the previous fiscal period until a new annual or adjusted budget shall have been adopted.

2. Payment of Common Expenses. All Owners shall be obligated to pay the Common Expenses assessed by the Board of Directors pursuant to the provisions of Section 1 of this Article V. No Owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit. No Owner shall be liable for the payment of any part of the Common Expenses assessed against his Condominium Unit subsequent to a sale, transfer or other conveyance by him of such Condominium Unit. The purchaser of a Condominium Unit or a successor owner by virtue of such transfer or other conveyance shall be jointly and severally liable with the selling Owner for all unpaid assessments against the Unit Expenses up to the time of the conveyance, without prejudice to the purchaser's right to recover from the selling Owner the amount paid by the purchaser therefor; provided, however, that any such selling Owner or purchaser shall be entitled to a recordable statement from the Board of Directors or the Manager setting forth the amount of the unpaid assessments against the Unit and such purchaser shall not be liable for, nor shall the Condominium Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth; failure to furnish or make available such a statement within seven (7) days from

receipt of such request shall extinguish the lien for unpaid assessments. Payment of a fee of Ten Dollars (\$10.00) or the maximum allowable under the Condominium Act, whichever is greater, shall be required as a prerequisite for issuance of such a statement. If a mortgagee of a first mortgage of record or purchaser of a Condominium Unit obtains title to the Condominium Unit as a result of foreclosure of a first mortgage, or through the enforcement of any other remedies provided for in the mortgage, or by virtue of a deed in lieu of foreclosure, such mortgagee or purchaser, its successors and assigns shall not be subject to a lien for the payment of Common Expenses assessed prior to the acquisition of title to such Unit by such mortgagee or purchaser pursuant to the aforesaid remedies. Such unpaid share of Common Expenses assessed prior to the acquisition of title to such Unit by such mortgagee or purchaser pursuant to the aforesaid remedies shall be collectible from all Owners, including the purchaser or first mortgagee in proportion to their respective votes in the Unit Owners' Association.

3. Collection of Assessments. The Board of Directors shall take prompt action to collect any assessments for Common Expenses due from any Owner which remain unpaid for more than sixty (60) days from the due date for payment thereof.

4. Maintenance and Repair.

(a) By the Board of Directors. Except as otherwise provided in Section 4(b) below, the Board of Directors shall be responsible for the maintenance, repair and replacement (unless necessitated by the negligence, misuse or neglect of an Owner, or of a person gaining access with said Owner's actual or implied consent, in which case such expenses shall be charged to such Owner) of all the Common Area, whether located inside or outside of the Units, the costs of which shall be charged to all Owners as a Common Expense.

(b) By the Owner. Except for the portions of his Unit required to be maintained, repaired and replaced by the Board of Directors, each Owner shall be responsible for the maintenance, repair and replacement, at his own expense, of his Unit, and any part thereof, including but not limited to, any interior walls, finished interior surface of ceiling and floors; kitchen and bathroom fixtures and appliances, and those parts of the heating and air conditioning, plumbing and electrical systems which are wholly contained within his Unit and serve no other. Each Owner shall be responsible for performing the normal maintenance for any Limited Common Area which is appurtenant to his Unit, including keeping it in a clean and sanitary condition and free and clear of snow, ice and any accumulation of water, and shall make, at his own expense, all repairs thereto, beyond normal maintenance, caused or necessitated by his negligence, misuse or neglect. Each Owner shall keep the interior of his Unit and its equipment and appurtenances in good order and condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his Unit. In addition, each Owner shall be

responsible for all damage to any and all other Units or to the Common Area resulting from his failure to make any of the repairs required to be made by him in this section. Each Owner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other Owners. Each Owner shall promptly report to the Board of Directors, or the Manager, any defects or need for repairs for which the Board of Directors is responsible.

(c) Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation, and shall be of first class quality. The method of approving payment vouchers for all repairs and replacements shall be determined by the Board of Directors.

5. Additions, Alterations or Improvements by Board of Directors. Whenever in the judgment of the Board of Directors the Common Area shall require additions, alterations or improvements costing in excess of Five Thousand Dollars (\$5,000.00) during any period of twelve (12) consecutive months, and the making of such additions, alterations or improvements shall have been approved by Owners having a majority of the percentage of common interest, the Board of Directors shall proceed with such additions, alterations or improvements and shall assess all Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing Five Thousand Dollars (\$5,000.00) or less during any period of twelve (12) consecutive months may be made by the Board of Directors without approval of the Owners and the cost thereof shall constitute part of the common expense. Notwithstanding the foregoing, if in the opinion of not less than eighty percent (80%) of the members of the Board of Directors such additions, alterations or improvements are exclusively or substantially exclusively for the benefit of an Owner of a limited number of Owners requesting the same, such requesting Owners shall be assessed therefor in such proportion as they jointly approve or, if they are unable to agree thereon, in such proportions as may be determined by the Board of Directors.

6. Additions, Alterations or Improvements by Owners. No Owner shall make any structural addition, alteration or improvement in or to his Unit without the prior written consent thereto of the Board of Directors. No Owner shall paint, decorate or otherwise change the external appearance of his Unit, including the doors and windows, or of any fence, or of any exterior surface of the building, without the prior written consent thereto of the Board of Directors. The Board of Directors shall be obligated to answer any written request by an Owner for approval of such proposed structural addition, alteration or improvement of such external change within thirty (30) days after such request, and the failure to do so within the stipulated time shall constitute a consent by the Board of Directors to the proposed addition, alteration or improvement or change. The provision of this Section 7 shall not apply to Condominium Units owned by the Declarant until such Units have been initially conveyed by the Declarant.

7. Restrictions on Use of Units. To assist the Condominium in providing for congenial occupancy, and the protection of the value of the Units, it is necessary that the Board of Directors have the right and authority to exercise reasonable controls over the use of the Units. Violation of the following enumerated prohibitions shall not be permitted, and the Board of Directors is hereby authorized to take all steps necessary to prevent or discontinue any violations thereof, all at the expense of the violator:

(a) No advertisements or posters of any kind shall be posted in or on the Property except as authorized by the Board. This restriction shall not apply to advertisements, signs or posters utilized by the Declarant, or its agents, in selling the Units.

(b) No clothing, laundry, rugs or wash shall be hung from or spread upon or from any window or exterior portion of a Unit or in or upon any Common Area. All refuse and trash shall be placed in locations specifically designated by the Board, and no garbage or trash shall be permitted to remain in public view.

(c) No animal, other than common household pets, shall be kept or maintained on the Property, nor shall common household pets be kept, bred or maintained for commercial purposes on the Property. Pets shall not be permitted outside of Units unless they are accompanied by an adult person and carried or leashed. Each Owner shall remove all excrement created by his pets. The Board of Directors may make further provisions in the Rules for the control and regulations of household pets in the Condominium. The Owner of a Unit where a pet is kept or maintained shall be responsible and may be assessed by the Board of Directors for all damages to the Property resulting from the maintenance of said pet, and any costs incurred by the Association in enforcing the Rules prescribed or to be prescribed by the Board of Directors for the control and regulation of pets in the Condominium.

(d) Owners, tenants and guests shall exercise extreme care to avoid unnecessary noise or the use of musical instruments, radios, television and amplifiers that may disturb others.

(e) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is an annoyance or which interferes with the peaceful possession or proper use of the Condominium by others.

(f) No Owner, tenant or guest shall allow the installation of wiring for electrical or telephone use, television antennae, air conditioning unit or other machine or equipment, which protrudes through the walls or the roof of any building or is otherwise visible on the exterior of a building except as presently installed or as authorized by the Board.

(g) No Unit or Common Area of the Condominium may be used for any unlawful, immoral or improper purpose.

(h) Nothing shall be done in any Unit or in, on, or to the Common Area which may impair the structural integrity of the Property, or which would structurally change a building or improvements thereon except as provided in the Declaration or these By-Laws. Nothing shall be altered or constructed in or removed from the Common Area, except upon the written consent of the Board of Directors.

(i) No one shall place or cause to be placed in any stairs or stairway, walkway, driveway, parking area, garage or other Common Area any bicycles, furniture, packages or objects of any kind. These areas shall be used only for normal transit through them (or, where appropriate, vehicular parking in them).

(j) No Owner, tenant or guest shall direct or engage any employee of the Condominium on any private business, nor shall he direct, supervise or in any manner attempt to assert control over any such employee.

(k) No activity shall be done or maintained in any Unit or upon any Common Area which will increase the rate of insurance on any Unit or the Common Area or result in the cancellation of insurance thereon, unless such activity is first approved in writing by the Board of Directors. No waste shall be committed in the Common Area.

(l) In the use of the Units and the Common Area of the Condominium, Owners shall obey and abide by all valid laws, ordinances and zoning and other governmental regulations affecting the same and all applicable Rules adopted by the Board. The Common Area shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of the Units.

8. Right to Access. An Owner shall grant a right of access to his Unit to the Board of Directors and the Manager and to any other person authorized by the Board for the purpose of making inspections or for the purpose of correcting any conditions originating in his Unit and threatening another Unit or Common Area, and for the purpose of performing installation, alterations or repairs to the mechanical or electrical services or other Common Area in his Unit or elsewhere in the building, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Owner. In case of any emergency, such right of entry shall be immediate whether the Owner is present at the time or not.

9. Rules. Rules concerning the operation and use of the Common Area may be promulgated and amended by the Board of Directors, provided that such rules are not contrary to or inconsistent with the Condominium Act, the Declaration or these By-Laws. Copies of the Rules shall be furnished by the Board of Directors to each Owner prior to the time when the same shall become effective.

ARTICLE VI

INSURANCE

1. Insurance Required. Pursuant to Section 43 of the Condominium Act, the Board of Directors shall obtain:

(a) a master casualty policy affording fire and extended coverage in an amount equal to the full replacement value of the structures within the Condominium;

(b) a master liability policy covering the Association, the Board, the Manager and agents or employees of the foregoing with respect to the Condominium, and all Owners and other persons entitled to occupy any portion of the Condominium; and

(c) such other policies as specified hereinbelow, which insurance shall be governed by the following provisions to the extent obtainable or possible:

(i) Fire insurance with standard extended coverage endorsement, vandalism and malicious mischief endorsements insuring all the buildings in the Condominium including without limitation all portions of the interior of such buildings as are for insurance purposes normally deemed to constitute part of the building and customarily covered by such insurance, such as heating and air conditioning and other service machinery, interior walls, all finished wall surfaces, ceiling and floor surfaces including any wall to wall floor coverings, bathroom and kitchen cabinets and heating and lighting fixtures, except for improvements made by individual Owners which exceed a total value of One Thousand Dollars (\$1,000.00) and are not reported to the insurer, such insurance to be in an amount at least equal to the replacement value of the buildings and to be payable to the Board as trustee for the Owners and their mortgagees as their respective interests may appear.

(ii) Public liability insurance in such amounts as the Board may from time to time determine, but in no event shall the limits of liability be less than One Million Dollars (\$1,000,000.00) for bodily injury and property damage per occurrence, insuring the Association and all individuals referred to in Section 1(b) above, against any liability to anyone, and with cross liability coverage with respect to liability claims of anyone insured thereunder against any other insured thereunder. The insurance, however, shall not insure against individual liability for negligence occurring within a Unit or within the Limited Common Area to which a Unit has exclusive use.

(iii) Workmen's compensation insurance as required by law.

(iv) Such other insurance as the Board may determine.

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2. General Insurance Provisions.

(a) The Board shall deal with the insurer or insurance agent in connection with the adjusting of all claims under insurance policies provided for under Paragraph 1 above and shall review with the insurer or insurance agent, at least annually, the coverage under said policies, said review to include an appraisal of improvements within the Condominium, and shall make any necessary changes in the policy provided for under Paragraph 1(a) above (prior to the expiration date set forth in any agreed amount endorsement contained in said policy) in order to meet the coverage requirements of such Paragraph.

(b) The Board shall be required to make every effort to see that all policies of physical damage insurance provided for under Paragraph 1 above:

(i) shall contain waivers of subrogation by the insurer as to claims against the Association, its employees and agents, members of the Board, the Manager, Owners and members of the family of any Owner who reside with said Owner, except in cases of arson and fraud;

(ii) shall contain a waiver of defense of invalidity or prejudice on account of the conduct of any of the Owners over which the Association has "no control";

(iii) shall contain a waiver of defense of invalidity or prejudice by failure of the insured, or Owners collectively, to comply with any warranty or condition with regard to any portion of the Condominium over which the insured, or Owners collectively, have no control;

(iv) shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days written notice to all of the insureds thereunder and all mortgagees of Units in the Condominium;

(v) shall provide that in no event shall the insurance under said policies be brought into contribution with insurance purchased individually by Owners or their mortgagees;

(vi) shall exclude policies obtained by individual Owners for consideration under any "no other insurance" clause; and

(vii) shall provide that until the expiration of thirty (30) days after the insurer gives notice in writing to the mortgagee of any Unit, the mortgagee's insurance coverage will not be affected or jeopardized by any act or conduct of the Owner of such Unit, the other Owners, the Board of Directors, or any of their agents, employees or household members, nor cancelled for non-payment of premiums.

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3. Individual Policies. Any Owner and any mortgagee may obtain at his own expense additional insurance (including a "condominium unit-owner's endorsement" for improvements and betterments to a Unit made or acquired at the expense of the Owner). Such insurance should contain the same waiver of subrogation provision as that set forth in Section 2(b) of this Article VI. It is recommended that each Owner obtain, in addition to the insurance hereinabove provided to be obtained by the Board of Directors, a "Tenant's Homeowners Policy", or equivalent, to insure against loss or damage to personal property used or incidental to the occupancy of the Unit, additional living expense, vandalism or malicious mischief, theft, personal liability and the like.

(a) Each Owner may obtain additional insurance for his own benefit and at his own expense. No such policy shall be written so as to decrease the coverage under any of the policies obtained by the Board pursuant to Paragraph 1(a) above, and each Owner hereby assigns to the Board the proceeds to be applied pursuant to the terms hereof as if produced by such coverage. Copies of all such policies (except policies covering only personal property, owned or supplied by individual Owners) shall be filed with the Association.

(b) Each Owner should obtain insurance for his own benefit and at his own expense insuring all personal property presently or hereafter located in his Unit or Limited Common Area, any floor coverings, appliances and other personal property not covered in the master policy, and all improvements to his Unit which exceed a total value of One Thousand Dollars (\$1,000.00) and which are not reported to the Board.

(c) Each Owner, prior to commencement of construction of such improvements, shall notify the Board of all improvements to his Unit (except personal property other than fixtures) which exceed a total value of One Thousand Dollars (\$1,000.00) and upon receipt of such notice, the Board shall notify the insurer under any policy obtained pursuant to Paragraph 1(a) hereof, of any such improvements.

(d) Each Owner should obtain liability insurance with respect to his ownership and/or use of his Unit.

4. Notice to Unit Owners. When any policy of insurance has been obtained on behalf of the Association, written notice of the obtainment thereof and of any subsequent changes therein or termination thereof shall be promptly furnished to each Unit Owner by the Clerk of the Association. Such notice shall be sent by U.S. Mail, return receipt requested, to all Unit Owners of record at the address of their respective Units and to such other addresses as any of them may have designated to the Clerk; or such notice may be hand delivered by the Clerk or Manager obtains a receipt of acceptance of such notice from the Unit Owner.

ARTICLE VII

REPAIR AND RECONSTRUCTION AFTER FIRE, CONDEMNATION
OR OTHER CASUALTY

1. When Repair and Reconstruction are Required. Subject to the provisions of the Declaration, in the event of damage to or destruction of all or part of the buildings in the Condominium as a result of fire or other casualty or by condemnation, the Board of Directors shall arrange for and supervise the prompt repair and restoration of the damaged or destroyed portion of the buildings. Notwithstanding the foregoing, each owner shall have the right to supervise the redecorating work in his own Unit.

2. Procedure for Reconstruction and Repair.

(a) Immediately after a fire or other casualty causing damage to a building, the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing and restoring the damage to a condition as good as that existing before such casualty. Such cost may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.

(b) If the proceeds of insurance are not sufficient to defray the said estimated costs of reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments in sufficient amounts to provide payment of such costs shall be made against the Owners in proportion to their respective votes in the Unit Owners' Association.

(c) Any such reconstruction or repair shall be substantially in accordance with the original plans and specifications under which the damaged building was originally constructed. This subsection (c) may not be waived or amended by the Unit Owners without the written approval of Eligible Mortgage Holders holding mortgages on Units which have at least fifty-one percent (51%) of the votes of Units subject to mortgages held by the Eligible Mortgage Holders.

(d) Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Owner upon whose property such encroachment exists, provided that such reconstruction is substantially in accordance with original plans and specifications under which the damaged building was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the building (as reconstructed) shall stand.

3. Disbursements of Construction Funds.

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(a) The net proceeds of insurance collected on account of a casualty and the funds collected by the Board of Directors from assessments against Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair by the Board of Directors.

(b) The construction fund shall be paid by the Board of Directors in appropriate progress payments, to such contractors, suppliers and personnel engaged in performing the work or supplying materials or services for the repair and reconstruction and repair by the Board of Directors.

(c) It shall be presumed that the first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds; and if there is a balance in the construction fund after the payment of all of the cost of the reconstruction and repair for which the fund is established, such balance shall be distributed to the Owners.

(d) When the damage is to both Common Area and Units, the insurance proceeds shall, to the extent practical, be applied first to the cost of repairing the Common Area and the balance to the cost of repairing the Units.

ARTICLE VIII

SALES, LEASES AND ALIENATION OF UNITS

1. No Severance of Ownership. No Owner shall execute any deed, lease, mortgage or instrument conveying or mortgaging the title to his Unit without including therein the undivided interest of such Unit in the Common Area, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, lease, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interest, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. Except to the extent otherwise expressly provided by the Declaration, these By-Laws or the Condominium Act, the undivided interest in the Common Area allocated to any Unit shall not be altered, and any purported transfer, encumbrance, or other disposition of that interest without the Unit to which it appertains shall be void.

2. Payment of Assessments. No Owner shall be permitted to convey, mortgage, sell, lease, give or devise his Unit unless and until he (or his personal representative) shall have paid in full to the Board of Directors all unpaid Common Expenses theretofore assessed by the Board of Directors with respect to this Unit, except as provided in Section 2 of Article V, and shall have satisfied all unpaid liens with respect to his Unit, except mortgages. The Board of Directors shall promptly furnish to any Owner (or his devisee or personal representative) requesting the same in writing pursuant to this Section, a recordable statement certifying whether or not such

Owner is then obligated for any outstanding assessments previously levied against that Owner's Unit and the amount if any, then outstanding. In the event that the Unit is subject to outstanding expenses previously levied against such Unit, the statement shall certify any waiver of, or failure or refusal to exercise, the right of the Unit Owners' Association to prevent the disposition. Failure or refusal to furnish such a statement within seven (7) days of receipt of such request by the Board or Manager, shall make the above-mentioned prohibition inapplicable to any such disposition of the Unit. Any such statement shall be binding on the Association, the Board of Directors and every Owner. Payment of a fee not exceeding the maximum amount allowable under the Condominium Act shall be required as a prerequisite to the issuance of such a statement.

ARTICLE IX

AMENDMENT TO BY-LAWS

1. Amendments. Except as otherwise provided in the Condominium Act and herein, these By-Laws may be modified or amended either:

(a) by a vote of at least sixty-seven percent (67%) of the percentage common interest owned by the Owners cast in person or by proxy at a meeting duly held in accordance with the provisions hereof, provided that Notice of the proposed amendment shall have been given to each Owner simultaneously with the notice of such meeting; or

(b) pursuant to a written instrument duly executed by Owners holding at least sixty-six and two-thirds percent (66 2/3%) of the percentage common interest; provided, however, that:

(i) Section 4 of Article II, and Section 3 of Article III, insofar as they relate to the election of members of the Board of Directors by the Declarant;

(ii) Section 2 of Article II, insofar as it provides that the Declarant so long as it is the Owner of one or more Units, may vote the votes appurtenant thereto; and

(iii) this Section 1 of Article IX, may not be amended without the consent in writing of the Declarant, so long as the Declarant shall be an Owner. Furthermore, notwithstanding the foregoing, so long as the Declarant is the Owner of one or more Units, no amendment to the By-Laws or Rules may be adopted which could interfere with the construction, display, sale, lease or other disposition of such Unit or Units.

2. Recording. A modification or amendment of these By-Laws shall become effective only when it has been duly evidenced in accordance with the provisions of Section 34 IV of the Condominium Act.

3. Conflicts. No modification or amendment of these By-Laws may be adopted which shall be inconsistent with the provisions of the Condominium Act or with the provisions of the Declaration. A modification or amendment once adopted and recorded as provided for herein shall then constitute part of the official By-Laws of the Condominium and all Owners shall be bound to abide by such modification or amendment.

4. Approval of Mortgagees. These By-Laws contain provisions concerning various rights, priorities, remedies and interests of the mortgagees of Units. Such provisions in these By-Laws are to be construed as covenants for the protection of the mortgagees on which they may rely in making loans secured by mortgages on the Units. Accordingly, all mortgagees shall be given thirty (30) days notice of all proposed amendments of these By-Laws or the Declaration and no amendment or modification of these By-Laws or the Declaration which establish, provide for, govern or regulate any of the following matters:

- (a) Voting;
- (b) Assessments, assessment liens or subordination of such liens;
- (c) Reserves for maintenance, repair and replacement of the common areas;
- (d) Insurance or Fidelity Bonds;
- (e) Rights to use of the common areas;
- (f) Responsibility for maintenance and repair of the Units, Common Area or Limited Common Area;
- (g) Expansion or contraction of the project or the addition, annexation or withdrawal of property to or from the project;
- (h) Boundaries of any Unit;
- (i) The interests in the general or limited common areas;
- (j) Convertibility of Units into common areas or of common areas into Units;
- (k) Leasing of Units;
- (l) Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit; and
- (m) Any provisions for the express benefit of mortgage holders, Eligible Mortgage Holders or Eligible Insurers or Guarantors of first mortgages on Units; shall be effective or valid without the written consent or approval of mortgagees

holding mortgages on Units which have at least fifty-one percent (51%) of the votes of Units which are subject to mortgages; provided, however, that a mortgage holder who receives a written request to approve modifications or amendments who does not deliver or post a negative response within thirty (30) days of mailing of the request shall be deemed to have approved such request.

ARTICLE X

MORTGAGES

1. Notice to Board. An Owner who mortgages his Condominium Unit shall notify the Board of the name and address of his mortgagee, and shall file a conformed copy of the mortgage with the Board. The Board shall maintain suitable records pertaining to such mortgages.

2. Notice of Action. Upon written request to the Unit Owners' Association, identifying the name and address of the holder, insurer or guarantor and the Unit number or address, any such Eligible Mortgage Holder or Eligible Insurer or Guarantor will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which there is a first mortgage held, insured, or guaranteed by such Eligible Mortgage Holder or Eligible Insurer or Guarantor, as applicable;

(b) Any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to a first mortgage held, insured or guaranteed by such Eligible Mortgage Holder or Eligible Insurer or Guarantor, which remains uncured for a period of sixty (60) days;

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Owners' Association;

(d) Any proposed action which the Declaration, these By-Laws or the Condominium Act, requires the consent of a specified percentage of mortgage holders.

3. Notice of Default. The Board shall give written notice to an owner of any default by the Owner in the performance of any obligations under the Act, Declaration or By-Laws, and, if such default is not cured within thirty (30) days, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has theretofore been furnished to the Board. No suit or other proceeding may be brought to foreclose the lien for any assessment levied pursuant to the Declaration or these By-Laws except after ten (10) days written notice to the holder of the first mortgage on the Unit which is the subject matter of such suit or proceeding.

4. Notice of Damage. The Board of Directors shall notify:

(a) the mortgagee of a Unit whenever damage to the Unit covered by the mortgage exceeds One Thousand Dollars (\$1,000.00) and the Board is made aware of such damage; and

(b) all mortgagees whenever damage to the Common Area exceeds Ten Thousand Dollars (\$10,000.00).

5. Examination of Books. Each Owner and each mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times, on business days, but, with respect to Owners, not more often than once a month.

ARTICLE XI

NOTICE

1. Manner of Notice. All notices, demands, bills, statements or other communications provided for or required under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by U.S. mail, return receipt requested, first class postage prepaid (except for monthly bills for common expenses which may be sent by first class mail postage prepaid):

(a) if to an Owner, at the address of his Unit and at such other address as the Owner may have designated by notice in writing to the Clerk; or

(b) if to the Unit Owners' Association, the Board of Directors or the Manager at the principal office of the Manager or at such other address as shall be designated by notice in writing to the Owners pursuant to this Section.

2. Waiver of Notice. Whenever any notice is required to be given under the provisions of statutes, of the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto, unless such waiver is ineffective under the provisions of the Condominium Act.

ARTICLE XII

COMPLIANCE AND DEFAULT

1. Relief. Each Owner shall be governed by, and shall comply with, all of the terms of the Declaration, these By-Laws and the Rules and any amendments of the same. A default by an Owner shall entitle the Unit Owners' Association acting through the Board of Directors or the Manager, to the following relief:

(a) Legal Proceedings. Failure to comply with any of the terms of the Declaration, these By-Laws, and the Rules shall be grounds for relief which may include without limiting the same, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in these By-Laws, or any combination thereof, and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Unit Owners' Association, the Board of Directors, the Manager, or, if appropriate, by the aggrieved Owner. Nothing contained herein shall be deemed to limit the right of any Owner to commence legal proceedings against the Unit Owners' Association for any violation of the Declaration of these By-Laws.

(b) Additional Liability. Each Owner shall be liable for the expenses of all maintenance, repair or replacement rendered necessary by his acts, neglect or carelessness or the act, neglect or carelessness of any member of his family or his tenants, guests, employees, agents or invitees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board of Directors. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by an insurance company of its rights of subrogation.

(c) Costs of Attorneys' Fees. In any proceeding arising out of any alleged default by an Owner, the prevailing party shall be entitled to recover the costs of the proceeding, and such reasonable attorneys' fees as may be determined by the court.

(d) No Waiver of Rights. The failure of the Unit Owners' Association, the Board of Directors, or of any Owner to enforce any right, provision, covenant, or condition which may be granted by the Declaration, these By-Laws or the Rules shall not constitute a waiver of the right of the Association, the Board of Directors or any Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Board of Directors or any Owner pursuant to any term, provision, covenant or condition of the Declaration or the Rules shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such privileges as may be granted to such party by the Declaration, these By-Laws or the Rules, or at law or in equity.

(e) Interest. In the event of a default by any Owner which continues for a period in excess of thirty (30) days, such Owner shall be obligated to pay interest in the amounts due at the highest rate permitted by law, or at twelve percent (12%), whichever is less, per annum from the due date thereof. In addition, the Board of Directors shall have the authority to

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impose a late payment charge on such defaulting Owners in an amount not to exceed Fifteen Dollars (\$15.00), or Six Cents (\$.06) per dollar on any amount so overdue, whichever is greater.

(f) Abatement and Enjoinment of Violations by Owners. The violation of any rule or regulation adopted by the Board of Directors, or the breach of any By-Laws contained herein, or the breach of any provision of the Declaration, shall give the Board of Directors or the Manager the right, in addition to any other rights set forth in these By-Laws:

(i) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning or provisions hereof, and the Board of Directors or Manager shall not thereby be deemed guilty in any manner of trespass;

(ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; or

(iii) to suspend or limit the right of the Owner committing the violation to use any part of the Common Area during the continuance of such violation.

2. Lien for Assessments.

(a) The total regular assessments of each Owner for the Common Expenses or any special assessment levied pursuant to these By-Laws is hereby declared to be a lien levied against the Unit of such Owner as provided in the Condominium Act, which lien shall, with respect to regular assessments, be effective on January 1 of each fiscal year of the Condominium and, as to special assessments, on the first day of the next month which begins more than seven (7) days after delivery to the Owner of notice of such special assessments.

(b) In any case where an assessment against an Owner is payable in installments, upon a default by such Owner in the payment of any single installment, which continues for ten (10) days after written notice of such default has been sent to the Owner, the maturity of the remaining total of the unpaid installments of such assessments may be accelerated, at the option of the Board of Directors, and the then balance owing may be declared due and payable in full by the service of notice to such effect upon the defaulting Owner by the Board of Directors or Manager.

(c) The lien for assessments shall include costs and attorneys' fees as provided for in Section I of this Article and the lien contribution may be foreclosed in the manner provided by the laws of the State of New Hampshire for the foreclosure of power of sale mortgages or by suit brought in the name of the

Board of Directors, acting on behalf of the Unit Owners' Association. During the pendency of such proceedings or suit the Owner shall be required to pay a reasonable rental for the Unit for any period prior to sale pursuant to any judgment or order of any court having jurisdiction over such sale.

(d) Suits to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing the same, and foreclosure shall be available without bringing suit to recover a money judgment.

ARTICLE XIII

RESALE OF UNITS

In the event of the resale of a Unit or any interest therein by a Unit Owner (other than the Declarant), the President or such other officer or officers as the Board of Directors may from time to time specify shall, upon the written request of any prospective owner and within ten (10) days thereof, furnish to the prospective owner:

1. A statement as provided for in Article VIII (2) hereof.
2. A statement of any capital expenditures and major maintenance expenditures anticipated within the current or succeeding two (2) fiscal years.
3. A statement of the status and amount of any reserve for the major maintenance or replacement fund and any portion of such fund earmarked for any specified project by the Board of Directors.
4. A copy of the income statement and balance sheet of the Association for the last fiscal year for which such statement is available.
5. A statement of the status of any pending suits or judgments in which the Association is a party defendant.
6. A statement setting forth what insurance coverage is provided for all Unit Owners by the Association and what additional insurance coverage would normally be secured by each individual unit owner.
7. A statement that any improvements or alterations made to the Unit, or the limited common areas assigned thereto, by the prior Unit Owner are not known to be in violation of the condominium instruments.

ARTICLE XIV

COMPLIANCE, CONFLICT AND MISCELLANEOUS PROVISIONS

1. Compliance. These By-Laws are set forth in compliance with the requirements of the Condominium Act.

2. Severability. These By-Laws are set forth to comply with the requirements of the State of New Hampshire. In case any of the By-Laws are in conflict with the provisions of any of its statutes, the provisions of the statutes will apply. If any provisions of these By-Laws or any section, sentence, clause, phrase or word or the application thereof in any circumstance is held invalid, the validity of the remainder of these By-Laws shall not be affected thereby and to this end, the provisions hereof are declared to be severable.

3. Waiver. No restriction, condition, obligation or provision of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

4. Captions. The captions contained in these By-Laws are for convenience only and are not part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

5. Gender, Etc. Whenever in these By-Laws the context so requires the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

IN WITNESS WHEREOF, Declarant, Blackstone Realty Associates, and Lessor-Declarant, Whitestone Realty Associates, have caused these By-Laws to be executed by their duly authorized representatives this 21 day of June, 1988.

WITNESS:

BLACKSTONE REALTY ASSOCIATES

Neil P. Guss

By: Edward H. Fillmore Pres
Edward H. Fillmore, President of
JEF, Inc., General Partner

STATE OF NEW HAMPSHIRE
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this 21 day of June, 1988, by Edward H. Fillmore, President of JEF, Inc., General Partner of Blackstone Realty Associates, a New Hampshire limited partnership, on behalf of the partnership.

Neil P. Guss
Justice of the Peace/Notary Public

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WITNESS:

WHITESTONE REALTY ASSOCIATES

Edw. H. Fillmore

By: *Edward H. Fillmore Pres.*
Edward H. Fillmore, President of
EHF, Inc., General Partner

STATE OF NEW HAMPSHIRE
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this 21 day
of June, 1988, by Edward H. Fillmore, President of EHF, Inc.,
General Partner of Whitestone Realty Associates, a New Hampshire
limited partnership, on behalf of the partnership.

Edw. H. Fillmore
Justice of the Peace/~~Notary Public~~

KNIGHTSBRIDGE ARMS, A CONDOMINIUM

EXHIBIT C

* EFF = Efficiency
 1 BR = One Bedroom
 2 BR = Two Bedroom Standard
 2 BRD = Two Bedroom Deluxe

<u>BUILDING</u>	<u>UNIT NO.</u>	<u>TYPE*</u>	<u>ASSIGNED VALUE</u>	<u>PERCENTAGE INTEREST IN COMMON AREA</u>	
A, C	101	2 BR	\$50,000	.34722	
	102	2 BR	50,000	.34722	
	103	1 BR	48,000	.33333	
	104	1 BR	48,000	.33333	
	105	EFF	42,000	.29166	
	106	1 BR	48,000	.33333	
	107	2 BR	50,000	.34722	
	108	2 BR	50,000	.34722	
	201	2 BR	50,000	.34722	
	202	2 BR	50,000	.34722	
	203	1 BR	48,000	.33333	
	204	1 BR	48,000	.33333	
	205	1 BR	48,000	.33333	
	206	1 BR	48,000	.33333	
	207	2 BR	50,000	.34722	
	208	2 BR	50,000	.34722	
	301	2 BR	50,000	.34722	
	302	2 BR	50,000	.34722	
	303	1 BR	48,000	.33333	
	304	1 BR	48,000	.33333	
	305	1 BR	48,000	.33333	
	306	1 BR	48,000	.33333	
	307	2 BR	50,000	.34722	
	308	2 BR	50,000	.34722	
	B, D, G, F, J	101	2 BR	50,000	.34722
		102	2 BR	50,000	.34722
		103	1 BR	48,000	.33333
		104	1 BR	48,000	.33333
		105	1 BR	48,000	.33333
		106	2 BRD	54,000	.37500
		107	2 BR	50,000	.34722
		108	2 BR	50,000	.34722
201		2 BR	50,000	.34722	
202		2 BR	50,000	.34722	
203		1 BR	48,000	.33333	
204		1 BR	48,000	.33333	
205		2 BRD	54,000	.37500	
206		2 BRD	54,000	.37500	
207		2 BR	50,000	.34722	
208		2 BR	50,000	.34722	
301	2 BR	50,000	.34722		
302	2 BR	50,000	.34722		

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KNIGHTSBRIDGE ARMS, A CONDOMINIUM

EXHIBIT C

(Continued)

<u>BUILDING</u>	<u>UNIT NO.</u>	<u>TYPE*</u>	<u>ASSIGNED VALUE</u>	<u>PERCENTAGE INTEREST IN COMMON AREA</u>
B, D, G, F, J	303	1 BR	48,000	.33333
	304	1 BR	48,000	.33333
	305	2 BRD	54,000	.37500
	306	2 BRD	54,000	.37500
	307	2 BR	50,000	.34722
	308	2 BR	50,000	.34722
	E, H, L, I, K	101	2 BR	50,000
102		2 BR	50,000	.34722
103		2 BRD	54,000	.37500
104		1 BR	48,000	.33333
105		1 BR	48,000	.33333
106		1 BR	48,000	.33333
107		2 BR	50,000	.34722
108		2 BR	50,000	.34722
201		2 BR	50,000	.34722
202		2 BR	50,000	.34722
203		2 BRD	54,000	.37500
204		2 BRD	54,000	.37500
205		1 BR	48,000	.33333
206		1 BR	48,000	.33333
207		2 BR	50,000	.34722
208		2 BR	50,000	.34722
301		2 BR	50,000	.34722
302		2 BR	50,000	.34722
303		2 BRD	54,000	.37500
304		2 BRD	54,000	.37500
305		1 BR	48,000	.33333
306		1 BR	48,000	.33333
307		2 BR	50,000	.34722
308	2 BR	<u>50,000</u>	<u>.34722</u>	
Total Assigned Value			\$14,400,000	100.00%

* EFF = Efficiency
 1 BR = One Bedroom
 2 BR = Two Bedroom Standard
 2 BRD = Two Bedroom Deluxe

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EXHIBIT D

LEASE

THIS INDENTURE OF LEASE dated as of the 1 day of June, 1988, among Whitestone Realty Associates, a New Hampshire limited partnership, having a principal place of business and mailing address of Caldwell Drive, Amherst, New Hampshire, (hereinafter called the Lessor), and Blackstone Realty Associates, a New Hampshire limited partnership, having a principal place of business and a mailing address of Caldwell Drive, Amherst, New Hampshire (hereinafter called the Lessee).

WITNESSETH that, in consideration of the mutual covenants and agreements herein contained, the Lessor has demised and leased, and by these presents does demise and lease, to the Lessee, for the term, for the rental and upon the other conditions hereinafter set forth, the premises briefly described as Lot 25 Blackstone Drive, Nashua, New Hampshire, as more particularly described in Schedule A attached hereto (the "Premises").

TO HAVE AND TO HOLD the premises hereby leased to the Lessee, its successors and assigns, to and for its and their proper use and benefit.

Section 1 - TERM. The term of this Lease shall be a period of Ninety-Nine (99) years, beginning June 1, 1988 and ending on May 31, 2087, subject to the rights of renewal as set forth in Section 26 hereof.

Section 2 - BASE RENT.

(a) Lessee shall pay Lessor an annual base rent in equal monthly installments on the first day of each month in advance as follows:

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(1) Upon the sale of all 288 condominium units which comprise or will comprise the Premises or June 1, 1990, which ever occurs first, the annual rent shall be Five Hundred Seventy Thousand Two Hundred Forty Dollars (\$570,240.00), subject to the adjustment set forth in paragraph (b) hereof.

(2) Prior thereto, each unit for which a deed has been executed and delivered by the Lessee will pay an annual rent of One Thousand Nine Hundred Eighty Dollars (\$1,980.00), in monthly installments of One Hundred Sixty-five Dollars (\$165.00) each, subject to the adjustment set forth in subparagraph (b) hereof, and the sum of all such unit rents shall be the annual rent at any time to the Lessor.

(3) The annual rent hereinbefore set forth shall be adjusted on August 1, 1990 and each succeeding year of the term of this Lease in proportion with any increase (but not decrease) in the Price Index as set forth in paragraph (3)(b) hereof with the first such increase to be effective on August 1, 1990.

(b) The annual rent per unit for each year from and after August 1, 1990 shall be determined by multiplying One Thousand Nine Hundred Eighty Dollars by a fraction the numerator of which shall be the Price Index published for the month of April for the year in which the rent adjustment is to take effect and the denominator of which shall be the Price Index published for the

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month of April, 1987; provided, however, that in no event shall the rent for any year be less than the rent for the preceding year. For example, the rent for a unit for the year commencing August 1, 1992 shall be calculated as follows:

$$\begin{array}{rcl}
 \text{Rent For} & & \text{Price Index April 1992} \\
 \text{Year} & = & \$1980 \times \frac{\text{-----}}{\text{Price Index April 1987}} \\
 \text{August 1, 1992} & &
 \end{array}$$

As used in this Section, the term "Price Index" means (i) the "Consumers' Price Index for All Urban Wage Earners and Clerical Workers (1967=100)" published by the Bureau of Labor Statistics of the United States Department of Labor, or (ii) if the publication of such Consumers' Price Index shall be discontinued, the comparable index most clearly reflecting diminution of the real value of the base rent herein provided for. In the event of a change in the base for the Price Index, the numerators of the fractions referred to above shall be appropriately adjusted to reflect continued use of the 1967 base in the case of the Consumers' Price Index or in the case of such comparable index, the continued use of the base period in effect at the time of its adoption for use hereunder.

(c) Unless and until otherwise directed in writing by the Lessor all payments of rent shall be made to the Lessor without abatement, deduction, counter-claim or set off except only as expressly otherwise herein set forth, at Caldwell Drive, Amherst, New Hampshire, 03031.

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Section 3 - QUIET ENJOYMENT. The Lessor shall put the Lessee in possession of the leased premises at the beginning of the term hereof, and the Lessee, upon observing the covenants and conditions herein upon its part to be observed, shall peaceably and quietly hold and enjoy the leased premises. The Lessor shall not encumber its reversionary interests in the leased premises except as provided by Section 23 hereof.

Section 4 - TITLE. The Lessor warrants that the title to the leased premises is good and marketable, and free and clear of all encumbrances not shown on the plan referred to in Schedule A hereof or recited in Schedule A hereof.

Section 5 - IMPROVEMENTS. The Lessee may (a) erect, maintain, use, operate, repair, renovate, demolish and reconstruct such buildings, structures, facilities and other improvements (hereinafter collectively sometimes referred to as Facilities) upon the leased premises as it may from time to time deem advisable; (b) provide for the installation and maintenance of such utilities as it may from time to time deem advisable; and (c) grade, excavate, landscape, contour and otherwise surface the leased premises as it may from time to time deem appropriate. All such buildings, structures, facilities and other improvements shall be the sole property of the Lessee, its successors and assigns, during the term of this lease, but upon the expiration of this Lease or its earlier termination for any cause herein provided for, title to any buildings, structures, facilities and other improvements which would be part of the realty under the law of fixtures as applied in New Hampshire shall be forthwith vested in the Lessor.

Section 6 - REPAIRS BY LESSOR. The Lessor has no responsibility for maintenance or repair of the leased premises or of any building, structure, facility or improvement hereafter constructed, erected or installed thereon.

Section 7 - REPAIRS BY LESSEE. In addition to such maintenance and repair as it shall deem necessary or desirable for any building, structure, facility or improvement hereafter constructed, erected or installed on the leased premises by it, the Lessee shall maintain and keep in good repair all surfaced roadways, walks, loading, unloading and parking areas which are a part of the leased premises; shall keep clear of snow and ice all such roadways, walks and areas; and shall keep the exterior of the leased premises in a clean and neat condition.

Section 8 - UTILITIES. The Lessee shall provide, and shall pay when due all charges for water, gas, electricity, sewerage, heat, power and any other services supplied to it at the leased premises.

Section 9 - USE OF PREMISES. (a) In its use of the leased premises, the Lessee shall comply with all statutes, ordinances and regulations applicable to the use thereof, including without limiting the generality of the foregoing, the Zoning Ordinance of the City of Nashua, New Hampshire, as now in effect or as hereafter amended (all hereinafter referred to as Public Requirements).

(b) The Lessee shall procure any licenses or permits required by any use of the leased premises by the Lessee.

Section 10 - TAXES AND ASSESSMENTS. (a) The Lessee shall pay and discharge all real estate taxes, water rents, sewer charges, levies, betterment assessments (general or special, ordinary or extraordinary), and charges and governmental impositions, duties and charges of every kind and nature whatsoever which shall or may during the term of this Lease be charged, laid, levied or imposed upon or become a lien or liens upon the leased premises or any part thereof, or upon any buildings or appurtenances thereto, or any parts thereof, of which may become due and payable with respect thereto, and any and all taxes charged, laid or levied in addition to the foregoing under or by virtue of any present or future laws, rules, requirements, orders, directions, ordinances or regulations of the United States of America, or of the state, county or city government, or of any other municipal government or lawful authority whatsoever, including but not limited to, any tax hereafter levied or imposed on rents or rental income which is, in whole or in part, in lieu of or in substitution for real property taxes (all hereinafter referred to as Impositions). The Lessee shall also punctually pay and discharge all taxes or Impositions which shall or may during the term of this Lease be charged, laid, levied or imposed upon or become a lien upon the stock in trade or other personal property of the Lessee attached to or used in connection with the Lessee's business conducted on or use made of the leased premises. Nothing herein contained shall require the Lessee to pay any income, gift, inheritance or

estate tax which may be imposed upon the Lessor. Real estate taxes and assessments shall be pro rated during the first and last years of the term hereof. If any betterment assessments are payable by law in installments, the betterment assessments may be paid in such installments over the longest period of which installments may be by law payable; provided, however, if any betterment has been requested by Lessee, Lessee agrees that if such betterment assessment is payable in installments, the last installment shall be paid by Lessee prior to the expiration of the term of this Lease.

(b) The Lessee shall have the right to contest or review by legal proceedings or in such other manner as may be legal (which if instituted shall be conducted promptly at the Lessee's own expense free of all expense to the Lessor) any Imposition or Public Requirement; provided that if payment of any Imposition or if compliance with any Public Requirement shall be deferred pending such contest, such deferment of payment or deferment of compliance shall not jeopardize Lessor's interest in the leased premises and provided further that Lessee shall pay any contested Imposition at least ninety (90) days before the date when the leased premises or any part thereof might be forfeited. Such contest shall, at the election of Lessee, be in the name of Lessee or in the name of Lessor or in the names of both. At the request of Lessee and without expense to Lessor, Lessor will join in any contest and execute any documents as Lessee may reasonably request. Lessee shall indemnify Lessor against and save Lessor

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harmless from all loss, damage, claims, liabilities, judgments, costs and expenses (including the cost and expense of defending any claim), arising out of any such contest or out of any deferring of payment of any Imposition or any deferring of compliance with any Public Requirement.

(c) In the event the Lessee fails to timely pay any Imposition, the Lessor may pay such Imposition and the amount so paid shall constitute additional rent payable by the Lessee at the next rental payment date. Payment of any such Imposition by Lessor shall not be deemed a waiver or release by the Lessor of the default by the Lessee in failing to pay the same or of any action which the Lessor may take hereunder as a result of such default.

Section 11 - MECHANIC'S LIEN. In the event of the filing in the Hillsborough County Registry of Deeds of any notice of a builder's, supplier's or mechanic's lien on the leased premises arising out of any work performed by or on behalf of the Lessee, the Lessee shall cause without delay proper proceedings to be instituted to test the validity of the lien claimed, and to discharge the same within ninety (90) days of the filing of the same by the posting of bond or otherwise; and during the pendency of any such proceedings the Lessee shall completely indemnify the Lessor against any such claim or lien and all costs of such proceedings wherein the validity of such lien is contested by the Lessee.

Section 12 - EMINENT DOMAIN. In the event that the leased premises shall be lawfully condemned or taken by any public authority either in its entirety or in such proportion that it is no longer suitable for the intended use by the Lessee, this Lease shall automatically terminate without further act of either party hereto on the date when possession of the leased premises shall be taken by such public authority, and each party hereto shall be relieved of any further obligation to the other except that the Lessor shall be liable for and shall promptly rebate to the Lessee a pro rata portion of any rent paid in advance. In the event the proportion of the leased premises so condemned or taken is such that it is still suitable for the intended use by the Lessee, this Lease shall continue in effect in accordance with its terms, but at a recomputed rent determined by multiplying the then rent as determined in accordance with Section 2 by a fraction, the numerator of which shall be the number of condominium units which remain on the premises after the loss of a portion of the leased premises by condemnation or the maximum number of residential dwelling units which may be erected on the leased premises in accordance with the zoning ordinances of the City of Nashua, whichever number is greater, and the denominator of which is two hundred eighty-eight (288). In either of the above events, the award shall be apportioned between the Lessor and the Lessee in accordance with their respective estates and interests in the land constituting the leased premises and the improvements thereon so condemned or taken on the date when

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possession thereof shall be taken by such public authority; provided, however, that the Lessor shall be entitled to the full amount of any such award until the landlord has received an amount equal to the purchase price for the proportionate interests in the fee simple estate (as determined in accordance with the provisions of paragraph 24) for all condominium units lost to condemnation or eminent domain. The Lessor and the Lessee shall cooperate in the event of litigation resulting from any such condemnation proceedings, but either party hereto shall be entitled to resort to arbitration and obtain a decision pursuant to Section 22(a) and 22(b) hereof as a condition to the obligation of such party to accept a tender or agree to a settlement of litigation resulting from any such condemnation proceedings.

Section 13 - LIABILITY. Except for the willful or negligent act of the Lessor, its servants or agents, the Lessor shall not be liable for any injury or damage to any person happening on or about the leased premises or for any injury or damage to the leased premises or to any property of Lessee or to any property of any third person, firm, association, or corporation on or about the leased premises. The Lessee shall, except for injury or damaged caused as aforesaid, indemnify and save the Lessor harmless from and against any and all liability and damages and from and against any and all suits, claims and demands or any kind or nature, by and on behalf of any person, firm, association or corporation, arising out of or based upon

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any accident, injury or damage which shall or may happen on or about the leased premises and from and against any matter or thing growing out of the condition, maintenance, repair, alteration, use, occupation or operation of the leased premises or the installation of any property therein or the removal of any property therefrom.

Section 14 - LIABILITY INSURANCE. The Lessee shall throughout the term hereof procure and carry at its expense comprehensive liability insurance on the leased premises with an insurance company authorized to do business in New Hampshire and acceptable to the Lessor. Such insurance shall be carried in the name of and for the benefit of the Lessee and the Lessor; shall be written on an "occurrence" basis; and shall provide initial coverage of at least \$2,500,000 in case of death of or injury to one person; at least \$5,000,000 in case of death of or injury to more than one person in the same occurrence; and at least \$1,000,000 in case of loss, destruction or damage to property. A single limit policy or policies in the total amount of \$5,000,000 shall be deemed compliance with the preceding sentence. The Lessee shall comply with the requirements of the Boilers and Unfired Pressure Vessels Law (RSA 157-A), if applicable, and in such event the policy or policies referred to above shall contain an endorsement providing pressure vessels insurance coverage and naming the Lessor as an additional insured. The Lessee shall furnish to the Lessor a certificate of such insurance which shall provide that the insurance indicated therein shall not be

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cancelled without at least ten (10) days written notice to the Lessor. At the date of each adjustment to the base rent as provided for in paragraph 2(b) hereof, Lessee agrees to increase the insurance coverages provided for herein if requested to do so by the Lessor, to an amount mutually agreeable to Lessor and Lessee which is then adequate to protect against increases in insurance awards whether caused by inflation or otherwise. Should the parties be unable to agree on an amount, the matter shall be the subject of Arbitration in accordance with Section 22 hereof.

Section 15 - BUILDERS' RISK INSURANCE. During any construction or reconstruction on the premises, Lessee shall obtain all necessary insurance policies to protect Lessor's interests.

Section 16 - FIRE AND EXTENDED COVERAGE. During the term hereof the Lessee shall keep the facilities on the leased premises insured against loss or damage by fire (with extended coverage) on a full value, repair or replacement basis. The policies evidencing such insurance shall be taken in such responsible companies authorized to do business in New Hampshire as the Lessor shall approve and shall be in form satisfactory to the Lessor. Upon receipt of a copy of notice of cancellation of any insurance which is the responsibility of the Lessee under Sections 14, 15 or 16 hereof, the Lessor may pay the premiums necessary to reinstate the same. The amount so paid shall constitute additional rent payable by the Lessee at the next

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rental payment date. Payment of premiums by the Lessor shall not be deemed a waiver or release by the Lessor of the default by the Lessee in failing to pay the same or of any action which the Lessor may take hereunder as a result of such default.

Section 17 - DESTRUCTION OR DAMAGE. In the event the facilities shall be damaged or destroyed by fire or other casualty, or rendered untenable thereby, in whole or in part, this Lease shall remain in full force and effect and without any reduction or abatement of rent. Neither Lessor nor Lessee shall be obligated to repair or restore the leased premises or any part thereof to their prior condition. Any debris resulting from any casualty shall be removed by Lessee, and Lessee shall not suffer or permit any nuisance or hazard to be maintained or to exist on the leased premises.

Section 18 - REMOVAL OF EQUIPMENT. The Lessor agrees that all equipment which has not become part of the leased premises by operation of the law of fixtures as applied in New Hampshire, and all furniture, furnishings, goods and chattels installed, placed or utilized in the leased premises by the Lessee, shall be deemed to remain personal property and may be removed by the Lessee prior to the expiration of this Lease or any renewal thereof or its earlier termination for any cause herein provided for; but the Lessee shall repair any damage to the leased premises or improvements thereon caused by such removal. Any such personal property not so removed prior to the expiration or earlier termination of this Lease or any renewal thereof may be removed

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from the leased premises by the Lessor and stored for the account of the Lessee; and if the Lessee shall fail to reclaim such property within sixty (60) days following such expiration or earlier termination of this Lease or any renewal thereof, such property shall be deemed to have been abandoned by the Lessee, and may be appropriated or sold, or destroyed or otherwise disposed of by the Lessor without notice to the Lessee and without obligation to account therefor. The Lessee shall pay to the Lessor the net cost incurred by the Lessor in removing, storing, selling, destroying or otherwise disposing of any such property.

Section 19 - REPOSSESSION BY LESSOR. At the expiration of this Lease or any renewal thereof or upon the earlier termination of this Lease for any cause herein provided for, the Lessee shall peaceably and quietly quit and deliver possession of the leased premises, together with all buildings, structures, facilities and other improvements thereon and all equipment installed therein which has become part of the leased premises by operation of the law of fixtures, to the Lessor. The Lessee covenants and agrees that at the time of delivery of possession to the Lessor at the expiration of this Lease or any renewal thereof the leased premises and the facilities thereon shall be free and clear of any mortgage, lien, pledge or other encumbrance or charge.

Section 20 - DEFAULT. In the event (i) any installment of rent shall not be paid within fifteen (15) days after written notice of non-payment; provided, however, such written notice

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need only be given by Lessor twice in any calendar year, after which Lessee shall be in default if any installment of rent shall not be paid within ten (10) days after the same shall be due and payable; or (ii) the Lessee defaults in the performance or observance of any other covenant or condition in this Indenture and such default remains unremedied for thirty (30) days after written notice thereof has been given to the Lessee by the Lessor; provided, however, that if such default is of a nature such that it cannot be cured within a period of thirty (30) days, then such time period shall be extended for a reasonable period provided that the Lessee immediately commences to cure the default and thereafter diligently and continuously proceeds to cure the default; or (iii) the Lessee defaults in the performance or observance of any covenant or condition in any Fee Mortgage to which the Lessor may have subjected its reversionary interest in the Premises pursuant to Section 23.1 hereof or otherwise and such default shall not have been cured as therein permitted, or (iv) the Lessee makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy, is adjudicated insolvent or bankrupt, petitions or applies to any tribunal for any receiver or any trustee of or for the Lessee or any substantial part of its property, commences any proceeding before a tribunal relating to the Lessee or any substantial part of its property under any reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect, or there is

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commenced against the Lessee any such proceeding which remains undismitted for a period of sixty (60) days, or any order approving the petition in any such proceeding is entered, or the Lessee by any act indicates its consent to or acquiescence in, any such proceeding or the appointment of any receiver or trustee for the Lessee or any substantial part of its property, or suffers any such receivership or trusteeship to continue undischarged for period of ninety (90) days, then in any of such events, the Lessor may immediately or at any time thereafter and without demand or notice enter upon the leased premises or any part thereof in the name of the whole and repossess the same as of the Lessor's former estate and expel the Lessee and those claiming through or under the Lessee and remove their effects, forcibly if necessary, without being deemed guilty of any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or proceedings for breach of covenant, and upon such entry this Lease shall terminate and the Lessee covenants that, in case of such termination or in case of termination under the provisions of statute by reason of the default of the Lessee, the Lessee shall remain and continue liable to the Lessor in an amount equal to the total rent reserved for the balance of the term plus all additional rent reserved for the balance of the term hereof less the net amounts (after deducting the expenses of repair, renovation or demolition) which the Lessor realizes, or with due diligence should have realized, from the reletting of the leased premises.

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As used in the preceding sentence, the term "additional rent" means the value of all other considerations agreed to be paid or performed by the Lessee hereunder, including taxes, insurance premiums and adjustments in the base rent pursuant to Section 2 hereof. The Lessor shall have the right from time to time to relet the leased premises upon such terms as it may deem fit, and if a sufficient sum shall not be thus realized to yield the net rent required under this lease, the Lessee agrees to satisfy and pay all deficiencies as it may become due during each month of the remaining term of this lease, or the Lessor may require the Lessee to pay to it as damages such lump sum as will suffice to make the Lessor whole for the balance of the then term of this lease. Nothing herein contained shall be deemed to require the Lessor to await, prior to reentry or reletting, until the date on which this lease, or the term hereof, would have expired had there been no default by the Lessee. The Lessee expressly waives, to the extent permitted by law, service of any notice of intention to reenter and waives any and all right to recover or regain possession of the leased premises, or to reinstate or redeem this Lease as may be permitted or provided for by or under any statute or law now or hereafter in force and effect. The rights and remedies given to the Lessor in this Lease are distinct, separate and cumulative remedies, and no one of them, whether or not exercised by the Lessor, shall be deemed to be in exclusion of any of the others herein or by law or equity provided. Nothing contained in this Section shall limit or

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prejudice the right of the Lessor to prove and obtain, in proceedings involving the bankruptcy or insolvency of, or a composition with creditors by, the Lessee, the maximum allowed by any statute or rule of law at the time in effect.

Section 21 - NOTICES. Any written notice, request or demand required or permitted by this Indenture shall, until either party shall notify the other in writing of a different address, be properly given if sent by certified or registered first class mail, postage prepaid, and addressed as follows:

If to the Lessor:

Whitestone Realty Associates
Caldwell Drive
Amherst, New Hampshire 03031

With a copy to:

William C. Tucker, Esquire
c/o WADLEIGH, STARR, PETERS,
DUNN & CHIESA
95 Market Street
Manchester, NH 03101

If to the Lessee:

Blackstone Realty Associates
Caldwell Drive
Amherst, New Hampshire 03031

Section 22 - ARBITRATION. (a) In the event of any dispute as to the meaning or interpretation of any provision of this lease, either party may, upon ten (10) days written notice to the other party, require that the dispute be determined by arbitration under the rules, then obtaining, of the Commercial Panel of the American Arbitration Association.

(b) A decision of an arbitrator made in accordance with the provisions of this Section shall be final and binding upon the parties hereto and enforceable in a Court of law.

Section 23 - MORTGAGES.

23.1 Subject to the provisions hereinafter contained in this Article 23.1, Lessor shall have the right to mortgage its interest in the demised premises ("Fee Mortgage") provided any such mortgage of Lessor shall specifically provide that either (i) the lien thereof shall be subordinate to the lien of this lease, or (ii) the holder of any such mortgage shall agree to promptly enter into an agreement, in recordable form, (a) with Lessee that in the event of foreclosure or other right asserted under the mortgage by the holder or any assignee thereof, this Lease and the rights of Lessee hereunder shall continue in full force and effect and shall not be terminated or disturbed except in accordance with the provisions of this lease, and (b) with the holder of any utility easement granted by Lessee in connection with construction upon the demised premises that in the event of foreclosure or other right asserted under the mortgage by the holder or any assignee thereof said easement and the rights of the holder thereunder shall continue in full force and effect and shall not be terminated or disturbed except in accordance with the provisions of said utility easement. Any Fee Mortgage of Lessor shall further provide that, upon request of Lessee, the holder thereof will immediately execute appropriate instruments, recordable in form, to give effect to any such subordination or recognition, as the case may be.

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23.2 Lessee and (any subsequent owner of one or more units) shall have the right and privilege from time to time, but only for the purpose of securing loans for the construction, reconstruction, renovation, rehabilitation, conversion, acquisition or refinancing of improvements on the leased premises, of mortgaging and otherwise encumbering Lessee's leasehold interest, in whole or in part, in the demised premises, including Lessee's interest in all improvements thereon and/or any part thereof, as security for the performance of Lessee's obligations under a note or agreement secured by such mortgage or other encumbrance, it being understood at all times that under this Article 23 - Lessor's fee ownership of the demised premises may not be encumbered by Lessee, the rights of Lessee under this Article 23 being solely to encumber or mortgage Lessee's interest in this lease and the buildings and structures located on the Premises and owned by the Lessee. Any such mortgage placed by Lessee pursuant to this Article 23.2 is herein referred to as a "leasehold mortgage" or "Leasehold Mortgage". Lessee shall have the right to place such mortgage without the consent of Lessor. The phrase "leasehold mortgagee" or "Leasehold Mortgagee" shall mean the holder of record of any leasehold mortgage.

Lessee agrees to pay the loan secured by any Leasehold Mortgage in accordance with its terms and to perform all of Lessee's obligations under the Leasehold Mortgage and to

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request the Leasehold Mortgagee to give notice of any default under the Leasehold Mortgage to Lessor and to give Lessor an opportunity to cure any default, without any obligation being imposed on Lessor to do so.

23.3 Upon the placing or assignment of a Leasehold Mortgage, Lessee, or the Leasehold Mortgagee, shall notify Lessor of the address of the leasehold mortgagee to which notices shall be sent. So long as a Leasehold Mortgage is in effect as to which such notice has been given, no termination, alteration, amendment or modification of this Lease shall be made without the prior written consent of such Leasehold Mortgagee, but nothing in this sentence contained shall limit or prohibit the termination of this Lease by Lessor in the manner provided therefor in this Lease for a default in the punctual performance of the terms and conditions herein contained, provided Lessor has complied with the notice requirements of, and has afforded all opportunities to cure provided for in Article 23.4. When giving notice to Lessee with respect to any default in accordance with Article 20, Lessor shall also serve a copy of such notice upon any Leasehold Mortgagee as to which Lessor has received notice as provided in this Article 23.3; and no such notice to Lessee shall be effective as to any Leasehold Mortgagee unless a copy of such notice is so served upon any Leasehold Mortgagee.

23.4 Upon the occurrence of any default under Article 20, each Leasehold Mortgagee shall have the right to cure such default, and Lessor shall accept such performance on the part

of the Leasehold Mortgagee as though the same had been done or performed by Lessee. In the case of any default by Lessee and the expiration of any applicable grace period, Lessor will not effect a termination of the term pursuant to Article 20 without first giving to the Leasehold Mortgagee thirty (30) additional days within which to cure such default if the default is in the payment of money and/or a reasonable time within which to cure such default if the default is other than in the payment of money. Any Leasehold Mortgagee may become the legal owner and holder of the Lessee's interest under this Lease by foreclosure of its Leasehold Mortgage, or as a result of the assignment of this Lease in lieu of foreclosure, whereupon such Leasehold Mortgagee shall immediately become and remain liable under this Lease so long as (but no longer than) such leasehold mortgagee is in, or entitled to, possession of the leased premises.

Section 24 - OPTION TO PURCHASE. Lessor grants to Lessee and any assignee of a proportional interest in this Lease with respect to a condominium unit which such assignee is the owner (the "Optionee"), the option to purchase in fee simple the proportionate, undivided interest in the leased premises appurtenant to such unit upon the following terms and conditions:

(a) This option shall be assignable only to owners of condominium units to be built upon the leased premises or to any holder of a mortgage on the leased premises or on any condominium unit.

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(b) This option may be exercised by an Optionee only between April 1 and June 30 in the year 2000 or during the same period during any five-year anniversary thereof (i.e. between April 1 and June 30 in the years 2005, 2010, 2015, 2020, 2025, etc.) until such time as this Lease is terminated either by the expiration of the term hereof or otherwise, by giving of written notice to the Lessor as provided in paragraph 21 hereof.

(c) The purchase price of the fee interest applicable to each condominium unit shall be an amount equal to the yearly rent with respect to such condominium unit payable during the year in which the option is exercised divided by .099 (i.e. if this Lease were exercisable at the date of the execution hereof the purchase price for each condominium unit's proportionate interest in the fee would be equal to \$1,980 divided by .099 = \$20,000.)

(d) The Optionee must be current in Optionee's payment and performance of Optionee's obligations under this Lease or become current within ten (10) days of such notice of exercise and Optionee must remain so current until the closing on the purchase.

(e) The Optionee shall pay a deposit of five percent (5%) of the purchase price to be held without interest which deposit shall be held by Lessor and be applied to the purchase price at closing or retained by Lessor as liquidated-damages if Optionee defaults.

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(f) The closing shall take place on a date specified by Lessor between September 1 and September 30 of the year in which the option is exercised and the closing shall take place at the offices of Wadleigh, Starr, Peters, Dunn & Chiesa, 95 Market Street, Manchester, New Hampshire or at such other place in Hillsborough County, New Hampshire as may be specified by Lessor.

(g) Lessor shall convey a marketable title by warranty deed subject to the encumbrances set forth in Schedule A and to those further easements and encumbrances created by Lessee. If there is an encumbrance which renders the title unmarketable, Lessor shall take reasonable and diligent efforts to remove the encumbrance and Lessor may extend the closing for a period of up to forty-five (45) days to so do. If such efforts fail, Lessor shall return the deposit and all of Optionee's rights under the exercised option shall be void without any claim upon Lessor, provided that the option granted herein shall remain in effect.

Section 25 - CONDOMINIUMIZATION AND MORTGAGES ON

INDIVIDUAL CONDOMINIUM UNITS. The Lessor acknowledges that the Lessee intends to develop the premises as a leasehold condominium and the Lessor agrees to join in the Declaration of Condominium as required by the New Hampshire Condominium Act (N.H. RSA Chapter 356-B); provided, that such Condominium Declaration (and all related condominium documentation) is approved by Lessor which approval shall not be unreasonably withheld; and provided, further that Lessee reimburses Lessor for all legal and other

PG 564

expenses incurred in connection therewith. The Lessor further agrees that, upon written request made by the holder of a mortgage upon any individual condominium unit or units, it and its successors and assigns, will, prior to terminating this Lease with respect to such unit(s), give to the holder of such mortgage written notice of the defaults or claimed defaults, specifying the nature thereof and that it will not terminate this Lease with respect to such unit or units without first allowing the mortgage holder sixty (60) days from receipt of said notice to cure said defaults (or such further additional period of time as may reasonably be required to cure such default if such default is not capable of being cured within sixty (60) days provided the mortgagee commences and diligently continues to cure such default) and to thereby preserve the effectiveness of this Lease with respect to the unit or units as provided in Section 16(v) of the Condominium Act (N.H. RSA 356-B).

Section 26 - OPTION TO RENEW. The Lessee, provided that at the time no default in the payment of money or the performance of any other term or condition hereof exists, may upon not less than one (1) years written notice to the Lessor renew this Lease for one (1) additional term of fifty (50) years. Such renewal term shall be on all of the terms and conditions of this Lease, except that the base rent shall continue to be adjusted annually in accordance with the provisions of Section 2 and except that there shall be no further option to renew at the expiration of the renewal term.

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Section 27 - ASSIGNMENT AND SUCCESSION. The Lessee may assign its interest herein, in whole, with the prior written consent of the Lessor, which consent shall not be unreasonably withheld. The Lessee may assign a proportionate interest in this Lease to each purchaser of a condominium unit which is created upon the leased premises (i.e., a 1/288th interest in the Lease may be assigned to the purchaser of each condominium unit) without the consent of the Lessor. The Lessor shall have the right to transfer its interest in the leased premises and shall have the right to assign its interest herein. This Indenture shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

Section 28 - ESTOPPEL. Within fifteen (15) days after the Lessor shall receive a notice from Lessee requesting the same, the Lessor shall deliver to Lessee or to any proposed assignee or mortgagee designated by Lessee in the notice, a signed statement certifying (if such be the case) that this Lease (or the assigned interest therein) is in full force and effect and that there are no default of Lessee or of the assignee requesting such notice (or stating such defaults of Lessee as may exist).

Section 29 - SEVERABILITY. If any provision of this Lease shall be determined to be void or unlawful by any court of competent jurisdiction, then such determination shall not affect any other provision of this Lease, all of which other provisions shall remain in effect, and it is the intention of the parties

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hereto that if any provision of this Lease is capable of two constructions, one which would render the provision void and the other which would render the provision valid, then the provision shall have the meaning which renders it valid.

Section 30 - COOPERATION AND EASEMENTS. Lessor shall cooperate with Lessee, without cost or expense to Lessor in connection with the exercise by Lessee of any of its rights, and in particular, Lessor shall execute such applications for permits and such other documents as Lessee may reasonably request, including, without limitation, any instruments or plans presented by Lessee in connection with the improvements to be constructed on the premises and Lessor shall join Lessee in executing such utility easements reasonably requested by Lessee for the purpose of providing public utilities with appropriate easements for the providing of utility service to the leased premises.

Section 31 - HOLDING OVER. If Lessee or anyone claiming under Lessee shall remain in possession of the premises or any part thereof after the expiration of the term without any agreement in writing between Lessor and Lessee, the person remaining in possession shall be deemed a tenant-at-sufferance. Until such time as Lessor accepts rent from such person, and after acceptance of rent by Lessor the person remaining in possession shall be deemed a tenant from month-to-month, subject to the provisions of this Lease as applicable to the tenancy from month-to-month.

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Section 32 - INTEGRATION. All representations and agreements previously made are merged in this Lease which is the full expression of the parties' obligations and neither party, in entering this Lease, has relied upon any statement or representation not set forth herein.

Section 33 - WAIVER. Any consent, express or implied, by the Lessor to any breach by the Lessee of any covenant or condition of this Lease shall not constitute a waiver by the Lessor of any prior or succeeding breach by the Lessee of the same or any other covenant or condition of this lease.

Section 34 - COUNTERPARTS. This indenture may be executed in two (2) or more counterparts, each of which shall be deemed an original and all collectively but one and the same instrument.

Section 35 - MEMORANDUM OF LEASE. Lessor and Lessee agree they will, contemporaneously with the execution of this Lease, execute a notice of Lease in form provided for by the laws of the State of New Hampshire to give actual and constructive notice of this Lease.

Section 36 - GOVERNING LAW. This Lease is made in and shall be interpreted and enforced by the laws of the State of New Hampshire.

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IN WITNESS WHEREOF, Blackstone Realty Associates has caused this Lease to be executed by its undersigned sole general partner and Whitestone Realty Associates has caused this Lease to be executed by its undersigned sole general partner on this the 21 day of June, 1988.

BLACKSTONE REALTY ASSOCIATES

WITNESS:

By: JEF, Inc., General Partner

Neil P. Dunne

By: Edward H. Fillmore Pres.
Edward H. Fillmore, President

WHITESTONE REALTY ASSOCIATES

By: EHF, Inc., General Partner

Neil P. Dunne

By: Edward H. Fillmore Pres.
Edward H. Fillmore, President

STATE OF NEW HAMPSHIRE
COUNTY OF HILLSBOROUGH

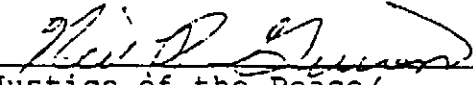
The foregoing instrument was acknowledged before me as of this 21 day of June, 1988, by Edward H. Fillmore, President of JEF, Inc., a New Hampshire corporation and the general partner of Blackstone Realty Associates, a New Hampshire limited partnership, on behalf of Blackstone Realty Associates.

Neil P. Dunne
Justice of the Peace/
~~Notary Public~~

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STATE OF NEW HAMPSHIRE
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me as of this 21 day of June, 1988, by Edward H. Fillmore, President of EHF, Inc., a New Hampshire corporation and the general partner of Whitestone Realty Associates, a New Hampshire limited partnership, on behalf of Whitestone Realty Associates.


Justice of the Peace/
~~Notary Public~~

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SCHEDULE A

DESCRIPTION OF LAND

A certain tract or parcel of land situate in the City of Nashua, County of Hillsborough, State of New Hampshire, being shown as Lot 25 on a plan entitled "Corrective Subdivision Plan, Amherst Street, Nashua, New Hampshire" prepared for Jade Realty by Allan H. Swanson, Inc., dated September 5, 1986, recorded with the Hillsborough County Registry of Deeds as Plan No. 19686, more particularly bounded and described as follows:

Beginning at a point on the westerly side of Blackstone Drive, being the northeasterly corner of a Sewer Easement shown on said plan, thence

1. North 72° 15' 00" West a distance of 15.00 feet to a concrete bound; thence
2. North 44° 17' 03" West a distance of 368.35 feet along land now or formerly of Cadorette to a concrete bound; thence
3. South 50° 42' 34" West a distance of 199.49 feet to a concrete bound; thence
4. North 44° 13' 16" West a distance of 303.26 feet along land now or formerly of Rollins to a concrete bound; thence
5. North 25° 24' 53" East a distance of 1,181.44 feet along land now or formerly of Nim-Cor, Inc. to a concrete bound in the thread of the Pennichuck Brook, so-called; thence
6. In a generally easterly and southeasterly direction along the thread of the Pennichuck Brook a distance of 1,339 feet, more or less, to a point; thence
7. South 58° 20' 26" West along Lot 519 a distance of 616 feet, more or less, to a point; thence
8. South 24° 55' 52" East continuing along said Lot 519 a distance of 123.78 feet to a point; thence
9. Along a curve to the left having a radius of 60.00 feet and a length of 102.95 feet along Blackstone Drive to a point; thence
10. Continuing along Blackstone Drive along a curve to the left having a radius of 475.00 feet and a length of 81.94 feet to a point; thence

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11. Continuing along Blackstone Drive along a curve to the left having a radius of 60.00 feet and a length of 100.76 feet to a point; thence
12. Continuing along Blackstone Drive along a curve to the right having a radius of 30.00 feet and a length of 43.86 feet to a point; thence
13. Continuing along Blackstone Drive along a curve to the left having a radius of 385.00 feet and a length of 56.12 feet to the point of beginning.

Said Lot containing 23.50 acres, according to the plan.

The above described premises are subject to:

- A. The provisions of a "Declaration of Easement" entered into by Jade Realty Corporation and recorded at Book 3323, Page 527 at the Hillsborough County Registry of Deeds.
- B. A Conservation Easement granted to the Conservation Commission of the City of Nashua recorded in the Hillsborough County Registry of Deeds at Book 2677, Page 55.
- C. A Sewer Easement for the benefit of the City of Nashua, as shown on Plan No. 19686, referred to above.

Meaning and intending to describe the same premises conveyed to Whitestone Realty Associates by deed of Edward H. Fillmore and JoAnn D. Fillmore, dated April 1, 1988 and recorded in the Hillsborough County Registry of Deeds.

c/3298

AMENDMENT TO LEASE

Amendment made this 1st day of March 1990 to Lease dated June 1, 1988, by and between Whitestone Realty Associates, a New Hampshire limited partnership, having a principal place of business and mailing address of Caldwell Drive, Amherst, New Hampshire (the "Lessor") and Blackstone Realty Associates, a New Hampshire limited partnership, having a principal place of business and mailing address of Caldwell Drive, Amherst, New Hampshire (the "Lessee").

WHEREAS, Lessor and Lessee entered into the above-referenced Lease of certain land described in Exhibit A thereto as Lot 25 Blackstone Drive, Nashua, New Hampshire (the "Leased Premises"), which premises constitutes the common area land in a leasehold condominium known as KNIGHTSBRIDGE ARMS, A CONDOMINIUM, consisting of 288 residential units, created on June 23, 1988, by the recording in the Hillsborough County Registry of Deeds at Book 4820, Page 0295 of a Declaration of Condominium and As-Built Site and Floor Plans (Plan No. 22207); and

WHEREAS, the aforesaid Lease (attached as Exhibit D to the recorded Declaration) provides in Section 27 that the Lessee may, without the consent of Lessor, assign a proportionate undivided interest (1/288) in the Lease to each purchaser of a condominium unit created upon the Lease Premises; and

WHEREAS, the aforesaid Lease further provides in Section 24 that Lessee and any assignee (unit owner) of a proportionate undivided interest in the Lease may exercise at certain designated

intervals an option to purchase in fee simple the proportionate undivided interest in the Leased Premises appurtenant to such unit upon certain enumerated terms and conditions; and

WHEREAS, Lessor and Lessee now desire to amend the Lease so as to offer unit owners the option to purchase proportionate undivided interests in the Leased Premises at more frequent intervals;

NOW, THEREFORE, Lessor and Lessee hereby amend the Lease in the following respects:

1. Delete in its entirety the existing "Section 24 - OPTION TO PURCHASE" of the Lease and substitute therefore the following:

"Section 24 - OPTION TO PURCHASE. Lessor grants to Lessee, any assignee of a proportional interest in this Lease with respect to a condominium unit of which such assignee is the owner, and any purchaser of a condominium unit (the "Optionee"), the option to purchase in fee simple the proportionate, undivided interest in the leased premises appurtenant to such unit on the following terms and conditions:

(a) This option shall be assignable only to owners of condominium units constructed upon the leased premises or to any holder of a mortgage on the leased premises or on any condominium unit.

(b) This option may be exercised by an Optionee only between March 1 and December 31 in the year 1990 and thereafter only in March or September in each year until such time as the Lease is terminated either by expiration of the term hereof or otherwise, by the giving of twenty (20) days advance written notice to the Lessor as provided in paragraph 21 hereof.

(c) The purchase price of the fee interest applicable to each condominium unit shall be an amount equal to the yearly rent with respect to such condominium unit payable during the year in which the option is exercised (as computed pursuant to Section 2 of this Lease) divided by .099.

(d) The Optionee must be current in Optionee's payment and performance of Optionee's obligations under this Lease or become current within ten (10) days of such notice of exercise and Optionee must remain so current until the closing on the purchase.

(e) The Optionee shall pay a deposit of five percent (5%) of the purchase price to be held without interest which deposit shall be held by Lessor and be applied to the purchase price at closing or retained by Lessor as liquidated damages if Optionee defaults.

(f) The closing shall take place on a date specified by the Lessor in March or September of the year in which the option is exercised, and the closing shall take place at the offices of Wadleigh, Starr, Peters, Dunn & Chiesa, 95 Market Street, Manchester, New Hampshire or at such other place in Hillsborough County, New Hampshire as may be specified by the parties.

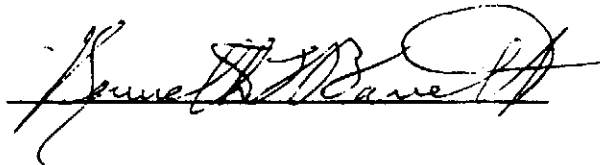
(g) Lessor shall convey a marketable title by warranty deed subject to the encumbrances set forth in Schedule A and to those further easements and encumbrances created by Lessee. If there is an encumbrance which renders the title unmarketable, Lessor shall take reasonable and diligent efforts to remove the encumbrance and Lessor may extend the closing for a period of up to forty-five (45) days to so do. If such efforts fail, Lessor shall return the deposit and all of Optionee's rights under the exercised option shall be void without any claim upon Lessor, provided that the option granted herein shall remain in effect."

IN WITNESS WHEREOF, Blackstone Realty Associates (Lessee) has caused this Amendment to Lease to be executed by its undersigned sole general partner and Whitestone Realty Associates (Lessor) has caused this Amendment to Lease to be executed by its undersigned sole general partner on this the 1st day of March, 1990.

WITNESS:

BLACKSTONE REALTY ASSOCIATES

By: JEF, Inc. General Partner

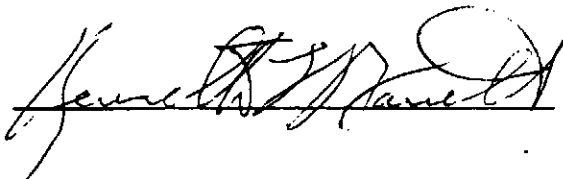


By: Edward H. Fillmore President
Edward H. Fillmore, President

WITNESS:

WHITESTONE REALTY ASSOCIATES

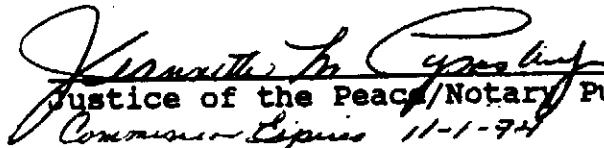
By: EHF, Inc. General Partner



By: Edward H. Fillmore President
Edward H. Fillmore, President

STATE OF NEW HAMPSHIRE
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me as of this 1st day of March 1990, by Edward H. Fillmore, President of JEF, Inc., a New Hampshire corporation and the general partner of Blackstone Realty Associates, a New Hampshire limited partnership, on behalf of Blackstone Realty Associates.


Justice of the Peace/Notary Public
Commission Expires 11-1-94

STATE OF NEW HAMPSHIRE
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me as of this 1st day of March 1990, by Edward H. Fillmore, President of EHF, Inc., a New Hampshire corporation and the general partner of Whitestone Realty Associates, a New Hampshire limited partnership, on behalf of Whitestone Realty Associates.

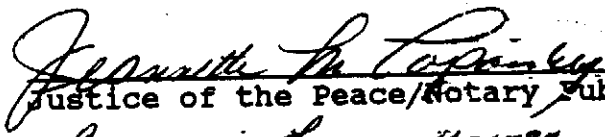

Justice of the Peace/Notary Public
Commission Expires 11-1-94

EXHIBIT 2

PUBLIC OFFERING STATEMENT RECEIPT

(I/We) hereby acknowledge receipt of a copy of the Public Offering Statement of Blackstone Realty Associates containing all eight (8) Exhibits to the Statement.

Dated: _____, 199_ _____

EXHIBIT 3

PURCHASE AND SALE AGREEMENT

Blackstone Realty Associates and, if Box A below is checked, **Whitestone Realty Associates**, New Hampshire Limited Partnerships, with a principal place of business at Caldwell Drive, Amherst, County of Hillsborough, State of New Hampshire, (hereinafter referred to as "Seller"), agrees to sell, and

Name: _____

Street: _____

City: _____ State: _____ Zip: _____

Phone #: _____ (hereinafter referred to as "Buyer"),

agrees to buy the following condominium unit located in Knightsbridge Arms, A Condominium, in Nashua, Hillsborough County, New Hampshire:

Building _____
Unit No. _____
Street Address _____

Check one:

- A. _____ Together with a 1/288 undivided fee simple interest in the land owned by Whitestone Realty Associates.
- B. _____ Together with an assignment of a 1/288 leasehold interest in the land.

The leasehold Condominium was created by the execution and filing by Seller with the Hillsborough County Registry of Deeds of a Declaration of Condominium, the By-Laws of the Unit Owners' Association, and the plans and certificates required by New Hampshire R.S.A. 356-B, The Condominium Act.

Buyer has acknowledged receipt of the Public Offering Statement and Exhibits thereto on _____, 199_. These documents are incorporated by reference and made a part of this Agreement as if set forth in full herein.

The Seller and Buyer therefore agree as follows:

1. A. **PURCHASE PRICE:**

Purchase Price \$ _____

Deposit Received \$ _____

Additional Deposit to be paid \$ _____
by _____, 19__ RECEIVED (_____)

TOTAL DEPOSIT \$ _____

Balance Due at time of delivery of the Deed,
in Cash or Certified Check \$ _____

B. **FINANCING.** This Agreement is contingent upon Buyer obtaining financing in the amount of _____ Dollars (\$ _____) for _____ (____) years at an interest rate not to exceed _____. The Buyer shall notify the Seller prior to such date whether or not Buyer has obtained financing. If Buyer has not obtained financing, then Buyer's deposit shall be returned and this Agreement shall be null and void and neither party shall have further recourse to the other. If Buyer has obtained financing, or if Buyer fails to notify Seller that Buyer has not obtained financing prior to the foregoing date, then this Agreement shall remain in full force and effect and Buyer shall be bound to perform this Agreement without regard to the availability of financing.

2. **DEPOSIT.** It is understood and agreed that the deposit paid by Buyer hereunder shall be held in escrow by Houck and Hall, Inc., Realtors, Amherst, New Hampshire until the closing or until default hereunder.

3. **LOSS OR DAMAGE.**

A. Until the closing, the risk of loss or damage by fire and/or other casualty shall be borne by the Seller, which shall maintain full replacement cost insurance thereon. This insurance shall include the interests of Seller only and shall insure against the perils of Fire, Extended Coverage, Vandalism and Malicious Mischief.

B. Proceeds of insurance will be used to repair or reconstruct the Unit unless more than seventy-five percent (75%) of the building as it exists immediately prior to the loss is destroyed or unless Seller and Buyer agree to terminate this contract, or unless Seller cannot repair the damage within ninety (90) days and Buyer elects to terminate this Agreement. If any of these conditions shall occur, the proceeds shall be paid to the Seller, Buyer's deposit shall be returned, and this Agreement shall terminate.

4. **GENERAL COVENANTS AND AGREEMENTS.**

A. Seller as part of the Declaration of Condominium has caused to be created an unincorporated Unit Owners'

Association for the Condominium. Each owner is a member of the Association and is subject to its By-Laws and rules and regulations. The Buyer agrees that he will subscribe to membership in the Association and pay his share of the common expenses.

B. Seller and Buyer agree that Buyer shall not be assessed for any part of the common expenses assessed to any other Unit which is unoccupied. Buyer agrees that Buyer shall be responsible for payment of the monthly condominium fee assessed against his unit as well as real estate taxes assessed against his unit, and his 1/288 interest in the land (or a prorata share of such taxes on the leased land if Buyer has elected to be assigned a proportionate leasehold interest in the land).

C. Buyer shall pay to the Unit Owners' Association at the time of closing the sum of One Hundred Dollars (\$100.00) for placement into the capital reserve fund and an amount equal to twice the monthly assessment specified in the preceding paragraph for placement into the Working Capital Fund.

D. Water, sewage, gas, electricity and telephone lines have been installed to the unit which shall be available for supply and/or service at the time of the closing. Any deposits for gas, electricity, telephone or other utilities will be paid by Buyer.

E. Buyer shall be entitled for one year from the date of the Certificate of Warranty to have Seller cure structural defects in the unit.

5. TITLE TO BE CONVEYED.

Seller will convey by Warranty Deed a marketable title to the unit, together with a leasehold interest in an undivided portion of the land subject only to the following:

A. The provisions of the Ground Lease (if Buyer does not purchase a 1/288 interest in the land), Declaration of Condominium and such By-Laws, regulations and service contracts as shall be in force under this Declaration and the By-Laws.

B. Taxes for the year in which the sale is closed, if not paid.

C. All rights of way, easements, covenants, conditions and restrictions of record and such zoning or other restrictions upon the use of the property as may be imposed

by governmental authorities having jurisdiction thereof, excepting any such restrictions which would interfere with Buyer's intended occupation of said unit as a residence.

D. The provisions of R.S.A. 356-B, The New Hampshire Condominium Act.

6. CLOSING.

A. The closing shall take place on _____, 199_, but the closing may take place by agreement of the parties at any time prior thereto or at any time thereafter not to exceed one month after said date.

B. The closing shall take place at _____ or such other place as may be agreed upon hereafter, and title to the unit shall be conveyed by Warranty Deed subject only to the exceptions herein stated.

C. The following expenses will be prorated to the date of closing:

- (1) Real Estate Taxes.
- (2) The monthly share of common assessments.

D. The following expenses will be paid by Buyer.

- (1) Documentary stamps required to be affixed to the deed.
- (2) Recording of deed.
- (3) All costs required to be paid by the mortgagee if Buyer's unit is to be mortgaged.
- (4) Utility deposits apportioned to the unit.
- (5) Buyer's own attorneys fees, if any, for title search or counsel concerning this transaction.
- (6) The amounts set forth in Paragraph 4 for placement in the capital reserve and working capital funds.

7. DEFAULT.

A. If Seller shall default in the performance of this Agreement, then Buyer, at his option may elect to void this Agreement, and all sums paid by him hereunder shall be returned to him upon demand. Failure by Buyer to so elect

in writing and to deliver such election to Seller before Seller tenders performance of any omitted act shall constitute a waiver of Seller's default.

B. If Buyer defaults in the performance of the Agreement then Seller, if Seller is not in default, at its election may terminate this Agreement, in which event the amount of damages suffered by Seller because of such default shall be liquidated and paid in the following manner. The liquidated sum to be due to Seller shall be the Total Deposit paid by Buyer upon the purchase price as set forth in Paragraph 1 hereof.

8. NON-ASSIGNABILITY.

This Agreement cannot be assigned by Buyer without approval of Seller in writing.

9. NOTICES.

The delivery of any item and the giving of notice in compliance with this Agreement shall be accomplished by delivery of the item or notice to the party intended to receive it, or by mailing the same within the continental United States by Certified Mail addressed to the address of the recipient herein stated. Notice of delivery by mail shall be effective when mailed.

10. BROKER.

The Buyer and Seller represent that they have not dealt with any real estate brokers or agents in connection with the purchase and sale of this property, and they represent that no broker or agent is entitled to any commission payable in connection with this transaction except Houck and Hall, Inc., agent for the Seller and _____, agent for the Buyer. The Seller agrees that it will pay all commissions, charges, fees and expenses for which it is, or shall hereafter become, liable to Houck and Hall, Inc. which shall be Seller's only responsibility. If either Buyer or the Seller are, or shall hereafter become, liable to any other broker or agent entitled to any commission payable in connection with this transaction, that party shall be solely responsible for the payment of said commission.

11. OPTIONAL PROVISIONS REQUESTED BY BUYER (IF ANY).

12. INSULATION AND OTHER DISCLOSURES.

The Seller agrees that the Unit and the building within which it lies will contain insulation of the following type, thickness and "R" factor:

Main Ceilings:	6" Kraft-faced fiberglass Batts and 6" friction fit Fiberglass Batts; R-38
Exterior Walls:	6" Friction Fit Fiberglass Batts, and 4mil poly; R-19
Stairwells & Corridor Walls	6" Kraft-faced Fiberglass Batts; R-19
Party Walls:	3 1/2" Kraft-faced Fiberglass Batts; R-11

In compliance with the requirements of RSA 477:4(a), Buyer, by execution of his Agreement acknowledges receipt of the following information:

- (a) RADON GAS: Radon gas, the product of decay of radioactive materials in rock may be formed in some areas of New Hampshire. This gas may pass into a structure through the ground or through water from a deep well. Testing can establish its presence and equipment is available to remove it from the air or water.
- (b) LEAD PAINT: Before 1977, paint containing lead may have been used in structure. The presence of flaking lead paint can present a serious health hazard, especially to young children and pregnant women. Tests are available to determine whether lead is present.

13. CANCELLATION.

THE PURCHASER (BUYER) HAS AN EXPRESS AND UNQUALIFIED RIGHT TO CANCEL THIS PURCHASE AND SALE AGREEMENT WITHIN FIVE (5) DAYS FROM THE DATE OF THE AGREEMENT. IF THE BUYER ELECTS TO CANCEL, HE MAY DO SO BY NOTICE THEREOF HAND DELIVERED OR DEPOSITED IN THE UNITED STATES MAIL, RETURN RECEIPT REQUESTED, WITHIN THE FIVE (5) DAY PERIOD, TO THE DECLARANT (SELLER) OR TO ANY AGENT OF THE DECLARANT: PROVIDED, HOWEVER, THAT IF THE PURCHASER ELECTS TO MAIL THE NOTICE OF CANCELLATION, HE MUST ALSO PROVIDE THE DECLARANT WITH A TELEPHONE NOTICE OF CANCELLATION WITHIN THE FIVE (5) DAY PERIOD. SUCH CANCELLATION SHALL BE WITHOUT PENALTY, AND ANY DEPOSIT MADE BY THE PURCHASER SHALL BE REFUNDED IN ITS ENTIRETY NO LATER THAN TEN (10) DAYS FROM THE RECEIPT OF SUCH WRITTEN NOTICE OF CANCELLATION.

14. This Agreement may not be amended altered, extended or discharged except by agreement in writing, signed by both the Buyer and Seller.

15. The duties of the parties hereto shall not be merged in the deed, but shall survive the closing.

EXECUTED, this ____ day of _____, 199_.

Witness:

Buyer(s)

BLACKSTONE REALTY ASSOCIATES

By: _____
Its Authorized Agent

WHITESTONE REALTY ASSOCIATES

By: _____
Its Authorized Agent

EXHIBIT 4

WARRANTY DEED

Blackstone Realty Associates and Whitestone Realty Associates, both New Hampshire limited partnerships, with principal places of business at Caldwell Drive, Amherst, New Hampshire, for consideration paid grants to: _____

with WARRANTY COVENANTS:

I. A certain leasehold condominium unit in Knightsbridge Arms, A Condominium, located in Nashua, County of Hillsborough, State of New Hampshire, said Condominium having been established pursuant to N.H. R.S.A. 356-B by a Declaration of Condominium dated June 21, 1988, and recorded in the Hillsborough County Registry of Deeds at Book 3820, Page 295.

The unit conveyed hereby is more particularly described as follows:

Building _____
Unit No. _____
Street Address _____

All as described in said Declaration and as shown on the Site and Floor Plans entitled, "As Built Condominium Plan, Knights Bridge Arms (sic), A Condominium", prepared for Jade Realty by Allan H. Swanson, Inc., dated September 29, 1987, and recorded in the Hillsborough County Registry of Deeds as Plan No. 22207; together with the undivided percentage interest in the common areas described in said Declaration.

II. A certain fractional interest in common area land upon which the Knightsbridge Arms, A Condominium is located in Nashua, County of Hillsborough, State of New Hampshire, said Condominium having been established pursuant to N.H.R.S.A. 356-B by a Declaration of Condominium, dated June 21, 1988 and recorded in the Hillsborough County Registry of Deeds at Book 3820, Page 295.

The land conveyed hereunder is an undivided 1/288th interest in land constituting the common area land as described in Exhibit A to said Declaration as it relates to:

Building _____
Unit No. _____
Street Address _____

All as described in said Declaration and as shown on the Site and Floor Plans entitled "As Built Condominium Plan (Lot 25, Map "H") Knights Bridge Arms (sic) 'A Condominium' Blackstone Drive, Nashua, New Hampshire," prepared for Jade Realty by Allan H. Swanson, Inc., dated September 29, 1987 and recorded in the Hillsborough County Registry of Deeds as Plan no. 22207.

Whitestone Realty Associates conveys this undivided one two hundred eighty-eighth (1/288) interest in the common area land pursuant to the Lease and Declaration. For additional information see the Lease by Whitestone Realty Associates to Blackstone Realty Associates dated June 1, 1988 and recorded at Book 4820, Page 341, being Exhibit D to the Declaration, as said lease has been amended (the "Lease").

III. This conveyance is made subject to, and is granted together with the following:

1. The provisions, terms, conditions, restrictions, obligations, covenants, and easements contained in said Declaration of Condominium and By-Laws;
2. The provisions of N.H.R.S.A. 356-B as it may affect the interest in the land granted herein;
3. All rights of way, easements, covenants, conditions and restrictions described in Exhibit A to the Declaration;
4. Unpaid real estate taxes for the current tax year;
5. By accepting this deed for the fractional interest in the common area land, the Grantee acknowledges and understands that the land interest and the ownership of the unit shown above shall not be separated and that all future sales of the unit must be with and include the fractional interest in the common area land.

For title reference see deed of Edward H. Fillmore and JoAnn D. Fillmore to Whitestone Realty Associates recorded in the Hillsborough County Registry of Deeds at Book 4695, Page 197.

The warranty covenants contained in this Deed are applicable to Blackstone Realty Associates with respect to the condominium unit described in Paragraph I above and are applicable to Whitestone Realty Associates with respect to the 1/288th interest in the land described in Paragraph II above. It is the intent of the conveyance to cause a merger of the fee and leasehold interests in the 1/288th interest in the land which is appurtenant to the condominium unit described above and to the extent necessary to accomplish such merger, Blackstone Realty Associates hereby assigns to the Grantee an undivided 1/288th interest in the Lease and leasehold interest in the leasehold common area land as defined and described in said Declaration and said Lease as the same may be amended.

IN WITNESS WHEREOF, Blackstone Realty Associates has caused this instrument to be executed by JEF, Inc., its general partner, by _____, its _____, duly authorized, and Whitestone

Realty Associates has caused this instrument to be executed by EHF, Inc., its general partner by _____, its _____, duly authorized on this, the ____ day of _____, 199_.

Witness:

BLACKSTONE REALTY ASSOCIATES

By: JEF, Inc., General Partner

By: _____

WHITESTONE REALTY ASSOCIATES

By: EHF, Inc., General Partner

By: _____

STATE OF NEW HAMPSHIRE
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this ____ day of _____, 199_, by _____ of JEF, Inc., as general partner of Blackstone Realty Associates, a New Hampshire limited partnership, on behalf of the limited partnership.

Justice of the Peace/Notary Public

STATE OF NEW HAMPSHIRE
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this ____ day of _____, 199_, by _____ of EHF, Inc., as general partner of Whitestone Realty Associates, a New Hampshire limited partnership, on behalf of the limited partnership.

Justice of the Peace/Notary Public

EXHIBIT 5

MANAGEMENT AGREEMENT OF
GREAT NORTH PROPERTY MANAGEMENT

In consideration of the covenants herein contained,

Knightsbridge Arms Condominium

(hereinafter called "Association"), and JGCA Holding Corp., dba Great North Property Management, (hereinafter called "Agent" or "Management") agree as follows:

Article 1

The Association hereby employs the Agent to operate and manage the property known as Knightsbridge Arms Condominium upon the terms hereafter set forth for the period of three years beginning January 1, 1994. This contract shall self renew on an annual basis at the end of the initial period. If either party wishes to terminate this contract, they may do so by notifying the other party of their intention, in writing, serving sixty days notice, without the payment of a termination fee.

The agent acknowledges that it has read the condominium Declaration and the By-Laws of the Association relating to the duties and obligations of the Association, its Officers and the Agent. The authority and duties conferred upon the Agent

hereunder are as delegated by the Officers of the Association pursuant to the Declaration.

Article 2

The Association shall compensate Management at a rate of \$12.00 per unit, per month in advance on the 1st day of each month during the term hereof. The Agent will attend the Annual Meeting and twelve Directors meetings annually. The Agent will attend additinal meetings at a fee of \$100. per meeting. Special or emergency services rendered by the Agent to prevent further damage, restore service or safety, gain access or otherwise respond to an emergency call shall be billed to the Association or individual owner, as appropriate, at the rate of \$25.00 per hour.

The Association hereby gives to the Agent the following authority and powers and agrees to assume the expenses in connection herewith:

A. To make or cause to be made and supervise repairs and alterations, to purchase supplies and pay all bills thereof, to the extent the repairs and services are contained in the authorized budget document. The Agent agrees to secure the prior approval of the Association on all expenditures in excess of \$500., per job, for any one item except monthly or reoccurring operating charges and/or emergency repairs in excess

of the maximum, if, in the opinion of the Agent, such repairs are necessary to protect the property from damage, provided that the Agent has made all reasonable efforts to contact and obtain approval from the President of the Association prior to the expenditure. The Agent, however, will not be obligated to disburse or expend more money than the Agent actually receives from the Association.

B. To hire, discharge and supervise all contractors required for the operation and maintenance of the premises. The Agent shall not be responsible for acts of the contractors or their negligence if reasonable care has been exercised in their appointment, supervision and retention.

C. To make contracts for electricity, gas, fuel, water, telephone, window cleaning, trash or rubbish hauling and other services as authorized by the Association, or such of them as the Agent shall deem advisable; the Association to assume the obligation of any contracts so entered into at the termination of this agreement. •

D. The Association will be responsible for assuring continuation of all insurance, including fire insurance, with extended coverage, and public liability insurance respecting the premises and deliver a Certificate to Management evidencing the same. Management shall assist the Association in obtaining such insurance.

E. The Agent shall distribute to residents such communications as requested by the Association. The Agent shall be reimbursed for the costs related to such distributions.

F. The Agent shall use its best efforts to collect all monthly or other assessments due from unit owners. As a standard practice, the Agent shall furnish the Officers with a list of all delinquent accounts as part of its regular monthly operation financial statements or receipts and disbursements.

G. The Agent shall prepare an operating budget in accordance with the Declaration, setting forth anticipated expenses and receipts for the ensuing year and taking into account the general condition of the Property.

H. The Agent shall hire in its own name, managerial personnel necessary for the efficient discharge of the duties of the Agent under this Agreement. Compensation for the services of such employees shall be the responsibility of the Agent. Employees of the Agent who handle the Association's monies shall be bonded by the fidelity bond or insured to the extent as may be required by the Declaration and By-Laws.

I. The Agent shall notify the Unit Owners of the Annual Meeting of the Association and any special meetings of the

benefit or creditors or take advantage of any insolvency act, either party hereto may terminate this agreement without notice to the other party, but prompt advice of such action shall be given in writing to the other party.

Article 6

The Agent does not assume and is given no responsibility for the compliance with Federal, State or Local statutes, ordinances, and laws covering the premises and all equipment, except to notify the Association promptly or forward to the Association promptly any complaints, warnings, notices or summonses received by it relating to said premises and/or equipment.

The Association agrees to indemnify and hold harmless the Agent from all loss, costs, expense and liability whatsoever which may be imposed on them by reason of any present or future violation or alleged violation of such law, ordinance, statute or regulation except for acts of willful misconduct or negligence committed by the Agent.

Article 7

This agreement may not be changed orally, shall bind and apply to any successor of the Association or Agent. Any notice hereunder shall be deemed to have been given if in writing and

pertaining to the premises or the operation thereof. The Agent shall further render monthly statements of receipts, expenses and charges, and to remit to the Owner. The Agent further agrees to maintain business-like relations with the residents, handle complaints received with reasonable dispatch, and exercise its best efforts to remedy existing problems. Notwithstanding the foregoing, maintenance of individual units in the nature of general housekeeping shall be the sole responsibility of the individual residents. The agent shall further deposit all receipts collected for the Association (less any sums properly deducted or otherwise provided herein) in a trust account in a national or state institution qualified to engage in the banking or trust business, separate from the Agent's personal account. However, Agent will not be held liable in the event of bankruptcy or failure of a depository.

Article 5

If either party shall default in the performance of its duties or undertaking hereunder and if such default shall continue for a period of ten (10) days after written notice to the defaulting party, then the other party shall have the right to terminate this agreement forthwith by written notice to the defaulting party. In the event that a petition in bankruptcy is filed by or against the Agent or Association, or in the event that the Agent or Association shall make an assignment for the

Association in accordance with the requirements of the Declaration.

Article 3

The Association agrees to save the Agent harmless from all damage suits in connection with the Management of the herein described property and from liability from injuries suffered by any person whomsoever, and to carry, at his own expense, necessary public liability insurance and adequate to protect the interests of the parties hereto, which policy shall be so written as to protect the Agent in the same manner and to the same extent they protect the Association, and will name Agent as co-insured. The Agent shall also not be liable for any error of judgement or for any mistake of fact or law or for anything which it may do or refrain from handling in the discharge of its duties hereunder, except in cases of the Agent's willful misconduct or gross negligence.

Article 4

The Agent, as part of his employment by the Association, agrees to keep in order a separate set of books for the Association and maintain files containing records of condo fees and other charges due and payment thereof, correspondence, receipted bills and vouchers, and other documents and paper

mailed by registered or certified mail, postage prepaid, return receipt requested.

Article 8

This agreement shall be binding upon the successors and assigns of the Agent, and the heirs, administrators, executors, successors and assigns of the Association.

THIS IS A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, SEEK COMPETENT LEGAL ADVICE.

IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures this 15th day of November, 1993.

Great North Property Management

Witness: [Signature] By: [Signature]
Title: President

Knightsbridge Arms Condo.

Witness: [Signature] By: [Signature]
Title: Pres.

KNIGHTSBRIDGE ARMS CONDOMINIUM ASSOCIATION

1993/1994

INCOME:

Condominium Fees	\$220,000.00
Laundry Income	55,000.00
Rental Income	6,800.00
Other Income	<u>3,800.00</u>
TOTAL INCOME	\$285,200.00

EXPENSES:

ADMINISTRATION

Management Fee	\$ 41,472.00
Administration	2,918.00
Taxes	300.00
Legal/Accounting	<u>2,000.00</u>
TOTAL ADMINISTRATION	46,890.00

LANDSCAPING:

Landscaping Contract	\$ 14,350.00
Improvements	1,250.00
Snow Removal Contract	8,500.00
Clearing of Walkways	750.00
Signs	<u>150.00</u>
TOTAL LANDSCAPING	\$25,000.00

BUILDING:

Building Maintenance	\$12,000.00
Garage Doors	1,800.00
Exterminators	1,500.00
Maintenance Supplies	6,000.00
Electricity	30,000.00
Trash Removal	10,000.00
Water (24%)	18,000.00
Sewer (18%)	20,000.00
Heat	3,000.00
Cleaning Contract	18,840.00
Insurance	21,000.00
Fire Alarm System	<u>8,800.00</u>
TOTAL BUILDING:	\$148,940.00

AMENITIES:

Pool Open/Close	\$ 1,000.00
Amen. Labor	4,800.00
Pool Supplies	2,000.00
Tennis Court	<u>100.00</u>
TOTAL AMENITIES:	\$ 7,900.00

OTHER EXPENSES:

Maintenance Labor	\$ 22,000.00
Pagers	120.00
Bad Debt Allowance	1,800.00
Laundry Rental Equip.	<u>14,000.00</u>
TOTAL OTHER EXPENSES:	37,920.00

FEE SCHEDULE

6(d) Certificate	(pd. by Seller)	\$ 10.00
Annual Meeting		N/C costs only
Reconstruction		8% of gross cost
Return Check Fee	(pd. by Owner)	15.00
Violation Letter	(pd. by Owner)	10.00
Warranty Letters	(pd. by Requester)	25.00
Condominium Documents	(pd. by Requester)	20.00
Orientations	(pd. by Owner)	15.00
Collections	(pd. by Owner)	100.00
Court Appearances	(charged to unit)	35.00 per hour
Copies (Reports and Minutes Excluded)		.10 per side
Postage		at cost

EXHIBIT 7

KNIGHTSBRIDGE ARMS CONDOMINIUM ASSOCIATION

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1993

Seelye & Schulz
P.A., Certified Public Accountants
Nashua, N.H.

RESERVE INCOME: \$ 20,750.00

TOTAL EXPENCES \$ 285,200.00

OPERATING INCOME: \$ 285,200.00

TOTAL: -0-

UNIT BREAKDOWN PER MONTH:

STUDIO	\$53.50	(3.50)
ONE BEDROOM	\$81.50	(4.40)
TWO BEDROOM	\$84.00	(4.50)
TWO BEDROOM DELUXE	\$89.00	(4.75)

(ROUNDED TO THE NEAREST .50)

KNIGHTSBRIDGE ARMS CONDOMINIUM ASSOCIATION

Balance Sheet
June 30, 1993

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
ASSETS			
Cash			
Assessments receivable, net of allowance for doubtful accounts of \$6,300	\$ 2,847	\$ 45,800	\$ 48,647
Interest receivable	5,900	-	5,900
Due from operating fund	-	133	133
	<u>-</u>	<u>6,527</u>	<u>6,527</u>
	<u>\$ 8,747</u>	<u>\$ 52,460</u>	<u>\$ 61,207</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 15,850	\$ -	\$ 15,850
Deferred assessments	2,970	-	2,970
Accrued income taxes	121	-	121
Due to replacement fund	<u>6,527</u>	<u>-</u>	<u>6,527</u>
	25,468	-	25,468
	<u>(16,721)</u>	<u>52,460</u>	<u>35,739</u>
FUND BALANCES (DEFICIT)	<u>\$ 8,747</u>	<u>\$ 52,460</u>	<u>\$ 61,207</u>

See Accountants' Review Report.
The Accompanying Notes Are An Integral Part
Of These Financial Statements.

KNIGHTSBRIDGE ARMS CONDOMINIUM ASSOCIATION

**STATEMENT OF REVENUE AND EXPENSES AND
CHANGES IN FUND BALANCES**

For The Year Ended June 30, 1993

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
REVENUE			
Condominium fees	\$185,604	\$ 20,000	\$205,604
Interest income	108	1,158	1,266
Other income	4,952	-	4,952
Rental income	6,600	-	6,600
Laundry income	<u>57,435</u>	<u>-</u>	<u>57,435</u>
	<u>254,699</u>	<u>21,158</u>	<u>275,857</u>
OPERATING EXPENSES			
Bad debts	6,642	-	6,642
Administration	4,205	-	4,205
Management	41,472	-	41,472
Legal and accounting	1,702	-	1,702
Leases	26	281	307
Laundry machine rentals	12,409	-	12,409
Electricity	33,301	-	33,301
Landscaping and improvements	15,459	-	15,459
Pagers	151	-	151
Snow removal	8,666	-	8,666
Trash removal	9,710	-	9,710
Insurance	19,157	-	19,157
Repairs and maintenance - buildings	11,499	-	11,499
Maintenance supplies	4,765	-	4,765
Alarm system	9,704	-	9,704
Maintenance salaries	15,652	-	15,652
Cleaning	17,938	-	17,938
Heat	3,766	-	3,766
Water and sewer	42,858	-	42,858
Cool expenses	3,855	-	3,855
Fire alarm system	<u>3,074</u>	<u>-</u>	<u>3,074</u>
	<u>266,011</u>	<u>281</u>	<u>266,292</u>
 EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	 (11,312)	 20,877	 9,565
 FUND BALANCE (DEFICIT), July 1, 1992	 <u>(5,402)</u>	 <u>31,583</u>	 <u>26,174</u>
 FUND BALANCE (DEFICIT), June 30, 1993	 <u><u>\$(16,721)</u></u>	 <u><u>\$ 52,460</u></u>	 <u><u>\$ 35,739</u></u>

See Accountants' Review Report.
The Accompanying Notes Are An Integral Part
Of These Financial Statements.

Seelye & Schulz

Certified Public Accountants

To The Board of Directors
Knightsbridge Arms Condominium Association
Nashua, New Hampshire

We have reviewed the accompanying balance sheet of Knightsbridge Arms Condominium Association as of June 30, 1993 and the related statements of revenue and expenses and changes in fund balance and statements of cash flows for the year then ended, in accordance with standards established by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Knightsbridge Arms Condominium Association.

A review consists principally of inquiries of association personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Knightsbridge Arms Condominium Association has not estimated the remaining lives and replacement costs of the common property and, therefore, has not presented estimates of costs of major repairs and replacements which the American Institute of Certified Public Accountants requires as a supplement, although not required to be a part of, the basic financial statements.

August 5, 1993

Seelye & Schulz P.A.

KNIGHTSBRIDGE ARMS CONDOMINIUM ASSOCIATION

STATEMENT OF CASH FLOWS
For The Year Ended June 30, 1993

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (11,312)	\$ 20,877	\$ 9,565
CHANGES IN ASSETS AND LIABILITIES			
Decrease in other receivables	1,050	-	1,050
Increase in assessments receivable	(5,108)	-	(5,108)
Increase in interest receivable	-	(133)	(133)
Increase in accounts payable	5,588	-	5,588
Increase in deferred assessments	2,970	-	2,970
Decrease in accrued income taxes	499	(192)	307
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(6,313)</u>	<u>20,552</u>	<u>14,239</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Interfund transfers	<u>6,527</u>	<u>(6,527)</u>	<u>-</u>
NET INCREASE IN CASH	214	14,025	14,239
CASH, July 1, 1992	<u>2,633</u>	<u>31,775</u>	<u>34,408</u>
CASH, June 30, 1993	<u>\$ 2,847</u>	<u>\$ 45,800</u>	<u>\$ 48,647</u>

See Accountants' Review Report.
The Accompanying Notes Are An Integral Part
Of These Financial Statements.

KNIGHTSBRIDGE ARMS CONDOMINIUM ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 1993

NOTE A. ORGANIZATION

Knightsbridge Arms Condominium Association is an unincorporated association of 288 condominium unit owners, of which 138 are owned by the developer, and is located in Nashua, New Hampshire. It is responsible for the operation and maintenance of common property within the development, which is approximately six years old.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund - This fund is used to account for financial resources available for the general operations of the Association.

Replacement Fund - This fund is used to accumulate financial resources designated for future major repairs and replacements.

Member Assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from unit owners. Any excess assessments at year end are retained by the Association for use in future years.

Property and Equipment

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association. The Association capitalizes personal property at cost and depreciates it using the straight-line method.

KNIGHTSBRIDGE ARMS CONDOMINIUM ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 1993

NOTE C. FUTURE MAJOR REPAIRS AND REPLACEMENT

The Association's governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds, which aggregate \$52,460 including \$6,527 due from the operating fund at June 30, 1993, are held in separate accounts and are generally not available for operating purposes.

There has been no study done to determine the remaining useful lives and the replacement costs of the components of common property. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

NOTE D. INCOME TAXES

Condominium associations may be taxed either as homeowners' associations or as regular corporations. For the year ended June 30, 1993, the Association elected to be taxed as a regular corporation. As a regular corporation, membership income is exempt from taxation if certain elections are made, and the Association is taxed only on its non-membership income, such as interest earnings, at regular federal and state corporate rates. The current years provision for income taxes consists of:

	<u>Operating</u>	<u>Replacement</u>	<u>Total</u>
Federal	\$ 16	\$ 178	\$ 194
State	<u>10</u>	<u>103</u>	<u>113</u>
	<u>\$ 26</u>	<u>\$ 281</u>	<u>\$ 307</u>

EXHIBIT 8
STATEMENT OF PRESENT CONDITION
CHART OF USEFUL LIFE

KNIGHTSBRIDGE ARMS
 Hasbina, New Hampshire

<u>BUILDING NO/ CONDIION AREAS</u>	<u>ACTUAL DATE OF CONST.</u>	<u>COMPONENTS</u>	<u>MAJOR REPAIRS</u>	<u>ESTIMATED USEFUL LIFE</u>	<u>ESTIMATED REPLACEMENT</u>
1,2,3,4	1985	Foundations	Non-new construction	2085	\$ 25,000/Building
5,6,7,8,12	1986				
9,10,11	1987				
1,2,3,4,5, 6,7,8,12	1986	Roofs	Non-new construction	2006	\$ 25,000/Building
9,10,11	1987				
1,2,3,4,5	1986	Exterior	"	2086 (brick veneer)	30,000/Building
6,7,8,12	1987			2037 (vinyl)	12,000/ "
9,10,11	1987			2037 (decks)	400/ "
1,2,3,4,5	1986	Interior (carpet, light fixtures, alarm laundry area)	"	"	\$ 95,000/Building
6,7,8,12	1987				
9,10,11	1987				
1,2,3,4,5	1986	Heating	"	2011	\$ 80,000/Building
6,7,8,12	1987				
9,10,11	1987				
1,2,3,4,5	1986	Plumbing	"	2011	\$125,000/Building
6,7,8,12	1987				
9,10,11	1987				
1,2,3,4,5	1986	Electrical	"	2011	\$125,000/Building
6,7,8,12	1987				
9,10,11	1987				
Club House	1986	-----	"	2037	\$ 75,000/Building
Pools (2)	1986	-----	"	2026	\$ 50,000/Per replac.
Tennis Courts (2)	1987	-----	"	2011	\$ 10,000/Per resur- relined
Tot Lot	1987	-----	"	2011	\$ 500
Parking Area	1986/87	-----	"	2011	\$ 50,000/resurface, sealed & relined

EXHIBIT 2

PUBLIC OFFERING STATEMENT RECEIPT

(I/We) hereby acknowledge receipt of a copy of the Public Offering Statement of Blackstone Realty Associates containing all eight (8) Exhibits to the Statement.

Dated: _____, 199_ _____

EXHIBIT 2

PUBLIC OFFERING STATEMENT RECEIPT

(I/We) hereby acknowledge receipt of a copy of the Public Offering Statement of Blackstone Realty Associates containing all eight (8) Exhibits to the Statement.

Dated: _____, 199_ _____

KNIGHTSBRIDGE ARMS CONDOMINIUM ASSOCIATION

RULES AND REGULATIONS

As residents of Knightsbridge Arms you accepted these rules and bound yourself to their enforcement when you purchased your units. The residents shall, at all times, comply with these rules and regulations and shall see that they are faithfully observed by their families, guests, tenants and licensees. The rules and regulations are intended to assist in preserving a clean and attractive environment, protecting and enhancing the value of the property. They are not designed to unduly restrict or burden the use of the property.

1. The sidewalks, walkways, front porches and entry ways (excluding patios and decks) must not be obstructed, encumbered, or used for any purpose other than entering and exiting the premises. Absolutely no carriages, bicycles, shopping carts, trash cans, refuse, furniture, equipment, or any other object of a similar type of nature shall be stored on sidewalks, walkways, front porches or entryways. The personal property of all residents must be stored within their units. Nothing shall be stored in the Common Areas at any time.
2. No linens, clothing, curtains, rugs, mops, laundry, or other articles shall be shaken or hung from or allowed to fall from any of the windows, doors, patios, decks, front porches or entryways, or exposed on the Common Areas; these areas must be kept free of refuse, debris and other unsightly materials. No resident shall sweep or throw any dirt or other substance outside of his unit or on the Common Areas.
3. No signs, advertisements, notices or other lettering shall be exhibited, displayed in windows, inscribed, painted or affixed in, on or upon any part of the Condominium by any resident, except notices of general interest, which may be posted on the bulletin board. Seasonal decorations of a moderate nature are permitted.
4. No parking shall be permitted on lawns, in the roadway, or in fire zones. Cars parked in such areas are subject to towing at the owner's expense. Please educate your guests as to the parking rules. Improperly parked vehicles should be reported on the Managing Agent. All vehicles should be registered with the Managing Agent.
5. No resident shall store unregistered/uninspected or inoperable vehicles, or similar articles or objects within the parking or Common Areas. Such vehicles shall be towed away at the owner's expense. Under no circumstances shall residents or their guests be allowed to repair or change oil in vehicles on the Common Area.

- 6.** No nuisances shall be allowed on the property. All residents shall exercise extreme care to avoid unnecessary noise and at no times are equipment, musical instruments, radios, stereos, or televisions to be so loud as to disturb or annoy other residents. Undue noise or disturbances should be reported to the Managing Agent.
- 7.** Nothing shall be done in any unit or in, on, or to the Common Areas which may impair structural integrity of the property, or which would structurally or stylistically change a building or improvements thereon. Nothing shall be altered or constructed in or removed from the Common Areas. No resident shall allow the installation of wiring for electrical telephone or television use, air conditioning units or other machines, equipment or fixtures which protrude through the walls or roof of any building or is otherwise visible on the exterior of a building except as presently installed or as authorized in writing by the Board.
- 8.** No flammable, combustible, hazardous or explosive fluid, chemical or substance shall be kept in any unit or Common Area except such as are suitable for normal household use. Per order of the Nashua Fire Department, no flammable, combustible, hazardous or explosive fluid, chemical or substance of any kind shall be kept in an individual unit's furnace shed. No gas grills are allowed on the second and third floor. Only 2 ½ lb. Propane tank gas grill is allowed.
- 9.** No unit shall be occupied by more than six (6) people at any one time without the written approval of the Board of Directors.
- 10.** No unit or Common Area shall be used for unlawful or improper purposes. No commercial activity of any kind, including day care and video rental, shall be conducted from a unit.
- 11.** No activity shall be done or maintained in any unit or on the Common Area which will increase the rate of insurance on any unit or the Common Area or result in the cancellation of insurance thereon, unless such activity is first approved in writing by the Board of Directors.
- 12.** NO PETS ARE ALLOWED.
- 13.** All requests for service must go to the Managing Agent. Non-emergency maintenance is performed between the hours of 7:30 AM – 4:00 PM, Monday through Friday.
- 14.** Employees of the Association or Managing Agent shall not be requested or directed to leave the Condominium by any resident at any time for any purpose. No resident shall direct, supervise or in any manner attempt to assert control over the employees of the Managing Agent or the Association.

- 15.** Interpretation of these rules is the sole discretion of the Board of Directors. Specific complaints of their violation shall be made in writing to Knightsbridge Arms Board of Directors in care of the Managing Agent. If the Board finds the complaint is justified, it shall take whatever action it deems necessary. The complaintant shall be notified by the Board as to what action has been taken.
- 16.** These rules may be amended in any way, at any time, by action of the Board of Directors as conditions warrant. Owners shall be notified of any changes made.

**KNIGHTSBRIDGE ARMS CONDOMINIUM ASSOCIATION
ON-SITE OFFICE - (603) 889-5160**

**MANAGEMENT COMPANY
SEQUEL PROPERTY MANAGEMENT**

KNIGHTSBRIDGE ARMS CONDOMINIUM ASSOCIATION
POLICY RESOLUTION V
NOVEMBER 1, 1998

RESTRICTION OF PETS

Whereas, Article III, Section 1 (E) of the Declaration, empowers the Board to adopt and amend rules concerning the condominium, which rules shall be furnished in writing to all owners, and not be violated. Whereas, indiscriminate control of pets by residents occurs in the condominium, now therefore be it resolved that the following rules concerning pets be adopted:

- 1.) No resident of Knightsbridge Arms Condominium, owner or tenant, will be allowed to keep a pet on the property effective January 1, 1999.

This, "No Pet Policy" will be registered at the Hillsborough County Registry of Deeds. It will be available for review by any potential purchaser. Pets include, but not limited to, dogs, cats, large birds, rabbits and other animals.

- 2.) Residents who own pets which reside at Knightsbridge Arms Condominium Association prior to January 1, 1999, will be grandfathered. These pets will be allowed to remain here at Knightsbridge Arms through their natural life.
- 3.) Prior to January 1, 1999, all pets grandfathered, and residing here at Knightsbridge Arms must be registered with the Management Company. This registration must be completed by January 1, 1999, and is to include a picture of the pet.
- 4.) All pets residing here at Knightsbridge Arms are subject to the Control of Pets policy, as adopted by the Board in February 1990.
- 5.) Special exceptions maybe made to this rule at the Board of Directors discretion. These exceptions may include indoor declawed cats, fish, and special animals covered under the Americans With Disabilities Act; i.e., seeing-eye dogs. Requests for special exceptions are to be made to the Board of Directors.
- 6.) Violations of the Pet Policy: Any resident moving a pet into the property will be given 48 hours to remove the pet. At which time, if the pet is not removed a \$100.00 fine will be imposed. At conclusion of an additional 48 hours, if the pet is not removed, the Board will file suit to have the pet removed. All legal fees will be the responsibility of the unit owner.

Approved:

Knights Bridge Arms Board of Directors

Attested:

[Signature]

Date:

NOVEMBER 17 1998

Signature:

[Signature]

George Smith, President
Knightsbridge Arms Condominium Association

KNIGHTSBRIDGE ARMS CONDOMINIUM

POLICY RESOLUTION III
AMENDMENT IVEHICLE REGISTRATION, PARKING REGULATIONS AND
PENALTIES FOR NON-COMPLIANCE

WHEREAS, Article III, Section 1 of the By-Laws gives the Board power and duty to administer the affairs of Knightsbridge Arms Condominium, and

WHEREAS, the Board desires to control parking as permitted by the documents.

NOW, THEREFORE, BE IT RESOLVED THAT:

All vehicles permanently parked in the community must be registered with the Association. Registration identification shall be filed within 10 days of residency. Registration identification shall be provided to residents by the Association within 5 days after vehicle registration has been received by the Association. Once the resident has received the registration identification, it shall be displayed in the vehicle(s) as instructed by the Association.

All units are limited to two vehicles with the Association, residents will be required to park one vehicle in a garage year round. For current residents, this portion of the resolution will go into effect October 1, 1990. All new tenants/residents moving into the community after the acceptance of this resolution will be given a 30 day waiver from this requirement.

Signs have been posted in the community indicating where visitors are allowed to park. These signs may also indicate that illegally parked or unregistered vehicles will be towed.

Parking violations addressed by this resolution include, but are not limited to, the following:

1. Parking of any vehicle in a fire lane or designated no parking area.
2. Parking of any community registered vehicle in the visitors parking area.
3. Parking of any unauthorized vehicle in a handicapped parking area.
4. Parking of any vehicle on landscaped areas.
5. Any vehicle backed into a curbed parking area. Head in parking only for reasons of auto exhaust entering into air circulation systems.
6. Any resident not parking one of their two vehicles in a garage.

7. Any visitor parking in an unauthorized parking spot will be the responsibility of the unit owner.
8. Parking of any vehicle in front of (or blocking) any trash receptacles on the common area.
9. Failure to register a vehicle with the management office within 10 days of residency.

The Association, or any party designated by the Board, shall be authorized to issue warnings, assess fines, as outlined by the fine structure listed below and have vehicles towed for any of the above parking violations. Written warnings shall be issued to the vehicle owner. Assessed fines shall be levied against the unit owner of which the vehicle owner resides. Costs incurred for towing shall be at the vehicle owner's expense.

And further, be it resolved that warnings and fines will be issued based on vehicle registration. All vehicles will be allowed one warning. The second violation, regardless of the type of violation, will be fined as outlined below. If it has been determined that one unit has had an excessive amount of warnings, they too can be subject to the fine structure below. (Residents/Tenants are responsible for their guest's cars).

Any fines not paid within 25 days of billing will be subject to a \$10.00 late charge, and \$10.00 for every month it is late thereafter.

First violation of parking in a handicap parking area will receive an automatic \$25.00 + costs fine. Second violations will be subject to a \$50.00 + costs fine. A third violation will be addressed by the Board of Directors. They will take whatever steps necessary to prevent this from happening again.

Fine structure:	1st Offense	-	Warning
	2nd Offense	-	\$15.00 fine + costs
	3rd Offense	-	\$25.00 fine + costs
	4th Offense	-	\$50.00 fine + costs

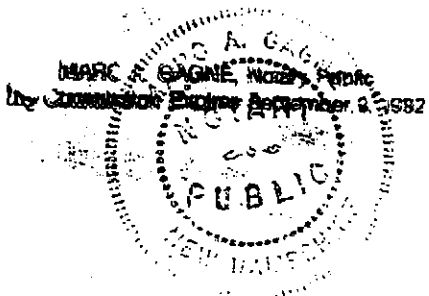
Approved: *[Signature]*

Attested: *[Signature]*

Katherine Connors
 Katherine Connors
 President, Knightsbridge Arms
 Date: December 10, 1990

2/21/91

[Signature]



BK5245 160816

POLICY RESOLUTION
TENNIS RULES
KNIGHTSBRIDGE ARMS

1. USE OF THE TENNIS COURTS ARE FOR THE RESIDENTS OF KNIGHTSBRIDGE ARMS, AND THEIR GUESTS.
2. ALL PLAYERS MUST BE ABLE TO PROVIDE IDENTIFICATION PROVING THEIR RESIDENCY AT KNIGHTSBRIDGE ARMS.
3. NO OTHER USE, EXCEPT TENNIS, IS PERMITTED IN THE TENNIS COURT FACILITY.
4. ONLY WHITE - SOLED COURT SHOES ARE ALLOWED IN THE TENNIS FACILITY.
5. RESERVATIONS ARE ON A FIRST COME FIRST - SERVED BASIS.
6. PLAYERS MUST LOCK THE COURT PRIOR TO LEAVING IF NO OTHER PLAYERS REMAIN ON THE COURT.
7. IF PLAYERS ARE WAITING TO PLAY, ON - COURT PLAYERS MUST FINISH GAME WITHIN ONE HOUR OF ENTERING THE COURT.
8. IT SHOULD BE REMEMBERED BY ALL PLAYERS TO BE "FAIR" AND SHARE THE TENNIS COURTS.
9. PLAYERS MUST TURN OFF LIGHTS WHEN LEAVING THE TENNIS COURTS.

FIRST VIOLATION: WARNING NOTICE
SECOND VIOLATION: \$15.00 ASSESSMENT
THIRD VIOLATION: PERMANENT REMOVAL OF PRIVILEGES FOR
THE REMAINDER OF THE SEASON.

SIGNED: _____

E. H. Pullman

DATE: _____

February 12, 1990

7/11/11

KNIGHTSBRIDGE ARMS CONDOMINIUM ASSOCIATION

POOL RULES

- 1.) The pool is for the exclusive use of owners, residents and their guests.
- 2.) NO DIVING.
- 3.) NO ALCOHOLIC Beverages.
- 4.) The pool is open daily from 9:00 AM until 9:00 PM.
- 5.) All children under 15 years of age must be accompanied by an adult, unless they demonstrate that they are able to swim the length of the pool and have written parental permission to be at the pool area.
- 6.) Running, rough play in or out of the pool, excessive splashing, or any improper behavior must be avoided.
- 7.) Food, glass, breakable items and pets are a health and safety problem and shall not be brought into the pool area. Please use ashtrays and place all trash in containers.
- 8.) Portable radios are allowed as long as the volume is not disturbing to anyone else in the pool area.
- 9.) For the protection of all concerned, persons with skin rashes, skin ailments, nasal or ear discharges or colds or any communicable disease are forbidden to enter the pool.
- 10.) Cut-offs or dungarees are not permitted in the pool.
- 11.) Babies who are not toilet trained and/or in diapers, are not allowed in the pool. A small plastic swimming pool has been provided.
- 12.) One guest is allowed for each individual at the pool. Additional guests may be permitted if the pool is not crowded. Having a guest is a privilege. (All guests must abide by all pool rules. Violators will be prohibited from using the pool.)
- 13.) Owners, residents and guests use the pool at their own risk.
- 14.) No children under the age of 16 allowed at the pool after 8:00 PM unless they are accompanied by an adult.
- 15.) Children's pool - under 8 years of age. Adult pool - age limit - over 8.

POLICY RESOLUTION
POOL RULES
KNIGHTSBRIDGE ARMS CONDOMINIUM

1. THE POOL IS FOR THE EXCLUSIVE USE OF OWNERS, RESIDENTS AND THEIR GUESTS.
2. THE POOL IS OPEN FROM 9:00 A.M. UNTIL 9:00 P.M.
3. ALL CHILDREN UNDER 15 MUST BE ACCOMPANIED BY AN ADULT, UNLESS THEY DEMONSTRATE THAT THEY ARE ABLE TO SWIM THE LENGTH OF THE POOL, AND HAVE PARENTAL PERMISSION TO BE AT POOL AREA. NO CHILDREN UNDER 12 IS ALLOWED IN THE POOL AREA UNLESS ACCOMPANIED BY AN ADULT.
4. RUNNING, ROUGH PLAY IN OR OUT OF THE POOL, EXCESSIVE SPLASHING, OR ANY IMPROPER BEHAVIOR MUST BE AVOIDED.
5. FOOD, GLASS, BREAKABLE ITEMS, AND PETS ARE A HEALTH AND SAFETY PROBLEM AND SHALL NOT BE BROUGHT INTO THE POOL AREA. PLEASE USE ASHTRAYS AND PLACE ALL TRASH IN CONTAINERS.
6. LOUD RADIOS ARE NOT PERMITTED AT THE POOL.
7. FOR THE PROTECTION OF ALL CONCERNED, PERSONS WITH SKIN RASHES, SKIN AILMENTS, NASAL OR EAR DISCHARGES OR COLDS OR ANY COMMUNICABLE DISEASE, ARE FORBIDDEN TO ENTER THE POOL.
8. CUT-OFFS OR DUNGAREES ARE NOT PERMITTED IN THE POOL.
9. BABIES WHO ARE NOT TOILET TRAINED ARE NOT ALLOWED IN THE POOL.
10. ONE GUEST IS ALLOWED FOR EACH INDIVIDUAL AT THE POOL. ADDITIONAL GUEST MAY BE PERMITTED, IF THE POOL IS NOT CROWDED.
11. OWNERS, RESIDENTS, AND GUESTS USE THE POOL AT THEIR OWN RISK.
13. NO CHILDREN (UNDER 16) ALLOWED AT THE POOL AFTER 8:00 P.M. UNLESS THEY ARE ACCOMPANIED BY AN ADULT.

FIRST VIOLATION: WRITTEN WARNING
SECOND VIOLATION: \$15.00 ASSESSMENT
THIRD VIOLATION: PERMANENT REMOVAL OF PRIVILEGES FOR THE REMAINDER OF THE SEASON.

SIGNED: _____

E. N. Fullmer

DATE: _____

Feb 12, 1990

KNIGHTSBRIDGE ARMS CONDOMINIUM

POLICY RESOLUTION II

- Relating to Vehicle Repairs -

WHEREAS, Article III, Section I of the Declaration empowers the Board to adopt and amend rules concerning the condominium, which rules shall be furnished in writing to all owners, and not be violated, and,

WHEREAS, the Board desires to restrict the repair of vehicle on the condominium property,

NOW THEREFORE BE IT RESOLVED THAT:

The repairing of vehicles shall be prohibited on the condominium property except the repair of a resident's own vehicle within his/her own garage.

The disposal of any fluids (antifreeze, oil, etc...) are the responsibility of each owner and not Knightsbridge Arms. Disposal of fluids are not allowed in any trash receptacle.

The Managing Agent shall be authorized to assess a fine of \$50.00 against the owner of the unit in which the owner of the vehicle resides, for violation of the foregoing.

Approved: [Signature]

Attested: [Signature]

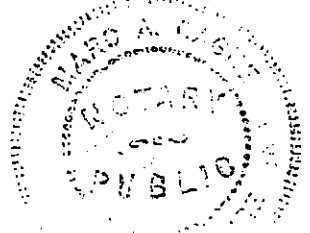
Katherine Connors
Katherine Connors
President, Knightsbridge Arms

Date: 9/21/90

9/01/91

[Signature]

Notarized by the Commission on Ethics & Standards



IKR52145 160812

KNIGHTSBRIDGE ARMS CONDOMINIUM ASSOCIATION

POLICY RESOLUTION IV
NOVEMBER 1, 1991

USE OF COMMON AND LIMITED COMMON AREA

WHEREAS, Article III, Section I of the By-Laws gives the Board power and duty to administer the affairs of Knightsbridge Arms Condominium, and

WHEREAS, the Board desires to control the use of any common or limited common area as permitted by the documents.

NOW, THEREFORE, BE IT RESOLVED THAT:

The decks, balconies and utility closets adjacent to units are Limited Common Area, which means that the right to exclusive use thereof is reserved to the Unit Owner of the unit in question, except for the access easement referred to in Section 7.3(e). In addition, each unit is assigned a garage space which is Limited Common Area to that unit.

The By-Laws provide for restrictions on the use of units and Common Area; common areas of the buildings and recreational facilities; and numerous other matters affecting the occupancy and operation of the Condominium.

Each Limited Common Area is owned in common by the Owners, but it is restricted to the use and benefit of the Unit which it serves. Limited Common Area may not be reassigned.

The Common Area shall be used only by the Owners and Tenants in residence and their guests, invitees and licensees.

The Limited Common Area shall be used only by the Owners and Tenants in residence and their guests, invitees and licensee of the Units to which the Limited Common Area is assigned.

The manner of use, charges or fee for said use, and the responsibilities for maintenance and repair of the Common Area and the Limited Common Area shall be governed by the By-Laws and by any rules adopted by the Board of Directors, as such By-Laws and rules may be amended.

Each Owner shall be responsible for performing the normal maintenance for any Limited Common Area which is appurtenant to his Unit, including keeping it in a clean and sanitary

5320 PG017

condition and free and clear of snow, ice and any accumulation of water, and shall make, at his own expense, all repairs thereto, beyond normal maintenance, caused or necessitated by his negligence, misuse or neglect.

No Owner shall make any structural addition, alteration or improvement in or to the Unit without the prior written consent thereto of the Board of Directors.

No Owner shall paint, decorate or otherwise change the external appearance of his Unit, including the doors and windows, or of any fence, or of any exterior surface of the building, without the prior written consent thereto of the Board of Directors.

Nothing shall be done in any unit or in, on, or to the Common Area which may impair the structural integrity of the Property, or which would structurally change a building or improvements thereon except as provided in the Declaration of these By-Laws.

Nothing shall be altered or constructed in or removed from the Common Area, except upon the written consent of the Board of Directors. This includes any form of fencing or trellis work along the balcony area. Should a Unit Owner wish to install a form of fencing of the balcony for safety precautions, exact specifications of material, construction and design must be provided in writing for the Board to review for approval.

No activity shall be done or maintained in any Unit or upon any Common Area which will increase the rate of insurance on any Unit or the Common Area or result in the cancellation of insurance thereon, unless such activity is first approved in writing by the Board of Directors. No charcoal grills are permitted on the property or limited common area (balcony).

No waste shall be committed in the Common Area. This includes the installation and the operation of large appliances (refrigerators, washers, dryers, freezers), machinery equipment and tools. Conservation of electricity should be observed at all times by both the Unit Owners, Tenants and the Board of Directors. Electric garage door openers are the only device permitted for installation in the limited common area without prior written permission.

Utilization of common area exterior water faucets will not be permitted on the grounds of Knightsbridge Arms for any other reason than watering of lawns as prescribed by the Board of Directors and Landscaping Contractor each year. No washing of cars, equipment, bikes, etc... will be permitted on the property.

The Common Area shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of the Units.

All regulations of this policy are effective immediately. Those Unit Owners in violation of the policy resolution will be given a 30 day period to address the Board in writing for permission of the changes which they have already made. After the thirty day period, the following fine structure will be applied.

FINE STRUCTURE:

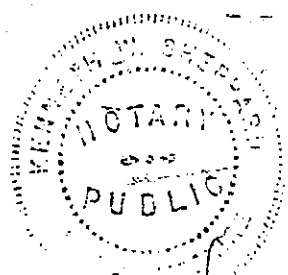
- 1ST: Written warning of violation. Immediate correction of violation will be requested.
- 2ND: If violation is not corrected within seven days, or specific arrangements made in writing between the Managing Agent and the Unit Owner, the Unit Owner will be fined \$50.00.
- 3RD: Violation will be repaired to the Board's satisfaction and the Unit Owner will incur any costs as well as a \$100 fine for non-compliance.

APPROVED: *Kenneth W. Sheppard*

ATTESTED: *Carol Blanchette*

George Smith
George Smith, President.
Knightsbridge Arms Condo. Assoc.

DATE: 11/5/91



Kenneth W. Sheppard

KENNETH W. SHEPPARD, Notary Public
My Commission Expires April 30, 1996

HK 5320 PG 019

KNIGHTSBRIDGE ARMS CONDOMINIUM ASSOCIATION

POLICY RESOLUTION III
AMENDMENT II

VEHICLE REGISTRATION, PARKING REGULATIONS AND
PENALTIES FOR NON-COMPLIANCE
NOVEMBER 1, 1991

* * * * *

WHEREAS, Article III, Section 1 of the By-Laws gives the Board power and duty to administer the affairs of Knightsbridge Arms Condominium, and

WHEREAS, the Board desires to control parking as permitted by the documents.

NOW, THEREFORE, BE IT RESOLVED THAT:

All vehicles permanently parked in the community must be registered with the Association. Registration identification shall be filed within 10 days of residency. Registration identification shall be provided to residents by the Association within 5 days after vehicle registration has been received by the Association. Once the resident has received the registration identification, it shall be displayed in the vehicle(s) as instructed by the Association.

All units are limited to two vehicles with the Association, residents will be required to park one vehicle in a garage year round.

Signs have been posted in the community indicating where visitors are allowed to park. These signs may also indicate that illegally parked or unregistered vehicles will be towed.

Parking violations addressed by this resolution include, but are not limited to, the following:

1. Parking of any vehicle in a fire lane or designated no parking area.
2. Parking of any community registered vehicle in the visitors parking area without Boards prior consent.
3. Parking of any unauthorized vehicle in a handicapped parking area.
4. Parking of any vehicle on landscaped areas.
5. Any vehicle backed into a curbed parking area. Head in parking only for reasons of auto exhaust entering into air circulation systems.
6. Any resident not parking one of their two vehicles in a garage.
7. Any visitor parking in an unauthorized parking spot will be the responsibility of the Unit Owner.

5320 PG0015

6. Any resident not parking one of their two vehicles in a garage;
7. Any visitor parking in an unauthorized parking spot will be the responsibility of the unit owner.
8. Parking of any vehicle in front of (or blocking) any trash receptacles on the common area.

The Association, or any party designated by the Board, shall be authorized to issue warnings, assess fines, as outlined by the fine structure listed below and have vehicles towed for any of the above parking violations. Written warnings shall be issued to the vehicle owner. Assessed fines shall be levied against the unit owner of which the vehicle owner resides. Costs incurred for towing shall be at the vehicle owner's expense.

And Further, be it resolved that warnings and fines will be issued based on vehicle registration. All vehicles will be allowed one warning. The second violation, regardless of the type of violation, will be fined as outlined below. If it has been determined that one unit has had an excessive amount of warnings, they too can be subject to the fine structure below. (Residence/tenants are responsible for their guest's cars)

Any fines not paid within 20 days of billing will be subject to a \$10.00 late charge, and \$10.00 for every month it is late thereafter.

First violations of parking in a handicap parking area will receive an automatic \$25.00 + costs fine. Second violations will be subject to a \$50.00 + costs fine. A third violation will be addressed by the Board of Directors. They will take whatever steps necessary to prevent this from happening again.

Fine structure:

1st offense - Warning
 2nd offense - \$15 fine + costs
 3rd offense - \$25 fine + costs
 4th offense - \$50 fine + costs

Approved: _____

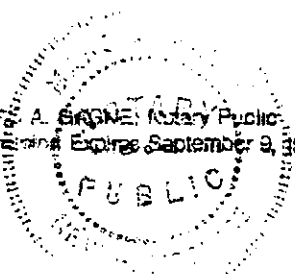
Attested: _____

Katherine Connors
 Katherine Connors
 President, Knightsbridge Arms
 Date: 9/21/90

2/21/91

Mare A. Pagne

MAR. A. BAGNE, Notary Public
 My Commission Expires September 9, 1992



DK5245 P60814

KNIGHTSBRIDGE ARMS CONDOMINIUM

POLICY RESOLUTION III

VEHICLE REGISTRATION, PARKING REGULATIONS AND
PENALTIES FOR NON-COMPLIANCE

WHEREAS, Article III, Section 1, of the By-Laws gives the Board power and duty to administer the affairs of Knightsbridge Arms Condominium, and

WHEREAS, the Board desires to control parking as permitted by the documents,

NOW, THEREFORE, BE IT RESOLVED THAT:

All vehicles permanently parked in the community must be registered with the Association. Registration shall be filed within 10 days of residency. Registration identification shall be provided to residents by the Association within 5 days after vehicle registration has been received by the Association. Once the resident has received the registration identification, it shall be displayed in the vehicle(s) as instructed by the Association.

All units are limited to two vehicles with the Association, will be required to park one vehicle in a garage year round. For current residents, this portion of the resolution will go into effect October 1, 1990. All new tenants/residents moving into the community after the acceptance of this resolution will be given a 30 day waiver from this requirement.

Signs have been posted in the community indicating where visitors are allowed to park. These signs may also indicate that illegally parked or unregistered vehicles will be towed.

Parking violations addressed by this resolution include, but are not limited to, the following:

1. Parking of any vehicle in a fire lane or designated no parking area;
2. Parking of any community registered vehicle in the visitors parking area;
3. Parking of any unauthorized vehicle in a handicapped parking area;
4. Parking of any vehicle on landscaped areas;
5. Any vehicle backed into a curbed parking area; (Head in parking only for reasons of auto exhaust entering into air circulation systems)

KNIGHTSBRIDGE ARMS CONDOMINIUM ASSOCIATION

POLICY RESOLUTION # 1

- LATE CHARGE -

WHEREAS Article III, Section 1, 1b and 1c of the By-Laws empowers the Board to adopt and amend rules concerning the Condominium, which rules shall be furnished in writing to all owners, and not be violated, and

WHEREAS Article XII, Section E of the By-Laws of Knightsbridge Arms Condominium Association empowers the Board to impose a late payment charge on defaulting owners of their untimely payment of monthly condominium fees, and,

NOW THEREFORE, BE IT RESOLVED that the following late charge concerning late payment of monthly assessment be adopted:

1. Monthly assessment, (commonly known as condo fee), which is due and payable on or before the first of the month, if not paid by the 15th of said month, then said unit in default will be charged a \$10.00 late fee as authorized in Article XII, Section E of the By-Laws.

2. Notwithstanding the above, interest rate of 18% per annum on defaulting owners will prevail on all outstanding monies due as prescribed in Article XII, Section 1c of the By-Laws, and,

NOW THEREFORE, BE IT RESOLVED this resolution to be effective October 1, 1990, and,

THEREFORE BE IT ORDAINED, THAT THE ABOVE RESOLUTION SO RECORDED IN THE BOOK OF MINUTES OF THE KNIGHTSBRIDGE ARMS CONDOMINIUM ASSOCIATION BOARD OF DIRECTORS MEETING DATED SEPT. 18, 1990 AND THE JULY ELECTED BOARD OF DIRECTORS OF KNIGHTSBRIDGE ARMS CONDOMINIUM ASSOCIATION IN THE YEAR ONE THOUSAND NINE HUNDRED AND NINETY ON THE EIGHTEENTH DAY OF SEPTEMBER SIGNED AND SEALED THE ABOVE RESOLUTION.

Approved: [Signature]

Attested: [Signature]

[Signature]
Katherine Connors
President, Knightsbridge Arms

Date: 9/21/90

9/21/91

[Signature]



165215 160811

KNIGHTSBRIDGE ARMS CONDOMINIUM.

Policy Resolution IV

- Tennis Court Parking Area -

Whereas, Article III, Section I, of the By-Laws gives the Board power and duty to administer the affairs of Knightsbridge Arms Condominiums, and

Whereas, the Board desires to control parking as permitted by the document as follows;

Now, THEREFORE, BE IT RESOLVED THAT;

All vehicles, (registered or unregistered), recreational vehicles, boats, trailers, campers, trucks, etc... must be permanently removed from the tennis court area by September 13, 1991.

After the above date, the Board or any party designated by the Board shall be authorized to have these or any other vehicles, (registered or unregistered), recreational vehicles, boats, trailers, campers trucks, etc... towed at the Owner's expense including, but not limited to storage fees.

And further, be it resolved that this is a legal document and has been filed at the Registry of Deeds, in Hillsborough County, Nashua, New Hampshire.

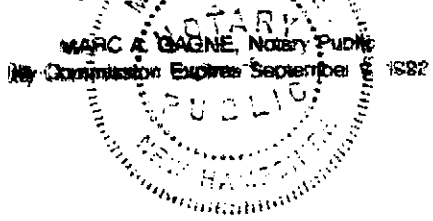
Approved: [Signature]

Attested: [Signature]

Katherine Connors
Katherine Connors
President, Knightsbridge Arms

Date: MARCH 19, 1991

[Signature]
Notary Public



3K5244 P60845