

AMENDMENT NO. 2

To the Restated Offering Plan of

LEISURE GLEN HOME OWNERS ASSOCIATION, INC.

Randall Road
Ridge, New York

The Restated Offering Plan accepted for filing on May 13, 1994 which incorporated Amendments 1 through 17 of the original Plan dated January 6, 1986 which was amended on February 27, 1995 (Amendment No. 1 to the Restated Plan) is hereby further amended as follows:

I. HOMES/LOTS

Annexed hereto and made a part of this Amendment as Exhibit "A" is a list of the unsold units currently being offered for sale by the Sponsor.

II. FINANCIAL STATEMENT/BUDGET

A copy of the certified financial statement for the period ending September 30, 1994 and the Association budget ending September 30, 1995 are contained in Amendment No. 1 to the Restated Offering Plan dated February 27, 1995.

III. FINANCIAL OBLIGATIONS TO ASSOCIATION

The Sponsor has no financial obligations to the Association which will become due within the next 12 months.

IV. UNSOLD HOMES AND LOTS SUBJECT TO MORTGAGES OR FINANCING COMMITMENTS

All the unsold units are subject to two (2) mortgages held by Columbia Federal Savings Bank, 93-22 Jamaica Avenue, Woodhaven, New York 11421 in the total current amount of \$1,391,000. The maturity date of one, with an outstanding principal of \$492,000, is January of 1996. Sponsor pays interest only on said mortgage at the rate of 10½%. The other, with an outstanding principal of \$899,000, has a maturity date of April of 1996. Sponsor pays interest only on said mortgage at rate of 11%. Sponsor is current on both mortgages.

V. AGGREGATE MONTHLY RENTS RECEIVED FROM TENANTS BY SPONSOR

Sponsor does not currently rent any homes in the Association.

VI. STATUS OF CURRENT OBLIGATIONS OF SPONSOR

Sponsor is current on all the above financial obligations under the Offering Plan. In addition, Sponsor has been current on all obligations during the twelve (12) month period prior to the filing of this amendment.

VII. MEANS OF SPONSOR OBLIGATIONS

The above obligations required of Sponsor will be paid from continued sales, the construction loans and Sponsor's working capital which are currently adequate to meet Sponsor's obligations.

VIII. LIST AND STATUS OF SPONSOR'S OTHER PUBLIC OFFERINGS

The principals of the Sponsor own more than 10% of the unsold Units or shares in the following:

Timber Ridge at Holtsville Condominium II
CD93-0016

A copy of the Offering Plan for the above is on file with the New York State Department of Law located at 120 Broadway, 23rd Floor, New York, New York 10271 and is available for public inspection.

The Sponsor of this building is current in all its financial obligations for the respective shares it owns.

IX. BOARD OF DIRECTORS

The Sponsor is not in control of the Board of Directors. Control of the Association was relinquished in September of 1991. The current members of the board are as follows:

Donald M. Eversoll - Sponsor Representative
Tony DiCara - President

Jack McKenna - Vice President
Herb Phillips - Vice President
Elaine Kirsch - Vice President
Bud Williams - Treasurer
Artie Perison - Secretary

X. NEW PURCHASE AGREEMENT

Annexed hereto as Exhibit "B" is a copy of the new purchase agreement being utilized by the Sponsor.

XI. EXTENSION

This Plan may be used for twelve (12) months from the date this Amendment is duly accepted for filing and thereafter said date is to be extended in a further amendment to be filed.

Other than as set forth above, there are no material changes which require an amendment to the Offering Plan.

TIMBER RIDGE HOMES AT LEISURE GLEN, INC.
Holder of Unsold Shares

Dated: May 8, 1995

LEISURE GLEN LIST OF UNSOLD UNITS

LOT 406

LOT 411 thru LOT 412

LOT 417 thru LOT 420

LOT 429 thru LOT 430

LOT 431 thru LOT 432

LOT 444

LOT 446

LOT 399 thru LOT 404

LOT 449 thru LOT 460

LOT 391 thru LOT 398

EXHIBIT "A"

PURCHASE AGREEMENT

Home No. _____ Lot No. _____ Model _____ Date _____

SELLER: TIMBER RIDGE HOMES AT LEISURE GLEN, INC.

ADDRESS: 631 COMMACK ROAD, COMMACK, NEW YORK 11725

PURCHASER: _____

ADDRESS: _____

Seller and Purchaser agree as follows:

1) **DESCRIPTION OF HOME AND LOT** - Seller shall sell to Purchaser and Purchaser shall buy from Seller a Home substantially similar to Seller's _____ model known as Unit No. _____ (the "Home") to be built by Seller on a parcel of land known as Lot No. _____ (the "Lot") on "Map of Leisure Glen Section _____" which map was filed at the Suffolk County Clerk's Office as Map No. _____. The Home and Lot (sometimes collectively described as the "Premises") shall also include the following:

The Home shall not include any floor covering, wall covering, window treatment, decor, decoration, furniture, fixtures, appliances, furnishings or landscaping displayed at Seller's model or any other items not specifically listed above. The Home shall include only those items set forth above and as set forth in the Disclosure and Disclaimer Statement annexed hereto and made a part hereof.

2) **HOMEOWNER ASSOCIATION; OFFERING PLAN** - Seller has informed Purchaser and Purchaser acknowledges and agrees that the purchase price of the Home by Purchaser includes mandatory membership of Purchaser in Leisure Glen Home Owners Association, Inc. (the "Association"). Upon acquiring title to the Home, Purchaser acknowledges that Purchaser will thereby automatically become a member of the Association, subject to its rules and regulations and liable for its assessments. Seller has exhibited and delivered to the Purchaser and Purchaser acknowledges having received, read and understood the recorded Declaration of Covenants, Restrictions, Easements, Charges and Liens, Association By-Laws and the Restated Offering Plan and all filed amendments thereto, all of which are incorporated by reference and made a part of this contract with the same force and effect as if fully set forth in this contract. Purchaser agrees to be bound by the Restated Offering Plan and all amendments thereto now or hereafter filed by Seller (collectively the "Plan"). Seller may freely amend the Plan in any respect from time to time, without Purchaser's approval or consent. However, in the event any amendment materially and adversely affects Purchaser, Purchaser shall be given the right to rescind this contract. Any conflict between the Plan and this contract shall be resolved according to the terms of the Plan. Purchaser acknowledges having received and read the Plan at least three business days prior to signing this contract and having had full opportunity to examine all papers and documents and investigate all matters set forth in the Plan.

3) **PURCHASE PRICE** - The price for the Home is \$ _____ which shall be paid by Purchaser as follows:

At the time Purchaser signs this contract a "Downpayment" which shall not be less than \$1,000 nor exceed 10% of the Purchase Price (inclusive of payments previously made by Purchaser, if any, as a non-binding reservation deposit) \$ _____

At the time of Closing \$ _____

Within 3 business days after Purchaser delivers this contract to Seller fully executed all individuals identified as Purchaser above, together with full payment of the Downpayment, Seller shall either accept this contract by executing and returning a copy to Purchaser, or reject this contract in which case Seller shall promptly return or reimburse in full the Downpayment theretofore tendered by Purchaser. If Purchaser fails to make any payment when due and such failure continues for 5 days after the due date, then there shall be automatically due from Purchaser, without notice or demand, an additional sum equal to four one hundredths of one percent (.04%) (which equals an annual rate of 14.6%) of such past due payment, for each day beyond the due date to and including the date of actual payment, which additional sum Purchaser acknowledges to be reasonable and proper charge for Seller's carrying costs and additional administrative expenses. All payments at Closing by Purchaser shall be in cash, good Certified Check or Official Bank check originally drawn on a New York bank directly to the order of the Seller and shall be accepted subject to collection. Any payment not made by Purchaser within 5 days after its due date shall be deemed a major default by Purchaser under this Contract.

4) **CHANGES** - In building the Home and performing any other work to the Home on the Property, Seller reserves the right to: (a) make changes or substitutions of materials or construction from those shown in the model or building plans, provided any such changes or substitutions are of substantially similar or better quality; (b) determine the exterior color, design and location of any buildings, landscaping, grading and design of all plots and dwellings to fit into the general pattern of the development; (c) determine elevation and location of foundations (including reversal of Home layout), walks, driveways and streets to conform with topographical conditions; (d) determine the location and type of Home to be constructed on a particular lot; (e) fix the location and setbacks of a Home within the lot lines; (f) determine the ultimate Home type mix to be constructed in the development; (g) determine whether existing trees, shrubs and other plant life are to be removed; (h) alter the exterior materials or placement thereof where alignment of adjacent houses so warrant; and (i) add or remove retaining walls on the lots or common areas of the development where required by grade conditions.

Seller shall notify Purchaser of any major changes, specifications, deviations, additions or deletions which are beyond the scope of those set forth in subsections (a) through (i) above ("Extraordinary Changes"). If Seller notifies Purchaser in writing of any Extraordinary Changes, Purchaser shall be deemed to have approved of same, unless Seller receives Purchaser's written disapproval thereof within 10 days from date of the notice by Seller. Upon receipt of Purchaser's disapproval, Seller may, within 30 days thereafter, give Purchaser written notice withdrawing its proposed Extraordinary Changes, in which case Seller shall thereafter continue with its development activities without the Extraordinary Changes. If Seller fails to give Purchaser notice of withdrawal within such 30 day period, Purchaser may declare this contract null and void by so notifying Seller in writing delivered to Seller no later than 45 days after having delivered Seller the original notice of disapproval, whereupon Seller shall promptly return to Purchaser all monies paid by Purchaser to Seller on account of the purchase price and thereafter neither party shall have any further liability or obligation to the other in connection with this contract or transaction.

5) **GOVERNMENTAL REQUIREMENTS** - If after the date of this contract, any law or governmental authority requires any substitutions, changes or additions in any part of the construction of the Home, the materials used in construction, the manner of

construction or any other aspect of development, then the actual cost of such substitution, change or addition shall be added to the price of the Home and shall be payable by Purchaser to Seller at Closing (defined below), provided, however, that if the amount of such additional cost exceeds \$1,000 then Purchaser may cancel this contract and receive a full refund of all payments made to Seller on account of the purchase price, whereupon neither party shall have any further liability or obligation to the other in connection with this contract or transaction. However, such right to cancel this contract shall automatically terminate if Purchaser fails to give written notice of cancellation to Seller within 10 days after Seller informs Purchaser of the amount of the additional expense.

In addition, should zoning and/or building restrictions and regulations, imposed by a Governmental body having jurisdiction over the construction of residential housing and appurtenances, either presently in effect or as enacted or promulgated in the future, create or impose requirements upon the Seller which are not presently contemplated, then in that event the Seller may cancel this contract with a notice in writing addressed to the Purchaser at their address hereinabove set forth and return all funds deposited hereunder within twenty (20) days of such notice and upon making such payment, the Purchase Agreement shall be terminated and neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

6) CLOSING DATE; ADJOURNMENTS; CONSTRUCTION DELAYS BY SELLER - The act of transferring ownership of the Home in return for payment in full of the purchase price and all other sums due from Purchaser under this contract is known as "Closing" and shall take place at such time and place and on such date as Seller shall designate to Purchaser by prior written notice ("Notice for Closing"), which shall be given to Purchaser no less than 15 days before the date set for Closing. Purchaser may waive the applicable notice period by execution of a waiver in the form set forth as Exhibit D to the Plan.

Seller shall have the right, from time to time, to adjourn such date and time for Closing on written notice to Purchaser. If the Closing is adjourned by Seller, then Seller shall, by a new Notice for Closing, fix a new date and time for Closing and shall give Purchaser not less than 10 days prior written notice of the new scheduled date and time for Closing.

If Closing takes place at the request of Purchaser at any location other than the office of Seller's attorney, Purchaser shall pay to Seller's attorney a travel fee in the sum of \$250.00, if the Closing location is in Nassau County, and \$350.00 if the Closing location is in Suffolk County, Queens County, Kings County or New York County. Closing may not take place in any other location without Seller's prior written consent. In the event Closing is adjourned with Seller's consent at the request of Purchaser or Purchaser's attorney within forty-eight (48) hours of the scheduled time of Closing, Purchaser shall also pay Seller's attorney an adjournment fee in the sum of \$150.00.

If this contract is subject to Purchaser's ability to obtain a mortgage loan commitment, Seller may delay completion of the Home until after a written mortgage loan commitment has been issued. Purchaser has signified acceptance of it as required by the lender. Seller has received a copy thereof and Purchaser has sold all assets as required by the commitment.

If Purchaser is not in default under this contract and Closing has not taken place within nine (9) months after the date of this contract (except for delays due to labor trouble, acts of God, war, lockout, military operation, national emergency, installation of public utilities, approvals of applicable municipal authorities, governmental restrictions preventing Seller from obtaining necessary supplies and/or materials, or any other circumstances beyond Seller's control in which event the period shall be extended to 12 months), either Seller or Purchaser may cancel this contract by forwarding written notice of cancellation to the other no later than 10 days after expiration of such nine (9) or twelve (12) month period (whichever is applicable) whereupon Seller shall refund to Purchaser, subject to the escrow provisions as disclosed at page 41 of the Plan, all payments made by Purchaser to Seller on account of the purchase price and neither party shall thereafter have any further liability or obligation to the other in connection with this contract or transaction.

7) **TRUST FUNDS** - All deposits, down payments or advances towards the purchase price made by Purchasers prior to closing shall be held in a segregated escrow account held by the law firm of Certilman Balin Adler & Hyman, 90 Merrick Avenue, E Meadow, New York 11554 pursuant to an Escrow Agreement between Seller and Escrow Agent, in the form set forth in Exhibit "L" of the Offering Plan and pursuant to the provisions of Sections 352-h and 352-e (2b) of the New York State General Business Law and the escrow regulations promulgated thereunder by the Department of Law of the State of New York as disclosed in the Offering Plan. Said funds shall be held in an Interest-on-Lawyers Account pursuant to Judiciary Law Section 497 in an account entitled "Certilman Balin Adler & Hyman/Leisure Glen IOLA Escrow Account" at New York Fork Bank, Melville, New York. Pursuant to Judiciary Law, Section 497, all interest earned in the IOLA account will be paid to the State of New York. All instruments shall be made payable to or endorsed to the order of Certilman Balin Adler & Hyman, escrow agent. The deposit by the escrow agent of the Purchaser's down payment in the escrow account shall not be deemed acceptance of the Purchase Agreement. The Purchase Agreement shall only be deemed accepted when countersigned by the Seller or his authorized agent. In addition, although all funds received by Seller for upgrades and extras to the Home will initially be placed in the escrow account, such funds may be released from the escrow account as long as the Sponsor uses the funds for such upgrade or extra. At Closing, the down payment shall be paid to Seller upon consummation of the closing, and execution of this Purchase Agreement shall be deemed a writing executed by both Seller and Purchaser authorizing the Escrow Agent to release said funds to Seller at closing. In addition, Purchaser shall execute the release form annexed to and made a part of the Purchase Agreement as Exhibit D-2.

8) MORTGAGE LOAN -

(a) Purchaser shall apply for a conventional mortgage loan from a lender designated by Seller (the "Lender") in the sum of not more than \$ _____ to be repaid over a term of at least _____ years but not more than _____ years at such fixed variable or adjustment rate of interest which such Lender may lawfully charge and subject to such other terms and conditions as the Lender may lawfully require. Seller hereby designates _____ as the Lender to which Purchaser's mortgage loan application is to be made. **HOWEVER, SELLER DOES NOT REPRESENT THAT IT CAN OR WILL PROVIDE OR OBTAIN A MORTGAGE LOAN FOR PURCHASER.** Not later than 5 days after the date of this contract, Purchaser shall complete and submit a full and accurate application for the mortgage loan. Thereafter Purchaser shall diligently submit such financial and other information as the Lender may require from time to time and do all things necessary on Purchaser's part to qualify for, obtain and close such mortgage loan.

This contract shall terminate automatically upon rejection of Purchaser's mortgage loan application by the Lender, and Purchaser shall give Seller immediate notice of such rejection. Upon receipt by Purchaser of Lender's written commitment or letter of approval granting Purchaser a mortgage loan in the amount and for the time period set forth in this Paragraph 8), (the "Commitment"), Purchaser shall accept the Commitment, pay all application, origination, commitment, appraisal and other fees and charges as and when required by the Commitment, and deliver to Seller a true and complete copy of the Commitment signed by Purchaser. **THE OBLIGATION OF PURCHASER TO ACCEPT AND SIGN THE COMMITMENT AND DELIVER A COPY TO SELLER PROMPTLY AFTER RECEIPT IS OF THE ESSENCE OF THIS CONTRACT, THE FAILURE OF WHICH SHALL CONSTITUTE A MATERIAL BREACH OF THIS CONTRACT.**

If the Lender fails to issue its Commitment to Purchaser within 60 days after the date of this contract or within such longer period of time as Seller may hereafter expressly grant by notice to Purchaser, either party may cancel this contract only if at the time notice of cancellation is given, the Lender has still not issued its Commitment to grant the mortgage loan. Notwithstanding the foregoing, it is an express condition to Purchaser's right to cancel that Purchaser has strictly complied with all obligations imposed on Purchaser under this contract or by the Lender with respect to Purchaser's mortgage loan application. To cancel, the cancelling party must give written notice of cancellation to the other party within ten (10) days after the expiration of the sixty (60) day period, Time Being Of The Essence, whereupon Seller shall refund the Downpayment. Thereafter, this contract shall be deemed cancelled and neither party shall have any further liability or obligation to the other in connection with this contract or transaction.

Notwithstanding the foregoing, if the Lender is willing to issue a Commitment for a lower mortgage loan than the amount applied for by Purchaser, Purchaser shall accept such reduced mortgage loan Commitment provided it is reduced by not more than below the amount originally applied for by Purchaser.

All fees, costs, charges and expenses which may arise by reason of Purchaser's mortgage loan application and mortgage loan closing, shall be borne exclusively by Purchaser.

Notwithstanding anything in this contract to the contrary, upon the issuance of a Commitment by Lender prior to cancellation of this contract as above provided, this transaction and sale shall thereby automatically be rendered firm and unconditional.

(b) The mortgage loan contingency contained in this paragraph 8) shall be deemed fulfilled, and this contract shall be considered firm and binding on Purchaser even though the Commitment contains conditions to be satisfied by Purchaser as a prerequisite to funding the mortgage loan including, but not limited to (i) proof of confirmations regarding the credit-worthiness of Purchaser or any co-applicant at existing bank accounts of Purchaser or any co-applicant and any balances thereof, (ii) continued employment of Purchaser or any co-applicant, (iii) sale of any house, property or other asset required to be sold by Purchaser or any co-applicant and (iv) satisfaction of a debt by Purchaser or any co-applicant. **THE RISK OF COMPLYING WITH ALL CONDITIONS OF THE COMMITMENT IN SUFFICIENT TIME TO BE ABLE TO CLOSE TITLE AT THE TIME, PLACE AND DATE SET FORTH IN SELLER'S NOTICE FOR CLOSING, IS EXCLUSIVELY ON PURCHASER, AND THE FAILURE OF THE LENDER TO FUND THE MORTGAGE LOAN BECAUSE OF PURCHASER'S FAILURE TO COMPLY WITH ALL CONDITIONS OF THE COMMITMENT, REGARDLESS OF CIRCUMSTANCES, SHALL NOT EXCUSE PURCHASER FROM CLOSING TITLE AND PAYING THE BALANCE OF ALL SUMS DUE UNDER THIS CONTRACT ON THE DATE SET FORTH IN SELLER'S NOTICE FOR CLOSING.** In addition, if the commitment conditioned upon the sale of any asset, even though the failure to sell such asset will not excuse Purchaser from completing the purchase of the Premises, the failure of Purchaser to sell such asset within 45 days after the date of the commitment shall constitute a default by Purchaser under this contract for which Seller may cancel this contract and be entitled to the remedies and retention of monies as provided in paragraph 24). Upon such cancellation of this contract, Seller shall be released and discharged of all further liability and obligations to Purchaser under this contract. Thereafter the Premises may be sold or disposed of as though this contract had never existed and without any accounting to Purchaser for the proceeds of any subsequent sale.

(c) If the Commitment expires prior to the Closing, Purchaser shall obtain renewals or extensions of the Commitment through the date of Closing on such terms and conditions and at such interest rate as the Lender may require, and shall pay any fees and charges required to so renew or extend the Commitment.

(d) If required by the Lender, Purchaser shall also pay in full and discharge, prior to Closing, all outstanding obligations and judgments. If Seller has advanced to the Lender any fees or charges on Purchaser's behalf, then in addition to all other sums payable or reimbursable by Purchaser to Seller at or before Closing, Purchaser shall reimburse to Seller as and when demanded by Seller, all such fees and charges so advanced. Purchaser hereby authorizes release to Seller and/or Lender, all financial, employment and other information relative to Purchaser's mortgage loan application.

(e) If the Commitment is conditioned upon execution of the mortgage loan documents by a co-borrower, the entire risk of the failure of such co-borrower to co-sign the mortgage loan documents shall be upon Purchaser.

(f) **THIS MORTGAGE CONTINGENCY PROVISION IS ONLY APPLICABLE IF PURCHASER APPLIES FOR THE LOAN TO THE LENDER DESIGNATED BY SELLER. ALTHOUGH PURCHASER IS FREE TO OBTAIN A MORTGAGE LOAN FROM ANY OTHER LENDER, THIS CONTRACT WILL NOT BE CONTINGENT UPON PURCHASER'S ABILITY TO OBTAIN A MORTGAGE LOAN COMMITMENT OR MORTGAGE LOAN FROM ANY LENDER NOT DESIGNATED BY SELLER. IF PURCHASER APPLIES TO A LENDER NOT DESIGNATED BY SELLER AND FAILS TO OBTAIN A LOAN FROM SUCH OTHER LENDER AND CANNOT CLOSE TITLE BECAUSE THE LOAN WAS NOT GRANTED, SELLER MAY**

DECLARE PURCHASER IN DEFAULT AND RETAIN ALL MONIES AS PROVIDED PARAGRAPH 24).

9) DEED AND ENCUMBRANCES UPON OWNERSHIP - The deed to be given by Seller to Purchaser at Closing shall be the usual Bargain and Sale with Covenant against Grantor's Acts deed, but subject, nevertheless, to the matters set forth in sub-paragraphs (a) through (h) below which need not be recited in the deed given at Closing but shall survive Closing, and Seller's covenant in the deed against encumbrances shall be deemed modified accordingly. The deed shall be duly executed and acknowledged by Seller in proper statutory form for recording (except for payment of the New York State transfer tax) so as to convey to Purchaser fee simple title to the Home, free and clear of all liens and encumbrances, except as herein stated. The deed shall also contain the covenant required by subdivision 5 of Section 13 of the Lien Law. Seller shall give and Purchaser shall accept such title and deed description of the Home subject to the liens, encumbrances and other matters set forth in this contract, as First American Title Insurance Company, 210 Court Street, Riverhead, New York ("First American") is willing to approve and insure without additional premium. At Purchaser's sole discretion, Purchaser may obtain title insurance from any other title insurance company or Purchaser may decline to obtain any title insurance at all. **HOWEVER, PURCHASER SHALL PAY SELLER'S ATTORNEY A FEE IN THE AMOUNT OF \$150.00 FOR ITS SERVICES RENDERED IN CONNECTION WITH ITS REVIEW OF THE TITLE REPORT AND CLEARANCE OF ANY TITLE EXCEPTIONS. IN ADDITION, SELLER SHALL NOT BE OBLIGATED TO CAUSE PURCHASER'S TITLE COMPANY (IF OTHER THAN FIRST AMERICAN) TO OMIT ANY EXCEPTION TO TITLE IF FIRST AMERICAN IS WILLING TO INSURE PURCHASER'S TITLE WITHOUT SUCH EXCEPTION OR AGAINST ENFORCEMENT OF SUCH EXCEPTION. Purchaser shall be responsible to pay the title insurance company the entire premium for Purchaser's title insurance, and shall also pay the applicable New York State transfer tax. The sale and transfer of ownership of the Home to Purchaser shall, even though not stated in the deed, be subject to:**

- (a) Ordinances, rules, regulations, requirements and approvals of applicable governmental authorities, provided not violated by the Home to be constructed.
- (b) Any state of facts which an accurate survey of the Home as it appears on the date of Closing may show, provided title is not rendered unmarketable.
- (c) Rights for installation, use and/or maintenance of easements and rights of way for utilities, sewer, cable television, drainage, scenic purposes, screening and planting which have already been granted or may be granted after this contract is signed or after Closing, provided they do not prevent use of the Home for one-family residence purposes.
- (d) Declarations, covenants, restrictions, reservations, exceptions, easements and agreements which have been recorded, or appear in recorded documents, or are yet to be recorded, provided they do not prevent use of the Home as a one family residence.
- (e) Unpaid taxes and liens, provided the title insurance company shall insure against collection of same out of the Home.
- (f) The filed "Map of Leisure Glen Section ____" and all matters reflected thereon.
- (g) The Declaration of Covenants, Restrictions, Easements, Charges and Liens, and the By-Laws of Leisure Glen Home Owners Association, as said documents may have been amended and/or supplemented.
- (h) Reservations by Seller of ownership of streets abutting the Premises, provided access from the Premises over such streets to the nearest public highway is given Purchaser until the streets are offered and accepted for dedication by the appropriate municipality, or conveyed to the Association.

10) CONSTRUCTION LOAN MORTGAGE - This contract is subject and subordinate without the necessity of Purchaser signing or delivering any documents or papers, to the

lien of any existing or future construction loan mortgage and all payments or expenses already made or incurred or which may hereafter be made or incurred in connection with such construction loan mortgage. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the construction loan schedule of payments or accelerated thereunder by virtue of the construction lender's right to make advances before they become due in accordance with the schedule of payments. The Home shall be released from the lien of such construction loan mortgage upon Closing, except where such mortgage is converted to Purchaser's individual mortgage on the Home. In such case, the Home shall remain subject to the lien of such construction loan mortgage.

11) CONDITION OF HOME ON CLOSING DATE - Seller and Purchaser shall close title even though there are things remaining to be done by Seller to the Home, provided Certificate of Occupancy for the Home (or building in which it is located) has been issued and Seller gives Purchaser a written list at the time of Purchaser's final inspection of the Home which sets forth the incomplete items and provides for completion within 6 months after Closing, weather and circumstances permitting. This paragraph shall survive delivery of the deed.

12) ENCUMBRANCES EXISTING AT CLOSING - If there is anything affecting the sale which Seller is obligated to pay and discharge, Seller may use any portion of the balance of the purchase price to discharge it at Closing. As an alternative Seller may deposit money with or do whatever other acts may be required by First American Title Insurance Company or Purchaser's title insurance company so that First American Title Insurance Company or Purchaser's title insurance company is willing to insure Purchaser's title clear of the matter or is willing to insure against enforcement or collection out of the Home.

13) INABILITY OF SELLER TO TRANSFER OWNERSHIP - Except for Seller's willful default, if Seller is unable to transfer ownership of the Home in accordance with this contract, Seller shall only be liable to Purchaser for the return to Purchaser of all payments made by Purchaser to Seller towards the purchase price of the Home. Thereafter, this contract shall be deemed cancelled and neither party shall have any further liability to the other in connection with this contract or transaction. Seller shall not be required to commence any action or proceeding or incur any expense in order to remove the condition which prevents Seller from transferring ownership of the Unit in accordance with this contract.

14) PURCHASER MAY NOT ERECT SIGNS ON HOME - Purchaser shall not place any sign, other than a house number sign, anywhere on the Home or Property at any time within 3 years after Closing without Seller's prior written consent and subject to such conditions that may be imposed by the Home Owners Association. This paragraph shall survive delivery of the deed.

15) PURCHASER MAY NOT TAKE POSSESSION OF THE HOME PRIOR TO CLOSING - Neither Purchaser nor anyone acting on Purchaser's behalf may enter or take possession of any part of the Home nor have any work performed or materials supplied or installed at the Home prior to Closing without the prior written consent of Seller. This prohibition is regarded by Seller as extremely important and violation by Purchaser shall constitute a major default by Purchaser under this contract.

16) SELLER'S OBLIGATIONS END AT CLOSING - The delivery of the deed for the Home to Purchaser or Purchaser's representative at Closing shall be deemed to mean that all things required to be done by Seller under this contract have been done and that Purchaser shall not claim otherwise except as to those things, if any, which are specifically stated in this contract or in a separate writing signed by Seller or Seller's attorney on Seller's behalf, to survive or continue beyond Closing or delivery of the deed.

17) NO BROKER CONSULTED BY PURCHASER - Purchaser warrants that Purchaser did not employ or consult with any broker or agent other than those employed by Seller in connection with this transaction. This paragraph shall survive delivery of the deed.

18) REQUIRED PAPERS AND ACTS - Purchaser shall deliver all documents to Seller and perform all acts required by Seller to carry out the provisions of the Restated Plan and conform to all applicable laws and regulations. At Closing, Seller shall deliver to

Purchaser a Certificate of Occupancy for the Home for building in which it is located and, if available, a New York Board of Fire Underwriter's Certificate for the Home. Paragraph 18 shall survive delivery of the deed.

19) ASSIGNMENT OF RECORDING PROHIBITED - Neither this contract nor Purchaser's interest hereunder may be assigned by Purchaser. Nor shall this contract or a memorandum thereof be recorded in any county clerk's office by Purchaser or anyone on Purchaser's behalf.

20) ADDITIONAL MONEY TO BE PAID BY PURCHASER AT CLOSING - At Closing Purchaser shall pay, or reimburse to Seller if Seller has already made payment, in addition to all other sums payable or reimbursable elsewhere under this contract, the following charges for (a) inspections, (b) appraisals, (c) survey and surveying services, (d) title examination and policy insuring the Lender's interest, (e) Lender's attorneys' fees for preparation of all loan documents, (f) all commitment fees, points, origination fees and other fees and charges (howsoever characterized) imposed or exacted by the Lender, (g) mortgage recording taxes, (h) governmental charges which may be assessed on account of the mortgage loan, (i) New York State real estate transfer tax on the deed, (j) recording and filing charges payable to any public official, (k) water and sewer tap and connection fees, water meter deposit, water vault, water meter reading equipment and water and sewer test fees, (l) advance sewer use payments, if any, (m) an initial non-reimbursable capital contribution equal to two (2) months of Association monthly assessments to the Home Owners Association and (n) \$450 to seller's counsel representing a fee for services in connection with preparing the deed and for coordinating and attending the closing.

Purchaser shall also apportion with Seller as of the end of the day prior to Closing and pay to Seller at Closing the apportioned amount due for taxes, association maintenance charges, sewer use, water use and fuel oil (if any). Purchaser shall also pay the deposits required by the Lender to establish the estimated or escrow fund for future payments of taxes, association maintenance charges, sewer use and insurance premiums (if applicable). If through no fault of Seller, Purchaser fails for any reason to close title within 7 days after the date originally scheduled in Seller's Notice for Closing or such later date (if applicable) to which Seller in a subsequent Notice for Closing adjourned the Closing, all of the aforementioned apportionments shall be made as of the end of the day preceding (i) the date originally scheduled for Closing or (ii) Seller's adjourned closing date (as the case may be). In addition, Purchaser shall pay to Seller at or prior to the actual Closing an amount equal to four one-hundredths of one percent (.04%) (which equals an annual rate of 14.6%) of the purchase price for the Home for each day beyond such originally scheduled or Seller adjourned Closing Date, to and including the date of actual Closing, for reimbursement and defrayal of Seller's carrying costs and other charges, which amount Purchaser acknowledges to be reasonable and proper. Any errors or omissions in computing apportionments or any other sums payable under this Paragraph 20) which are communicated to the other party within 6 months after Closing shall be corrected and payment made to the proper party promptly after such communication.

21) EXTRA WORK AND EXTRA ITEMS ORDERED BY PURCHASER - Any work or items ordered from Seller by Purchaser which are not included in the plans or standard model of the Home shall, except as may otherwise be provided in this contract or in a writing signed by Seller, be paid for in full by Purchaser at the time they are ordered. The failure of Seller to perform or supply and install such work or items shall not entitle Purchaser to cancel this contract even if Purchaser has already paid for such work or items. Purchaser's only right in the event of Seller's failure to perform such extra work or supply and install such extra items is to receive a refund or credit at the time of Closing equal to the total payments made to Seller for such extra work or extra items. Seller shall have no responsibility for any work, fixtures, appliances, equipment or materials not ordered directly from Seller by Purchaser. For the purposes of this provision, any orders which Purchaser places directly with Seller's contractors or suppliers shall not be deemed to have been ordered directly from Seller.

22) OPTIONS AND COLOR SELECTIONS - Any choices given by Seller to Purchaser in colors, products, materials, design, features and similar matters shall be made by Purchaser in writing at Seller's office or model site, within 10 days after notification to Purchaser to make such choices. If there is anything as to which Purchaser has a choice, and Purchaser fails to inform Seller of Purchaser's choice within such 10 day time period, then Seller may make the choice on Purchaser's behalf and Purchaser shall

accept such choice so made by Seller as if originally made by Purchaser. No claim or objection to Closing shall be made by Purchaser because of any choice made by Seller in any case where Purchaser failed to give Seller timely notice of Purchaser's choice.

23) ACKNOWLEDGMENT THAT THERE ARE NO OTHER UNDERSTANDINGS - All understandings and agreements are hereby superseded and merged into this contract which alone contains the final and entire understanding and agreement between Seller and Purchaser. Neither Seller nor Purchaser shall be bound by any terms, conditions, statements, or representations, oral or written, not set forth in this contract. Purchaser acknowledges that Purchaser is buying a Home in an existing Home Owners Association and that, except as stated in this contract, the Declaration, By-laws, Exhibits, Schedule and Plan, Purchaser has not relied on any representations or other statements of any kind or nature made by Seller or anyone else, including but not limited to any representations of the estimated maintenance charges or other expenses relative thereto.

24) PURCHASER'S DEFAULT - If Purchaser fails to appear and close title in accordance with this contract on the date and at the time and place stated in Seller's Notice of Closing, or if Purchaser fails to observe or perform any other thing to be observed or performed by Purchaser under this contract, Seller may send Purchaser a written notice of default giving Purchaser 30 days from the date of such notice to cure any such default. Upon Purchaser's failure to cure such default within such 30 day period, this contract shall, at Seller's option, be deemed cancelled and Seller shall have the right to retain as and for liquidated damages, all sums paid by Purchaser to Seller on account of the purchase price plus all additional sums paid and/or payable by Purchaser for all extra work and extra items ordered by Purchaser, together with all interest credited thereon, any, which total amount Purchaser acknowledges to be fair and reasonable. The notice of default shall be deemed notice to the Purchaser by the Escrow Agent of the Escrow Agent's intent to release the funds being held in escrow on behalf of the Purchaser pursuant to the dispute resolution provisions of the Attorney General's escrow regulations as described in the Restated Offering Plan. **TIME IS OF THE ESSENCE FOR PURCHASER TO CURE SUCH DEFAULT WITHIN SUCH 30 DAY PERIOD.** Upon cancellation of this contract for Purchaser's failure to timely cure any such default, Seller shall be released and discharged of all further liability and obligations to Purchaser under this contract. Thereafter the Home may be sold or disposed of as though this contract had never existed and without any accounting to Purchaser for the proceeds of any subsequent sale. The foregoing remedy shall be in addition to any and all other remedies available to Seller under this contract or at law for any default by Purchaser under this contract.

25) MORE THAN ONE PURCHASER - LIABILITY; AUTHORITY TO SIGN - If 2 or more persons are named as Purchaser in this contract, (i) each person shall be jointly and severally liable for payment, observance and performance of all obligations under this contract and (ii) anyone of them is hereby made agent for the other in all matters of any kind and every kind or nature with respect to the Home and/or this contract. The act, assent, election or approval by one shall conclusively constitute the act, assent, election and approval by all.

26) SELLER'S RIGHT TO CANCEL - Seller may cancel this contract by forwarding a full refund of the Downpayment to Purchaser together with written notice of cancellation in the event of the occurrence of any of the following:

- (a) any governmental authority imposes a ban on the construction or completion of residential dwellings or imposes restrictions on the manufacture, sale, distribution and/or use of materials from Seller's regular suppliers or from using same in the construction and/or completion of the Home; or
- (b) Seller is unable to obtain materials from its usual sources due to labor troubles, lockouts, war, military operations and requirements, civil unrest or act of God or national emergencies; or
- (c) the installation of public utilities is restricted or curtailed; or
- (d) the Phase of the Plan being sold is abandoned, withdrawn or not consummated for any reason.

Upon such cancellation and refund, neither party shall thereafter have any further liability or obligation to the other in connection with this contract or transaction.

27) DAMAGE TO PUBLIC IMPROVEMENTS, AMENITIES AND COMMON ARE. Purchaser shall repair and/or restore to their original condition and standards any public improvement, amenity or common area on the Property damaged by Purchaser or Purchaser's agents, employees, contractors or licensees. Upon failure of Purchaser to complete such repair and/or restoration work within 30 days after written notice from Seller, then and in that event, Seller may complete same at the expense of Purchaser who shall reimburse Seller for the cost thereof immediately upon demand. This paragraph shall survive delivery of the deed.

28) NOTICES - Any notices, statements, certificates, requests or demand required or permitted to be given or delivered under this contract shall be in writing and may be sent by mail, overnight courier or personal delivery, addressed to Purchaser or to Seller, in the case may be, at their respective addresses shown at the beginning of this contract or to such other address as Purchaser or Seller may designate in the manner hereinafter provided. Such notice, statement, certificate, request or demand shall be deemed to have been given

- (i) when received by the person to whom it was sent, if sent by regular mail,
- (ii) when delivered to an overnight courier service, if sent by overnight courier,
- (iii) upon personal delivery actually being made, and
- (iv) within 3 days after delivery to the United States Post Office with proper postage prepaid, if sent by registered or certified mail return receipt requested.

29) STRICT COMPLIANCE; SEVERABILITY; WAIVER OF TRIAL BY JURY - Any failure by Seller to insist upon strict performance by Purchaser of any of Purchaser's obligations under this contract shall not be deemed a waiver of such obligations, and Seller may at any time insist upon strict performance by Purchaser of any and all obligations to be performed by Purchaser under this contract irrespective of the number of times Purchaser failed to strictly comply with such obligations in the past. If any part of this contract or the Plan is invalid or unenforceable with respect to a particular individual or circumstance, the remainder of this contract or the Plan and the applicability to other individuals or circumstances shall not be affected thereby but shall continue in full force and effect. Purchaser waives all rights to trial by jury in any action, proceeding or counterclaim in any way arising out of or relating to this contract or the Plan.

30) RISK OF LOSS - The risk of loss or damage to the Home by fire or any other cause until delivery of the deed is assumed by Seller. However, if Purchaser is or becomes the occupant or tenant of the Home prior to Closing, then as of the date of Purchaser's occupancy, Purchaser shall be responsible for all damage caused by any acts or omissions of Purchaser, Purchaser's agents, employees or invitees.

31) LIMITED WARRANTY - THE LIMITED WARRANTY SET FORTH IN SCHEDULE A ANNEXED HERETO AND INCORPORATED HEREIN BY REFERENCE (THE "LIMITED WARRANTY") IS IN PLACE OF AND EXCLUDES THE HOUSING MERCHANT IMPLIED WARRANTY, AS DEFINED IN ARTICLE 36-B OF THE NEW YORK GENERAL BUSINESS LAW, AS SAME MAY BE AMENDED FROM TIME TO TIME, AND ALSO EXCLUDES ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH THIS CONTRACT AND THE CONSTRUCTION AND SALE OF THE HOME. SELLER MAKES NO HOUSING MERCHANT IMPLIED WARRANTY AND, EXCEPT AS EXPRESSLY SET FORTH IN THE LIMITED WARRANTY, SELLER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, IN CONNECTION WITH THIS CONTRACT AND THE CONSTRUCTION AND SALE OF THE HOME, WHICH EXTEND BEYOND THE FACT THEREOF.

PRIOR TO THE EXECUTION OF THIS CONTRACT BY PURCHASER, PURCHASER ACKNOWLEDGES THAT SELLER HAS SUPPLIED TO PURCHASER FOR EXAMINATION

AND PURCHASER HAS RECEIVED, READ AND UNDERSTOOD A WRITTEN COPY OF THE EXPRESS TERMS OF THE LIMITED WARRANTY.

THIS ARTICLE 31) SHALL SURVIVE DELIVERY OF THE DEED.

32) SECURITY SYSTEM - Purchaser acknowledges having received, read and executed the security services certification annexed hereto as Exhibit D-4 to the Purchase Agreement.

33) BONA FIDE PURCHASERS - Purchaser represents to Seller that the persons who will occupy the Home meet the occupancy requirements stated in the Restated Offering Plan and the applicable provisions of the Town of Brookhaven Zoning Code as it applies to a Planned Retirement Community.

THE ATTORNEYS REPRESENTING THE SELLER OR ANY LENDER REPRESENT SUCH PARTIES ONLY AND NOT THE PURCHASER. THE PURCHASER MAY RETAIN INDEPENDENT COUNSEL AT PURCHASER'S OWN EXPENSE IN ORDER TO PROTECT PURCHASER'S OWN INTEREST.

TIMBER RIDGE HOMES AT LEISURE GLEN, INC.

By: _____

PURCHASERS:

Signature

Social Security Number

Signature

Social Security Number