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PUBLIC OFFERING STATEMENT HOLLY HILL
RETIREMENT COMMUNITY
SECOND PHASE Simsbury,
Connecticut

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HOLLY HILL RETIREMENT COMMUNITY SECOND PHASE DOCUMENTS

PUBLIC OFFERING STATEMENT FOR HOLLY HILL
RETIREMENT COMMUNITY - SECOND PHASE

This Public Offering Statement is made pursuant to to the provisions of Public Act 83-474, the Connecticut Common Interest Ownership Act. It is intended to disclose the characteristics of both the individual Unit at Holly Hill Retirement Community and the project of which it is a part and attempts to make known to the prospective purchaser all unusual and material circumstances or features affecting the Unit and the entire project.

Holly Hill Retirement Community is planned as a phased community. Under the Declarant's plan of development, a first phase, containing sixteen Units, will be declared initially, followed by a second phase containing an additional twenty-eight Units, for a total of forty-four. This Public Offering Statement, and the documents attached to it as exhibits, relate to Holly Hill after the addition of the second phase, and have been prepared for purchasers of Units 17 through 44.

The following information is set forth under paragraphing which follows the statutory format of the Common Interest Ownership Act. Although certain portions of the information contained in other documents will be summarized, the original documents should be consulted at .'.11 times. The Declarant is required by law to emphasize :-t the end of this Public Offering Statement that the statements set forth herein are only summary in nature and that a prospective purchaser should refer to all references as well as the entire set of disclosure materials and his or her purchase contract.

1. (a) Declarant;

HOLLY HILL ESTATES, INC.
40 Firetown Road
Simsbury, Connecticut 06070

(b) Common Interest Community;

Holly Hill Retirement Community
40 Firetown Road
Simsbury, Connecticut 06070

••' ' Holly Hill Retirement Community is a
planned community.

2. Description of the Common Interest Community:

Holly Hill lies on a tract of land of approximately six acres located on the easterly side of Firetown Road in

Simsbury, Connecticut.

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(a) Types and Number of Buildings and Amenities:

The Common Interest Community consists of two residential buildings. The residential buildings contain forty-four Units. Both residential buildings are two stories in height, of wood frame construction with wood and brick exterior.

In addition to the residential buildings, there will be constructed a kitchen and community room and a staff office in the bridge area connecting the two buildings.

The Common Interest Community will have forty-four open parking spaces. A right has been reserved in the Declaration to assign these spaces as Limited Common Elements

(b) Schedule of Commencement and Completion of Buildings and Amenities:

The Units in the first building will be substantially completed as of June, 1984.

The Declarant presently anticipates commencing construction on the second residential building during the summer of 1984 and estimates completion in December, 1984. The Declarant discloses that the schedule may not be followed.

The Declarant anticipates completing construction on the kitchen, community room and office for staff together with the construction of the second building. The Declarant discloses that the schedule may not be followed.

3. Number of Units: As of the date of the recording of the Amended Declaration attached as Exhibit A, the Common Interest Community will consist of forty-four Units.

4. Documents:

Unless otherwise noted, the following documents are attached to this Public Offering Statement and incorporated by reference:

(a) Declaration: The Amended Declaration is Exhibit A. The Description of Land, Table of Interests, Survey and Plans, and Architect's Certificate are Schedules A-1, A-2, A-3, A-4, and A-5 to the Declaration, respectively.

(b) Bylaws: The Bylaws of Holly Hill Retirement Community Association, Inc., are Exhibit B.

(c) Rules: The Rules of Holly Hill Retirement Community Association, Inc. are attached as Exhibit C. These

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are the initial rules of the Association to be adopted at the organization meeting of the Association.

(d) Ground Lease; The Ground Lease between Holly Hill of Simsbury, Inc. and Holly Hill Estates, Inc., the Declarant, is attached as Exhibit D.

(e) Deed: The form deed to be delivered to the purchaser is attached as Exhibit E. It will be executed by the Declarant and dated as of the date of the closing. It will contain the designated Unit number appearing on the purchaser's purchase agreement.

(f) Recorded Covenants, Conditions, Restrictions and Reservations: There are no recorded covenants, conditions, restrictions or reservations affecting the Common Interest Community.

(g) Contracts and leases to be signed by the purchasers at closing; There are no leases or contracts to be executed.

(h) Contracts or leases that will or may be subject to cancellation by the Association;

(i) Management Contract: The Management Contract between Holly Hill Association Retirement Community, Inc. and Holly Hill Estates, Inc. (the "Manager") is Exhibit G. The Management Contract is terminable on 60 days' notice by either party. During the term of the contract, the Manager will perform the duties listed in Article III of the contract for a fee of \$50.00 per Unit per month.

Each purchaser is affected by the contract in that the contract is a contract with the Manager permitting it to manage and operate the Common Interest Community at its own discretion, based upon service and maintenance standards in the contract.

Holly Hill Estates, Inc., the Manager under the Management Agreement, is the Declarant.

-•' ' (ii) Rubbish Removal Contract; The Declarant has entered into an oral agreement with Paine's, Inc. for the removal of rubbish from the Common Interest Community. The monthly charge for rubbish removal under this agreement is approximately \$100.00 per month. This agreement is terminable on ninety (90)

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days' notice by either party. This expenses is included in the Budget attached as Exhibit H.

- (iii) Cable Television Contract; A cable television contract may be entered into with the local cable company. Under this agreement, individual Unit Owners will be able to contract for service with the cable company on an individual basis at their own expense.
- (iv) Elevator Service Contract; During the period when the Declarant controls the Association, the Declarant will cause the Association to enter into a contract for elevator maintenance services. The Declarant contemplates service charges of approximately \$160.00 per month. This expense is included in the Budget attached as Exhibit H.
- (v) Transportation Service Contract; During the period when the Declarant controls the Association, the Declarant will cause the Association to enter into a contract to lease a van to provide transportation to Unit Owners. The Declarant contemplates rental payments of approximately \$375.00 per month. This expense is included in the Budget attached as Exhibit H,

5. Projected budget for the Association:

The projected budget for the first year of operation, in current dollars, for forty-four Units, attached as Exhibit H.

This budget does not include the cost of optional services, such as meal services, to be paid for by Units receiving these services. Inflation factors during the time period that the budget encompasses will not affect the projected amounts.

6. Services not reflected in the budget: Once all forty-four Units are declared, the Declarant will not be providing any services to the Association which are not reflected in the Budget attached as Exhibit H.

7 Initial or special fees: There are no initial or special fees charged to purchasers.

8. Liens, defects or encumbrances: Title to the

Property and each Unit therein is subject to the encumbrances listed in the attached Exhibit F.

9. Financing arranged by Declarant: The Declarant may make arrangements with some banks and savings and loan

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associations to process mortgage applications from prospective purchasers. The approval of individual borrowers, the rate of interest, and other terms to be offered will be at the sole discretion of the bank or savings and loan association processing the individual mortgage applications.

10. Warranties: Statutory Warranties provided by the Act are as follows:

1. Express Warranties of Quality - Section 75.

(a) Express warranties made by any seller to a purchaser of a unit, if relied on by the purchaser, are created as follows:

(1) Any affirmation of fact or promise which relates to the unit, its use, or rights appurtenant thereto, area improvements to the common interest community that would directly benefit the unit, or the right to use or have the benefit of facilities not located in the common interest community, creates an express warranty that the unit, area improvements and related rights and uses will conform to the affirmation or promise;

(2) Any model or description of the physical characteristics of the common interest community, including plans and specifications of or for improvements, creates an express warranty that the common interest community will substantially conform to the model or description;

(3) Any description of the quantity or extent of the real property comprising the common interest community, including surveys, creates an express warranty that the common interest community will conform to the description, subject to customary tolerances; and

(4) A provision that a purchaser may put a unit only to a specified use is an express warranty that the specified use is lawful;

(5) Neither formal words, such as "warranty" or "guarantee", nor a specific intention to make a warranty, are necessary to create an express -•' •' warranty of quality, but a statement purporting to be merely an opinion or commendation of the real property or its value does not create a warranty.

(6) Any conveyance of a unit transfers to

the purchaser all express warranties of quality
made by previous sellers only to the extent such a

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conveyance would transfer warranties pursuant to chapter 827 of the general statutes.

2. Implied Warranties of Quality - Section 76.

(a) A declarant warrants to a purchaser that a unit will be in at least as good condition at the earlier of the time of the conveyance or delivery of possession as it was at the time of contracting, reasonable wear and tear excepted.

(b) A declarant impliedly warrants to a purchaser that a unit and the common elements in the common interest community are suitable for the ordinary uses of real property of its type and that any improvements made or contracted for by him, or made by any person before the creation of the common interest community, will be: (1) Free from defective materials; and (2) constructed in accordance with applicable law, according to sound engineering and construction standards, and in a workmanlike manner.

(c) In addition, a declarant warrants to a purchaser of a unit that may be used for residential use that an existing use, continuation of which is contemplated by the parties, does not violate applicable law at the earlier of the time of conveyance or delivery of possession.

(d) Warranties imposed by this section may be excluded or modified as specified in Section 77 of this act.

(e) For purposes of this section, improvements made or contracted for by an affiliate of a declarant are made or contracted for by the declarant .

(f) Any conveyance of a unit transfers to the purchaser all of the declarant's implied warranties of quality only to the extent such a conveyance would transfer warranties pursuant to chapter 827 of the general statutes.

(g) The warranties provided to a purchaser by a declarant pursuant to this section with respect to common elements shall also extend to the association.

3. Exclusion or Modification of Implied Warranties of Quality - Section 77.

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(a) Except as limited by subsection (b) of this section with respect to a purchaser of a unit that may be used for residential use, implied warranties of quality: (1) may be excluded by expression of disclaimer, such as "as is," "with all faults," or other language that in common understanding calls the purchaser's attention to the exclusion of warranties.

(b) With respect to a purchaser of a unit that may be occupied for residential use, no general disclaimer of implied warranties of quality is effective, but a declarant may disclaim liability in an instrument signed by the purchaser for a specified defect or class of defects or specified failure to comply with applicable law, if the defect or failure entered into and became a part of the basis of the bargain.

4. Statute of Limitation for Warranties - Section 78.

(a) A judicial proceeding for breach of any obligation arising under Section 75 or 76 of this act shall be commenced within three years after the cause of action accrues.

(b) Subject to subsection (c) of this section, a cause of action for breach of warranty of quality, regardless of the purchaser's or association's lack of knowledge of the breach accrues: (1) As to a unit, at the time the purchaser to whom the warranty is first made enters into possession if a possessory interest was conveyed or at the time of acceptance of the instrument of conveyance if a nonpossessory interest was conveyed; and (2) as to each common element, at the time the common element is completed and first used by a bona fide purchaser.

(c) If a warranty of quality explicitly extends to future performance or duration of any improvement or component of the common interest community, the cause of action accrues at the time the breach is discovered or at the end of the period for which the warranty explicitly extends, whichever is earlier.

A second statutory warranty is found in Chapter 827, of the Connecticut General Statutes and is as follows:

"Sec. 47-116. Definitions. As used in this chapter, unless the context otherwise requires: "Improvement" means any newly constructed single family

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dwelling unit, any conversion condominium unit being conveyed by the declarant and any fixture or structure which is made a part thereof at the time of construction or conversion by any building contractor, suocon-tractor or declarant; "purchaser" means the original buyer, his heirs or designated representatives, of any improved real estate; "real estate" means any fee simple estate; and "vendor" means any person engaged in the business of erecting or creating an improvement on real estate, any declarant of a conversion condominium, or any person to whom a completed improvement has been granted for resale in the course of his business.

"Sec. 47-117. Express warranties. (a) Express warranties by a vendor are created as follows: (1) Any written affirmation of fact or promise which relates to the improvement and is made a part of the basis of the bargain between the vendor and the purchaser shall create an express warranty that the improvement conforms to such affirmation or promise; (2) any written description of the improvement, including plans and specifications thereof which is made a part of the basis of the bargain between the vendor and the purchaser shall create an express warranty that the improvement conforms to such description; and (3) any sample or model which is made a part of the basis of the bargain between the vendor and the purchaser shall create an express warranty that the improvement conforms substantially to such sample or model.

"(b) No formal words, such as "warranty" or "guarantee" , nor any specific intention to make a warranty shall be necessary to create an express warranty, provided a simple affirmation of the value of the improvement or a statement purporting to be an opinion or commendation of the improvement shall not of itself create such a warranty.

"(c) No words in the contract of sale or the deed, nor merger of the contract of sale into such deed shall exclude or modify any express warranty made pursuant to subsection (a) of this section. Such warranty may, at any time after the execution of the contract of sale, be excluded or modified wholly or partially by any written instrument, signed by the purchaser, setting forth in detail the warranty to be excluded or modified, the consent of the purchaser to such exclusion or modification and the terms of the new agreement.

"Sec. 47-118. Implied Warranties. (a) In every sale of an improvement by a vendor to a purchaser, except as provided in subsection (b) of this section or excluded or

modified pursuant to subsection (d), warranties are implied

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(3) constructed or used for human habitation, at the time of the delivery of the deed to the purchaser, or at the time of completion of any improvement not completed when the deed is delivered

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"(b) The implied warranties of subsection (a) of this section shall not apply to any condition that an inspection of the premises would reveal to a reasonably diligent purchaser at the time the contract is signed.

"(c) If the purchaser, expressly or by implication, makes known to the vendor the particular purpose for which the improvement is required, and it appears that the purchaser relies on the vendor's skill and judgment, there is an implied warranty that the improvement is reasonably fit for the purpose.

"(d) Neither words in the contract of sale, nor the merger of the contract of sale into the deed is effective to exclude or modify any implied warranty; provided, if the contract of sale pertains to an improvement then completed, an implied warranty may be excluded or modified wholly or partially by a written instrument, signed by the purchaser, setting forth in detail the warranty to be excluded or modified, the consent of the purchaser to exclusion or modification, and the terms of the new agreement with respect to it.

"(e) The implied warranties created in this section shall terminate: (1) In the case of an improvement completed at the time of the delivery of the deed to the purchaser, one year after the delivery or one year after the taking of possession by the purchaser, whichever comes first; and (2) in the case of an improvement not completed at the time of delivery of the deed to the purchaser, one year after the date of the completion or one year after taking of possession by the purchaser, whichever occurs first."

A third statutory warranty is found in Section 47-121 of the Connecticut General Statutes and is as follows:

"Implied Warranty with Certificate of Occupancy. The issuance by the building department of any municipality of a certificate of occupancy for any newly constructed single-family dwelling shall carry an implied warranty to the purchaser of such dwelling from the vendor who constructed it that such vendor has complied with the building code or the customary application and interpretation of the building code of such municipality. No action shall be brought on such

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implied warranty but within three years next from the date of the issuance of such certificate of occupancy."

LIMITATIONS ON WARRANTIES

PURSUANT TO SECTION 77(b) OF THE ACT AND SECTION 47-118 (a) OF THE CONNECTICUT GENERAL STATUTES, THE DECLARANT WILL INCLUDE IN HIS PURCHASE AGREEMENT A PROVISION THAT THE FOLLOWING WARRANTIES DESCRIBED ABOVE ARE EXCLUDED:

- (a) TO THE EXTENT THAT IMPROVEMENTS ARE COMPLETED AS OF THE DATE OF THE PURCHASE AGREEMENT THAT THE IMPROVEMENTS ARE:
 - (1) FREE FROM FAULTY MATERIALS;
 - (2) CONSTRUCTED ACCORDING TO SOUND ENGINEERING STANDARDS;
 - (3) CONSTRUCTED IN A WORKMANLIKE MANNER, AND
 - (4) FIT FOR HABITATION.

- (b) NO WARRANTIES ARE MADE AS TO ANY DEFECT IN ANY HOT WATER HEATER, AIR CONDITIONER, KITCHEN EQUIPMENT OR APPLIANCES. THE DECLARANT WARRANTS, HOWEVER, THAT ALL SUCH EQUIPMENT WILL BE INSTALLED NEW AND THAT THE DECLARANT WILL DELIVER TO BUYER ANY MANUFACTURER'S WARRANTIES THAT ARE 3RD APPLICABLE TO SUCH EQUIPMENT OR APPLIANCES AND FOR THE SOLE BENEFIT OF THE CONSUMER PURCHASER.

- (c) IMPROVEMENTS AND APPLIANCES INSTALLED BY DECLARANT AT A PURCHASER'S REQUEST AND EXPENSE, IF ANY, SHALL BE COVERED BY THE MANUFACTURER'S OR CONTRACTOR'S WARRANTY, IF ANY.

- (d) THE DECLARANT MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE CONDITION OR HEALTH OF ANY SHRUBS, TREES OR PLANTINGS LOCATED ON THE AREAS SURROUNDING THE BUILDINGS. THE DECLARANT WILL DELIVER TO THE ASSOCIATION ANY NURSERY'S WARRANTIES THAT ARE BOTH APPLICABLE TO SUCH VEGETATION AND FOR THE SOLE BENEFIT OF THE UNIT OWNERS' ASSOCIATION.

NO ADDITIONAL EXPRESS OR IMPLIED WARRANTIES, UNLESS REQUIRED-BY LAW, ARE MADE BY THE DECLARANT.

11. Purchaser's right to cancel: Within fifteen days after receipt of a Public Offering Statement, a purchaser, before conveyance, may cancel a contract for purchase of a Unit from a Declarant, and (B) if a Declarant fails to provide a Public Offering Statement to a purchaser before

conveying a Unit, that purchaser may recover from the Declarant ten percent of the sales price of the Unit plus ten percent of the share, proportionate to his common expense liability, of any indebtedness of the Association secured by security interests encumbering the Common Interest Community;

12. Unsatisfied judgments or pending suits; The Declarant has no knowledge of any unsatisfied judgments or pending suits against the Association or which are material to the Common Interest Community.

13. Escrow: Any deposit made in connection with the purchase of a Unit will be held in an escrow account until closing and will be returned to the purchaser, without interest, if the purchaser cancels the contract pursuant to Section 70 of the Act.

The name and address of the escrow agent is:

Tarlow, Levy, Mandell & Kostin, P.C.
5 Farm Springs
Farmington, Connecticut 06032.

14. Restrictions on use, alienation or occupancy: The following use restrictions apply to all Units and to the Common Elements:

- (a) Each Unit is restricted to residential use as a single family residence including home professional pursuits not requiring regular visits from the public or unreasonable levels of mail, shipping, trash or storage. No sign indicating commercial uses may be displayed outside a Unit. A single family residence is defined as a single housekeeping unit, operating on a non-profit, non-commercial basis between its occupants, cooking and eating with a common kitchen and dining area, with no more overnight occupants than two per bedroom as designated on the plans on file with the building official of Simsbury.
- (b) Each Unit may be occupied, except for occasional guests, only by the following persons:
 - (i) Persons 55 years of age or older;
 - (ii) Spouses of persons 55 years of age or older residing with their spouses; and
 - (iii) Persons 18 years of age or older, who serve as companions to or care for an occupant who

is 55 years of age or older.

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- (c) Any Unit owned or leased by the Association may be used for activities useful or beneficial to the Association, Unit Owners, or occupants of Units, including, but not limited to:
 - (i) Association offices;
 - (ii) Common kitchen and dining facilities;
 - (iii) Community room; and
 - (iv) as a residence for Association employees and others providing services to the Units and their occupants, and their families, even if such persons do not meet the criteria set forth in Subsection (b). The use of Units and Common Elements is subject to the Bylaws and the Rules of the Association;
- (d) A Unit may not be conveyed pursuant to a time sharing plan as defined under Chapter 734b of the Connecticut General Statutes. A Unit may not be leased for a term of less than 60 days.

15. A description of the insurance coverage provided for the benefit of Unit Owners.

The following is only a general, description of the initial policies.

Fire, Extended Coverage, etc. Coverage of at least -\$1,700,000 will be provided for all buildings, including:

- (a) The Units and all fixtures, equipment and any improvements and betterments whether part of a Unit or a Common Element, excluding land, excavations and the like;
- (b) Such personal property of the Unit Owners as is normally insured under building coverage; and
- (c) All personal property owned by the Association.

Liability. Liability insurance, including medical payments insurance, for at least \$1,000,000 combined single limit insuring the Association and each Unit Owner with respect to liability arising out of or in connection with the use, ownership or maintenance of the Common Elements. However, a Unit Owner will not be insured against liability for accidents which are the Unit Owner's own fault, such as may occur within the Owner's Unit or Limited Common Elements, or for accidents with respect to which liability does

not arise out of or in connection with the use, ownership or maintenance of the Common Elements.

For more detail see Article XXII of the Declaration.

You are urged to study these provisions and to consult with your own insurance advisor to assure yourself that you are aware of the extent of coverage provided by the Master Insurance Policy and to make arrangements for appropriate additional coverage, if additional coverage is necessary.

16. Fees or charges for the use of the Common Elements . There are presently no fees or charges for use of the Common Elements. However, the Executive Board has the authority to impose other charges for the use of Common Elements in accordance with Section 26.1(k) of the Declaration.

17. Financial arrangements for completion of improvements . The Declarant is constructing the Improvements from its own resources, and from the proceeds of construction loans from Colonial Bank. No assurances are given that these proceeds are sufficient to complete all such Improvements, or that the proceeds will be fully advanced. The construction lender has not obligated itself to complete such Improvements, and, in the event of foreclosure, may not choose to complete them.

18. Zoning and other land use requirements. The property is located in an R-40, single family residence zone. The use of the property as a congregate housing facility as an accessory to the nursing home on the parcel adjoining the property was approved by the Simsbury Zoning Commission on May 16, 1983.

The Declarant has building permits for Units 1 through 16 and will obtain building permits for Units 17 through 44 before commencing construction of the second building.

19. Unusual and material circumstances. In addition to the unusual and material circumstances, features or characteristics of the Common Interest Community and the Units disclosed elsewhere in this Public Offering Statement, the following are noted:

(a) Meal Services. The Common Interest Community will include a kitchen and dining area. At the inception of the Common Interest Community, the Association will provide meals to occupants on a monthly basis if requested by the occupant. The Association will provide these meals at the Association's cost. The initial charge for these meals will be

- (i) The main meal each day, \$100.00 per month.
- (ii) The main meal plus one additional meal each day, \$150.00 per month.
- (iii) Three meals each day, \$200.00 per month.

For as long as the Declarant retains control of the Association, this meal service will continue to be provided. After Unit Owners other than Declarant take control of the Association, the Unit Owners will have the power to change or discontinue the meal service.

(b) Health Care and Telephone Monitoring Services.

The Association will make certain health screening and telephone monitoring services available to occupants at Association cost. For as long as the Declarant retains control of the Association, these services will continue to be provided. After Unit Owners other than the Declarant take control of the Association, the Unit Owners will have the power to change or discontinue these services.

- (c) Additional Parking Spaces. The Simsbury Zoning Commission, in approving the use of the property, granted a Special Exception to reduce the number of parking spaces required on the property from two spaces per residential unit to one per residential unit. In doing so, it required that a "future reserve parking area" be provided. If, at some time in the future, the Town of Simsbury determines that more parking than one space per residential unit is required, it may require the Association to construct up to an additional forty-four spaces. The unconstructed spaces will be located adjacent to driveways on the property. If the Town of Simsbury requires that they be paved, the Association, and not the Declarant, will have to pay the cost of paving which the Declarant estimates, at 1984 prices, to cost approximately \$5,000. The Declarant has no reason to believe, at the present time, that the Town will require the paving of these additional spaces.

- (d) Sewers and Septic System. The property is presently served by the Simsbury Town Sewer System which is administered by the Simsbury Water Pollution Control Authority. The Water Pollution Control Authority agreed to provide sewer service to the property but reserved the right to terminate such service if, in the judgment of the Water

Pollution Control Authority, other properties served by the same sewer line are developed to the point where they exceeded the capacity of the sewer system. If the Water Pollution Control Authority terminates sewer service, the Association will be required to construct a private septic system, including septic tanks and leach fields, on the property at its own expense. The Declarant has no knowledge of any development in the near future that would cause the Simsbury Water Pollution Control Authority to terminate sewer service and require the Association to construct a private septic system. The Declarant estimates that the cost of constructing such a system, in 1984 dollars would be \$40,000.

20. Maximum number of Units. The Declarant reserved the right to create a maximum of 44 Units all of which are declared in the Declaration. The maximum density is eight (8) Units per acre.

21. Number or percentage of Units that may be created that will be restricted exclusively to residential use. All of the Units that may be created in the Common Interest Community are declared in the Declaration.

22. Maximum percentage of the real property areas and the floor areas of all Units that may be created that are not restricted exclusively to residential use. All of the Units that may be created in the Common Interest Community are declared in the Declaration.

23. Development Rights and conditions or limitations on exercise. The Declarant has reserved the right to allocate not more than forty-four of the parking spaces as Limited Common Elements and assign them to particular Units.

The Declarant has reserved the right to make additions, alterations or improvements to Units without the approval of the Executive Board as set forth in Section 13.1 of the Declaration.

No Development Rights may be exercised unless approved pursuant to Section 18.5 of the Declaration.

No assurances are made by the Declarant as to the portions where the Declarant will exercise its Development Rights or the order in which such portions, or all of the areas will be developed. The exercise of Development Rights as to some portions will not obligate the Declarant to exercise them as to other portions.

The Development Rights may be exercised at any time, but not more than seven (7) years after recording of the Declaration. The Declarant may terminate some or all of the Development Rights prior to the seven (7) year expiration date by a recorded instrument.

24. Maximum extent to which each Unit's allocated interests may be changed by the exercise of any Development Right. No allocated Interest will be changed by the exercise of any Development Right.

25. Compatibility of buildings to other improvements and existing buildings and improvements. The Declarant makes no assurances regarding compatibility since the Development Rights do not include the right to construct further buildings.

26. Other improvements and Limited Common Elements that may be created pursuant to any Development Right. The Declarant, under its Development Rights, may designate up to to forty-four (44) parking spaces as Limited Common Elements.

27. Limitations as to the locations of any building or other improvement that may be made. No further buildings or exterior Improvements may be constructed under the Declarant's Development Rights.

28. Similarity of Limited Common Elements created pursuant to any Development Right to Limited Common Elements within other parts of the Common Interest Community. The' only Limited Common Elements the Declarant may create under its Development Rights are parking spaces which will be the same parking spaces which are presently Common Elements.

However, the Declarant reserves the right to vary architectural types of units.

29. Equality of Proportion of Limited Common Elements to Units created pursuant to any Development Right to the proportion existing in other parts of the Common Interest Community. If parking spaces are assigned as Limited Common Elements, one space will be assigned to each Unit.

30. Applicability of restrictions in the Declaration affecting use, occupancy, and alienation of Units to any Units created pursuant to any Development Right. All of the Units that may be created in the Common Interest Community, are declared in the Declaration.

31. Applicability of assurances made pursuant to this section in the event that any Development Right is not exercised by the Declarant. In the event that the Declarant

does not exercise its Development Rights or all of its Development Rights, all parking spaces will remain unreserved Common Elements.

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32. Time Share restrictions. Time sharing is prohibited.

33. Leasehold Common Interest Community. The Common Interest Community is a leasehold common interest community as defined in Section 1-103(18) of the Act. While the buildings and Improvements in the Common Interest Community are owned by the Unit Owners and the Association, the land on which they are located is leased from Holly Hill of Simsbury, Inc., which is presently owned by the same persons who own the Declarant. A copy of the Ground Lease is attached as Exhibit D.

The following is a summary of some of the major terms of the Ground Lease and its significance to the Common Interest Community.

- (a) Rent: Under Section 2.1 of the Ground Lease, the basic rent for the first five years of the lease is calculated at \$100 per Unit per month. At the end of the first five years, and every five years thereafter, the basic rent will be increased to reflect increases in the Consumer Price Index. In addition, the Association will be responsible for all taxes on the land and certain other costs of ownership as well.

Rent is to be paid by the Association and is included in the budget attached as Exhibit H.

- (b) Term: As set forth in Section 1.6 of the Ground Lease, the initial term of the lease is 99 years. The term will commence on or before the date on which the first Unit is conveyed to a purchaser by the Declarant. At the end of the initial term, the lease will automatically be extended for successive terms of twenty years each unless the Association votes not to extend the lease, or the land on which the Common Interest Community is located can lawfully be subdivided from other adjoining land now owned by Holly Hill of Simsbury, Inc. At the end of the term of the Ground Lease, including any extensions, the Association has the right to purchase the land from Holly Hill of Simsbury, Inc. or its successors at the fair market value of the land, exclusive of the value
- • of the improvements. If the Association does not purchase the land, the Common Interest Community, and the ownership rights of the Association, the Unit Owners, and their

mortgagees, will terminate.

- (c) Superior Mortgages: The Ground Lease and the Common Interest Community are subject to mortgages

which also encumber adjoining land owned by Holly Hill of Simsbury, Inc. These mortgages, as of the date of this Public Offering Statement, are listed in Exhibit F to this Public Offering Statement.

- (d) Protection of Unit Owners: Under Section 13.2 of the Ground Lease and Section 26 (b) of the Act, the Ground Lease may not be terminated as to any Unit Owner who pays his or her share of the rent as allocated by the Declaration and otherwise observes the provisions of the Ground Lease. The Declarant will obtain similar agreements from the holder of each mortgage superior to the Ground Lease before any Units are conveyed to purchasers.

* THE STATEMENTS SET FORTH ABOVE ARE ONLY SUMMARY IN
* NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO
* THE ENTIRE SET OF DISCLOSURE MATERIALS AND HIS
* PURCHASE CONTRACT. ALL DISCLOSURE MATERIALS AND
* CONTRACTS ARE IMPORTANT DOCUMENTS AND IF NOT
* UNDERSTOOD, THE PROSPECTIVE PURCHASER SHOULD SEEK
* COMPETENT ADVICE.

Dated: Simsbury, Connecticut

, 1984

HOLLY HILL ESTATES, INC. DECLARANT

By

Its President

AMENDED DECLARATION
OF
HOLLY HILL RETIREMENT COMMUNITY
SIMSBURY, CONNECTICUT
EXHIBIT A

AMENDED DECLARATION HOLLY HILL
RETIREMENT COMMUNITY

HOLLY HILL ESTATES, INC., a Connecticut corporation with an office in Simsbury, Connecticut, the Declarant of Holly Hill Retirement Community under a Declaration dated _____ and recorded in the Land Records of the Town of Simsbury in Volume' _____ at Page _____, acting under the Development Rights reserved in the above Declaration, and the provisions of Section 30 of Public Act 83-474, hereby amends and restates the Declaration of Holly Hill Retirement Community by recording this Amended Declaration.

ARTICLE I
Definitions

Section 1.1 - Act. The Common Interest Ownership Act, Connecticut Public Act 83-474, as it may be amended from time to time.

Section 1.2 - Allocated Interests. The share of Common Expense liability, and Votes in the Association, allocated to the Units in the Common Interest Community. The Allocated Interests are described in Article IX of the Declaration and shown on Schedule A-2.

Section 1.3 - Association. Holly Hill Retirement Community Association, Inc. A non-stock corporation organized under the laws of the State of Connecticut. It is the Association of Unit Owners pursuant to Section 44 of the Act.

Section 1.4 - Bylaws. The Bylaws of the Association, as they may be amended from time to time. The initial Bylaws of the Association are set forth as Exhibit B.

Section 1.5 - Common Elements. All portions of the Common Interest Community other than the Units.

Section 1.6 - Common Expenses. The expenses for the operation of the Common Interest Community as set forth in Section 19.1.

Section 1.7 - Common Interest Community. Holly Hill Retirement Community, the planned community created by this Declaration.

Section 1.8 - Declarant. Holly Hill Estates, Inc., a Connecticut corporation or its successor as defined in Subsection 3(12) of the Act.

Section 1.9 - Declaration. This document, including any amendments.

Section 1.10 - Development Rights. The rights reserved by the Declarant under Article VIII of the Declaration to create Units, Common Elements, and Limited Common Elements within the Common Interest Community.

Section 1.11 - Director. A member of the Executive Board.

Section 1.12 - Documents. The Declaration, Survey and Plans recorded and filed pursuant to the provisions of the Act, and the Bylaws, as they be amended from time to time. Any exhibit, schedule or certification accompanying a Document is a part of that Document.

Section 1.13 - Executive Board. The board of directors of the Association.

Section 1.14 - Ground Lease. A lease from Holly Hill of Simsbury, Inc. to Holly Hill Estates, Inc. dated and recorded in the Simsbury Land Records contemporaneously with this Declaration. A copy of the Ground Lease is set forth as Exhibit D.

Section 1.15 - Improvements. Any construction or facilities existing or to be constructed on the leasehold estate included in the Common Interest Community, including but not limited to, buildings, trees and shrubbery, paving, utility wires, pipes, and light poles.

Section 1.16 - Limited Common Elements. A portion of the Common Elements allocated by the Declaration or by the operation of Subsection (2) or (4) of Section 22 of the Act for the exclusive use of one or more but fewer than all of the Units. The Limited Common Elements in this Common Interest Community are described in Article V of the Declaration.

Section 1.17 - Manager. A person, firm or corporation employed or engaged as an independent contractor to perform management services for the Common Interest Community.

Section 1.18 - Notice and Comment. The right of a Unit Owner to receive notice of an action proposed to be taken by or on behalf of the Association, and the right to comment thereon. These provisions are set forth in Section 24.1 of the Declaration.

Section 1.19 - Notice and Hearing. The right of a Unit Owner to receive notice of an action proposed to be taken by the Association, and the right to be heard thereon. These provisions are set forth in Section 24.2 of the Declaration.

Section 1.20 - Person. An individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity.

Section 1.21 - Plans. The plans filed with the Declaration as Schedule A-4 as they may be amended from time to time.

Section 1.22 - Property. The leasehold estate created by the Ground Lease, together with all improvements, easements, rights and appurtenances, which have been submitted to the provisions of the Act by this Declaration.

Section 1.23 - Rules. Rules for the use of Units and Common Elements and for the conduct of persons within the Common Interest Community, adopted by the Executive Board pursuant to the Bylaws.

Section 1.24 - Survey. The survey filed with the Declaration as Schedule A-3 as it may be amended from time to time.

Section 1.25 - Unit. A physical portion of the Common Interest Community designated for separate ownership or occupancy the boundaries of which are described in Article IV of the Declaration.

Section 1.26 - Unit Owner. The Declarant or other person who owns a Unit but does not include a person having an interest in a Unit solely as security for an obligation. The Declarant is the owner of any Unit created by the Declaration.

ARTICLE II

Name and Type of Common Interest Community and Association

Section 2.1 - Common Interest Community. The name of the Common Interest Community is Holly Hill Retirement Community. Holly Hill Retirement Community is a Planned Community.

Section 2.2 - Association. The name of the Association is Holly Hill Retirement Community Association, Inc.

ARTICLE III Description of Land

The Common Interest Community is situated on land leased under the Ground Lease which is situated in the Town of Simsbury, Connecticut and is described in Schedule A-1.

ARTICLE IV
Number of Units;
Boundaries

Section 4.1 - Number of Units. The Common Interest Community contains forty-four (44) Units.

Section 4.2 - Identification of Units. All Units are identified by number and are shown on the Survey or Plans or both.

Section 4.3 - Boundaries. Boundaries of each Unit created by the Declaration are located as shown on the Survey and Plans and are more particularly described as follows:

- (a) Boundaries Generally: Walls, floors, and ceilings are designated as boundaries of a Unit and all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces thereof are a part of the Unit, and all other portions of the walls, floors or ceilings are a part of the Common Elements.
- (b) Inclusions: Each Unit shall include the spaces and Improvements lying within the boundaries described in Section 4.3 (a) above, and shall also contain any space heating, water heating and air conditioning apparatus and all electrical switches, television, telephone, and electrical receptacles and light fixtures and boxes serving that Unit-exclusively, and any pipes, wires, ducts and conduits situated in the perimeter walls of the Unit serving only that Unit, the surface of the foregoing being the boundaries of such Unit, whether or not such spaces are contiguous.
- (c) Exclusions: Except when specifically included by other provisions of Section 4.3, the following are excluded from each Unit: The spaces and Improve

ments lying outside of the boundaries described in Section 4.3 (a) and (b) above; and all chutes,
4- pipes, flues, ducts, wires, conduits, and
other facilities running through any interior wall or partition for the purpose of furnishing utility -•' ' and similar services to other Units and to the Common Elements.

(d) Inconsistency with Plans: If this definition is inconsistent with the Plans, then this definition shall control.

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ARTICLE V Limited
Common Elements

The following portions of the Common Elements are Limited Common Elements assigned to the Units as stated:

- (a) If any chute, flue, pipe, duct, wire, conduit, or any other fixture lies outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element the use of which is limited to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements.
- (b) Any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, patios and all exterior doors and windows or other fixtures designed to serve a single Unit, but located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit and their use is limited to that Unit.
- (c) Stoops and steps at the entrances to each building, which provide access to less than all Units, the use of which is limited to the Units to which they provide access.

ARTICLE VI Maintenance, Repair and
Replacement

Section 6.1 - Common Elements. The Association shall maintain, repair and replace all of the Common Elements, except the portions of the Limited Common Elements to be maintained, repaired or replaced by the Unit Owners as set forth elsewhere in this Declaration. In the event that such maintenance, repair or replacement was caused by the negligence of, or misuse by, a Unit Owner, such expense shall be charged to such Unit Owner.

Section 6.2 - Units. Each Unit Owner shall maintain, repair and replace, at his or her own expense, all portions of his or her Unit, except the portions thereof to be maintained, repaired or replaced by the Association as set forth elsewhere in this Declaration. Each Unit Owner shall be responsible for damages to any other Unit or to the Common Elements caused intentionally, negligently or by his or her failure to properly maintain, repair or make replacements to his or her Unit. The Association shall be responsible for damages to Units caused intentionally, negligently or by its failure to maintain, repair or make replacements to the Common Elements.

Section 6.3 - Access.

- (a) Access For Maintenance and Repair: The Manager and any other person authorized by the Executive Board or the Manager shall have the right of access to all portions of the Property for the purpose of correcting any condition threatening a Unit or the Common Elements, and for the purpose of performing installations, alterations or repairs, and for the purpose of reading, repairing and replacing utility meters and related pipes, valves, wires and equipment, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the affected Unit Owner or occupant of the Unit. In case of an emergency, no such request or notice is required and such right of entry shall be immediate, whether or not the Unit Owner or occupant is present at the time.
- (b) Access for Housekeeping; If, at any period of time, the Association provides or arranges for housekeeping services for all or some of the Units, the housekeeping staff shall have the right of access, without prior notice, to any Unit receiving housekeeping services, subject to the reasonable convenience of the occupants of such Units. The failure or refusal of the occupant of any Unit to permit the housekeeping staff to enter the Unit shall release the Association from the obligation to provide such housekeeping services for those times when the housekeeping staff is unable to enter the Unit but shall not release the owner of the Unit from the obligation to pay

for
such housekeeping services as a Common Expense.

- (c) Monitoring Services; If, at any period of time, the Association provides or arranges for a monitor ing or call-in service to check on the health or status of the occupants of the Units, the Persons providing this service shall have the right of access, without prior notice, to any Unit receiv ing this service. The failure or refusal of the occupant of any Unit to permit the Persons provid ing this service to enter the Unit shall release the Association from the obligation to provide .-• ' such service at those times when the Persons providing this service are unable to enter the Unit but shall not release the owner of the Unit from the obligation to pay for this service as a Common Expense.

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- (d) Keys: The Association or its designated agents may retain pass keys to the Units for access as permitted in this Section 6.3. No Unit Owner shall alter any lock or install a new lock on any door on the Property without the written consent of the Association or the Manager. In case any such lock is altered or installed, the Unit Owner shall provide the Association or its agent with a key to such lock.

ARTICLE VII Subsequently
Allocated Limited Common Elements

That portion of the Common Elements shown as parking spaces on the Survey may be subsequently allocated as Limited Common Elements in accordance with Section 12.2 of this Declaration.

ARTICLE VIII Development
Rights and Special Declarant Rights

Section 8.1. Reservation of Development Rights. The Declarant reserves the following Development Rights:

- (a) The right to allocate as Limited Common Elements not more than forty-four of the parking spaces as shown on the Survey and assign them to particular Units.
- (b) The right to make additions, alterations or improvements to Units without the approval of the Executive Board as set forth in Section 13.1.

Section 8.2 - Limitations on Development Rights. The Development Rights reserved in Section 8.1 are limited as follows:

- (a) The Development Rights may be exercised at any time, but not more than seven (7) years after the recording of the initial Declaration;
- (b) If the Declarant allocates parking spaces pursuant to Section 8.1(2), it shall:
 - (i) not allocate more than one space to each Unit; and
 - (ii) allocate one space to each Unit.
- (c) No Development Rights may be exercised unless approved pursuant to Section 18.5.

Section 8.3 - Phasing of Development Rights. No assurances are made by the Declarant as to the portions where the Declarant will exercise its Development Rights or the order in which such portions, or all of the areas, will be developed. The exercise of Development Rights as to some portions will not obligate the Declarant to exercise them as to other portions.

Section 8.4 - Special Declarant Rights.

The Declarant reserves the following Special Declarant Rights, to the maximum extent permitted by law, which may be exercised, where applicable, anywhere within the Common Interest Community:

- (a) To complete Improvements indicated on Surveys and Plans filed with the Declaration;
- (b) To exercise any Development Right reserved in this Declaration;
- (c) To maintain sales offices, management offices, signs advertising the Common Interest Community, and models;
- (d) To use easements through the Common Elements for the purpose of making improvements within the Common Interest Community;
- (e) To appoint or remove any officer of the Association or any Executive Board member during any period of Declarant control.

Section 8.5 - Models. As long as the Declarant is a Unit Owner, the Declarant and its duly authorized agents, representatives and employees may maintain any Unit owned by or leased to the Declarant or any portion of the Common Elements as a model Unit or sales office.

Section 8.6 - Construction; Declarant's Easement. The Declarant reserves the right to perform warranty work, repairs and construction work, and to store materials in secure areas, in Units and Common Elements, and the further right to control all such work and repairs, and the right of access thereto, until its completion. All work may be performed by the Declarant without the consent or approval of the Executive Board. The Declarant has such an easement through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations or exercising Special Declarant Rights, whether arising under the Act or reserved in the Declaration.

Section 8.7 - Signs and Marketing. The Declarant

reserves the right to post signs and displays in the Common

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Elements to promote sales of Units, and to conduct general sales activities, in a manner as will not unreasonably disturb the rights of Unit Owners.

Section 8.8 - Association or Executive Board Actions Subject to Declarant's Approval. Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of the period of Declarant control, but in that event the Declarant may require, for the duration of the period of Declarant control, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

Section 8.9 - Declarant's Personal Property. The Declarant reserves the right to retain all personal property and equipment used in sales and construction of the premises that has not been represented as property of the Association. The Declarant reserves the right to remove, from the Property any and all goods and Improvements used in development, marketing and construction, whether or not they have become fixtures.

Section 8.10 - Declarant Control of the Association.

- (a) Subject to Subsection 8.10(b): There shall be a period of Declarant control of the Association, during which the Declarant, or persons designated by it, may appoint and remove the officers and members of the Executive Board. The period of Declarant control terminates no later than the earlier of:
 - (i) sixty days after conveyance of sixty percent of the Units that may be created, to Unit Owners other than the Declarant;
 - (ii) two years after all Declarants have ceased to offer Units for sale in the ordinary course of business; or
 - (iii) two years after any right to add new Units was last exercised.
- (b) Not later than sixty days after conveyance of -•' ' one-third of the Units that may be created to Unit Owners other than a Declarant, at least one member and not less than one-third of the members of the Executive Board shall be elected by Unit Owners other than the Declarant.
- (c) Except as otherwise provided in Subsection

8.10(b), not later than the termination of any

period of Declarant control the Unit Owners shall elect an Executive Board of at least three members, at least a majority of whom shall be Unit Owners. The Executive Board shall elect the officers. The Executive Board members and officers shall take office upon election.

- (d) Notwithstanding any provision of the Declaration or Bylaws to the contrary, the Unit Owners, by a two-thirds vote of all persons present and entitled to vote at any meeting of the Unit Owners at which a quorum is present, may remove any member of the Executive Board with or without cause, other than a member appointed by the Declarant.

Section 8.11 - Limitations on Special Declarant Rights.

Unless sooner terminated by a recorded instrument executed by the Declarant, any Special Declarant Right may be exercised by the Declarant so long as the Declarant is obligated under any warranty or obligation, owns any Units or any Security Interest on any Units, or for seven (7) years after recording the Declaration, whichever is sooner. Earlier termination of certain rights may occur under the provisions of the Act.

ARTICLE IX

Allocated Interests

Section 9.1 - Allocation of Interests. The table showing the numbers of the Units and their allocated interests is attached as Schedule A-2. These interests have been allocated in accordance with the formulas set out in this Article IX. These formulas are to be used in reallocating interests if Units are added to the Common Interest Community.

Section 9.2 - Formulas for the Allocation of Interests.

The Interests allocated to each Unit have been calculated on the following formulas:

- (a) Liability for Common Expenses. Except to the extent that the liability for certain Common Expenses may be allocated to less than all of the Units pursuant to Article XIX of the Declaration, each Unit shall be liable for an equal share of
-•' ' the Common Expenses.
- (b) Votes. Each Unit in the Common Interest Community shall have one equal vote. Any specified percent age, portion or fraction of Unit Owners, unless otherwise stated in the Documents, means such percentage, portion, or fraction in the aggregate of such portion of votes.

ARTICLE X Restrictions on
Use, Alienation or Occupancy

Section 10.1 - Use and Occupancy Restrictions. Subject to the Special Declarant Rights reserved under Article VIII, the following use restrictions apply to all Units and to the Common Elements:

- (a) Each Unit is restricted to residential use as a single family residence including home professional pursuits not requiring regular visits from the public or unreasonable levels of mail, shipping, trash or storage. No sign indicating commercial uses may be displayed outside a Unit. A single family residence is defined as a single housekeeping unit, operating on a non-profit, non-commercial basis between its occupants, cooking and eating with a common kitchen and dining area, with no more overnight occupants than (2) two per bedroom as designated on the plans on file with the building official of Simsbury.
- (b) Each Unit may be occupied, except for occasional guests, only by the following persons:
 - (i) Persons 55 years of age or older.
 - (ii) Spouses of persons 55 years of age or older residing with their spouses; and
 - (iii) Persons 18 years of age or older, who serve as companions to or care for an occupant who is 55 years of age or older.
- (c) Any Unit owned or leased by the Association may be used for activities useful or beneficial to the Association, Unit Owners, or occupants of Units, including, but not limited to:
 - (i) Association offices;
 - (ii) common kitchen and dining facilities; (iii) community room; and
 - - (iv) as a residence for Association employees and others providing services to the Units and their occupants, and their families, even if such persons do not meet the criteria set forth in Subsection 10.1(b).
- (d) The use of Units and Common Elements is subject to the Bylaws and the Rules of the Association.

Section 10.2 - Restrictions on Alienation. A Unit may not be conveyed pursuant to a time sharing plan as defined under Chapter 734b of the Connecticut General Statutes. A Unit may not be leased for a term of less than 60 days.

ARTICLE XI
Easements, Licenses

All easements or licenses to which the Common Interest Community is presently subject are recited in Schedule A-1 to the Declaration. In addition, the Common Interest Community may be subject to other easements or licenses granted by the Declarant pursuant to its powers under Article VIII.

ARTICLE XII Reallocation and
Allocation of Limited Common Elements

Section 12.1 - Reallocation of Depicted Limited Common Elements. No Limited Common Element depicted on the Survey or Plans may be reallocated by an amendment to the Declaration except for the allocation or reallocation of parking spaces as permitted by this Article XII or by Sections 8.1 (a) and Section 12.2.

Section 12.2 - Allocation of Limited Common Elements Not Previously Allocated. The Declarant has reserved the right, under Section 8.1(a) of this Declaration, to allocate as Limited Common Elements not more than forty-four of the parking spaces shown on the Survey. If any such parking spaces are so allocated, they shall be assigned to particular Units by deed at the initial transfer of title to the Units.

Any parking spaces which are not allocated as Limited Common Elements at the termination of the Development Rights period may be so allocated by the Association by amendment to the Declaration. The amendment shall specify to which Unit or Units the Limited Common Element is allocated.

ARTICLE XIII Additions, Alterations and
Improvements.

Section 13.1 - Additions, Alterations and Improvements by Unit Owners.

- (a) A Unit Owner:
 - (i) May make any improvements or alterations to the interior of his Unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Common Interest Community;

- (ii) May not change the appearance of the Common Elements, or the exterior appearance of a Unit or any other portion of the Common Interest Community, without permission of the Association;
 - (iii) After acquiring an adjoining Unit, may remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a Common Element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Common Interest Community. Removal of partitions or creation of apertures under this subsection is not an alteration of boundaries.
- (b) A Unit Owner may submit a written request to the Executive Board for approval of additions, alterations or improvements not permitted under Section 13.1 (a). The Executive Board shall answer any written request for such approval, after Notice and Hearing, within sixty (60) days after the request thereof. Failure to do so within such time shall not constitute a consent by the Executive Board to the proposed action. The Executive Board may establish rules, standards and procedures for the review of such requests.
- (c) Any applications to any department or to any governmental authority for a permit to make any addition, alteration or improvement in or to any Unit shall be executed by the Association only. Such execution will not, however, incur any liability on the part of the Association or any of its members to any contractor, sub-contractor or materialman on account of such addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.
- (d) All additions, alterations and improvements to the Units and Common Elements shall not, except pursuant to prior approval by the Executive Board, cause any increase in the premiums of any insurance policies carried by the Association or by the owners of any Units other than those affected by such change.
- (e) The provisions of this Section shall not apply to any Unit until such Unit has been conveyed by the Declarant and until the initial certificate of occupancy has been issued for such Unit.

Section 13.2 - Additions, Alterations or Improvements by Executive Board. Whenever, in the judgment of the Executive Board, the Common Elements shall require additions, alterations or improvements costing more than a sum equal to fifteen (15%) percent of the operating budget then in effect, which are not to be at the sole expense of an individual Unit Owner for his or her own benefit, and the special assessment for the making of such additions, alterations or improvements shall have been ratified in accordance with Section 19.6, the Executive Board shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Charge. Any additions, alterations or improvements costing less than a sum equal to fifteen (15%) percent of the operating budget then in effect may be made by the Executive Board without further approval by the Unit Owners, and the cost thereof will constitute a part of the Common Expenses.

ARTICLE XIV Relocation of
Boundaries Between Adjoining Units

The boundaries between adjoining Units may be relocated or two adjoining Units merged into a single Unit only by amending this Declaration in accordance with the provisions of Section 15.1.

ARTICLE XV

Amendments to Declaration

Section 15.1 - General. Except in cases of amendments that may be executed by the Declarant in the exercise of its Development Rights or by the Association under Section 13.2, and except as limited by Section 15.4, the Declaration including the Survey and Plans may be amended only by vote or agreement of Unit Owners of Units to which at least sixty seven percent (67%) of the votes in the Association are allocated.

Section 15.2 - Limitation of Challenges. No action to challenge the validity of an amendment adopted by the Association pursuant to this Section may be brought more than one year after the amendment is recorded.

Section 15.3 - Recordation of Amendments. Every amendment to the Declaration shall be recorded in every town in which any portion of the Common Interest Community is located and is effective only on recordation. All amendments shall be indexed in the grantor's and grantee's index in the name of the Common Interest Community and the Association.

Section 15.4 - When Unanimous Consent Required. Except to the extent expressly permitted or required by other provisions of the Act and the Declaration, no amendment may

create or increase Special Declarant Rights, increase the number of Units, the Allocated Interests of a Unit, or the uses to which any Unit is restricted, in the absence of unanimous consent of the Unit Owners.

Section 15.5 - Execution of Amendments. Amendments to the Declaration required by the Act to be recorded by the Association, which have been adopted in accordance with this Declaration and the Act, shall be prepared, executed, recorded and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association.

Section 15.6 - Special Declarant Rights. Provisions in the Declaration creating Special Declarant Rights may not be amended without the consent of the Declarant.

Section 15.7 - Consent of Holders of Security Interests. Amendments are subject to the consent requirements of Article XVIII.

ARTICLE XVI
Amendments to Bylaws

The Bylaws may be amended only by vote of two-thirds of the members of the Executive Board, following Notice and Comment to all Unit Owners, at any meeting duly called for such purposes.

ARTICLE XVII
Termination

The Common Interest Community may be terminated only in accordance with Section 38 of the Act, or by termination of the Ground Lease.

ARTICLE XVIII
Mortgagee Protection

Section 18.1. Introduction. This article establishes certain standards and covenants which are for the benefit of the holders of certain Security Interests and others, as identified in Section 18.2. This Article is supplemental to, and not in substitution for, any other provisions of the Documents, but in the case of conflict, this Article shall control.

Section 18.2. Definitions. As used in this Article, or elsewhere in this Declaration, the following terms shall have the following meanings:

- (a) Eligible Mortgagee: The holder of a first Security Interest on a Unit who has notified the Association, in writing, of its name and address, and that-it holds a Security Interest on a Unit. Such notice shall be deemed to include a request that the Eligible Mortgagee be given notices and other rights described in this Article.
- (b) Eligible Insurer; An insurer or guarantor of a first mortgage who has notified the Association in writing of its name and address and that it has insured or guaranteed a first mortgage on a Unit. Such notice shall be deemed to include a request that the eligible insurer be given the notices and other rights described in this Article.
- (c) Percentage of Eligible Mortgagees; Wherever the approval or consent of a specified percentage of Eligible Mortgagees is required, it shall mean the approval or consent by Eligible Mortgagees holding mortgages on Units which in the aggregate have allocated to them such specified share of Common Expenses when compared to the total allocated to all Units then subject to mortgages held by Eligible Mortgagees.
- (d) Security Interest. An interest in real property or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, - security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in the Association, and any other consensual lien or title retention contract intended as security for an obligation.

Section 18.3 - Notice of Actions. The Association shall give prompt written notice to each Eligible Mortgagee and Eligible Insurer of:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the Common Interest Community or any Unit on which there is a first mortgage held, insured, or guaranteed by such
-•• • Eligible Mortgagee or Eligible Insurer, as applicable .
- (b) Any delinquency in the payment of Common Expense assessments owed by an Owner whose Unit is subject to a first mortgage held, insured, or guaranteed,

by such Eligible Mortgagee or Eligible Insurer,
which remains uncured for a period of 60 days.

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- (c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.
 - (d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 18.4.
 - (e) Any judgment rendered against the Association.
- Section 18.4 - Prior Consent Required.

(a) Document Changes. Notwithstanding any lower requirement permitted by the Declaration or the Act, no amendment of any material provision of the Documents by the Association or Unit Owners described in this Subsection 18.4(a) may be adopted without the vote of at least 67% of the Unit Owners (or any greater Unit Owner vote required in the Declaration or the Act) and until approved in writing by at least 51% of the Eligible Mortgagees (or any greater Eligible Mortgagee approval required by the Declaration). Material includes, but is not limited to, any provision affecting:

- (i) Assessments, assessment liens or subordination of assessment liens;
- (ii) Voting rights;
- (iii) Reserves for maintenance, repair and replacement of Common Elements;
- (iv) Responsibility for maintenance and repairs;
- (v) Reallocation of interests in the Common Elements or Limited Common Elements except for:
 - ((a)) when Limited Common Elements are reallocated by agreement between Unit Owners, only those Unit Owners and only the Eligible Mortgagees with a Security Interest in such Units must approve such action; and
 - ' (b)) the allocation of parking spaces pursuant to Sections 8.1 (a) and 12.2;
- (vi) Rights to use Common Elements and Limited Common Elements;
- (vii) Boundaries of Units;

- (viii) Convertibility of Units into Common Elements or Common Elements into Units;
 - (ix) Expansion or contraction of the Common Interest Community, or the addition, annexation or withdrawal of property to or from the Common Interest Community;
 - (x) Insurance or fidelity bonds; (xi) Leasing of Units;
 - (xii) Imposition of restrictions on a Unit Owner's right to sell or transfer his or her Unit;
 - (xiii) Establishment of self-management when professional management had been required previously by an Eligible Mortgagee of a Unit;
 - (xiv) Restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the Documents;
 - (xv) Termination of the Common Interest Community after occurrence of substantial destruction or condemnation; and
 - (xvi) Any provision that expressly benefits mortgage holders, insurers or guarantors.
- (b) Actions. Notwithstanding any lower requirement permitted by the Declaration or the Act, the Association may not take any of the following actions without the approval of at least 51% of the Eligible Mortgagees or such higher percentage as set forth herein:
- (i) Conveyance or encumbrance of the Common Elements or any portion thereof, as to which an 80% Eligible Mortgagee approval is required. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Common Interest Community shall not be deemed a transfer --• - within the meaning of this clause;
 - (ii) The establishment of self-management when professional management had been required previously by any Eligible Mortgagee;

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- (iii) The restoration or repair of the Property after a hazard damage or partial condemnation in a manner other than that specified in the Documents;
 - (iv) Termination of the Common Interest Community as to which a 67% Eligible Mortgagee approval is required;
 - (v) The alteration of any partition or creation of any aperture between adjoining Units when Unit boundaries are not otherwise being affected, in which case only the owners of Units affected and Eligible Mortgagees of those Units need approve the action;
 - (vi) The merger of this Common Interest Community with any other Common Interest Community;
 - (vii) The creation of any additional Improvements on any portion of the Common Elements which is not subject to any Development Rights;
 - (viii) The granting of any easements, leases, licenses and concessions through or over the Common Elements excluding, however, any utility easements serving or to serve the Common Interest Community and excluding any leases, licenses or concessions for more than one year;
 - (ix) The assignment of the future income of the Association, including its right to receive "Common Expense" assessments; and
 - (x) Any action taken not to repair or replace the Property.
- (c) The Association may not change the period for collection of regularly budgeted Common Expense assessments to other than monthly without the consent of all Eligible Mortgagees.

Section 18.5 - Development Rights and Special Declarant Rights. No Development Rights may be exercised unless all persons holding Security Interests in the Property which are senior to the Declaration or Security Interests in the Development Rights consent to the amendment.

Section 18.6 - Inspection of Books. The Association shall permit any Eligible Mortgagee and Eligible Insurer to inspect the books and records of the Association during normal business hours.

Section 18.7 - Financial Statements. The Association shall provide each Eligible Mortgagee and each Eligible Insurer with a copy of an

financial statement within 90 days following the end of each fiscal year of the Association. Such financial statement shall be audited by an independent certified public accountant if:

- (a) the Common Interest Community contains fifty or more Units; or
- (b) any Eligible Mortgagee or Eligible Insurer requests it, in which case the Eligible Mortgagee or Eligible Insurer shall bear the cost of the audit.

Section 18.8 - Enforcement. The provisions of this Article are for the benefit of Eligible Mortgagees and Eligible Insurers and their successors, and may be enforced by any of them by any available means, at law, or in equity.

Section 18.9 - Attendance at Meetings. Any representative of an Eligible Mortgagee or Eligible Insurer may attend any meeting which a Unit Owner may attend.

ARTICLE XIX Assessment and
Collection of Common Expenses

Section 19.1 - Definition of Common Expenses. Common Expenses shall include: ~

- (a) Expenses of administration, maintenance, and repair or replacement of the Common Elements;
- (b) Expenses declared to be Common Expenses by the Documents or by the Act;
- (c) Expenses agreed upon as Common Expenses by the Association; and
- (d) Reasonable reserves, whether held in trust or by the Association, for repair, replacement or addition to the Common Elements or any other real or personal property acquired or held by the Association.

Section 19.2 - Apportionment of Common Expenses. Except--as provided in Section 19.3, all Common Expenses shall be assessed against all Units in accordance with their percentage interest in the Common Expenses as shown on Schedule A-2 to the Declaration.

Section 19.3 - Common Expenses Attributable to Fewer than all Units.

(a) Any Common Expenses for services provided by or on behalf of the Association to Units or their

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occupants on an optional basis, at the request of or by agreement with the owner or occupant of the Unit shall be assessed against that Unit.

- (b) Any insurance premium increase attributable to a particular Unit by virtue of activities in or construction of the Unit shall be assessed against that Unit.
- (c) Assessments to pay a judgment against the Association may be made only against the Units in the Common Interest Community at the time the judgment was rendered, in proportion to their Common Expense liabilities.
- (d) If any Common Expense is caused by the misconduct of any Unit Owner, the Association may assess that expense exclusively against his or her Unit.
- (e) Fees, charges, late charges, fines and interest charged against a Unit Owner pursuant to the Documents and the Act are enforceable as Common Expense assessments against his or her Unit.

Section 19.4 - Lien.

- (a) The Association has a statutory lien under the Act on a Unit for any assessment levied against that Unit or fines imposed against its Unit Owner from the time the assessment or fine becomes due. Common Expenses, fees, charges, late charges, fines and interest charged pursuant to the Documents and the Act are enforceable as assessments under this Section. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due.
- (b) A lien under this Section is prior to all other liens and encumbrances on a Unit except: (1) liens and encumbrances recorded before the recording of the Declaration; (2) a first or second Security Interest on the Unit recorded before the date on which the assessment sought to be enforced became delinquent; and (3) liens for real property taxes and other governmental assessments or ••• charges against the Unit. The lien is also prior to all Security Interests described in subdivision (2) of this Subsection to the extent of the Common Expense assessments based on the periodic budget adopted by the Association pursuant to Section 19.5 of this Article which would have become due in the absence of

acceleration during the six months immediately preceding institution of an

action to enforce the lien. This Subsection does not affect the priority of mechanics' or materialmen's liens, or the priority of liens for other assessments made by the Association.

- (c) Recording of the Declaration constitutes record notice and perfection of the lien. No further recordation of any claim of lien for assessment under this section is required.
- (d) A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within two years after the full amount of the assessments becomes due; provided, that if an owner of a Unit subject to a lien under this section files a petition for relief under the United States Bankruptcy Code, the period of time for instituting proceedings to enforce the Association's lien shall be tolled until thirty days after the automatic stay of proceedings under Section 362 of the Bankruptcy Code is lifted.
- (e) This Section does not prohibit actions to recover sums for which Subsection (a) of this Section creates a lien or prohibit the Association from taking a deed in lieu of foreclosure.
- (f) A judgment or decree in any action brought under this Section shall include costs and reasonable attorney's fees for the prevailing party.
- (g) The Association's lien may be foreclosed in like manner as a mortgage on real property.
- (h) No Unit Owner may exempt himself from liability for payment of the Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Unit against which the assessments are made.
- (i) Any payments received by the Association in the discharge of a Unit Owner's obligation may be applied to the oldest balance due.

Section 19.5 - Budget Adoption and Ratification. Within thirty days after adoption of any proposed budget for the

Common Interest Community, the Executive Board shall provide a summary of the budget to all the Unit Owners, and shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen nor more than thirty days after the mailing of the summary. Unless, at that meeting, a majority of Unit Owners reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected,

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the periodic budget last ratified by the Unit Owners shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Executive Board.

Section 19.6 - Ratification of Special Assessments. If the Executive Board votes to levy a special assessment in an amount greater than fifteen (15%) percent of the current operating budget, the Executive Board shall submit the special assessment to the Unit Owners for ratification in the same manner as a budget under Section 19.5.

Section 19.7 - Certificate of Payment of Common Expense Assessments. The Association on written request shall furnish to a Unit Owner a statement in recordable form setting forth the amount of unpaid assessments against the Unit. The statement shall be furnished within ten business days after receipt of the request and is binding on the Association, the Executive Board and every Unit Owner.

Section 19.8 - Monthly Payment of Common Expenses. All Common Expenses assessed under Sections 19.2 and 19.3 shall be due and payable monthly.

ARTICLE XX Right to Assign
Future Income

Upon an affirmative majority vote of the Unit Owners in attendance at a meeting at which a quorum is present, the Association may assign its future income, including its right to receive Common Expense assessments.

ARTICLE XXI Persons and Units Subject
to Documents

Section 21.1 - Compliance with Documents. All Unit Owners, tenants, mortgagees and occupants of Units shall comply with the Documents. The acceptance of a deed or the exercise of any incident of ownership or the entering into of a lease or the entering into occupancy of a Unit constitutes agreement that the provisions of the Documents are accepted and ratified by such Unit Owner, tenant, mortgagee or occupant, and all such provisions are covenants running with the land and shall bind any Persons having at any time any interest or estate in such Unit.

Section 21.2 - Adoption of Rules. The Executive Board may adopt Rules regarding the use and occupancy of Units, Common Elements, and Limited Common Elements and the activities of occupants, subject to Notice and Comment.

ARTICLE XXII
Insurance

Section 22.1 - Coverage. To the extent reasonably available, the Executive Board shall obtain and maintain insurance coverage as set forth in Sections 22.2 and 22.3 of this Article. If such insurance is not reasonably available, and the Executive Board determines that any insurance described herein will not be maintained, the Executive Board shall cause notice of that fact to be hand-delivered or sent prepaid by United States mail to all Unit Owners at their respective last known addresses.

Section 22.2 - Property Insurance.

- (a) Property insurance covering:
- (i) The project facilities (which term means all buildings on the Property, including the Units and all fixtures, equipment and any improvements and betterments whether part of a Unit or a Common Element, and such personal property of Unit Owners as is normally insured under building coverage), but excluding land, excavations, portions of foundations below the undersurfaces of the lowest basement floors, underground pilings, piers, pipes, flues and drains and other items normally excluded from property policies; and
 - (ii) All personal property owned by the Association.
- (b) Amounts. The project facilities for an amount equal to one hundred (100%) percent of their replacement cost at the time the insurance is purchased and at each renewal date. Personal property owned by the Association for an amount equal to its actual cash value.

The Executive Board is authorized to obtain appraisals periodically for the purpose of establishing said replacement cost of the project facilities and the actual cash value of the personal property, and the cost of such appraisals, -- • shall be a Common Expense.

- (c) Risks Insured Against. The insurance shall afford protection against "all risks" of direct physical loss commonly insured against.
- (d) Other Provisions. Insurance policies required by

this Section shall provide that:

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- (i) The insured waives its right to subrogation under the policy against: any Unit Owner or member of his or her household;
- (ii) No act or omission by any Unit Owner, unless acting within the scope of his or her authority on behalf of the Association, will void the policy or be a condition to recovery under the policy.
- (iii) If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy shall provide primary insurance.
- (iv) Losses shall be adjusted with the Association.
- (v) Insurance proceeds shall be paid to any insurance trustee designated in the policy for that purpose, and in the absence of such designation to the Association, in either case to be held in trust for each Unit Owner and such Unit Owner's mortgagee.
- (vi) The insurer may not cancel or refuse to renew the policy until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Unit Owner and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.
- (vii) The name of the insured shall be substantially as follows:

"Holly Hill Retirement Community Association, Inc. for the use and benefit of the individual Owners".

Section 22.3 - Liability Insurance. Liability insurance, including medical payments insurance, in an amount determined by the Executive Board but in no event less than \$1,000,000 combined single limit, covering all occurrences commonly -insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements.

- (a) Other Provisions. Insurance policies carried pursuant to this Section shall provide that:

- (i) Each Unit Owner is an insured person under the policy with respect to liability arising out of his or her interest in the Common Elements or membership in the Association.
- (ii) The insurer waives its rights to subrogation under the policy against any Unit Owner or member of his or her household;
- (iii) No act or omission by any Unit Owner, unless acting within the scope of his or her authority on behalf of the Association, will void the policy or be a condition to recovery under the policy.
- (iv) The insurer may not cancel or refuse to renew the policy until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Unit Owner and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.

Section 22.4 - Fidelity Bonds. A blanket fidelity bond for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. The bond shall name the Association as obligee and shall cover the maximum funds that will be in the custody of the Association or the manager at any time while the bond is in force, and in no event less than the sum of three months' assessment plus reserve funds. The bond shall include a provision that calls for thirty (30) days' written notice to the Association, to each mortgagee of a Unit and to each servicer that services a FNMA-owned or FHLMC-owned mortgage on a Unit before the bond can be cancelled or substantially modified for any reason; except that if cancellation is for non-payment of premiums, only ten days' notice shall be required.

Section 22.5 - Unit Owner Policies. An insurance policy issued to the Association does not prevent a Unit Owner from obtaining insurance for his or her own benefit.

Section 22.6 - Workers' Compensation Insurance. The Executive Board shall obtain and maintain Workers' Compensation Insurance to meet the requirements of the laws of the State of Connecticut.

Section 22.7 - Directors' and Officers' Liability Insurance. The Executive Board shall obtain and maintain directors' and officers' liability insurance, if available,

covering all of the Directors and officers of the

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Association in such limits as the Executive Board may, from time to time, determine.

Section 22.8 - Other Insurance. The Association may carry other insurance which the Executive Board considers appropriate to protect the Association or the Unit Owners.

Section 22.9 - Premiums. Insurance premiums shall be a Common Expense.

ARTICLE XXIII Damage To Or
Destruction of Property

Section 23.1 - Duty to Restore. Any portion of the Property for which insurance is required under Section 56 of the Act or for which insurance carried by the Association is in effect, whichever is more extensive, shall be repaired or replaced promptly by the Association unless:

- (a) The Common Interest Community is terminated;
- (b) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety;
- (c) Eighty (80%) percent of the Unit Owners, including every owner of a Unit or assigned Limited Common Element that will not be rebuilt, vote not to rebuild.

Section 23.2 - Cost. The cost of repair or replacement in excess of insurance proceeds shall be a Common Expense.

Section 23.3 - Plans. The Property must be repaired and restored in accordance with either the original plans and specifications or other plans and specifications which have been approved by the Executive Board, a majority of Unit Owners and fifty-one (51%) percent of Eligible Mortgagees .

Section 23.4 - Replacement of Less Than Entire Property.

- (a) The insurance proceeds attributable to the damaged Common Elements shall be used to restore the
.-• • damaged area to a condition compatible with the remainder of the Common Interest Community;
- (b) Except to the extent that other persons will be distributees,
 - (i) The insurance proceeds attributable to Units and Limited Common Elements that are not

rebuilt shall be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements were allocated, or to the holders of Security Interests in the Units, as their interests may appear; and

(ii) The remainder of the proceeds shall be distributed to all the Unit Owners or holders of Security Interests in the Units, as their interests may appear, in proportion to the Common Expense liabilities of all Units;

(c) If the Unit Owners vote not to rebuild any Unit, that Unit's allocated interests are automatically reallocated on the vote as if the Unit had been condemned under Section 7 of the Act, and the Association promptly shall prepare, execute and record an amendment to the Declaration reflecting the reallocations.

Section 23.5 - Insurance Proceeds. The insurance trustee, or if there is no insurance trustee, then the Association, shall hold any insurance proceeds in trust for the Association, Unit Owners and lien holders as their interests may appear. Subject to the provisions of Section 23.1 (a) through Section 23.1(c), the proceeds shall be disbursed first for the repair or restoration of the damaged Property, and the Association, Unit Owners and holders of Security Interests in the Units are not entitled to receive payment of any portion of the proceeds unless there is a "surplus of proceeds after the Property has been completely repaired or restored, or the Common Interest Community is "terminated.

Section 23.6 - Certificates By The Executive Board. A trustee, if one is appointed under the provisions of Section 22.2 (d) (v) , may rely on the following certifications in writing made by the Executive Board:

(a) Whether or not damaged or destroyed Property is to be repaired or restored;

(b) The amount or amounts to be paid for repairs or restoration and the names and addresses of the parties to whom such amounts are to be paid.

Section 23.7 - Certificates by Attorneys. If payments are to be made to Unit Owners or mortgagees, the Executive Board, and the trustee, if any, shall obtain and may rely on an attorney's certificate of title or a title insurance

policy based on a search of the land records of the Town of
Simsbury from the date of the recording of the original

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Declaration stating the names of the Unit Owners and the holders of Security Interests in the Units.

ARTICLE XXIV

Rights To Notice And Comment; Notice And Hearing

Section 24.1 - Right to Notice and Comment. Before the Executive Board amends the Bylaws or the Rules, and at any other time the Executive Board determines, the Unit Owners have the right to receive notice of the proposed action and the right to comment orally or in writing. Notice of the proposed action shall be given to each Unit Owner in writing and shall be delivered personally or by mail to all Unit Owners at such address as appears in the records of the Association, or published in a newsletter or similar publication which is routinely circulated to all Unit Owners. The notice shall state the form in which the Executive Board will receive comments, the deadline by which written comments must be submitted and the time and place at which the Executive Board will hear oral comments. The notice shall be given not less than five (5) days before the proposed action is to be taken. The right to Notice and Comment does not entitle a Unit Owner to be heard at a formally constituted meeting.

Section 24.2 - Right to Notice and Hearing. Whenever the Documents require that an action be taken after "Notice and Hearing", the following procedure shall be observed: The party proposing to take the action (e.g., the Executive Board, a committee, an officer, the Manager, etc.) shall give written notice of the proposed action to all Unit Owners or occupants of Units whose interest would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. At the hearing, any affected person shall have the right, personally or by a representative, to give testimony orally, in writing or both, subject to reasonable rules of procedure established by the party conducting the meeting to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the decision makers. All affected persons shall be notified of the decision in the same manner in which notice of the meeting was given.

Section 24.3 - Appeals. Any Person having a right to Notice and Hearing shall have the right to appeal to the Executive Board from a decision of persons other than the Executive Board by filing a written notice of appeal with the Executive Board within ten (10) days after being

notified of the decision. The Executive Board shall conduct a hearing within thirty (30) days, giving the same notice and

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observing the same procedures as were required for the original meeting under Section 24.2

ARTICLE XXV Executive Board
Meeting Minutes

The Executive Board shall permit any Unit Owner to inspect the Minutes of Executive Board meetings during normal business hours. The Minutes shall be available for inspection within fifteen days after any such meeting.

ARTICLE XXVI
Executive Board

Section 26.1 - Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in this Declaration, the Bylaws or the Act. The Executive Board shall have the powers and duties necessary for the administration of the affairs of the Association and of the Common Interest Community which shall include, but not be limited to, the following:

- (a) Adopt and amend Bylaws and Rules and regulations subject to the limitations of the Declaration and below;
- (b) Adopt and amend budgets for., revenues, expenditures and reserves and collect assessments for Common Expenses from Unit Owners;
- (c) Hire and discharge managing agents;
- (d) Hire and discharge employees and agents other than managing agents, and independent contractors;
- (e) Institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Unit Owners on matters affecting the Common Interest Community;
- (f) Make contracts and incur liabilities;
- (g) Regulate the use, maintenance, repair, replacement and modification of the Common Elements;
- (h) Cause additional improvements to be made as a part of the Common Elements;
- (i) Acquire, hold, encumber and convey in its own name any right, title or interest to real property or personal property, but Common Elements may be

conveyed or subjected to a Security Interest only pursuant to Section 55 of the Act;

- (j) Grant easements; and leases, licenses and concessions for no more than one year; through or over the Common Elements;
- (k) Impose and receive any payments, fees or charges for the use, rental or operation of the Common Elements, other than Limited Common Elements described in Subsections (2) and (4) of Section 22 of the Act;
- (l) Provide, and impose and collect charges for, services to Units or their occupants or both at the option of the Unit Owner or occupant which need not be provided to all Units or their occupants;
- (m) Impose charges or interest or both for late payment of assessments and, after Notice and Hearing, levy reasonable fines for violations of the Declaration, Bylaws, Rules and regulations of the Association;
- (n) Impose reasonable charges for the preparation and recordation of amendments to the Declaration, resale certificates required by Section 71 of the Act or statements of unpaid assessments;
- (o) Provide for the indemnification of its officers and Executive Board and maintain directors' and officers' liability insurance;
- (p) Assign its right to future income, including the right to receive Common Expense assessments, subject to the limitations set forth in Article XX of the Declaration.
- (q) Act on behalf of all Unit Owners and holders of Security Interests to exercise options and other rights contained in the Ground Lease and to give notices to the landlord under the Ground Lease.
- (r) Exercise any other powers conferred by the Declaration or Bylaws;
- (s) Exercise all other powers that may be exercised in this state by legal entities of the same type as the Association;
- (t) Exercise any other powers necessary and proper for the governance and operation of the Association;

and

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cy resolution, establish committees, permanent and standing, to perform any functions above as specifically delegated in the resolution establishing the committee. Any committee must maintain and publish notice of its actions to Unit Owners and the Executive Board. However, actions taken by a committee may be appealed to the Executive Board by any Unit Owner within 45 days of publication of such notice, and such committee action must be ratified, modified or rejected by the Executive Board at its next regular meeting.

Section 26.2 - Executive Board Limitations. The Executive Board may not act on behalf of the Association to amend the Declaration, to terminate the Common Interest Community or to elect members of the Executive Board or determine the qualifications, powers and duties, or terms of office of Executive Board members, but the Executive Board may fill vacancies in its membership for the unexpired portion of any term.

ARTICLE XXVII

Ground Lease

Section 27.1 - Recording Data. The Ground Lease has been recorded on the Simsbury Land Records contemporaneously with this Declaration.

Section 27.2 - Date of Expiration. The Ground Lease expires on _____, unless renewed or extended in accordance with its terms.

Section 27.3 Real Property Subject to Ground Lease. All of the real property subject to this Declaration is also subject to the Ground Lease. A description of this real property is attached as Schedule A-1.

Section 27.4 - Right to Remove Improvements. Unit Owners have no right to remove Improvements after the expiration or termination of the Ground Lease, but do have certain rights to acquire fee title to the Property as set forth in Section 1.7 of the Ground Lease.

Section 27.5 - Right to Renew. At the end of the term of the Ground Lease and each extension thereof, the Ground Lease is automatically extended for successive additional terms of twenty years each unless:

- (a) The tenant is in default except for defaults referred to in Section 13.2 of the Ground Lease;
- (b) The subdivision regulations of the Town of Simsbury permit the Property to be subdivided from

other adjoining land of the ground landlord; or

i. c i The Association gives the ground landlord prior written notice, in accordance with Section I."7 of -he Ground Lease, thar it does not intend to extend the term.

Section 27.6 - Right to Redeem. At the end of the term of the Ground Lease, or any extension thereof, if the tenant or tenants are not in default and the subdivision regulations of the Town of Simsbury permit the conveyance of the Property, the tenant may request the ground landlord to convey the Property to the tenant or tenants in accordance with the terms of the Ground Lease.

ARTICLE XXVIII
Miscellaneous

Section 28.1 - Captions. The captions contained in the Documents are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of the Documents nor the intent of any provision thereof.

Section 28.2 - Gender. The use of the masculine gender refers to the feminine and neuter genders and the use of the singular includes the plural, and vice versa, whenever the context of the Documents so require.

Section 28.3 Waiver. No provision contained in the Documents is abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violation-s or breaches which may occur.

Section 28.4 - Invalidity. The invalidity of any provision of the Documents does not impair or affect in any manner the validity, enforceability or effect of the remainder, and in such event, all of the other provisions of the Documents shall continue in full force and effect.

Section 28.5 - Conflict. The Documents are intended to comply with the requirements of the Act and Chapter 600 of the Connecticut General Statutes. In the event of any conflict between the Documents and the provisions of the statutes, the provisions of the statutes shall control. In the event of any conflict between this Declaration and any other Document, this Declaration shall control.

KGLLY KILL RETIREMENT
COMMUNITY DESCRIPTION OF LAND

SCHEDULE A-i

A certain piece or parcel of land with the improvements thereon located in the Town of Simsbury, County of Hartford and State of Connecticut known as a portion of 40 Firetown Road and more particularly bounded and described as follows:

BEGINNING

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at a point on the easterly side of Firetown Road, which point designates the southwesterly corner of land now or formerly of Josephine T. Eno, and the northwesterly corner of the property herein described;

running along land now or formerly of Josephine T. Eno N 79° 17' 50" E a distance of two hundred twelve (212) feet;

running along other land of Holly Hill of Simsbury, Inc., the following courses and distances:

S 02° 40' 40" W a distance of one hundred sixty-four and eighty-six one-hundredths (164.86) feet;

S 78° 18' 40" E a distance of sixty (60) feet;

N 10 ° 23' 00" E a distance of one hundred sixty and twenty one-hundredths (160.20) -feet;

along land now or formerly of Josephine T. Eno N 41° 39' 10" E a distance of one hundred twenty-four and fifty-one one-hundredths (124.51) feet to a point;

running along land now or formerly of the Town of Simsbury the following courses and distances:

S 59° 02' 50" E a distance of fifty-nine and twenty one-hundredths (59.20) feet;

S 34° 31' 50" E a distance of three hundred fifty-six and fourteen one-hundredths (356.14) feet;

S 20° 24' 00" E a distance of five hundred seven and eighteen one-hundredths (507.18) feet;

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THENCE:

running along land new or formerly of First: Church of Christ and Ecclesiastical Society of Simsbury, Inc. S 57° 21' 13" W a distance of two hundred thirty (230) feet;

THENCE:

running along other land of Holly Hill of Simsbury, Inc., the following courses and distances:

N 20° 24' 00" W a distance of three hundred ninety-five and sixty-six one-hundredths (395.66) feet;

N 34° 48' 57" W a distance of two hundred seventy-five and ninety-four one-hundredths (275.94) feet;

S 79° 17' 50" W a distance of two hundred seventy-six (276) feet;

THENCE:

running along the easterly side of Firetown Road the following courses and distances:

along a curve to the right having a radius of five hundred sixty-four and seventy one-hundredths (564.70) feet a distance of twenty-seven (27) feet;

N 08° 11' 48" W a distance of two hundred five and twelve one-hundredths (205.12) feet;

along a curve to the left having a radius of four hundred thirty-eight and twenty one-hundredths (438.20) feet a distance of thirty-five (35) feet to the point or place of beginning.

Being a portion of the premises conveyed to Holly Hill Convalescent Home, Inc. herein under the name of Holly Hill Convalescent Hospital, Inc. by deed of Abraham Gosman and Jules Roy, dated July 31, 1959, in Volume 126, Page 208, of the Simsbury Land Records. Reference being made to a Certificate of Change of Name dated November 25, 1969 and recorded in Volume 181, Page 402 of the Simsbury Land Records.

Being the premises shown on a certain map or plan entitled "Holly Hill Retirement Community Schedule A-3 Common Interest Community in Leasehold Real Estate Map of Land Owned

by Holly Hill of Simsbury, Inc., Firetown Road,

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Simsbury, CT, Sheet No. 1 of I, Scale 1" = 40' Date April 14, 1984, M-84-74, Nascimbeni & Jahne Surveyors, 220 West Main Street, Avon, Connecticut" which map or plan is en file in the Office of the Town Clerk of Simsbury-

HOLLY HILL RETIREMENT COMMUNITY

Unit Number

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Vote

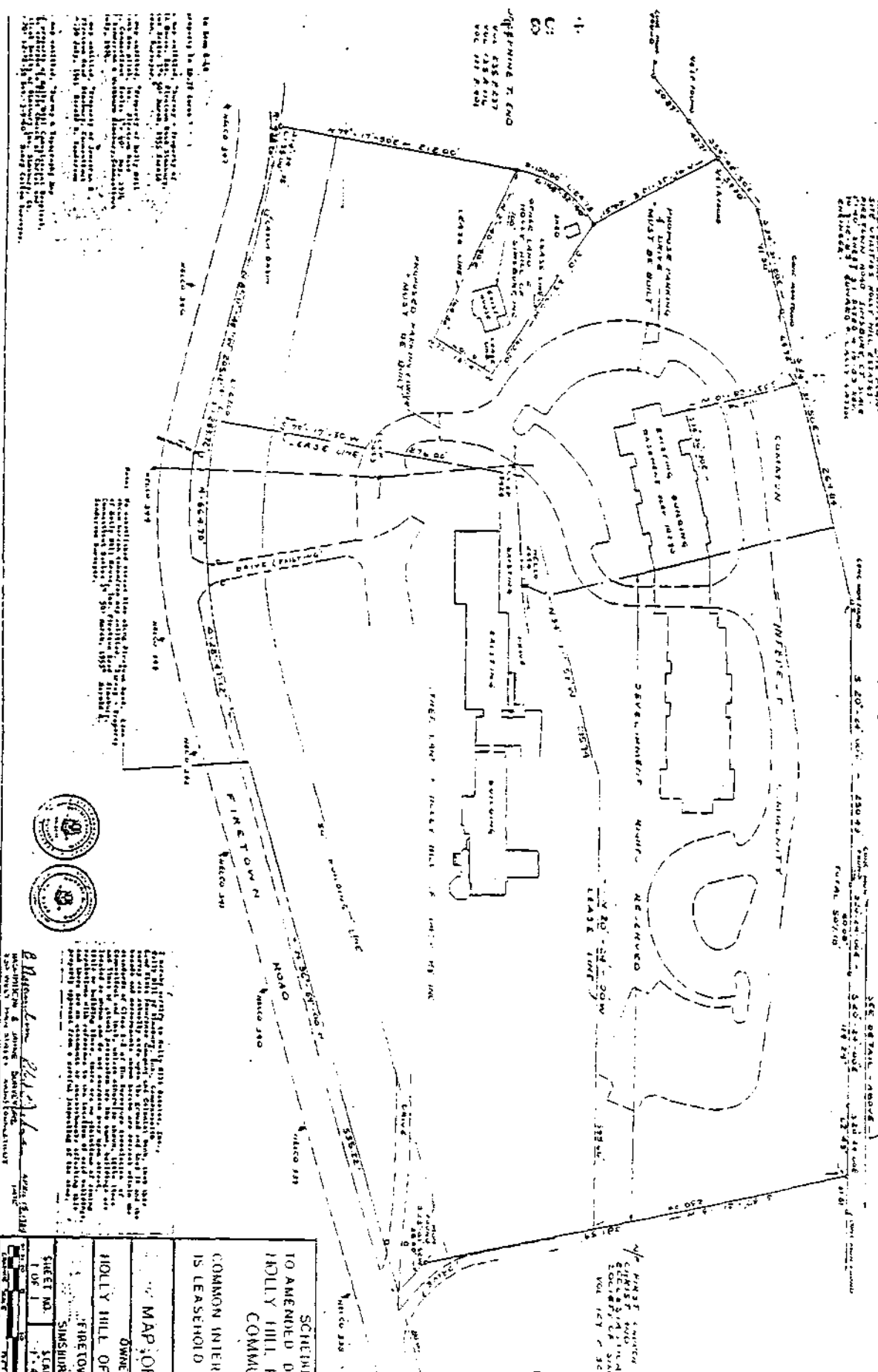
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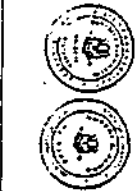
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NOTE: PROPOSED DRIVE & PARKING LOCATION
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 WILL BE BUILT AT THE OPTION OF THE
 LESSEE. THE DRIVE WILL BE 12 FEET
 WIDE AND 12 FEET HIGH. THE DRIVE
 WILL BE BUILT AT THE OPTION OF THE
 LESSEE.

TOWN OF SIMSBURY
 (INCORPORATED 1843)
 DECIDED BY JAMES J. HARRIS
 TOWN ENGINEER



TO BE BUILT
 PROPERTY OF THE TOWN OF SIMSBURY
 1. FINCH HILL ROAD
 2. HOLLY HILL ROAD
 3. HOLLY HILL DRIVE
 4. PROPOSED DRIVE
 5. PROPOSED PARKING
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E. M. ...
 TOWN ENGINEER

MAP OF LAND OWNED BY THE TOWN OF SIMSBURY
HOLLY HILL RETIREMENT COMMUNITY
 COMMON INTEREST REAL ESTATE
 TO AMENDED DECLARATION
 HOLLY HILL RETIREMENT COMMUNITY

DATE: 12/15/2011
 SHEET NO. 1 OF 1
 SCALE: AS SHOWN
 DRAWN BY: [Signature]
 CHECKED BY: [Signature]
 APPROVED BY: [Signature]

HOLLY HILL RETIREMENT COMMUNITY ARCHITECT'S
CERTIFICATE SCHEDULE A-5

This Certificate is given with respect to the Amended Declaration of Holly Hill Retirement Community by HOLLY HILL ESTATES, INC. dated _____ and recorded in the Land Records of the Town of Simsbury contemporaneously herewith.

I hereby certify, to the best of my knowledge and belief:

1. That all structural components of the buildings containing the Units of Holly Hill Retirement Community are substantially completed in accordance with the Survey attached to the Declaration as Schedule A-3 entitled " _____ " and the Plans attached as Schedule A-4 entitled " _____ "
2. That this Certificate is made pursuant to the provisions of Section 21 of the Common Interest Ownership Act.
3. That pursuant to Public Act 83-28, the undersigned architect certifies that I do not have any legal or equitable interest in the condominium.

Dated:-

BYLAWS
OF
HOLLY HILL RETIREMENT COMMUNITY ASSOCIATION, INC.
EXHIBIT B

OF HOLLY HILL RETIREMENT
COMMUNITY ASSOCIATION, INC,

ARTICLE I
Introductio
n

These are the Bylaws of Holly Hill
Retirement Community Association,
Inc.

ARTICLE II
Executive
Board

Section 2.1 - Number and Qualification; Termination of
Declarant Control,

- (a) The affairs of the Common Interest Community and the Association shall be governed by an Executive Board consisting of five (5) persons, the majority of whom, excepting the Directors designated by the Declarant, shall be Unit Owners. If any Unit is owned by a partnership or corporation, any officer, partner or employee of that Unit Owner shall be eligible to serve as a Director. The Directors shall be elected by the Unit Owners except for - those designated by the Declarant. At any meeting at which Directors are to be elected, the Unit Owners may, by resolution, adopt specific procedures for conducting the elections, not inconsistent with these Bylaws or the Corporation Laws of the State of Connecticut.
- (b) The terms of at least one third (1/3) of the Directors shall expire annually, as established in a resolution of the members setting terms.
- (c) Section 8.10 of the Declaration shall govern appointment of Directors during the period of Declarant control.
- (d) - The Executive Board shall elect the officers.
The
Directors and officers shall take office upon election.

ie; At any time alter Unit Owners other than the Declarant are entitled to elect a Director, the Association shall call and give not less than ten nor more than sixty days notice of a meetinc of the Unit Owners for this purpose. Such meetinc may be called and the notice given by any Unit' Owner if the Association fails to do so.

Section 2.2 - Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in the Declaration, the Bylaws or the Act. The Executive Board shall have the powers and duties necessary for the administration of the affairs of the Association and of the Common Interest Community which shall include, but not be limited to, the powers and duties given to it by the Declaration.

Section 2,3 - Standard of Care. In the performance of their duties, the officers and members of the Executive Board are required to exercise

- (a) if appointed by the Declarant, the care required of fiduciaries of the Unit Owners; and
- (b) if elected by the Unit Owners, ordinary and reasonable care.

Section 2.4 - Additional Limitations. The Executive Board shall be additionally limited pursuant to Article XXVI of the Declaration.

Section 2.5 - Manager The Executive Board may employ for the Common Interest Community, a Manager at a compensation established by the Executive Board, to perform such duties and services as the Executive Board shall authorize. The Executive Board may delegate to the Manager all of the powers granted to the Executive Board by these Bylaws other than the powers set forth in subdivisions (a), (b), (c), (e), (h) , (i) , (j), (k) , (l), (m) , (n) , (o) , (p) , (q) , (r) , (s), (t) and (u) of Section 26.1 of the Declaration. Licenses, concessions and contracts may be executed by the Manager pursuant to specific resolutions of the Executive Board, and to fulfill the requirements of the budget.

Section 2.6 - Removal of Members of the Executive Board. The Unit Owners, by a two-thirds vote of all persons present"and entitled to vote at any meeting of the Unit Owners at which a Quorum is present, may remove any Director with or without cause, other than a member appointed by the Declarant.

Board caused by any reason other than the removal member by a Vote of the Unit Owners, may be filled as follows: At a special meeting of the Executive Board held for that purpose at any time after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, (a) as to vacancies of Executive Board members whom Unit Owners other than the Declarant elected, by a majority of the remaining such members, constituting Executive Board, (b) as to vacancies of members whom the Declarant has the right to appoint, by the Declarant. Each person so elected or appointed shall be a board member for the remainder of the term of the member so replaced.

Section 2.8 - Organization Meeting. The first meeting of the Executive Board following each annual meeting of the Unit Owners shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Unit Owners at the meeting at which such Executive Board shall have been elected. No notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, providing a majority of the Directors shall be present thereat.

Section 2.9 - Meetings. Meetings of the Executive Board may be called by the president or by a majority of the Directors on at least three (3) business days¹ notice to Director. The notice shall be hand-delivered or mailed and shall state the time, place and purpose of the meeting.

Section 2.10 - Location of Meetings. All meetings of the Executive Board shall be held within Hartford County, unless all Directors thereof consent in writing to another location.

Section 2.11 - Waiver of Notice. Any Director may waive notice of any meeting in writing. Attendance by a Director at any meeting of the Executive Board shall constitute a waiver of notice. If all Directors are present at any meeting, no notice shall be required and any business may be transacted at such meeting.

Section 2.12 - Quorum of Board Members. At all meetings of the Executive Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting- at which a quorum is present shall constitute the decision of the meeting. If, at any meeting, there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any adjourned

meeting at which a quorum is present any business which might have been transacted at the meeting originally called, may be transacted without further notice.

- r'laeiitivy ^onas. to the extent: reasonably available, the Executive Board shall obtain adequate fidelity bonds for all officers, employees and agents of the Association handling or responsible for Association funds. The premiums on the bonds are a Common Expense.

Section 2.14 - Compensation. No member of the Executive Board shall receive any compensation from the Association for acting as such, although members acting as officers or employees may be compensated for such duties.

Section 2.15 - Consent to Corporate Action. If all the Directors of the Executive Board or all members of a committee established for such purposes, as the case may be, severally or collectively consent in writing to any action taken or to be taken by the Association, and the number of the members of the Executive Board or committee constitutes a quorum for such action, such action shall be a valid corporate action as though it had been authorized at a meeting of the Executive Board or the committee, as the case may be. The Secretary shall file such consents with the minutes of the meetings of the Executive Board.

ARTICLE
III Unit
Owners

Section 3.1 - Annual Meeting. Annual meetings shall be held at such time as the Executive Board may designate. At such meeting, the Directors shall be elected by ballot of the Unit Owners, in accordance with the provisions of Article II. The Unit Owners may transact such other business at such meetings as may properly come before them.

Section 3.2 - Budget Meeting. Meetings to consider the proposed budget shall be called in accordance with Section 19.5 of the Declaration. The budget may be considered at Annual or Special Meetings called for other purposes as well.

Section 3.3 - Place of Meetings. Meetings of the Unit Owners shall be held at such suitable place convenient to the Unit Owners as may be designated by the Executive Board or the president.

Section 3.4 - Special Meetings. Special meetings of the Association may be called by the president, a majority of the Executive Board, or by Unit Owners having twenty percent of the Votes in the Association.

Section 3.5 - Notice of Meetings. Not less than ten nor more than sixty days in advance of any meeting, the secretary or other officer specified in the Bylaws shall

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cause notice to be hand-delivered or sent prepaid by united States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner. The notice of any meeting shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes and any proposal to remove an officer or director. No action shall be adopted at a meeting except as stated in the notice.

Section 3.6 - Adjournment of Meeting. At any meeting of Unit Owners, a majority of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to another time.

Section 3.7 - Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

- (a) Roll call (or check-in procedure).
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports.
- (kkv) Establish number and term of memberships of the Executive Board (if required and noticed),
- (kkw) Election of inspectors of election (when required).
- (g) Election of members of the Executive Board (when required).
- (h) Ratification of Budget (if required).
- (i) Unfinished business.
- (j) New business.

Section 3.8 - Voting.

(a) If only one of several owners of a Unit is present at a meeting of the Association, that owner is entitled to cast all the votes allocated to that .-- • Unit. If more than one of the owners are present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the owners. There is majority agreement if any one of the owners casts the votes allocated to that unit without protest being made promptly to the person presiding at the meeting by any of the other owners of the Unit.

- (b) Veres allocated to a Unit may be cast: pursuant to a proxy duly executed by a Unit Owner. If a Unit is owned by more than one Person, each owner of the Unit may vote or register protest to the casting of Votes by the other owners of the Unit through a duly executed proxy. A Unit Owner may revoke a proxy given pursuant to this section only by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date unless it specifies a shorter term.
- (c) The Vote of a corporation or business trust may be cast by any officer of such corporation or business trust in the absence of express notice of the designation of a specific person by the Executive Board or Bylaws of the owning corporation or business trust. The Vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership.- The person presiding at the meeting may require reasonable evidence that a person voting on behalf of a corporation, partnership or business trust owner is qualified so to vote.
- (d) No Votes allocated to a Unit owned by the Association may be cast.

in these Bylaws, the Unit Owners present in person or by proxy, at any meeting of Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

Section 3,10 - Majority Vote. The Vote of a Majority of the Unit Owners present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where in the Declaration or these Bylaws or by law, a higher percentage Vote is required.

ARTICLE

IV

Officers

Section 4.1 - Designation. The principal officers of the Association shall be the president, the vice president, the secretary and the treasurer, all of whom shall be elected by the Executive Board. The Executive Board may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The president

and vice president, current officers, need be members of the Executive Board. Any two offices may be held by the same person, except the offices of president and vice president, and the offices of president and secretary. The office of vice president may be vacant.

Section 4.2 - Election of Officers. The officers of the Association shall be elected annually by the Executive Board at the organization meeting of each new Executive Board and shall hold office at the pleasure of the Executive Board.

Section 4.3 - Removal of Officers. Upon the affirmative Vote of a majority of the members of the Executive Board, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Executive Board, or at any special meeting of the Executive Board called for that purpose.

Section 4.4 - President. The president shall be the chief executive officer of the Association. He shall preside at all meetings of the Unit Owners and of the Executive Board. He shall have all of the general powers and duties which are incident to the office of president of a nonstock corporation organized under the Laws of the State of Connecticut, including but not limited to the power to appoint committees from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association. He may fulfill the role of treasurer in the absence of the treasurer. The president may cause to be prepared and may execute amendments to the Declaration and the Bylaws on behalf of the Association, following authorization by the approval of the particular amendment as applicable.

Section 4.5 - Vice President. The vice president shall take the place of the president and perform his duties whenever the president is absent or unable to act. If neither the president nor the vice president is able to act, the Executive Board shall appoint some other director to act in the place of the president, on an interim basis. The vice president shall also perform such other duties as may be imposed upon him by the Executive Board or by the president.

Section 4.6 - Secretary. The secretary shall keep the minutes* of all meetings of the Unit Owners and the Executive Board; he shall have charge of such books and papers as the Executive Board may direct; and he shall, in general, perform all the duties incident to the office of secretary of a nonstock corporation organized under the Laws of the State of Connecticut. The secretary may cause to be prepared and may execute amendments to the Declaration and the Bylaws on

approval of the particular amendment as applicable.

Section 4.7 - Treasurer. The treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in such depositories as may from time to time be designated by the Executive Board, and he shall, in general, perform all the duties incident to the office of treasurer of a nonstock corporation organized under the Laws of the State of Connecticut. He may endorse on behalf of the Association for collection only, checks, notes and other obligations, and shall deposit the same and all moneys in the name of and to the credit of the Association in such banks as the Executive Board may designate. He may have custody of and shall have the power to endorse for transfer on behalf of the Association, stock, securities or other investment instruments owned or controlled by the Association, or as fiduciary for others.

Section 4.8 - Agreements, Contracts, Deeds, Checks, etc. Except as provided in Sections 4.4, 4.6, 4.7 and 4.10 of these Bylaws and Section 26.1 of the Declaration, all agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any officer of the Association or by such other person or persons as may be designated by the Executive Board.

Section 4.9 - Compensation. The Executive Board shall provide for compensation, if any, of officers of the Association.-

Section 4.10 - Resale Certificates and Statements of Unpaid Assessments. The treasurer, assistant treasurer, or a Manager employed by the Association, or, in their absence, any officer having access to the books and records of the Association, may prepare, certify, and execute resale certificates in accordance with Section 71 of the Act and statements of unpaid assessments in accordance with Section 59(h) of the Act.

The Association may charge a reasonable fee for preparing resale certificates and statements of unpaid assessments, The amount of this fee and the time of payment shall be established by resolution of the Executive Board. The Association may refuse to furnish resale certificates and statements of unpaid assessments until the fee is paid. Any unpaid fees may be assessed as a Common Expense against the Unit for which the certificate or statement is furnished.

Operation of the Property

Section 5.1 - Abatement and Enjoinder of Violations by Unit Owners. The violation of any of the Rules adopted by the Executive Board or the breach of any provision of the Instruments, shall give the Executive Board the right, subject to Notice and Hearing, except in case of an emergency, in addition to any other rights set forth in these Bylaws:

- (a) to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition except for additions or alterations of a permanent nature that may exist therein contrary to the intent and meaning of the provisions hereof, and the Executive Board shall not thereby be deemed liable for any manner of trespass; or
- (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 5.2 - Fine for Violation. By resolution, following Notice and Hearing, the Executive Board may levy a fine of up to \$25 per day for each day that a violation of the Instruments or Rules persists after such Notice and Hearing.

ARTICLE VI
Indemnification
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The members of the Executive Board and officers of the Association shall have the liabilities, and be entitled to indemnification, as provided in Sections 33-455 and 33-454a of Chapter 600 of the Connecticut General Statutes (the provisions of which are hereby incorporated by reference and made a part hereof).

ARTICLE
VII
Records

Section 7.1 - Records and Audits. The Association shall maintain accounting records, which shall include:

- (a) A record of all receipts and expenditures;

- (b) An account for each Unit which shall designate the name and address of each Unit Owner, the amount of each Common Expense assessment, the dates on which the assessment comes due, the amounts paid on the account, and the balance due;
- (c) A record of the actual cost, irrespective of discounts and allowances, of the maintenance of the Common Elements;
- (d) an accurate account of the current balance in the reserve for replacement and for emergency repairs.

The financial records shall be maintained and audited in accordance with Article XVIII of the Declaration. The cost of the audit shall be a Common Expense unless otherwise provided in the Instruments.

Section 7.2 - Examination. All records maintained by the Association or by the Manager shall be available for examination and copying by any Unit Owner, by any mortgagee of a Unit, or by any of their duly authorized agents or attorneys, at the expense of the person examining the records, during normal business hours and after reasonable notice.

Section 7.3 - Statutory Records. The Association shall keep financial records sufficiently detailed to enable the Association to comply with Section 71 of the Act as follows:

- (a) An account for each Unit showing the amounts of monthly Common Expense assessments currently due and payable from each Unit Owner.
- (b) An account for each Unit Owner showing any other fees payable by each Unit Owner.
- (c) A record of any capital expenditures anticipated by the Association for the current and next succeeding fiscal year.
- (d) A record of the amount of any reserves for capital expenditures.
- (e) The current operating budget adopted pursuant to Section 58 (a) of the Act and ratified pursuant to the procedures of Section 46 (c) .
- (f) A record of any unsatisfied judgments against the Association and the existence of any pending suits

in which the Association is a defendant.

- (g) A record of insurance coverage provided for the benefit of Unit Owners.

Section 7.4 - Form Resale Certificate. The Executive Board shall adopt a form resale certificate to satisfy the requirement of Section 71 of the Act.

ARTICLE VIII
Miscellaneous

Section 8.1 - Notices. All notices to the Association or the Executive Board shall be delivered to the office of the Manager, or if there is no Manager, to the office of the Association, or to such other address as the Executive Board may hereafter designate from time to time, by notice in writing to all Unit Owners and to all mortgagees of Units. Except as otherwise provided, all notices to any Unit Owner shall be sent to his address as it appears in the records of the Association. All notices to mortgagees of Units shall be sent, except where a different manner of notice is specified elsewhere in the Instruments, by registered or certified mail to their respective addresses, as designated by them from time to time, in writing, to the Executive Board. All notices shall be deemed to have been given when mailed, except notices of changes of address which shall be deemed to have been given when received.

Section 8.2 - Fiscal Year. The Executive Board shall establish the fiscal year of the Association.

Section 8.3 - Waiver. No restriction, condition, obligation, or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the "same, irrespective of the number of violations or breaches which may occur.

Section 8.4 - Office. The principal office of the Association shall be on the Property or at such other place as the Executive Board may from time to time designate.

ARTICLE IX
Amendments to Bylaws

The Bylaws may be amended only by vote of two-thirds of the members of the Executive Board, following notice and comment to all Unit Owners, at any meeting duly called for such purposes.

Certified to be the Bylaws adopted by consent of the
incorporator (s) of Holly Hill Retirement Community Associa
tion, Inc., dated , 19

Incorporator

RULES AND REGULATIONS EXHIBIT C

RULES AND REGULATIONS HOLLY
HILL ASSOCIATION, INC.

ARTICLE I
Use of Units

Section 1.01. No part of the Property shall be used for other than the purposes for which such part was designed.

Section 1.02. No industry, business or trade, commercial, religious, educational or otherwise (except for home professions without employees or regular visits from the public) designed for profit, altruism or otherwise, shall be conducted, maintained or permitted on any part of the Property, nor shall any "For Sale," "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted on any part of the Property or in any Unit therein, nor shall any Unit be used or rented for transient, hotel or motel purposes.

Section 1.03. The Executive Board or its designated agent may retain pass keys to the premises for use in emergency situations only. No Unit Owner shall alter any lock or install a new lock on any door on the Property without the written consent of the Executive Board. In case such consent is given, the Unit Owner shall provide the Executive Board or its agent with an additional key pursuant to its right of access to the Property.

Section 1.04.- No electrical device creating unusual electrical overloading may be used in the Units without permission from the Executive Board.

Section 1.05. No substantial alteration or remodeling of a Unit involving the construction, cutting or moving of partition walls may be done without permission from the Executive Board and without obtaining any permits that may be required under any applicable law or regulation or Articles XIII and XIV of the Declaration.

Section 1.06. Misuse or abuse of appliances or fixtures within the Unit is prohibited, and damage resulting from such misuse shall be the responsibility of the Unit Owner in -whose Unit it shall have been caused.

ARTICLE II
Use of Common Elements Section 2.01.

There shall be no obstruction of the
Common Elements, nor shall anything be stored in the Common

Elements without the prior written consent of the Executive Board, except as hereinafter expressly provided.

Section 2.02. Unit Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls or doors of a building, and no sign, awning, canopy, shutter, or radio or television antenna shall be affixed to or placed upon the exterior walls or doors, roof or any part thereof, or exposed on or at any window, without the prior written consent of the Executive Board.

Section 2.03. No garbage cans, trash barrels or other obstructing personal property shall be placed on any decks or patios, nor shall anything be hung from the windows, decks, or patios or placed upon the window sills. Nor shall any rugs or mops be shaken or hung from or on any of the windows, doors, balconies, decks or patios. No accumulation of rubbish, debris or unsightly material will be permitted in Common Elements except in designated trash storage areas, nor shall any Common Elements be used for the general storage of personal property. No clothes shall be hung or dried outside of the Units or in the Common Elements.

Section 2.04. Unit Owners shall not paint, stain or otherwise change the color of any exterior portion of any Building.

Section 2.05. Each Unit Owner shall keep his or her Unit and any Limited Common Elements to which he or she has access in a good state of preservation and cleanliness.

Section 2.06. No deck, balcony, window, stoop or patio shall be enclosed or covered by any awning or otherwise enclosed without the prior written consent of the Executive Board.

ARTICLE III Actions of Unit Owners

Section 3.01. No noxious or offensive activity shall be carried on in any Unit or in the Common Elements, nor shall anything be done therein either willfully or negligently which may be or become an annoyance or nuisance to the other Unit Owners or occupants. No Unit Owner shall make or permit any disturbing noises in the buildings by himself or herself, his or her family, servants, employees, agents, visitors and licensees, nor do or permit anything to be done by such persons that will interfere with the rights, comforts or convenience of other Unit Owners. No Unit Owner shall play upon, or suffer to be played upon, any musical instrument or operate or suffer to be operated a phonograph,

television set or radio on the Premises at such high volume or in such other manner that it shall cause unreasonable disturbances to other Unit Owners.

Section 3.02. Unit Owners shall comply with and conform to all applicable laws of the State of Connecticut and all bylaws, ordinances, rules and regulations of the Town of Simsbury and shall save the Association and other Unit Owners harmless from all fines, penalties, costs and prosecutions for the violation thereof or non-compliance therewith.

Section 3.03. No animals or reptiles of any kind shall be raised, bred or kept in any Unit or in the Common Elements, except that a dog, cat or other household pet, approved by the Manager or the Executive Board, if there is no Manager, may be kept in Units, provided that they are not kept, bred or maintained for any commercial purposes; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the property subject to these restrictions after Notice and Hearing by the Executive Board. In no event shall any dog be permitted in any portion of the Common Elements unless carried or on a leash, nor shall any dog be curbed close to any Unit.

Section 3.04. Unit Owners shall be held responsible for the actions of their children, tenants, guests, pets, servants, employees, agents, invitees or licensees.

ARTICLE IV Insurance

Section 4.01. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance of any of the buildings or contents thereof applicable for residential use, without the prior written consent of the Executive Board. No Unit Owner shall permit anything to be done or kept in his or her Unit or in the Common Elements which will result in the cancellation of insurance or an increase in insurance premiums on any of the buildings or contents thereof or which would be in violation of any law. No waste shall be committed in the Common Elements.

Section 4.02. All Unit Owners shall comply with the rules and regulations contained in any fire insurance policy upon the Common Interest Community or the property contained therein.

Section 4.03. Damage or injury by fire or accident affecting the Units or Common Elements or the liability of the unit owners or the Association will be promptly reported to the board of Directors immediately following the

occurrence thereof.

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Counterparts Partial Invalidation Waiver of Jury Trial
Successors Number and Gender Exhibits Connecticut Law Force
Majeure

EXHIBITS

Exhibit A Exhibit B

Description of Holly Hill Retirement Community Description of
Other Land of Holly Hill of Simsbury, Inc.

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LEASE AGREEMENT

THIS AGREEMENT is between HOLLY HILL OF SIMSBURY, INC., a Connecticut corporation with an office in Simsbury, Connecticut ("Landlord"), and HOLLY HILL ESTATES, INC., a Connecticut corporation with an office in Simsbury, Connecticut ("Tenant").

IT IS AGREED:

ARTICLE I Premises and Term

Section 1.1 - Description of Leased Premises. The Landlord hereby leases to the Tenant a certain piece or parcel of land known as a portion of 40 Firetown Road, Simsbury, Connecticut, more particularly bounded and described in Exhibit A to this Lease, together with any and all improvements, appurtenances, rights, privileges and easements benefiting, belonging or pertaining thereto, and any right, title and interest of the Landlord in and to any land lying in the bed of any street, road or highway to the center line thereof, in front of or adjoining said parcel of land ("Leased Premises").

Section 1.2 - Other Land of Landlord. The Leased Premises are part of a larger parcel of land owned by the Landlord. The remaining part of the larger parcel is also known as a portion of 40 Firetown Road, Simsbury, Connecticut, is more particularly bounded and described in Exhibit B to this Lease, and is referred to in this Lease as "Other Land of Landlord".

Section 1.3 - Rights Granted Together With the Leased Premises. Together with the Leased Premises, the Tenant shall have the following rights:

- (a) An easement to pass and repass over the roads, walks and drives on Other Land of Landlord on foot and in vehicles for all purposes for which a highway can be used.
- (b) An easement to construct, maintain, replace, and use utility lines, including but not limited to, wires, cables, pipes and drains on, above or under Other Land of Landlord for the purpose of providing utilities, water, and sewers to the Leased Premises, including the right to construct and maintain all poles and guy wires;

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- (c) An easement to construct, maintain, and use, roadways, sidewalks, curbs, and related improvements on or across Other Land of Landlord.

Section 1.4 - Rights Reserved by Landlord. The Landlord reserves the following rights with regard to the Leased Premises:

- (a) The right to pass and repass on the roadways and walkways on the Leased Premises, as they may exist from time to time, on foot or in vehicles for convenient access to Other Land of Landlord;
- (b) The right to construct, maintain and use utility lines, including wires, cables, pipes and drains across portions of the Leased Premises that will not interfere with the structures which may be constructed from time to time on the Leased Premises, for the purpose of providing utility services to Other Land of Landlord.

Section 1.5 - Location of Easements. The parties agree to cooperate in establishing locations for the easements referred to in Sections 1.3 and 1.4. In the event they are unable to agree, the matter will be settled by arbitration. The parties further agree to execute one or more amendments to this Lease setting forth the location of such easements when they are established.

Section 1.6 - Term. The term of this Lease shall be for a period of ninety-nine (99) years. It shall commence at 12:01 AM on _____, 1984. It shall terminate at 11:59 PM on _____, unless -sooner terminated under the terms of this Lease.

Section 1.7 - Extension of Term. At the end of the Term of this Lease, and each extension hereof, if the Tenant is not then in default and if then the subdivision regulations of the Town of Simsbury do not permit the separation of the Leased Premises from other land of Landlord, then this Lease shall automatically be extended for successive additional terms of twenty (20) years each unless the Tenant, issues written notice to the Landlord at least one (1) year prior to the end of the Term of this Lease, or the end of any extended term, that it does not intend to extend the Term of this Lease. In such case, this Lease shall end at the end of the Term or of the then current extension thereof.

Section 1.8 - Purchase of Reversion. At the end of the term of this Lease, and each extension hereof, if the Tenant is not in default and the subdivision regulations of the

Town of Simsbury permit the conveyance of the Leased
Premises, the Tenant may purchase the Landlord's reversion
in

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the Leased Premises by giving the Landlord written notice of its intention at least one year before the end of the lease term. The purchase price shall be the then fair market value of the Leased Premises exclusive of any buildings and improvements. If the parties are unable to agree on the fair market value, each shall appoint an expert appraiser and the decision of the appraisers shall be binding upon the parties. If the two appraisers are unable to agree, the two appraisers shall appoint a third appraiser and the decision of the majority of the appraisers shall be binding upon the parties.

ARTICLE
II Rent

Section 2.1 - Basic Rent. The initial annual Basic Rent for the first five (5) years of the term of this Lease shall be Nineteen Thousand Two Hundred Dollars and shall be increased by One Thousand Two Hundred Dollars (\$1,200) per year for each residential unit over sixteen, situated on the Leased Premises for which a certificate of occupancy is issued. However, in no event, shall any future reduction in the number of residential units or other improvements on the Leased Premises operate to reduce the Basic Rent below what it was immediately prior to such reduction. At the beginning of the sixth year of the Term of this Lease, and every five years thereafter during the Term of this Lease and any extension thereof, the annual Basic Rent set forth above shall be increased by the same proportion that the "Consumer Price Index Urban Wage Earners, Boston, Massachusetts, 1967=100" as prepared by the Bureau of Labor Statistics of the United States Department of Labor on or about the first day of such Lease Year, shall bear to the same index published on or about the commencement of this Lease or the preceding five (5) year period, as the case may be. If at the time of such adjustment, such index is no longer being published, then the parties shall agree to use a similar index prepared by the Federal Government, which will equitably compare the purchasing power of One Dollar (\$1.00) on the two dates to be compared. However, no such adjustment shall reduce the rent provided for under this Section below the rent provided in the preceding five (5) year period. In the event the parties are unable to agree upon a similar index, the matter shall be resolved by arbitration at Hartford, Connecticut in accordance with the rules of the American Arbitration Association. All Basic Rent shall be paid in equal monthly installments in advance, without notice or setoff.

Section 2.2 - Taxes. In addition to the Basic Rent payable under Section 2.1, the Tenant shall pay to the Landlord, or to the taxing authority if a separate bill for any of the items set forth in this Section is rendered to

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the Tenant, the taxes set forth in Subsections (a), (b) and (c) of this Section. Should any governmental authority acting under present or future law, ordinance or regulation, levy, assess or impose a tax, excise or assessment, including assessments for benefits and taxes on rental income, but, excluding a general income tax on the Landlord, upon, against, or in any way related to the Leased Premises or any improvements thereon, either by way of substitution for or in addition to any existing tax on land and buildings or otherwise, such tax shall be payable by the Tenant as set forth in this Section. The taxes payable by the Tenant are as follows:

- (a) A portion of the tax imposed on any parcel of land of which the Leased Premises form a part. For the purpose of calculating the Tenant's portion of taxes under this Subsection there shall be initially subtracted from the total tax bill, the taxes or any improvements on the Leased Premises or on the remainder of such tax parcel and the Tenant shall pay a fraction of the balance, the numerator of which is the area of the Leased Premises and the denominator of which is the area of the tax parcel of which the Leased Premises forms a part; and
- (b) All taxes imposed on the buildings and other improvements which may exist from time to time on the Leased Premises; and
- (c) All personal property taxes assessed and levied against the Tenant's personal property on the Leased Premises including trade fixtures and inventory.
- (d) The Tenant shall not, however, be responsible for the payment of any sewer liens encumbering the Leased Premises and adjoining land of the Landlord which were of record as of May 1, 1984. Such liens shall be the sole responsibility of the Landlord.

Section 2.3 - Method of Payment of Taxes. If any of the taxes referred to in Section 2.2 are evidenced by a separate bill rendered by the taxing authority to the Tenant, the Tenant shall pay such bill no later than the last day on which such bill, or the installment thereof then due, can be paid without interest or penalty. In the event any of the taxes referred to in Section 2.2 are included in a bill rendered to the Landlord, the Tenant's share of such tax bill shall be paid in full as additional rent within ten (10) days after demand therefor by the Landlord. The tax bill submitted by the Landlord to the Tenant shall

be sufficient evidence of the amount of the taxes assessed
or levied

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against the parcel of real property to which such bill relates.

Section 2.4 - Review of Tax Assessments. The Tenant shall have the right to seek review or to contest, by appropriate legal proceedings, including appearances before the Board of Tax Review or other administrative agencies, the amount or validity of any tax or assessment levied or imposed with respect to the Leased Premises. Said right to seek review or to contest such taxes or assessments shall include the right to implead the Landlord in any such action, if required by the regulations of any Board of Tax Review, court rule or any provision of law. The Landlord agrees to cooperate with the Tenant in any such review or contest to the extent requested by the Tenant. Expenses relating to the review or contest of any such tax or assessment brought by the Tenant shall be borne exclusively by the Tenant.

Section 2.5 - Payment in Installments. Should any tax or special assessment be payable in installments, the Tenant shall have the right to pay such taxes or special assessments in such installments, provided that the Tenant makes all such payments falling due during the term of this Lease or any extension thereof when due and pays all interest imposed resulting from such installment payments. Should the Tenant elect to pay such taxes or special assessments in installments, the Landlord agrees to execute whatever documents are necessary to effect such installment payments.

Section 2.6 - No Notice and No Setoff. The Tenant shall make all payments of Rent, Additional Rent, and any other payments provided for in this Lease without notice, demand, set-off or counterclaim of any kind whatsoever, including money judgments, except that if this Lease requires the Tenant to make a particular payment only after notice from the Landlord, the Tenant shall be entitled to such notice.

Section 2.7 - Place of Payment. Payment of Basic Rent and Additional Rent shall be made to the Landlord at the address appearing at the end of this Lease, or to such other address as the Landlord shall designate by written notice to the Tenant.

Section 2.8 - Rent to Be Net. It is the purpose and intent of the Landlord and the Tenant that the Basic Rent shall be net to the Landlord so that this Lease shall yield, net to the Landlord, the Basic Rent specified in Section 2.1 hereof in each year during the term of this Lease.

Section 2.9 - Late Charges. If the Basic Rent for any month is not paid by the tenth day of said month, the Tenant

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agrees to pay a late charge equal to five (5%) percent of the installment then due to the Landlord. This late charge shall be paid on the first day of the next calendar month.

Section 2.10 - Additional Rent. Any and all payments payable by the Tenant under this Lease shall be deemed rent and the Landlord reserves the same rights and remedies against the Tenant for default in making any such payments as the Landlord shall have for default in the payment of Basic Rent; including, but not limited to, the right to seek and recover such payments as rent under any applicable provisions of the United States Bankruptcy Code.

ARTICLE III

Use of Premises

Section 3.1 - Use. During the term of this Lease, the Tenant shall use the Leased Premises for the construction and operation of residential housing, including congregate housing for the elderly, with medical and other services, which will not be inconsistent or interfere with use of adjoining land owned by the Landlord as a health facility.

Section 3.2 - Construction and Ownership of Improvements. The Tenant may, during the term of this Lease, construct, alter, and demolish, buildings and other improvements ("Improvements") on the Leased Premises. Title to all Improvements shall be in the Tenant.

Section 3.3 - Unlawful Purpose. The Tenant will not use or allow the Premises or any part thereof to be used "or occupied for any unlawful purpose or in violation of any Certificate of Occupancy or certificate-of compliance covering the use of the Leased Premises or any part thereof, or in violation of any permit or license connected with the use of the Leased Premises or any part thereof, and will not suffer any act to be done or any condition to exist on the Leased Premises or any part thereof or any article to be brought thereon which may be dangerous (unless safeguarded as required by law) or which may, in law, constitute a nuisance, public or private, or which may make void or voidable any insurance then in force with respect thereto.

ARTICLE IV

Compliance With Laws

Section 4.1 - Laws. Throughout the term of this Lease, the Tenant, at its sole cost and expense, will promptly comply with all present and future laws, ordinances, orders, rules, regulations and requirements of all Federal, State and Municipal governments, departments, commissions, boards and officers and all orders, rules and regulations of the

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National Board of Fire Underwriters, the local Board of Fire Underwriters or any other body or bodies exercising similar functions, foreseen or unforeseen, ordinary as well as extraordinary, which may be applicable to the Leased Premises and the Improvements, as well as any Improvements constructed or maintained by the Tenant and the rights granted under Section 1.3 of this Lease, whether or not such law, ordinance, order, rule, regulation or requirement shall necessitate structural changes or Improvements or interfere with the use and enjoyment of the Leased Premises or the Improvements.

Section 4.2 - Controls. The Tenant shall have the exclusive possession and control of, and responsibility for, the Leased Premises and the public ways adjacent to the Leased Premises, except as limited by this Lease.

ARTICLE V
Landlord's
Covenants

Section 5.1 - Quiet Enjoyment. The Tenant shall, upon paying the rent reserved hereunder and observing and performing all of the terms, covenants and-conditions on the Tenant's part to be observed and performed, peaceably and quietly, have and hold the Leased Premises, without hindrance or molestation by any person or persons lawfully claiming by, through or under the Landlord, subject, however, to the terms of this Lease and to any fee mortgage, but it is understood and agreed that this covenant and any and all other covenants of the Landlord contained in the Lease shall be binding upon the Landlord and the Landlord's successors only with- respect to breaches occurring during the Landlord's and the Landlord's successors' respective ownership of the Landlord's interest hereunder.

ARTICLE VI Construction of
Improvements

Section 6.1 - Construction. Before commencing construction on the Leased Premises, the Tenant shall, at the Tenant's sole expense, prepare plans and specifications for all new Buildings and Improvements to be constructed. Such plans and specifications shall be submitted to the Landlord, for the Landlord's written approval which shall not be unreasonably withheld or delayed. Before commencing any construction, the Tenant shall obtain all necessary building permits and other approvals from any governmental authority having jurisdiction over the Leased Premises. All construction shall be at the sole cost and expense of the Tenant.

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Section 6.2 - Liens. The Tenant shall indemnify and save the Landlord harmless from any claims for material or labor, or workmen's compensation claims in connection with any repairs or Improvements made by the Tenant, and the Tenant shall have no authority on behalf of the Landlord to give anyone the right to place a lien on the Leased Premises or any part thereof, and should any such lien be placed, the Tenant shall have the same removed immediately; and upon failure to do so, the Landlord may take whatever steps are necessary to have the same removed and the cost thereof shall be paid by the Tenant to the Landlord.

ARTICLE VII Insurance and
Indemnification

Section 7.1 - Public Liability Insurance. At all times subsequent to the commencement date of this Lease and during its full term, the Tenant shall keep the Leased Premises and Improvements insured at its sole cost and expense against claims for personal injury or property damage under a policy of general public liability insurance with limits equal to those customarily maintained for similar land and Improvements in the Greater Hartford are but in no event less than One Million Dollars (\$1,000,000) for injury to any one person or One Million Dollars (\$1,000,000) for any one accident with property damage of at least Three Hundred Thousand Dollars. Such policy shall name the Tenant and the Landlord as the insureds.

Section 7.2 - Release of Subrogation. Each party covenants and agrees that at any time upon request of the other, such party shall obtain from its insurance carrier a release of subrogation rights against the other, if the same is available, with the provision that if there is any extra cost for the same, the requesting party shall pay such cost.

Section 7.3 - Certificates of Insurance. At or prior to the date of commencement of this Lease, the Tenant shall provide the Landlord with certificates of insurance certifying that all insurance required to be carried by the Tenant under the terms of this Lease is in full force and effect. No less than ten (10) days before the expiration of any such insurance policy, the Tenant shall furnish the Landlord with a new certificate of insurance certifying that such policy has been renewed or replaced.

Section 7.4 - Qualification of Insurers. All insurance provided for in this Lease shall be effected under enforceable policies issued by insurers of recognized responsibility, licensed to do business in the State of Connecticut.

Section 7.5 - Indemnification. The Tenant shall

defend, indemnify and save harmless the Landlord and its

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agents and employees against and from all liabilities, suits, actions, damages, liability and expense, penalties, claims and costs which may be imposed upon or incurred by or asserted against the Landlord or its agents or employees by reason of, or in any way arising out of, the Tenant's use or occupancy of the Leased Premises or any part thereof after the execution of this Lease or occasioned wholly or in part by any act or omission of the Tenant, its agents, contractors, employees, servants, invitees, licensees or concessionaires, including, but not limited to, any of the following occurring during the term of this Lease:

- (a) Any work done in, on or about the Leased Premises or any part thereof after the execution of this Lease by or on the request of the Tenant, its agents, contractors, sub-contractors, servants, employees, sub-tenants, licensees, invitees or concessionaires;
- (b) Any negligence or otherwise wrongful act or omission on the part of the Tenant or any of its agents, contractors, sub-contractors, servants, employees, sub-tenants, licensees, invitees or concessionaires;
- (c) Any accident, injury or damage to any person or property occurring in, on or about the Leased Premises or any part thereof or any passageway or space adjacent thereto;
- (d) Any failure on the part of the Tenant to perform or comply with any of the covenants, agreements, terms, provisions, conditions or limitations contained, in this Lease on its part to be performed or complied with.

In case any action or proceeding is brought against Landlord by reason of any such claim, Tenant, upon written notice from Landlord, shall, at Tenant's expense, resist or defend such action or proceeding by counsel approved by Landlord in writing, which approval Landlord shall not unreasonably withhold.

ARTICLE
VIII
Condemnatio

Section 8.1 - Taking of All. If at any time during the term of this Lease all or materially all of the Leased Premises, or so much of the Leased Premises that the remaining area can no longer properly be used for the purpose for which the same was being used prior to such condemnation, shall be taken by the exercise of the right of condemnation or eminent domain or for any public or quasi-public use

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under any statute, this Lease shall terminate and expire on the date that Tenant: shall be deprived of possession by the taking authority, and the rent and additional rent provided to be paid by Tenant shall be apportioned and paid to the date of such taking. In such event, any award received or sum accepted by a compromise disposition or otherwise, on or as a result of such condemnation or taking, shall be distributed as follows:

- (a) The Tenant shall receive such portion of the Award as is attributable to the Improvements; and
- (b) the Landlord shall receive the remainder.

If the condemning authority or any court hearing an appeal from such taking, shall apportion the award between the Improvements and the Leased Premises, such apportionment shall be binding on the parties. In the event no such apportionment is made, the matter shall be submitted to Arbitration.

Section 8.2 - Taking of Less Than All. If at any time during the term of this Lease any lesser portion of the Building than that described in Section 8.1 shall be taken in any eminent domain or condemnation proceeding, then this Lease shall continue and the rent shall be proportionately reduced on a reasonable basis for the remainder of the term. If the Landlord and Tenant cannot agree to the rent thus to be paid, the matter shall be submitted to Arbitration. Any condemnation award shall be distributed in the same manner as under Section 8.1.

ARTICLE IX Assignment
and Subleasing

Section 9.1 - Definition of Assignment. For the purposes of this Article, the definition of the term "Assignment" shall include, but not be limited to, the following:

- (a) the transfer of a majority or controlling interest

in the Tenant;

- (b) the merger or consolidation of the Tenant into another corporation;
- (c) the division of the Tenant into two or more separate • rate corporations; and
- (d) any other transfer of the control or operation of the Tenant by operation of law.

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Section 9.2 - Assignment and Subletting. The Tenant covenants and agrees that it will not assign this Lease nor sublet any part or the whole of the Leased Premises, except as permitted in Subsections 13.6 (a), (b) and (c) , without the prior written permission of the Landlord. However, the Tenant may assign this Lease or sublet without the Landlord's permission to a corporation or partnership of which the Tenant, or a substantial owner of the Tenant, is a substantial owner, all subject to the remaining liability of the Tenant under this Lease and to the restrictions on use.

ARTICLE X
Defaults by
Tenant

Section 10.1 - Default. The Landlord shall have the right to terminate this Lease upon the following events:

- (a) Failure of the Tenant to pay any rent or additional rent for fifteen (15) days after written notice from the Landlord;
- (b) Neglect or failure by the Tenant to perform or observe any of the covenants or undertakings herein on its part to be performed or observed and failure to remedy such default within thirty (30) days after written notice thereof to it by the Landlord;
- (c) Any assignment made of the Tenant's property for the benefit of creditors;
- (d) If a receiver, trustee or assignee for the Tenant shall be appointed;
- (e) If the Tenant shall be declared bankrupt or insolvent according to law;
- (f) If any bankruptcy proceedings shall be commenced by or against the Tenant.

Section 10.2 - Damages. In the event of the Tenant's default as aforesaid, the Tenant also agrees: (1) to indemnify and save the Landlord harmless from and against all expenses which the Landlord may incur, including, without limitation, legal expenses, attorney's fees, brokerage fees and the cost of putting the Leased Premises in good order or preparing the same for rental; (2) that the Landlord may

relet the Leased Premises or any part or parts thereof,
either in the name of the Landlord or otherwise, for a term
or terms which may, at the Landlord's option, be less than or
exceed the period which would otherwise have constituted the
balance of the term and of any extension thereof and may
grant concessions or free rent; and (3) that the Tenant or

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its legal representatives shall pay the landlord, as liquidated damages for the failure of the Tenant to observe and perform the Tenant's covenants herein contained, any deficiency between the rent hereby reserved and the net amount, if any, of the rents collected on account of any lease or leases of the Leased Premises for each month of the period which would otherwise have constituted the balance of the term. The failure or refusal of the Landlord to relet the Leased Premises or any part or parts thereof shall not release or affect the Tenant's liability for damages. The Landlord, at its option, may make such alterations, repairs or replacements and decorations on the Leased Premises that the Landlord, in its sole judgment, considers advisable and necessary for the purposes of reletting the Leased Premises. The making of such alterations or decorations shall not operate or be construed to release the Tenant from liability hereunder. The Landlord shall, in no event, be liable for failure to relet the Leased Premises or, if the Leased Premises are relet, for failure to collect the rent thereof under such reletting.

Section 10.3 - Non-Waiver. The Landlord's failure to act upon breach of any of the covenants of this Lease by the Tenant shall in no way constitute a waiver of the rights of the Landlord, at any time in the future, to act upon such default; nor shall any such failure to act prevent the Landlord from acting in the event of any other or further breach of the Tenant's covenants. No provision of this Lease shall be deemed to have been waived unless such waiver be in writing signed by the Landlord. No payment by the Tenant or receipt by the Landlord of a lesser amount than the Rent or Additional Rent then due shall be deemed other than on account of the earliest rent then unpaid, except as provided in Article XIII, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and the Landlord may accept such check or payment without prejudice to the Landlord's right to recover the balance of such rent or pursue any other remedy provided for in this Lease.

Section 10.4 - Deferred Payments. No delay or delays in the payment of rent reserved in manner or in times stipulated and no failure of the Landlord to enforce the provisions of this Lease upon such occasion or in the case of default of any covenant herein contained on the part of the Tenant to be performed shall be construed as creating a custom of deferred payments or as a waiver of any of the provisions of this Lease or of the Landlord's right to terminate this Lease or otherwise to enforce the provisions thereof.

Section 10.5 - Tenant's Failure to Repair. If the

Tenant fails to perform, for a period of thirty (30) days

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after written notice from the Landlord, any obligation required to be performed by the Tenant under this Lease at the Tenant's cost, the Landlord, on the expiration of such thirty (30) days, may, but shall not be obligated to, enter on the Leased Premises to perform such obligation of the Tenant, charging the Tenant reasonable cost and expenses thereof, and the Tenant shall pay the Landlord such charges, as additional rent, in addition to any other amounts payable by the Tenant under this Lease.

ARTICLE XI Mortgage
of Leasehold

Section 11.1 - Tenant's Right to Mortgage. The Tenant and its heirs, successors and assigns shall have the unrestricted right to mortgage and pledge this Lease, subject, however, to the limitations of this Article. Any such mortgage or pledge shall be subject and subordinate to the rights of the Landlord under this Lease.

Section 11.2 - Notice of Mortgage. No holder of a mortgage on this Lease shall have the rights or benefits mentioned in this Article, nor shall the provisions of this Article be binding upon the Landlord, unless and until the Landlord shall receive an executed counterpart copy of such mortgage, together with the name and address of the mortgagee, notwithstanding any other form of notice, actual or constructive..

Section 11.3 - Special Provisions During the Term of Leasehold Mortgages. If the Tenant or the Tenant's heirs, successors or assigns shall mortgage this Lease in compliance with the provisions of this Article, then so long as any such mortgage shall remain unsatisfied of record, the following provisions shall apply:

- (a) The Landlord, upon serving upon the Tenant any notice of default pursuant to the provisions of Article X of this Lease or any other notice under the provisions of or with respect to this Lease, shall also serve a copy of such notice upon the holder of such mortgage at the address provided for in this Section, and no notice by the Landlord to the Tenant under this Lease shall be deemed to have been duly given unless and until a copy thereof has been so served.
- (b) Any holder of such mortgage, in case the Tenant shall be in default hereunder, shall, within the period and otherwise as herein provided, have the same right to remedy such default or cause the same to be remedied, and the Landlord shall accept

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such performance by or at the instance of such holder as if the same had been made by the Tenant.

(c) For the purposes of this Article, no event of default shall be deemed to exist under Article X of this Lease in respect of the performance of work required to be performed or of acts to be done or of conditions to be remedied, if steps shall, in good faith, have been commenced within the time permitted therefor to rectify the same and shall be prosecuted to completion with diligence and continuity as provided in Article X of this Lease.

(d) Anything herein contained to the contrary notwithstanding, upon the occurrence of an event of default (inclusive of the occurrence of any of the events specified in Section 10.1 of this Lease) other than an event of default due to a default in the payment of money, the Landlord shall take no action to effect a termination of this Lease without first giving to the holder of such mortgage written notice thereof and a reasonable time thereafter within which either:

(i) to obtain possession of the mortgaged property (including possession by a receiver); or

(ii) to institute, prosecute and complete foreclosure proceedings or otherwise acquire the Tenant's interest under this Lease with diligence.

Such holder, upon obtaining possession or acquiring the Tenant's interest under this Lease, shall be required promptly to cure all defaults then reasonably susceptible of being cured by such holder; provided, however, that:

(i) such holder shall not be obligated to continue such possession or to continue such foreclosure proceedings after such defaults have been cured;

(ii) nothing herein contained shall preclude the Landlord, subject to the provisions of this Article, from exercising any rights or remedies under this Lease with respect to any other default by the Tenant during the pendency of such foreclosure proceedings;

(iii) if such holder shall be a party other than a bank, savings and loan association or insurance company, such holder shall deposit with

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the Landlord, curing the period of forbearance by the Landlord from taking action to effect a termination of this Lease, such security as shall be reasonably satisfactory to the Landlord to assure to the Landlord the compliance by such holder during the period of such forbearance with such of the terms, conditions and covenants of this Lease as are reasonably susceptible of being complied with by such holder; and

- (iv) such holder, if a bank, savings and loan association or insurance company, shall agree with the Landlord in writing to comply during the period of such forbearance with such of the terms, conditions and covenants of this Lease as are reasonably susceptible of being complied with by such holder.

Any default by the Tenant not reasonably susceptible of being cured by such holder shall be deemed to have been waived by the Landlord upon completion of such foreclosure proceedings or upon such acquisition of the Tenant's interest in this Lease, except that any of such events of default which are reasonably susceptible of being cured after such completion and acquisition shall then be cured with reasonable diligence. Such holder or his designee or other purchaser in foreclosure proceedings may become the legal owner and holder of the Tenant's interest in this Lease through such foreclosure proceedings or by assignment of this Lease in lieu of foreclosure.

- (e) Any notice or other communication which the Landlord shall desire or is required to give or serve upon the holder of a mortgage on this Lease shall be in writing and shall be served by registered or certified mail, return receipt requested, addressed to such holder at his address as set forth in such mortgage or in the last assignment thereof delivered to the Landlord pursuant to this Article or at such other address as shall be designated by such holder by notice in writing given to the Landlord by registered or certified mail, return receipt requested.

••' Any notice or other communication which the holder of a mortgage on this Lease shall desire or is required to give to or serve upon the Landlord shall be deemed to have been duly given or served if sent by registered or certified mail, return

receipt requested, addressed to the Landlord at the
Landlord's address as set forth in Section

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14.5 of this Lease or at such other address as shall be designated by the Landlord by notice in writing given to such holder.

- (f) Effective upon the commencement of the term of any successor lease executed pursuant to this Article, all subleases shall be assigned and transferred without recourse by the Landlord to the tenant under such new lease, and all moneys on deposit with the Landlord or any Trustee Receiver or Manager which the Tenant would have been entitled to use but for the termination or expiration of this Lease may be used by the tenant under such new lease for the purposes of and in accordance with the provisions of such new lease.
- (g) Anything herein contained to the contrary notwithstanding, the provisions of this Article shall inure only to the benefit of the holders of leasehold mortgages which shall be, respectively, a first, second and third lien. If the holders of more than one such leasehold mortgage shall make written requests upon the Landlord for a new lease in accordance with the provisions of this Article, the new lease shall be entered into pursuant to the request of the holder whose leasehold mortgage shall be prior in lien thereto, and thereupon the written requests for a new lease of each holder of a leasehold mortgage junior in lien shall be and be deemed to be void and of no force or effect. If the parties shall not agree on which leasehold is prior in lien, such dispute shall be determined by Arbitration.
- (h) Nothing herein contained shall be deemed to obligate the Landlord to deliver possession of the Leased Premises to the tenant under any new lease entered into pursuant to this Article.
- (i) No agreement between the Landlord and the Tenant modifying, cancelling or surrendering this Lease shall be effective without the prior written consent of the holders of leasehold mortgages which shall be, respectively, a first, second and third lien.
- (j) No union of the interests of the Landlord and the Tenant herein shall result in a merger of this Lease in the fee interest.

any leasehold mortgagee shall acquire title to the Tenant's interest in this Lease by foreclosure of a mortgage thereon or by assignment in lieu of foreclosure or by an assignment

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from a designee or wholly-owned subsidiary corporation of such mortgagee or under a new lease pursuant to this Article, such mortgagee may assign such lease and shall thereupon be released from all liability for the performance or observance of the covenants and conditions in such lease contained on the tenant's part to be performed and observed from and after the date of such assignment, provided that the assignee from such mortgagee shall have assumed such lease.

ARTICLE XII Termination
and Surrender

Section 12.1 - Expiration. This Lease shall expire as provided for under Sections 1.6 and 1.7.

Section 12.2 - Title to Improvements. Upon the expiration or other termination of this Lease, title to Improvements shall remain with the Tenant without the execution of any document dealing with any act by the Landlord. Notwithstanding the foregoing, the Landlord agrees to execute any and all documents which the Tenant may reasonably request to evidence or give effect to such confirmation of title.

ARTICLE XIII Common Interest
Ownership Community

Section 13.1 - Convey Units. The Tenant may subject the Leased Premises to a common interest form of ownership and may convey the units created thereon subject always to the terms and provisions of this Lease. In the event that the Leased Premises are subjected to the a common interest" form of ownership, each person, partnership, corporation or other entity acquiring ownership of a unit or to the common property, or both, shall be jointly and severally liable with all of the other owners for the performance of the obligation under this Lease, which may, to the extent permitted or required in the constituent documents of such common interest community, be performed by the association of owners.

Section 13.2 - Separate Account. In the event that the declaration of a common interest community is recorded, the Landlord may not terminate the leasehold interest of a unit owner who makes timely payment of the unit owner's share of the rent and additional rent and otherwise complies with all covenants which, if violated, would entitle the Landlord to terminate the Lease. A unit owner's leasehold interest in the common interest community shall not be affected by the failure of any other person to pay rent or fulfill any other covenant.

Section 13.3 - Rent. In the" event that a declaration of a common interest community is recorded, the annual Basic Rent for each unit shall be apportioned in accordance with a share of the common expenses attributable to each unit exclusive of common charges for optional services and charges for additional occupants of units. Any dispute concerning the apportionment of the Basic Rent shall be submitted to Arbitration. To the extent additional rent is not attributable to specific units, it shall be apportioned in the same proportions as Basic Rent.

Section 13.4 - Taxes. Taxes assessed against each unit by the taxing authority shall be paid directly to the taxing authority by the unit owner no later than the last day on which such bill, in the installment thereof then due, can be paid without interest or penalty. In the event any taxes on the Leased Premises or any Improvements thereon are included in a bill rendered to the Landlord and not paid by the association of owners, each unit owner shall pay such taxes to the Landlord in the same proportion as the Basic Rent. Such taxes shall be paid as additional rent within ten (10) days after demand therefor by the Landlord.

Section 13.5 - Insurance. To the extent provided in. the declaration of a common interest community, the insurance required in Article VII of this Lease shall be provided by the association. In the event the association fails to provide such insurance, the Landlord ma^ obtained such insurance and each unit owner shall pay >.he premium therefor in the same proportion as the Basic Rent.

Section 13.6 - Assignment. In the event a declaration of a common interest community is recorded, the term "Assignment", as used in Article IX, _shall not include the following:

- (a) the transfer or mortgage of individual units in any common interest community created on the Leased Premises;
- (b) the leasing or subleasing of individual residences or units in any common interest community created on the Leased Premises, or the assignment of any such leases or subleases; and
- (c) the transfer of any common property in any common interest community created on the Leased Premises
••" ' to an owners' association.

Section 13.7 - Default. In the event a declaration of a common interest community is recorded, the default provisions of Article X shall apply to each unit in the

common interest community and each Unit shall not be affected by the default of any other Unit owner.

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Section 13.8 - Unit Mortgages. In the event a declaration of a common interest community is recorded, the unit owners, their heirs/ successors and assigns shall have the unrestricted right to mortgage and pledge their units, subject, however, to the limitations of Article XI. Any such mortgage or pledge shall be subject and subordinate to the rights of the Landlord under this Lease.

Section 13.9 - Notice and Exercise by Association. In the event a declaration of a common interest community is recorded, the Landlord can rely upon any notice given to it by the association, rather than the unit owners, including a notice of exercise of an option to extend or a request to convey the Lease Premises.

ARTICLE XIV
Concluding
Provisions

Section 14.1 - Entire Agreement. This Agreement contains the entire understanding of the parties. There are no oral understandings, terms or conditions, and no party has relied upon any representation, express or implied, not contained in this Agreement.

Section 14.1 - Amendments. This Agreement may not be amended, modified, altered or changed in any respect whatsoever except by a further agreement in writing, fully executed by each of the parties hereto.

Section 14.3 - Construction. The parties agree that this document shall not be construed more severely against one of the parties than the other.

Section 14.4 - Captions. The captions of this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision hereof.

Section 14.5 - Notice. Any notice, demand, offer or other written instrument ("Notice") required or permitted to be given, made or sent under this Lease shall be in writing, signed by or on behalf of the party giving such Notice and shall be hand delivered or sent, postage prepaid, by Registered or Certified Mail, Return Receipt Requested, addressed as follows:

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TO LANDLORD: 40 Firetown Road
Simsbury, Connecticut

TO TENANT: 40 Firetown Road
Simsbury, Connecticut

Any Notice to be given to the estate of any deceased or incompetent person shall be addressed to the personal representative of such deceased or incompetent person at the address of such representative or, if there is no personal representative, to the estate of the deceased or incompetent person at the address set forth in this Section.

Either party may change its address set forth in this Section by giving notice to the other party in accordance with this Section.

Section 14.6 - Recording of Lease. This Lease may be recorded by the Landlord, and all governmental charges attributable to the recording of this Lease shall be paid by the Landlord.

Section 14.7 - Arbitration. Any issue between the parties which this Lease states shall be submitted to "Arbitration" shall be settled by Arbitration in Hartford, Connecticut in accordance with the rule of the American Arbitration Association is then existing, and judgment upon the award rendered may be entered in any court having jurisdiction thereof.

Section 14.8 - Counterparts. This Agreement shall be executed in one or more copies, each of which shall be deemed an original.

Section 14.9 - Partial Invalidity. The invalidity of one or more of the phrases, sentences, clauses, Sections or Articles contained in this Agreement shall not affect the remaining portions so long as the material purposes of this Agreement can be determined and effectuated. If any portion of this Agreement may be interpreted in two or more ways, one of which would render the portion invalid or inconsistent with the rest of this Agreement, it shall be interpreted to render such portion valid or consistent.

Section 14.10 - Waiver of Jury Trial. The Landlord and Tenant do hereby waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other.

Section 14.11 - Successors. This Agreement shall be binding upon and inure to the benefit of the parties and to their respective heirs, personal representatives, successors and assigns.

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EXHIBIT A

A certain piece or parcel of land with the improvements thereon located in the Town of Simsbury, County of Hartford and State of Connecticut known as a portion of 40 Firetown Road and more particularly bounded and described as follows:

BEGINNING:

THENCE:

THENCE;

at a point on the easterly side of Firetown Road, which point designates the southwesterly corner of land now or formerly of Josephine T. Eno, and the northwesterly corner of the property herein described;

running along land now or formerly of Josephine T. Eno N $79^{\circ} 17' 50''$ E a distance of two hundred twelve (212) feet;

running along other land of Holly Hill of Simsbury, Inc., the following courses and distances:

S $02^{\circ} 40' 40''$ W a distance of one hundred sixty-four and eighty-six one-hundredths (164.86) feet;

S $78^{\circ} 1'$ feet;

40" E a distance of sixty (60)

THENCE:

THENCE:

N 10 ° 23' 00" E a distance of one hundred sixty and twenty one-hundredths (160.20) feet;

along land now or formerly of Josephine T. Eno N 41° 39' 10" E a distance of one hundred twenty-four and fifty-one one-hundredths (124.51) feet to a point;

running along land now or formerly of the Town of Simsbury the following courses and distances:

S 59° 02' 50" E a distance of fifty-nine and twenty one-hundredths (59.20) feet;

S 34° 31' 50" E a distance of three hundred fifty-six and fourteen one-hundredths (356.14) feet;

S 20° 24' 00" E a distance of five hundred seven and eighteen one-hundredths (507.18) feet;

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THENCE

THENCE

running along land new or formerly of First Church of Christ and Ecclesiastical Society of Simsbury, Inc. S 57° 21' 13" W a distance of two hundred thirty (230) feet;

running along other land of Holly Hill of Simsbury, Inc., the following courses and distances :

N 20° 24' 00" W ninety-five and (395.66) feet;

a distance of three hundred sixty-six one-hundredths

N 34° 48' 57" W a distance of two hundred seventy-five and ninety-four one-hundredths (275.94) feet;

S 79° 17' 50" W a distance of two hundred seventy-six (276) feet;

THENCE: running along the easterly side of Firetown Road the following courses and distances:

along a curve to the right having a radius of five hundred sixty-four and seventy one-hundredths (564.70) feet a distance of twenty-seven (27) feet;

N 08° 11' 48" W a distance of two hundred five and twelve one-hundredths (205.12) feet;

along a curve to the left having a radius of four hundred thirty-eight and twenty one-hundredths (438.20) feet a distance of thirty-five (35) feet to the point or place of beginning.

Being a portion of the premises conveyed to Holly Hill Convalescent Home, Inc. herein under the name of Holly Hill Convalescent Hospital, Inc. by deed of Abraham Gosman and Jules Roy, dated July 31, 1959, in Volume 126, Page 208, of the Simsbury Land Records. Reference being made to a Certificate of Change of Name dated November 25, 1969 and recorded in Volume 181, Page 402 of the Simsbury Land Records .

EXHIBIT B

Two certain parcels of land known as "Other Land of Holly Hill of Simsbury, Inc." situated in the Town of Simsbury, County of Hartford, State of Connecticut as shown on a map entitled "Holly Hill Retirement Community Schedule A-3 Common Interest Community in Leasehold Real Estate Map of Land Owned by Holly Hill of Simsbury, Inc., Firetown Road, Simsbury, CT, Sheet No. 1 of 1, Scale 1" = 40' Date April 14, 1984, M-84-74, Nascimbeni & Jahne Surveyors, 220 West Main Street, Avon, Connecticut", which map is on file in the Office of the Town Clerk of Simsbury, more particularly bounded and described as follows:

FIRST PARCEL

COMMENCING:

THENCE:

THENCE:

THENCE:

at a point on the southwesterly side of Firetown Road, which point marks the southwesterly corner of land herein described and the northwesterly corner of land now or formerly of First Church of Christ and Ecclesiastical Society of Simsbury, Inc., as shown on said map;

running along the westerly line of Firetown Road, as shown on said map, N 36° 59' 00" W, a distance of five hundred thirty-five and twenty-two one-hundredths (535.22) feet to a point;

running northerly along a curve to the right having a radius of five hundred sixty-four and seventy one-hundredths (564.70) feet a distance of two hundred fifty-six and seventy-two one-hundredths (256.72) feet to a point; '

running along land shown as Common Interest Community as shown on said map, the following courses and distances:

N 79° 17' 50" E, a distance of two hundred seventy-six and no one-hundredths (276.00) feet to a point;

S 34° 48' 57" E, a distance of two hundred seventy-five and ninety-four one-hundredths (275.94) feet to a point;

S 20° 24' 00" E, a distance of three hundred ninety-five and sixty-six one-hundredths (395.66) feet to a point;

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THENCE :

THENCE :

running along land now or formerly of the First Church of Christ and Ecclesiastical Society of Simsbury, Inc., as shown on said map, S 57° 21' 13" W, a distance of one hundred fifty-one and fifty-nine one-hundredths (151.59) feet; and

S 23° 00' 52" W, a distance of thirty-five (35) feet to the point of beginning.

SECOND PARCEL:

COMMENCING:

THENCE:

at a point in the southerly line of land now or formerly of Josephine T. Eno, which point is N 79° 17' 50" E a distance of two hundred twelve (212) feet from the southwest corner of land of said Eno on Firetown Road and which point is the northwest corner of the land herein described;

along land shown on said map as Common Interest Community, the following courses and distances:

S 02° 40' 40" W a distance of one hundred sixty-four and eighty-six one-hundredths (164.86) feet;

S 78° 1! feet;

40" E, a distance of sixty (601

THENCE:

N 10° 23' 00" E, a distance of one hundred sixty and twenty one-hundredths (160.20) feet;

along land now or formerly of Josephine T. Eno along a curve having a radius of one hundred (100) feet a distance of eighty-four and seventy-three one-hundredths (84.73) feet to the point of beginning.

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EXHIBIT" E

WARRANTY DEED
(Survivorship)

TO ALL PEOPLE TO WHOM THESE PRESENTS SHALL COME, GREETING:

KNOW YE, that HOLLY HILL ESTATES, INC., a corporation organized and existing under the laws of the State of Connecticut, and having its principal office in the Town of Sirasbury and State of Connecticut (hereinafter referred to as the Grantor)

for the consideration of

received to its full satisfaction of
of the City of _____, County of _____ and
State of Connecticut (hereinafter referred to as the
Grantees) does give, grant, bargain, sell and confirm unto
the said Grantees and unto the survivor of them, and unto
such survivor's heirs and assigns forever, the following
described premises:

That certain real property described as Unit No.
of Holly Hill Retirement Community, which is located in the
Town of Simsbury, County of Hartford and State of
Connecticut. Said unit exists pursuant to a Declaration by
Holly Hill Estates, Inc. ("Declaration") filed on the Land
Records of
the Town of Simsbury, Connecticut, on _____, 1984,
in Volume _____ at Page _____. Said Common Interest
Community is established as a leasehold estate pursuant to
a
lease dated _____, 1984 and recorded in volume
at page _____ of the Simsbury Land Records.

The premises-are hereby conveyed together with and
subject to the terms, conditions, agreements, obligations,
and easements contained in the Declaration as amended and
supplemented. The Grantees, by acceptance of this deed,
hereby expressly assume and agree to be bound by and to
comply with all of the terms, conditions, agreements,
obligations and easements as set forth in said
Declaration, Bylaws and Exhibits as they may be amended or
supplemented.

SAID ABOVE PREMISES ARE ALSO CONVEYED SUBJECT TO:

1. Any and all provisions of any municipal
ordinance
or regulation, any federal, state, or local law,
including,
but not limited to, the provisions of any zoning,

building,
planning, or inland wetland rules and regulations
governing
the subject property.

2. Taxes of the Town of Simsbury on the list of
October 1, 198_, including any assessment or reallocation
from the creator of the Common Interest Community which
the

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the corporation. a Connecticut corporation, on beha.'

Officer) Grantees' Address (Title of

Received , 19
at M.

Recorded in Simsbury Land Records
Vol. at Page

Town Clerk

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EXHIBIT F

1. Sewer Caveat from Holly Hill Convalescent Heine, Inc. to Town of Simsbury dated October 21, 1976 and recorded in Volume 224, Page 861. This affects the Holly Hill Convalescent Home, and Declarant is primarily responsible for the payment of this Caveat.
2. Certificate of Notice of Installment Payment of Assessment of Benefits, from Holly Hill Convalescent Home to Town of Simsbury recorded on August 23, 1978 in Volume 236, Page 952. Said assessment has a current balance in the amount of \$5,969.06 remaining. This affects the Holly Hill Convalescent Home, and Declarant is primarily responsible for the payment of the balance of this Certificate.
3. Mortgage in the original principal amount of \$467,000.00 from Holly Hill Convalescent Home, Inc. to Hartford Federal Savings and Loan Association dated August 28, 1973 and recorded in the Simsbury Land Records in Volume 206, Page 213, as modified by a Mortgage Modification Agreement between Holly Hill Convalescent Home, Inc., Jules Roy, Holly Hill of Simsbury, Inc. and Hartford Federal Savings and Loan Association dated September 29, 1980 and recorded in Volume 250, Page 694.
4. Mortgage in the principal amount of \$840,000.00 from Holly Hill of Simsbury, Inc. to Colonial Bank dated ~ April 19, 1984 and recorded on the Simsbury Land Records on April 23, 1984 in Volume 274 at Page 210.
5. Conditional Assignment of Rents and Leases from Holly Hill of Simsbury, Inc. to Colonial Bank dated April 19, 1984 and recorded on the Simsbury Land Records on April 23, 1984 in Volume 274 at Page 226.
6. UCC-1 Financing Statement in favor of Colonial Bank recorded on the Simsbury Land Records on April 23, 1984 in Volume 274 at Page 249.
7. Mortgage in the original principal amount of \$150,000.00 from Holly Hill of Simsbury, Inc. to Holly Hill Convalescent Home, Inc. dated June 30, 1980 and recorded in Volume 248, Page 778. Said Mortgage was subordinated by Subordination Agreement by Holly Hill Convalescent Home, Inc. in favor of Hartford Federal Savings and Loan Association recorded on October 2, 1980 in Volume 250, Page 691. Said Mortgage was as signed by Assignment of Mortgage from Holly Hill Convalescent Home, Inc. to Jules F. Roy dated June 25,

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1981 and recorded in Volume 25z , Page 54. Said gage has been subordinated to the Colonial Bank Mortgage by Subordination Agreement dated April 18, 1984 and recorded on the Simsbury Land Records on April 23, 1984 in Volume 274 at Page 237.

8. Mortgage in the original principal amount of 5150,000.00 from Holly Hill of Simsbury, Inc. to Connecticut National Bank dated November 17, 1982 and recorded in Volume 262, Page 621, which Mortgage has been subordinated to the Colonial Bank Mortgage by Subordination Agreement dated April 16, 1984 and recorded on the Simsbury Land Records on April 23, 1984 in Volume 274 at Page 241.
9. Collateral Assignment of Leases and Rentals from Holly Hill of Simsbury, Inc. to Connecticut National Bank dated November 17, 1982 and recorded in Volume 262, Page 269, which Collateral Assignment of Leases and Rentals has been subordinated to the Colonial Bank Mortgage by Subordination Agreement dated April 16, 1984 and recorded on the Simsbury Land Records on April 23, 1984 in Volume 274 at Page 241.

Instruments 3 through 9 affect the Landlord's interest in the Ground Lease and the Landlord agrees to pay all of the obligations thereunder. The existing instruments may be replaced with new instruments, however, in no event will the obligations be increased beyond the current unpaid balances. Non-Disturbance Agreements will be obtained from each of the Mortgages which will provide that so long as a Unit Owner is not in default under the Ground Lease, his possession and occupancy of his Unit shall not be disturbed by the Mortgagee.

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MANAGEMENT
CONTRACT EXHIBIT G

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THIS AGREEMENT, made this day of , i
between Holly Kill Retirement Ccmr.unityv Association,
Ir.o. , a Connecticut non-stock corporation with a principal
office in Simsbury, Connecticut (hereinafter called the
"Association"), organized and established in accordance with
the Declaration and Bylaws of Holly Hill Retirement
Community, dated

and recorded in the office of the
Town Clerk of the Town of Simsbury, State of Connecticut, in
Volume at Page , and Holly Hill Estates, Inc., a
Connecticut corporation with a principal office in Simsbury,
Connecticut, (hereinafter called the "Manager").

WITNESSETH:

In consideration of the terms, conditions and covenants
hereinafter set forth, the parties hereto mutually agree as
follows:

ARTICLE I
Appointment and
Term

Section 1.01 - Appointment. The Association hereby
appoints the Manager, and the Manager hereby accepts
appointment, on the terms and conditions hereinafter
provided, as exclusive managing agent of the Common Interest
Community known as Holly Hill Retirement Community.

Section 1.02 - Term. Unless terminated sooner as
hereinafter provided, this Agreement shall be in effect for
a term of five (5) years from the date of execution.

Section 1.03 - Authority. The Manager fully understands
that the function of the Association is the operation and
management of the Common Interest Community; and the Manager
agrees, notwithstanding the authority given to the Manager in
this Agreement, to confer fully and freely with the Executive
Board in the performance of its duties as herein set forth
and to attend membership or board meetings at any time or
times requested by the Executive Board. It is further
understood and agreed that the authority and duties conferred
upon the Manager hereunder are confined to the Common
Elements as defined in the Declaration and such portions of
the Units as may be controlled, inspected or maintained by
the Association. Such authority and duties do not and shall
not otherwise include supervision or management of Units
except as directed by the Association.

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ARTICLE
"II Plans

In order to facilitate efficient operation, the Association shall furnish the Manager with as complete a set of plans and specifications of the improvements on the Property, as finally constructed, as is available. With the aid of these documents and inspection made by competent personnel, the Manager will inform itself with respect to the layout, construction, location, character, plan and operation of the lighting, heating, air conditioning, plumbing, and ventilating systems, as well as any other mechanical equipment in the Property. Copies of the guarantees and warranties pertinent to the construction of the Improvements on the Property and in force at the time of the execution of this Agreement shall be furnished to the Manager.

ARTICLE III
Duties of
Manager

Under the personal and direct supervision of one of its principal officers, the Manager shall render services and perform duties as follows:

Section 3.01 - Bonding. The Manager and all of its employees who handle or are responsible for the handling of the Association's money shall be bonded by a fidelity bond in a form and with such insurers acceptable to the Executive Board. The bond shall be in an amount equal to at least the amount of the then current annual budget of the Association. The Association shall be a named insured under the bond. At or prior to the date of commencement of this Agreement, the Manager shall provide the Association with a certificate certifying that the Bond is in full force and effect. No less than ten days from the expiration of any such bond, the Manager shall furnish the Executive Board with a new certificate of insurance certifying that such Bond has been renewed or replaced. The cost of the Bond shall be charged to the Association.

Section 3.02 - Non-Owned Equipment. Pursuant to a schedule of rates, which shall be subject to the approval of the Executive Board, provide sufficient equipment not owned by the Association to properly maintain the premises.

Section 3.03 - Inventory. Immediately ascertain the general condition of the Property and Improvements thereon and, if the accommodations there afforded have yet to be occupied for the first time, establish liaison with such general contractor constructing the Improvements as there may be to facilitate the completion by him of such corrective work, if any, as is yet to be done; also, cause

an inventory

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to be taken of all furniture, office equipment, maintenance tools and supplies.

Section 3.04 - Moving Unit Owners. Coordinate the plans of Unit Owners for moving their personal effects into the Property or out of it, with a view toward scheduling such movements so that there shall be a minimum of inconvenience to other Unit Owners.

Section 3.05 - Service of Complaints. Maintain businesslike relations with Unit Owners whose service requests shall be received, considered and recorded in systematic fashion in order to show the action taken with respect to each. Complaints of a serious nature shall, after thorough investigation, be reported to the Executive Board with appropriate recommendations. As part of a continuing program, secure full performance by the Unit Owners of all items and maintenance for which they are responsible in accordance with the Association's rule enforcement procedures.

Section 3.06 - Collection. Collect all Common Expense Assessments due from Unit Owners and all sums due from concessionaires in consequence of the authorized operation of facilities in the Common Interest Community maintained primarily for the benefit of the Unit Owners. The Executive Board hereby authorizes the Manager to request, demand, collect, receive, and receipt for any and all charges or rents which may at any time be or become due to the Association or the Common Interest Community and to take such action in the name of the Association by way or legal process or otherwise as may be required for the collection of delinquent monthly assessments. As a standard practice, the Manager shall furnish the Association and all other parties (including mortgagees) entitled thereto with an itemized list of all delinquent accounts and other violations immediately following the tenth day of each month.

Section 3.07 - Maintenance. Cause the Common Elements of the Property to be maintained according to standards acceptable to the Executive Board, including but not limited to interior and exterior cleaning, painting and decorating, plumbing, steamfitting, carpentry, and such other normal maintenance and repair work as may be necessary, subject to any limitations imposed by the Executive Board in addition to those contained in Section 3.09 hereof. For any one item of repair or replacement, the expense incurred shall not exceed the sum of Seven Hundred Fifty Dollars (\$750.00) unless specifically authorized by the Association; excepting, however, that emergency repairs involving manifest danger to life or property or immediately necessary for the preservation and safety of the Property or for the

safety of the Unit Owners or invitees or required to avoid the suspension of any necessary service to the Common Interest Community, may be made by the Manager irrespective of the cost limitation

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imposed by this Section. Notwithstanding this authority as to emergency repairs, it is understood and agreed that the Manager will, if at all possible, confer immediately with the Executive Board regarding every such expenditure. The Manager shall not incur liabilities (direct or contingent) which will at any time exceed the aggregate of Two Thousand (\$2,000.00) Dollars or any liability maturing more than one year from the creation thereof, without first obtaining the approval of the Executive Board.

Section 3.08 - Compliance With Official Orders. Take such action as may be necessary to comply promptly with any and all orders or requirements affecting the Property placed thereon by any federal, state, county or municipal authority having jurisdiction thereover, and orders of the Board of Fire Underwriters or other similar bodies, subject to the same limitation contained in Section 3.07 of this Article in connection with the making of repairs and alterations. The Manager, however, shall not take any action under this Section 3.08 so long as the Association is contesting or has affirmed its intention to contest any such order or requirement. The Manager shall promptly, and in no event later than 72 hours from the time of their receipt, notify the Executive Board in writing of all such orders and notices.

Section 3.09 - Contracts. Subject to approval by the Executive Board, make contracts for water, electricity, gas, fuel oil, telephone, vermin extermination, food service, telephone monitoring and other necessary''services, or such of them as the Association shall deem advisable. Also, place orders for such equipment, tools, appliances, materials and supplies as are necessary to properly maintain the Property. All such contracts and orders shall be made in the name of the Association and shall be subject to the limitations set forth in Section 3.07 of this Article. When taking bids or issuing purchase orders, the Manager shall act at all times under the direction of the Executive Board and shall be under a duty to secure for and credit to the latter any discounts, commissions, or rebates obtainable as a result of such purchases.

Section 3.10 - Insurance. When authorized by the Executive Board in writing, cause to be placed and kept in force all forms of insurance as required by the Bylaws. The Manager shall promptly investigate and make a full written report as to all accidents or claims for damage relating to the management, operation and maintenance of the Common Interest Community, including any damage or destruction to the Property, the estimated cost of repair, and shall cooperate with, and make any and all reports required by, any insurance company, mortgagee or any Trustee in connection

therewith.

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Section 3.11 - Bank Account. Following the opening thereof by the Executive Board, in a bank as chosen by the Executive Board and in a manner to indicate the custodial nature thereof, maintain separate bank accounts as agent of the Association for the deposit of the monies of the Association, with authority to draw thereon for any payments to be made by the Manager to discharge any liabilities or obligations incurred pursuant to this Agreement, and for the payment of the Manager's fee, all of which payments shall be subject to the limitations in this Agreement. All bank accounts established under the provisions of this Section 3.11 shall be established so as to require the counter-signature of an officer of the Association on all checks or withdrawals for more than One Thousand Dollars (\$1,000.00).

Section 3.12 - Disbursements. From the funds collected and deposited in the special account hereinabove provided, cause to be disbursed, regularly and punctually, charges for services provided by the personnel, the taxes payable under Section 3.13 of this Article, insurance premiums, and sums otherwise due and payable to the Association as operating expenses or reserve funds, authorized to be incurred under the terms of this Agreement or as directed by the Executive Board, including the Manager's fee.

Section 3.13 - Accounting. Working in conjunction with an accountant, prepare for execution and filing by the Association all forms, reports and returns required by law in connection with insurance, worker's compensation insurance, if applicable, disability benefits, sales, franchise and other taxes now in effect or hereafter imposed, and also requirements relating to the employment of its personnel."

Section 3.14 - Records. Maintain a comprehensive system of office records, books and accounts in a manner satisfactory to and sufficient to permit the issuance of resale certificates, the Executive Board and in compliance with the Bylaws, which records shall be subject to examination by it at all reasonable hours. As a standard practice, the Manager shall render to the Executive Board not later than the tenth of each succeeding month a statement of receipts and disbursements as of the end of every month.

Section 3.15 - Budget. At least sixty (60) days before the beginning of the new fiscal year, prepare with the assistance of an accountant, if need be, a proposed operating budget setting forth an itemized statement of the anticipated receipts and disbursements for the new fiscal year and taking into account the general condition of the Common Interest Community. Such budget, together with a

statement from the Manager outlining a plan of operation and justifying the estimates made in every important particular, shall be submitted to the Executive Board in final draft at least 30 days prior to the commencement of the annual period for

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which it has been made. The Executive Board shall thereupon approve or modify such budget, and copies of the adopted budget shall be made available, upon request, to the Unit Owners. The budget shall serve as a supporting document for the schedule of Common Charges proposed for the new fiscal year. It shall also constitute a major control under which the Manager shall operate, and there shall be no substantial variances therefrom, except such as may be sanctioned by the Executive Board. -By this it is meant that no expenses may be incurred or commitments made by the Manager in connection with the maintenance and operation of the Common Interest Community in excess of the amounts allocated to the various classifications of expense in the approved budget without the prior consent of the Executive Board, except that, if necessary because of an emergency or lack of sufficient time to obtain such prior consent, an overrun may be experienced, provided it is brought promptly to the attention of the Executive Board in writing.

Section 3.16 - Standards. It shall be the duty of the Manager at all times during the term of this Agreement to operate and maintain the Common Interest Community according to the highest standards achievable consistent with the overall plan of the Common Interest Community and the interests of the Unit Owners. The Manager shall see that all Unit Owners are aware of such rules, regulations and notices as may be promulgated by the Association or the Executive Board from time to time. The Manager shall be expected to perform such other acts and deeds as are reasonable, necessary and proper in the discharge of its duties under this Agreement,

ARTICLE IV Manager
-as Agent of Association

Everything done by the Manager under the provisions of Article III shall be done as agent for the Association, and all obligations or expenses properly incurred thereby shall be for the account of, on behalf of, and at the expense of, the Association, except that the Association shall not be obligated to pay directly the general overhead expenses of the Manager's office, including expenses for the Manager's internal office staff. Any payments to be made by the Manager hereunder shall be made out of such sums as are available in the special account of the Association or as may be provided by the Executive Board. The Manager shall not be obliged to make any advance to or for the account of the Association or to pay any sum, except out of funds held or provided as aforesaid, nor shall the Manager be obliged to incur any liability or obligation for the account of the Association without assurance that the necessary funds for the discharge thereof will be provided. The Manager shall not be deemed to be an employee of the Association but shall

at all times be considered an independent contractor.

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ARTICLE V
Compensatio
n

The compensation which the Manager shall be entitled to receive for all services performed under this Agreement shall be a fee of \$9,600.00 payable monthly in installments of \$800.00 while there are 16 Units, and a fee of \$26,400.00 payable monthly installments of \$2,200.00 when there are 44 Units.

ARTICLE VI
Terminatio
n

Section 6.01 - Cancellation. Either party may cancel this Agreement at any time by giving written notice ninety (90) days prior to the proposed termination date.

Section 6.02 - Termination for Cause. If the Manager shall fail to substantially perform its duties and obligations hereunder for a continuous period of thirty (30) days after receiving written notice of the default from the Association, specifying the default complained of, this Agreement shall terminate immediately at the expiration of said thirty (30) day period at the option of the Association, unless the default so specified shall have been cured.

Section 6.03 - Mutual Consent. This Agreement may be terminated by mutual consent of the parties.

Section 6.04 - Bankruptcy. In the event a petition in bankruptcy is filed by or against either party hereto or in the event that either party shall make an assignment for the benefit of creditors or take advantage of any insolvency act, the other party hereto may terminate this Agreement without notice to the other.

Section 6.05 - Accounting. Upon termination, the contracting parties shall account to each other with respect to all matters outstanding as of the date of termination.

Section 6.06 - Compensation. In the event of termination, the compensation provided by Article V shall be prorated to the date of such termination.

... , ARTICLE VII
Assignment

The Manager shall not assign this Agreement or any rights, benefits, duties or obligations under this Agreement to any other party without prior written consent of the Association.

ARTICLE
VIII
General

Section 8.01 - Obligation. This Agreement shall inure to the benefit of, and constitute a binding obligation upon, the contracting parties, their respective successors and assigns.

Section 8.02 - Entire Agreement. This Agreement shall constitute the entire Agreement between the contracting parties, and no variance or modification thereof shall be valid and enforceable, except by supplemental agreement in writing, executed and approved in the same manner as this Agreement.

Section 8.03 - Agreements With Unit Owners. Nothing herein shall prohibit the Manager from entering into separate arrangements or agreements with individual Unit Owners with respect to provision of management, sales or rental services for individual Units. In any such arrangements the duties assumed by the Manager shall not conflict with or duplicate the duties required to be performed herein, which shall be considered primary.

Section 8.04 - Definitions. Terms which are initial capitalized in this Agreement shall be as defined in the Declaration.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

HOLLY HILL RETIREMENT
COMMUNITY ASSOCIATION, INC.
("Association")

By

Its President

HOLLY HILL ESTATES, INC,
("Manager")

BY

Its President

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TABLE OF
ENCUMBRANCES
EXHIBIT F

1. Sewer Caveat from Holly Hill Convalescent Home, Inc. to Town of Simsbury dated October 21, 1976 and recorded in the Simsbury Land Records in Volume 224, Page 861. This affects the Holly Hill Convalescent Home, and Declarant is primarily responsible for the payment of this Caveat.
2. Certificate of Notice of Installment Payment of Assessment of Benefits, from Holly Hill Convalescent Home to Town of Simsbury recorded on August 23, 1978 in the Simsbury Land Records in Volume 236, Page 952. Said assessment has a current balance in the amount of \$5,969.06 remaining. This affects the Holly Hill Convalescent Home, and Declarant is primarily responsible for the payment of the balance of this Certificate.
3. Mortgage in the original principal amount of \$150,000.00 from Holly Hill of Simsbury, Inc. to Holly Hill Convalescent Home, Inc. dated June 30, 1980 and recorded in the Simsbury Land Records in Volume 248, Page 778. Said Mortgage was assigned by Assignment of Mortgage from Holly Hill Convalescent Home, Inc. to Jules F. Roy dated June 25, 1981 and recorded in the Simsbury Land Records in Volume 255, Page 54. This Mortgage has been subordinated to the mortgage given by Holly Hill of Simsbury, Inc. to Colonial Bank dated November 21, 1984 and recorded in the Simsbury Land Records in Volume 282, Page 65 (as described in paragraph 4, below). This mortgage has been subordinated to the Ground Lease and Declaration and released as to all present and future Units and all Development Rights in the common interest community in the Subordination and Release Agreement dated July 31, 1984, recorded in the Simsbury Land Records in Volume 278, Page 179.
4. Mortgage Deed and Security Agreement in the original principal amount of \$550,000 from Holly Hill of Simsbury, Inc. to Colonial Bank dated November 21, 1984 and recorded in the Simsbury Land Records in Volume 282, Page 65.
5. Conditional Assignment of Leases and Rentals from Holly Hill of Simsbury, Inc. to Colonial Bank dated November 21,

1984 and recorded in the Simsbury Land Records in
Volume 282, Page 81.

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6. UCC-1 Financing Statement executed by Holly Hill of Simsbury, Inc. in favor of Colonial Bank recorded in the Simsbury Land Records on November 26, 1984 in Volume 282, Page 87.

The mortgage described in paragraph 4, the Conditional Assignment described in paragraph 5, and the UCC-1 Financing Statement described in paragraph 6 are subordinate to the Ground Lease and Declaration. In the event that the mortgage is foreclosed, the mortgagee will succeed to the Landlord's interest under the Ground Lease and title to the individual Units would not be affected.

7. Mortgage Deed and Security Agreement in the original principal amount of \$1,466,082.00 from Holly Hill Estates, Inc. to Colonial Bank dated November 21, 1984 and recorded in the Simsbury Land Records in Volume 282, Page 99.
8. Conditional Assignment of Leases and Rentals from Holly Hill of Simsbury, Inc. to Colonial Bank dated November 21, 1984 and recorded in the Simsbury Land Records in Volume 282, Page 120.
9. UCC-1 Financing Statement executed by Holly Hill Estates, Inc. in favor of Colonial Bank recorded in the Simsbury Land Records on November 26, 1984 in Volume 282, Page 125.

The mortgage described in paragraph 7, the Conditional Assignment described in paragraph 8, and the UCC-1 Financing Statement described in paragraph 9 are subordinate to the Ground Lease and the Declaration. The three instruments, listed above, presently encumber all unsold Phase I units and the Development Rights reserved by the Declarant for constructing Phase II. After the Amended Declaration is recorded in the Simsbury Land Records, the three instruments will encumber the unsold units in both Phase I and Phase II. The encumbrances will be released as to individual units at the time of the closing of each individual sale.

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MANAGEMENT
CONTRACT EXHIBIT G

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MANAGEMENT CONTRACT

THIS AGREEMENT, made this day of 1984, between Holly Hill Retirement Community Association, Inc., a Connecticut non-stock corporation with a principal office in Simsbury, Connecticut (hereinafter called the "Association"), organized and established in accordance with the Declaration and Bylaws of Holly Hill Retirement Community, dated and recorded in the office of the Town Clerk of the Town of Simsbury, State of Connecticut, in Volume at Page , and Holly Hill Estates, Inc., a Connecticut corporation with a principal office in Simsbury, Connecticut, (hereinafter called the "Manager").

WITNESSETH:

In consideration of the terms, conditions and covenants hereinafter set forth, the parties hereto mutually agree as follows:

ARTICLE I Appointment and Term

Section 1.01 - Appointment. The Association hereby appoints the Manager, and the Manager hereby accepts appointment, on the terms and conditions hereinafter provided, as exclusive managing agent of the Common Interest Community known as Holly Hill Retirement Community.

Section 1.02 - Term. Unless terminated sooner as hereinafter provided, this Agreement shall be in effect for a term of five (5) years from the date of execution.

Section 1.03 - Authority. The Manager fully understands that the function of the Association is the operation and management of the Common Interest Community; and the Manager agrees, notwithstanding the authority given to the Manager in this Agreement, to confer fully and freely with the Executive Board in the performance of its duties as herein set forth and to attend membership or board meetings at any time or times requested by the Executive Board. It is further understood and agreed that the authority and duties conferred upon the Manager hereunder are confined to the Common Elements as defined in the Declaration and such portions of the Units as may be controlled, inspected or maintained by the Association. Such authority and duties do not and shall not otherwise include supervision or management of Units except as directed by the Association.

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ARTICLE
II Plans

In order to facilitate efficient operation, the Association shall furnish the Manager with as complete a set of plans and specifications of the improvements on the Property, as finally constructed, as is available. With the aid of these documents and inspection made by competent personnel, the Manager will inform itself with respect to the layout, construction, location, character, plan and operation of the lighting, heating, air conditioning, plumbing, and ventilating systems, as well as any other mechanical equipment in the Property. Copies of the guarantees and warranties pertinent to the construction of the Improvements on the Property and in force at the time of the execution of this Agreement shall be furnished to the Manager.

ARTICLE III
Duties of
Manager

Under the personal and direct supervision of one of its principal officers and subject to the provisions and limitations of the Documents, the Manager shall render services and perform duties as follows:

Section 3.01 - Bonding. The 'Manager and all of its employees who handle or are responsible for the handling of the Association's money shall be bonded by a fidelity bond in a form and with such insurers acceptable to the Executive Board. The bond shall be in an amount equal to at least the amount of the then current annual budget of the Association. The Association shall be a named insured under the bond. At or prior to the date of commencement of this Agreement, the Manager shall provide the Association with a certificate certifying that the Bond is in full force and effect. No less than ten days from the expiration of any such bond, the Manager shall furnish the Executive Board with a new certificate of insurance certifying that such Bond has been renewed or replaced. The cost of the Bond shall be charged to the Association.

Section 3.02 - Non-Owned Equipment. Pursuant to a schedule of rates, which shall be subject to the approval of the Executive Board, provide sufficient equipment not owned by the Association to properly maintain the premises.

Section 3.03 - Inventory. Immediately ascertain the general condition of the Property and Improvements thereon and, if the accommodations there afforded have yet to be occupied for the first time, .establish liaison with such

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general contractor constructing the Improvements as there may be to facilitate the completion by him of such corrective work, if any, as is yet to be done; also, cause an inventory to be taken of all furniture, office equipment, maintenance tools and supplies.

- Section 3.04 - Moving Unit Owners. Coordinate the plans of Unit Owners for moving their personal effects into the Property or out of it, with a view toward scheduling such movements so that there shall be a minimum of inconvenience to other Unit Owners.

Section 3.05 - Service of Complaints. Maintain businesslike relations with Unit Owners whose service requests shall be received, considered and recorded in systematic fashion in order to show the action taken with respect to each. Complaints of a serious nature shall, after thorough investigation, be reported to the Executive Board with appropriate recommendations. As part of a continuing program, secure full performance by the Unit Owners of all items and maintenance for which they are responsible in accordance with the Association's rule enforcement procedures .

Section 3.06 - Collection. Collect all Common Expense Assessments due from Unit Owners and all sums due from concessionaires in consequence of the authorized operation of facilities in the Common Interest Community maintained primarily for the benefit of the Unit Owners. The Executive Board hereby authorizes the Manager to request, demand, -collect, receive, and receipt for any and all charges or rents which may at any time be or become due to the Association or the Common Interest Community and to take such action in the name of the Association by way of legal process or otherwise as may be required for the collection of delinquent monthly assessments. As a standard practice, the Manager shall furnish the Association and all other parties' (including mortgagees) entitled thereto with an itemized list of all delinquent accounts and other violations immediately following the tenth day of each month.

Section 3.07 - Maintenance. Cause the Common Elements of the Property to be maintained according to standards acceptable to the Executive Board, including but not limited to interior and exterior cleaning, painting and decorating, plumbing, steam fitting, carpentry, and such other normal maintenance and repair work as may be necessary, subject to any limitations imposed by the Executive Board in addition to those contained in Section 3.09 hereof. For any one item of repair or replacement, the expense incurred shall not exceed the sum of Seven Hundred Fifty Dollars (\$750.00) unless specifically authorized by the Association;

excepting, however, that emergency repairs involving
manifest

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danger to life or property or immediately necessary for the preservation and safety of the Property or for the safety of the Unit Owners or invitees or required to avoid the suspension of any necessary service to the Common Interest Community, may be made by the Manager irrespective of the cost limitation imposed by this Section. Notwithstanding this authority as to emergency repairs, it is understood and agreed that the Manager will, if at all possible, confer immediately with the Executive Board regarding every such expenditure. The Manager shall not incur liabilities (direct or contingent) which will at any time exceed the aggregate .of Two Thousand (\$2,000.00) Dollars or any liability maturing more than one year from the creation thereof, without first obtaining the approval of the Executive Board.

Section 3.08 - Services to Unit Owners and Occupants.

Subject to the review and approval of the Executive Board, the Manager shall arrange for, supervise, and bill and collect charges for such services as the Association may decide, from time to time, to provide to owners and occupants of units, including, but not limited to, housekeeping, linen, laundry, meals, telephone monitoring and counseling services. The cost of providing these services including labor, equipment, supplies and materials, shall be an expense of the Association, but the cost of supervising, coordinating, recordkeeping billing and collecting for these services, except for legal fees and court costs, in the event of suit, shall be borne by the Manager as part of the compensation of the Manager as set forth in Article V of this Agreement.

Section 3.09 - Compliance With Official Orders.

Take such action as may be necessary to comply promptly with any and all orders or requirements affecting the Property placed thereon by any federal, state, county or municipal authority having jurisdiction thereover, and orders of the Board of Fire Underwriters or other similar bodies, subject to the same limitation contained in Section 3.07 of this Article in connection with the making of repairs and alterations. The Manager, however, shall not take any action under this Section 3.08 so long as the Association is contesting or has affirmed its intention to contest any such order or requirement. The Manager shall promptly, and in no event later than 72 hours from the time of their receipt, notify the Executive Board in writing of all such orders and notices.

Section 3.10 - Contracts.

Subject to approval by the Executive Board, make contracts for water, electricity, gas, fuel oil, telephone, vermin extermination, food service, telephone monitoring and other necessary services, or such of them as the Association shall deem advisable. Also, place orders for such equipment, tools, appliances, materials and

supplies as are necessary to properly maintain the

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Property. All such contracts and orders shall be made in the name of the Association and shall be subject to the limitations set forth in Section 3.07 of this Article. When taking bids or issuing purchase orders, the Manager shall act at all times under the direction of the Executive Board and shall be under a duty to secure for and credit to the latter any discounts, commissions, or rebates obtainable as a result of such purchases.

Section 3.11 - Insurance. When authorized by the Executive Board in writing, cause to be placed and kept in force all forms of insurance as required by the Bylaws. The Manager shall promptly investigate and make a full written report as to all accidents or claims for damage relating to the management, operation and maintenance of the Common Interest Community, including any damage or destruction to the Property, the estimated cost of repair, and shall cooperate with, and make any and all reports required by, any insurance company, mortgagee or any Trustee in connection therewith.

Section 3.12 - Bank Account. Following the opening thereof by the Executive Board, in a bank as chosen by the Executive Board and in a manner to indicate the custodial nature thereof, maintain separate bank accounts as agent of the Association for the deposit of the monies of the Association, with authority to draw thereon for any payments to be made by the Manager to discharge any liabilities or obligations incurred pursuant to this Agreement, and for the payment of the Manager's fee, all of which payments shall be subject to the limitations in this Agreement. All bank accounts established under the provisions of this Section 3.11 shall be established so as to require the counter-signature of an officer of the Association on all checks or withdrawals for more than One Thousand Dollars (\$1,000.00).

Section 3.13 - Disbursements. From the funds collected and deposited in the special account hereinabove provided, cause to be disbursed, regularly and punctually, charges for services provided by the personnel, the taxes payable under Section 3.14 of this Article, insurance premiums, and sums otherwise due and payable to the Association as operating expenses or reserve funds, authorized to be incurred under the terms of this Agreement or as directed by the Executive Board, including the Manager's fee.

Section 3.14. - Accounting. Working in conjunction with an accountant, prepare for execution and filing by the Association all forms, reports and returns required by law in connection with insurance, worker's compensation insurance, if applicable, disability benefits, sales, franchise and other taxes now in effect or hereafter imposed, and also

requirements relating to the employment of its personnel.

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Section 3.15 - Records. Maintain a comprehensive system of office records, books and accounts in a manner satisfactory to and sufficient to permit the issuance of resale certificates, the Executive Board and in compliance with the Bylaws, which records shall be subject to examination by it at all reasonable hours. As a standard practice, the Manager shall render to the Executive Board not later than the tenth of each succeeding month a statement of receipts and disbursements as of the end of every month.

Section 3.16 - Budget. At least sixty (60) days before the beginning of the new fiscal year, prepare with the assistance of an accountant, if need be, a proposed operating budget setting forth an itemized statement of the anticipated receipts and disbursements for the new fiscal year and taking into account the general condition of the Common Interest Community. Such budget, together with a statement from the Manager outlining a plan of operation and justifying the estimates made in every important particular, shall be submitted to the Executive Board in final draft at least 30 days prior to the commencement of the annual period for which it has been made. The Executive Board shall thereupon approve or modify such budget, and copies of the adopted budget shall be made available, upon request, to the Unit Owners. The budget shall serve as a supporting document for the schedule of Common Charges proposed for the new fiscal year. It shall also constitute a major control under which the Manager shall operate, and there shall be no substantial variances there from, except such as may be sanctioned by the Executive Board. By this it is meant that no expenses may be incurred or commitments made by the Manager in connection with the maintenance and operation of the Common Interest Community in excess of the amounts allocated to the various classifications of expense in the approved budget without the prior consent of the Executive Board, except that, if necessary because of an emergency or lack of sufficient time to obtain such prior consent, an overrun may be experienced, provided it is brought promptly to the attention of the Executive Board in writing.

Section 3.17 - Standards. It shall be the duty of the Manager at all times during the term of this Agreement to operate and maintain the Common Interest Community according to the highest standards achievable consistent with the overall plan of the Common Interest Community and the interests of the Unit Owners and generally to carry out all of the duties which the Association and the Executive Board may, under the Documents, delegate to the manager, subject to the limitations contained in this Agreement and in the Documents. The Manager shall see that all Unit Owners are aware of such rules, regulations and notices as may be promulgated by the Association or the Executive Board from

time to time. The Manager shall be expected to perform such

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other acts and deeds as are reasonable, necessary and proper in the discharge of its duties under this Agreement.

ARTICLE IV Manager as Agent of
Association

Everything done by the Manager under the provisions of Article III shall be done as agent for the Association, and all obligations or expenses properly incurred thereby shall be for the account of, on behalf of, and at the expense of, the Association, except that the Association shall not be obligated to pay directly the general overhead expenses of the Manager's office, including expenses for the Manager's internal office staff. Any payments to be made by the Manager hereunder shall be made out of such -sums as are available in the special account of the Association or as may be provided by the Executive Board. The Manager shall not be obliged to make any advance to or for the account of the Association or to pay any sum, except out of funds held or provided as aforesaid, nor shall the Manager be obliged to incur any liability or obligation for the account of the Association without assurance that the necessary funds for the discharge thereof will be provided. The Manager shall not be deemed to be an employee of the Association but shall at all times be considered an independent contractor.

ARTICLE V
Compensati
on

The compensation which the Manager shall be entitled to receive for all services performed under this Agreement shall be a fee of \$9,600.00 payable monthly in installments of \$800.00 while there are 16 Units, and a fee of \$26,400.00 payable monthly installments of \$2,200.00 when there are 44 Units.

ARTICLE
VI
Terminati
on

Section 6.01 - Cancellation. Either party may cancel this Agreement at any time by giving written notice ninety (90) days prior to the proposed termination date.

Section 6.02 - Termination for Cause. If the Manager shall fail to substantially perform its duties and obligations hereunder for a continuous period of thirty (30) days after receiving written notice of the default from the Association, specifying the default complained of, this Agreement shall terminate immediately at the expiration of

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said thirty (30) day period at the option of the Association, unless the default so specified shall have been cured.

Section 6.03 - Mutual Consent. This Agreement may be terminated by mutual consent of the parties.

Section 6.04 - Bankruptcy. In the event a petition in bankruptcy is filed by or against either party hereto or in the event that either party shall make an assignment for the benefit of creditors or take advantage of any insolvency act, the other party hereto may terminate this Agreement without notice to the other.

Section 6.05 - Accounting. Upon termination, the contracting parties shall account to each other with respect to all matters outstanding as of the date of termination.

Section 6.06 - Compensation. In the event of termination, the compensation provided by Article V shall be prorated to the date of such termination.

ARTICLE
VII
Assignment

The Manager shall not assign this Agreement or any rights, benefits, duties or obligations under this Agreement to any other party without prior written consent of the Association.

ARTICLE VIII
General

Section 8.01 - Obligation. This Agreement shall inure to the benefit of, and constitute a binding obligation upon, the contracting parties, their respective successors and assigns..

Section 8.02 - Entire Agreement. This Agreement shall constitute the entire Agreement between the contracting parties, and no variance or modification thereof shall be valid and enforceable, except by supplemental agreement in writing, executed and approved in the same manner as this Agreement.

Section 8.03 - Agreements With Unit Owners. Nothing herein shall prohibit the Manager from entering into separate arrangements or agreements with individual Unit Owners with respect to provision of management, sales or rental services for individual Units. In any such arrangements the duties assumed by the Manager shall not conflict with or duplicate the duties required to be performed herein, which shall be considered primary.

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Section 8.04 - Definitions. Terms which are initial capitalized in this Agreement shall be as defined in the Declaration.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

HOLLY HILL RETIREMENT
COMMUNITY ASSOCIATION, INC.
("Association")

By

Its President

HOLLY HILL ESTATES,
INC, ("Manager")

By

Its President

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ANNUAL BUDGET

EXHIBIT H

Ground Lease	\$ 52,800
Management Fee	26,400
Utilities	52,800
Transportation Service	6,360
Housekeeping and Linen	21,120
Maintenance	7,290 (1)
Reserves	21,120
Insurance	5,280
Legal/Accounting	1,560
Staff	<u>42,240.</u>
Total	236,970
Per Unit Per Month	448.80

1. Set at \$40 per Unit per month by Declarant. Not based on projection of replacement of components.

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NOTICE

The Executive Board of Directors of Holly Hill Retirement Community, at its meeting of August 14, 1986 adopted the following rule concerning the use and occupancy of units pursuant to Section 21.1 of the Amended Declaration of Holly Hill Retirement Community:

No Unit Owner shall sell or rent his or her unit or units without first permitting the Director of the Community to review with the prospective occupant or occupants of such unit or units the services offered by the Association.

ALL UNIT OWNERS ARE ASKED TO SUBMIT THEIR COMMENTS, IF ANY TO THE EXECUTIVE BOARD OF DIRECTORS BY JANUARY 10, 1986. PLEASE SUBMIT ANY WRITTEN COMMENTS TO THE ASSOCIATION OFFICE.