

AMENDMENT NO. 7

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 listed as Amendment No. 18 to the original Offering Plan by the New York State Attorney General's Office), which was amended on February 27, 1995 (Amendment No. 1 to the Restated Plan, Amendment No. 19 to the original Offering Plan), on May 8, 1995 (Amendment No. 2 to the Restated Offering Plan, Amendment No. 20 to the original Offering Plan), on June 15, 1995 (Amendment No. 3 to the Restated Offering Plan, Amendment No. 21 to the original Offering Plan), on September 7, 1995 (Amendment No. 4 to the Restated Offering Plan, Amendment No. 22 to the original Offering Plan), on May 20, 1996 (Amendment No. 5 to the Restated Offering Plan, Amendment No. 23 to the original Offering Plan) and on October 2, 1996 (Amendment No. 6 to the Restated Offering Plan, Amendment No. 24 to the original Offering 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, 1996 and the Association budget ending September 30, 1997 are annexed hereto as Exhibits "B" and "C" respectively.

III. AGGREGATE MONTHLY OBLIGATIONS

Sponsor's obligations for assessments on untitled homes and lots subject to the Declaration is limited to the difference between the actual operating costs of the Association and the assessment levied on owners who have closed title on their homes, but in no event in an amount greater than Sponsor would otherwise be liable for if it were paying pro-rata assessments on unsold homes. For the fiscal year ending September 30, 1996 there was no deficit.

IV. FINANCIAL OBLIGATIONS TO ASSOCIATION

The Sponsor has no financial obligations to the Association which will become due within the next twelve (12) months other than payment of any deficiency payments.

UNSOLD HOMES AND LOTS SUBJECT TO MORTGAGES OR FINANCING COMMITMENTS

All the unsold units are subject to four (4) mortgages held by Columbia Federal Savings Bank, 93-22 Jamaica Avenue, Woodhaven, New York 11421. The mortgages are as follows:

<u>Current principal amount</u>	<u>Maturity date</u>	<u>Interest rate</u>
\$ 230,000.00	6/20/98	10.25%
\$1,081,000.00	4/27/97	10.25%
\$ 150,000.00	8/28/98	9.75%
\$ 944,000.00	9/20/98	10.5%

Sponsor pays interest only on all four (4) mortgages and, Sponsor is current on all four (4) mortgages.

VI. AGGREGATE MONTHLY RENTS RECEIVED FROM TENANTS BY SPONSOR

Sponsor does not currently rent any homes in the Association.

VII. 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.

VIII. 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.

IX. LIST AND STATUS OF SPONSOR'S OTHER PUBLIC OFFERING

Neither the principals of the Sponsor nor the Sponsor currently own more than ten (10%) percent of the unsold Units or shares in any other home owners association, condominium or cooperative.

X. 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
Arthur Perlson - Home Owner Representative
Howard Riback - Home Owner Representative
Harry Schmeltzer - Home Owner Representative
Gloria Frost - Home Owner Representative

Jack Grady - Home Owner Representative
Ed Royals - Home Owner Representative

XI. EASEMENT

The Sponsor will record a three foot (3') easement on the entrance side of the following detached Homes which will enable the Homes to encroach on the adjoining Lot for purposes of constructing, utilizing and maintaining a patio or other passive uses. The easement will be contained in the deed for each Lot. The Lots effected by the easement are as follows:

Lots 367 through 370
Lots 471 through 474
Lots 467 through 470
All of Section 5

XII. ADDITIONAL UNITS

Pursuant to the right of Sponsosr in the Offering Plan and Declaration of Covenants and Restrictions to develop additional Homes in Phase VI Sponsor is hereby amending the Plan to offer for sale Home Nos. 633-650, inclusive, in Phase VI.

XIII. 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: April 30, 1997

EXHIBIT "A"

644-646, 648, 363, 364, 369-374, 387, 388, 392, 393, 396, 467-474, 549-561, 627-632

LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

FINANCIAL STATEMENTS AND

SUPPLEMENTARY INFORMATION

YEARS ENDED SEPTEMBER 30, 1996 AND 1995

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ESPOSITO, FUCHS, TAORMINA & FUCHS

38 OAK STREET

PATCHOGUE, NEW YORK 11772-2883

516-475-0745

TELECOPY: 516 - 475-9507

JOSEPH ZAK, C.P.A. (1939-1991)

NEIL B. ESPOSITO, Managing Partner

MURRAY FUCHS, C.P.A.

JOSEPH A. TAORMINA, C.P.A.

JEFFREY S. FUCHS, C.P.A.

SCOTT J. MEYER, C.P.A.

MEMBERS-NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

November 5, 1996

To The Board of Directors
Leisure Glen Homeowners' Association, Inc.

We have audited the accompanying Balance Sheets of Leisure Glen Homeowners' Association, Inc. as of September 30, 1996 and 1995, and the related Statements of Revenue and Expenses and Changes in Members' Equity, and Cash Flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Leisure Glen Homeowners' Association, Inc. as of September 30, 1996 and 1995, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

The supplementary information on future major repairs and replacements on page eleven is not a required part of the basic financial statements but is supplementary information required by the American Institute of Certified Public Accountants. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.



ESPOSITO, FUCHS, TAORMINA & FUCHS

ldh

LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

BALANCE SHEETS

SEPTEMBER 30,

ASSETS

	<u>1996</u>	<u>1995</u>
Cash - Undesignated	\$115,432	\$ 57,311
Cash - Designated for Future Repairs and Replacements	483,358	418,748
Investments - Designated for Future Repairs and Replacements	167,839	158,253
Note Receivable	0	7,365
Accounts Receivable - Members	1,855	3,619
Prepaid Insurance and Other Expenses	17,799	9,034
Furniture and Improvements (Net)	<u>18,589</u>	<u>13,342</u>
<u>Total Assets</u>	<u>\$804,872</u>	<u>\$667,672</u>

LIABILITIES AND MEMBERS' EQUITY

Accounts Payable and Accrued Expenses	\$100,571	\$ 44,342
Assessments Received in Advance	32,524	24,373
Income Taxes Payable	<u>7,167</u>	<u>8,160</u>
<u>Total Liabilities</u>	<u>\$140,262</u>	<u>\$ 76,875</u>
Members' Equity		
Undesignated	\$ 2,028	\$ 4,030
Designated for Future Repairs and Replacements	<u>662,582</u>	<u>586,767</u>
<u>Total Members' Equity</u>	<u>\$664,610</u>	<u>\$590,797</u>
<u>Total Liabilities and Members' Equity</u>	<u>\$804,872</u>	<u>\$667,672</u>

THE ACCOMPANYING AUDITORS' REPORT AND NOTES TO
FINANCIAL STATEMENTS ARE INTEGRAL PARTS OF THIS REPORT
AND SHOULD BE READ IN CONJUNCTION HEREWITH.

LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

STATEMENTS OF REVENUES AND EXPENSES
AND CHANGES IN MEMBERS' EQUITY

FOR THE YEARS ENDED SEPTEMBER 30,

	<u>1996</u>	<u>1995</u>
<u>Revenues</u>		
Monthly Common Charges	\$1,273,947	\$1,191,577
Miscellaneous Income	7,886	8,476
Resale Fees	<u>3,750</u>	<u>5,000</u>
<u>Total Revenues</u>	<u>\$1,285,583</u>	<u>\$1,205,053</u>
<u>Operating Expenses</u>		
Utilities	\$ 130,553	\$ 136,313
Sanitation Contract	87,964	82,899
Recreation Activities	1,693	2,935
Security Contract	117,311	112,332
Insurance	21,001	18,912
Management & Maintenance	494,386	494,382
Bus Service	32,025	32,130
Legal	9,852	3,594
Accounting & Audit Fees	9,805	9,017
Reserve Funds	135,107	98,805
Maintenance Contracts	46,211	26,961
Miscellaneous Repairs & Maintenance	130,669	94,399
Cablevision	65,112	59,225
Depreciation	<u>1,866</u>	<u>2,021</u>
<u>Total</u>	<u>\$1,283,555</u>	<u>\$1,173,925</u>
<u>Excess (Deficit)</u>	\$ 2,028	\$ 31,128
Beginning - Members' Equity Undesignated	4,030	(27,098)
Less: Contributed Road Reserve	<u>(4,030)</u>	<u>0</u>
<u>Ending - Members' Equity Undesignated</u>	<u>\$ 2,028</u>	<u>\$ 4,030</u>

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LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30.

	<u>1996</u>	<u>1995</u>
<u>Cash Flow from Operating Activities</u>		
Net Surplus (Deficit)	\$ 2,028	\$ 31,128
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	1,866	2,021
(Increase) Decrease in Maintenance Charges Receivable	1,764	(2,479)
(Increase) Decrease in Prepaid Expenses	(8,765)	530
(Increase) Decrease in Note Receivable	7,365	9,180
Increase (Decrease) in Maintenance Charges Paid in Advance	8,151	(9,860)
Increase (Decrease) in Income Taxes Payable	(993)	5,163
Increase (Decrease) in Accounts Payable	<u>56,229</u>	<u>5,663</u>
	<u>\$ 65,617</u>	<u>\$ 10,218</u>
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>\$ 67,645</u>	<u>\$ 41,346</u>
<u>Cash Flow from Investing Activities</u>		
Investments	\$ (9,586)	\$ (9,029)
Capital Expenditures	(7,113)	(9,080)
Interest Income	28,169	27,040
Reduction of Loan	0	(33,625)
Contribution to Road Reserve	<u>(4,030)</u>	<u>0</u>
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>\$ 7,440</u>	<u>\$(24,694)</u>

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LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30,

	<u>1996</u>	<u>1995</u>
<u>Cash Flow from Financing Activities</u>		
Loan Repaid	\$ 0	\$ 33,625
Capital Contributions	137,637	110,805
Expended	(80,300)	(33,409)
Corporation Taxes Payable	<u>(9,691)</u>	<u>(9,339)</u>
<u>Net Cash Provided (Used)</u> <u>by Financing Activities</u>	<u>\$ 47,646</u>	<u>\$101,682</u>
<u>Net Increase (Decrease) in Cash</u> <u>and Cash Equivalents</u>	\$122,731	\$118,334
Cash and Cash Equivalents at Beginning of Year	<u>476,059</u>	<u>357,725</u>
<u>Cash and Cash Equivalents at</u> <u>End of Year</u>	<u>\$598,790</u>	<u>\$476,059</u>
 <u>Summary of Cash and Cash Equivalents:</u>		
Undesignated	\$115,432	\$ 57,311
Designated for Future Repairs and Replacements	<u>483,358</u>	<u>418,748</u>
	<u>\$598,790</u>	<u>\$476,059</u>
 <u>Supplemental Disclosures:</u>		
Income Taxes	<u>\$ 9,691</u>	<u>\$ 9,339</u>

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LEISURE GLEN HOMEOWNERS' ASSOCIATION

STATEMENTS OF RECONCILIATION OF FUTURE REPAIRS
AND REPLACEMENT ACCOUNTS

YEARS ENDED SEPTEMBER 30,

	<u>1996</u>	<u>1995</u>
<u>Capital Project Reserve</u>		
<u>Funds - Beginning</u>	\$427,195	\$314,540
<u>Contributed Capital</u>		
Contributions	128,637	98,805
Loan Repaid	0	33,625
Interest	<u>21,864</u>	<u>20,825</u>
<u>Disbursements</u>		
Expended	\$ 80,300	\$ 33,409
Corporation Taxes	<u>7,559</u>	<u>7,191</u>
<u>Capital Project Reserve</u>		
<u>Funds - Ending</u>	<u>\$489,837</u>	<u>\$427,195</u>
<u>Paid in Capital - Beginning</u>	\$159,572	\$143,505
<u>Contributed Capital</u>		
Contributions	9,000	12,000
Interest	<u>6,305</u>	<u>6,215</u>
<u>Disbursements</u>		
Corporation Taxes	<u>\$ 2,132</u>	<u>\$ 2,148</u>
<u>Paid in Capital - Ending</u>	<u>\$172,745</u>	<u>\$159,572</u>

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LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 1996

Note 1 - Description of Operations

Leisure Glen Homeowners' Association, Inc. (the "Association") is a New York non-stock corporation organized to operate and maintain the common areas of the homeowners known as Leisure Glen at Ridge, New York. The Association is funded through common charge assessments collected from homeowners. As of September 30, 1996, there were 432 units in the Homeowners' Association.

Note 2 - Significant Accounting Policies

The Association is on the accrual basis both for financial statement and tax purposes. That is, the Association recognized revenues when levied and expenses when incurred.

The Association derives its revenue principally from maintenance fee assessments which are charged to its members. Revenue in excess of operating expenses are deferred if the Association intends to use such revenue to reduce the following year's assessment.

Note 3 - Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 4 - Cash and Cash Equivalents

The Association considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash equivalents consisted of certificates of deposit at September 30, 1996 and 1995.

LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 1996

Note 5 - Income Taxes

The Association is required to file a Federal Corporate Income Tax Return and has elected to file as a Homeowners' Association under the provision of Section 528 of the Internal Revenue Code. For New York State Corporations as amended by Chapter 61 of the Law of 1989, Associations are taxable under Article 9A/209.1 for New York State Corporation Tax.

Note 6 - Property and Equipment

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statement. The Association has title to common real property in HOA community, and the members do not have an undivided interest in it but only have a right to share its use. The Association capitalizes personal property at cost and depreciates it using the straight-line method.

Property, equipment and improvements consisted of the following:

	<u>September 30, 1996</u>
Office Furniture	\$ 2,231
Improvements	<u>23,119</u>
	\$25,350
Less: Accumulated Depreciation	<u>(6,761)</u>
	<u>\$18,589</u>

Note 7 - Contracts and Contingencies

- A. Security Services - The Association had a contract with Peace Security, Inc. The hourly cost of security will be \$8.84 per hour plus tax and \$2.00 additional per hour for roving patrol car for the contract period October 1, 1995 to September 30, 1996. They provide thirty-two hour gate house service and a roving patrol car.

LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 1996

Note 7 - Contracts and Contingencies (continued)

- B. Maintenance and Management Services - The Association's contract with J.P.M. Management Corp. was terminated as of March 31, 1996. The Association contracted Dalton Contracting Corp. for its maintenance and management services at an effective rate of \$106.33 per unit per month for the period April 1, 1996 through March 31, 1997 for three hundred and eighty-five (385) units only.
- C. Sanitation - Detail Carting Co., Inc. An agreement exists with Detail Carting Co., Inc. for disposal of garbage at a cost of \$12.50 per unit per month, plus \$500 for a dumpster as required.

Note 8 - Capital Reserves

During the current fiscal period Future Repairs and Replacements previously established for repair and replacement of roofs, roads, common area building and condo exterior continued. Charges are assessed against homeowners on a monthly basis and are considered capital contributions which will be used for only this purpose. Funds as established were designated by the Board and all disbursements require Board approval.

Note 9 - Sponsor Contribution

During the period October 1, 1995 to September 30, 1996, the sponsor, per the Offering Plan and By-Laws of the Homeowners Association, is required to remit the maintenance fee for the units it owns.

LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1996

Note 10 - Uninsured Cash Balances

The Association maintains its cash balances at several financial institutions. Accounts at each institution are secured by the Federal Deposit Insurance Corporation up to \$100,000. Uninsured balances are \$15,182 at September 30, 1996 and \$0 at September 30, 1995.

A portion of the reserves for the roof and road replacements has been invested in U.S. Government securities. It is the Board's intention to hold these securities until maturity.

SUPPLEMENTARY INFORMATION

LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS
AND REPLACEMENTS (UNAUDITED)

SEPTEMBER 30, 1996

The Association's Board of Directors conducts a yearly review to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the review. Estimated current replacement costs do not take into account the effects of inflation between the date of the review and the date that the components will require repair or replacement.

The following information is based on the review and presents significant information about the components of common property. (Amounts are rounded to the nearest thousand dollars.)

<u>Component</u>	<u>Estimated Useful Life (Years)</u>	<u>Estimated Current Replacement Cost</u>
Roofs (Including Skylights on Older Models)	17	\$ 750,000
Road	13 to 27	800,000
Painting	4	225,000
Facilities	10 to 20	275,000
Tree/Shrub Repl.	10	<u>150,000</u>
		<u>\$2,200,000</u>

THE ACCOMPANYING AUDITORS' REPORT AND NOTES TO
FINANCIAL STATEMENTS ARE INTEGRAL PARTS OF THIS REPORT
AND SHOULD BE READ IN CONJUNCTION HEREWITH.


HOMEOWNERS' ASSOCIATION, INC.

October 21, 1996

Dear Residents,

As we promised at the General Meeting, here is your Summary Budget for the Fiscal Year, October 1, 1996 through September 30, 1997. As you already know, your Board of Directors has kept the maintenance fee for this coming year to \$250.00.

As I explained to you at the General Meeting six items (Management Contract, Security, Sanitation, Contributions to Reserves, Utilities and Cablevision) amount to \$1,064,000, or 78.3% of our total expenses. Because of our anticipated increase in income and savings effected in some areas, we shall be able to fund the remaining \$294,650 without adversely affecting the maintenance fee.

As I mentioned to you at the General Meeting, the one area of concern we have is the continued upward trending of the Home Repairs account. In the fiscal year 4/1/91-3/31/92 these expenses amounted to only 2.7 % of the total expenses; as the Association shouldered more and more responsibility for these repair's, they have now ballooned to 6.4% of the total. We have now decided to set up a separate category for this item and monitor it very closely.

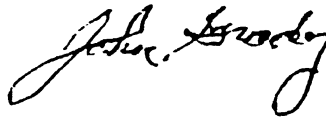
We promised that we would deliver this budget to you so that you could review it at your leisure and, if you have any questions, come to a meeting devoted to the budget only. The date for that meeting is Thursday, November 7th at 7:00 P.M.

EXHIBIT "C"

We only ask that, if possible, you submit them in writing to Annette Garguilo at the Administration Office no later than Thursday, October 31. That way, if any research is required we can do it beforehand and keep the meeting moving.

In Closing I want to thank all the members of the Budget & Finance Committee - Chairman Emeritus, Alan Foote, Chairman Sal Spataro, Gloria Licameli, Sal Baldi, John Colby, Ned Johnson, Joe Rottkamp, Lester Taback and Howard Tuwiner - and, of course, John Ragusa, our Computer Consultant who provides us with all our historical data and other pertinent information. They all have provided intelligent inputs and I am grateful to them for their long hours and hard work.

Sincerely,

A handwritten signature in cursive script, appearing to read "John Grady".

John Grady,
Treasurer & Director
Leisure Glen Homeowners
Association.

JG:lh

LEISURE GLEN HOMEOWNERS ASSOCIATION, INC
OPERATING BUDGET

OCTOBER 1, 1996 THROUGH SEPTEMBER 30, 1997

	12 MONTH ESTIMATED EXPENSES 10/1/95- 9/30/96	12 MONTHS BUDGET 10/1/96- 9/30/97	MONTHLY COST PER UNIT 10/1/96- 9/30/97
INCOME (1)			
Association fees	\$1,262,047	\$1,336,750	\$250.00
Sponsor maintenance fees	\$12,000	\$12,000	\$2.24
Miscellaneous income	\$1,762	\$1,400	\$0.26
Builder payments	\$6,000	\$6,000	\$1.12
Transfer fees	\$3,750	\$2,500	\$0.47
TOTAL INCOME	\$1,285,559	\$1,358,650	\$254.10
EXPENSES			
Utilities (2)	\$128,799	\$139,500	\$26.09
LILCO	\$78,211	\$85,500	\$15.99
Water	\$42,534	\$45,000	\$8.44
Telephone	\$7,718	\$8,500	\$1.59
Sewage	\$336	\$500	\$0.07
Sanitation (3)	\$87,964	\$77,000	\$14.40
Recreational Activities (4)	\$1,692	\$3,000	\$0.56
Security (5)	\$117,311	\$122,000	\$22.82
Insurance (6)	\$21,042	\$24,000	\$4.49
Management & Maint. Serv (7)	\$496,286	\$516,600	\$96.61
Bus Service (8)	\$32,025	\$34,000	\$6.36
Legal (9)	\$9,852	\$15,000	\$2.81
Accounting & Audit Fees (10)	\$9,805	\$8,000	\$1.50
Reserves (11)	\$133,607	\$136,400	\$25.50
Other Operating Expense (12)	\$70,144	\$97,500	\$18.23
Depreciation (13)	\$1,604	\$2,400	\$0.45
Maintenance Contracts (14)	\$24,171	\$23,750	\$4.45
Cablevision (15)	\$65,112	\$72,500	\$13.56
Home Repairs (16)	\$83,872	\$87,000	\$16.27
TOTAL EXPENSES	\$1,283,286	\$1,358,650	\$254.10
SURPLUS	\$2,273	(\$0)	\$0

LEISURE GLEN HOMEOWNERS ASSOCIATION
 BUDGET & FINANCE COMMITTEE
 BUDGET 10/1/96 TO 9/30/97

PREPARED PRELIMINARY 7/1/96

REVISE 7/19;7/30;8/16;8/26;9/10;10/16

PRESENTED TO BOARD SEPT
 SEPTEMBER

FINAL BUDGET-APPROVED BY BOARD

2. UTILITIES

A) LILCO

-FROM HISTORY
 -ESTIMATE

REC BLDG		BUDGET TOTAL
	Elec.	\$43,000
	Gas	\$15,000
	Total	\$58,000
PASEO		\$2,000
STREET LIGHTS		\$15,000
GUARD HOUSE		\$6,000
ADMINISTRATION BLDG.		\$4,500
TOTAL		\$85,500

B) WATER

TOTAL	\$45,000	\$45,000
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C) TELEPHONE

-Includes Rec Bldg (Concierge)
 HOA (DALTON Office)
 Pay Phone
 Guard House

ESTIMATED EXPENSE	\$8,500	
TOTAL	\$8,500	\$8,500

D) SEWAGE

-Based on two locations, the guard house and the
rec. building. cost is \$42.00 per quarter.

2x42x1 = \$84
ADJUSTMENT

\$336
\$64

TOTAL

\$400

\$400

ADJUSTMENT

TOTAL UTILITIES

\$100
\$139,500

3. SANITATION

-use \$12.50 per month per unit
-use \$500 per dumpster
-Estimate 33 new closings

FISCAL 96	SALES	PRIOR EOM	CLOSINGS	EOM
OCT -96		430	2	432
NOV -96		432	2	434
DEC -96		434	2	436
JAN -97		436	2	438
FEB -97		438	2	440
MAR -97		440	2	442
APR -97		442	3	445
MAY -97		445	4	449
JUN -97		449	3	452
JUL -97		452	4	456
AUG -97		456	4	460
SEP -97		460	3	463

33 5347

446

Dumpster cost - \$500 X 8

\$4,000

Avg closings 5347 x \$12.50

\$66,838

Tax & Adjustment

\$6,162

TOTAL

\$77,000

\$77,000

4. RECREATION ACTIVITIES

(Includes Piano Tuning)

ESTIMATE

\$3,000

TOTAL

\$3,000

\$3,000

5. SECURITY

 -One guard 24 hours /day, one guard 8 hours/day
 -Total of 32 hours x 7 days = 224 hrs./wk.
 -9 holidays = 9 x 32 x 0.5
 -Use \$9.00/hour.
 -\$2.24/hr for use of security car.

Shift cost 224 x \$9.00 x 52	\$104,832	
Holiday 9 x 32 x \$9.00 x 0.5	\$1,296	
Car usage 8 x 7 x \$2.24 x 52	\$6,523	

	\$112,651	
SALES TAX + Adjustment	\$9,349	

TOTAL	\$122,000	\$122,000

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6. INSURANCE

	ANNUAL COST	

-Boiler + Machinery	\$1,100	
-Blanket + umbrella	\$19,000	
-Directors & Officers	\$1,660	
-Compensation	\$840	
-Insurance contingencies	\$1,400	

TOTAL	\$24,000	\$24,000

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7. DALTON MANAGEMENT & MAINTENANCE CONTRACT

-As per contract, fixed at \$492,500 for 385 units
 thru 3/31/97; and \$15.00 / week for subsequent units
 from 4/1/97.

(492500+(442-385)*15*26+(21/6*15*26))	=	\$516,095	
-Adjustments		\$505	

TOTAL		\$516,600	\$516,600

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8. BUS SERVICE CONTRACT

-Daily rate is \$216.		
-216 x 3 x 52 =	\$33,696	
-Adjustments	\$304	

TOTAL TO DATE	\$34,000	\$34,000

9. LEGAL

LEGAL RETAINER	\$3,000	
EXTRA HOURS 60 @ \$200/hr	\$12,000	
	<hr/>	
TOTAL	\$15,000	\$15,000

10. ACCOUNTING & AUDIT

AUDIT & miscel.	\$4,000	
DATUMEG Est. \$273/month, use	\$4,000	
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TOTAL	\$8,000	\$8,000

11. RESERVES

-Use avg closings		
-Tree/Shrub = \$1.00/mo		
-Paint = \$10.00/mo (includes privacy fences)		
-Road = \$6.00/mo (includes driveways)		
-Roof = \$6.00/mo		
-Facilities = \$2.50/mo	Increase of \$1.00	
--\$25.50 x 5347.00	\$136,349	
-Adjustment	\$51	
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TOTAL	\$136,400	\$136,400

12. OTHER OPERATING EXPENSES

1 -Copier & PC supplies	\$2,000	
2 -Street lights/flagpole repairs etc.	\$4,000	
3 -General office	\$7,000	
4 -Sprinkler parts & systems	\$10,000	
5 -Rec building	\$7,000	
includes supplies, replacment lights, & repairs.		
6 -Pool & Tennis Courts (\$1000)	\$7,000	
7 -Paseo & common property	\$3,500	
Repairs, replacment lights, etc.		
8 -Guard House - repairs & miscel	\$1,000	
9 -Other Repairs	\$17,000	
Road	\$15,000	
Special electrical	\$2,000	
10 -Landscaping	\$30,500	
Drainage Corrections	\$6,000	
Fungicides	\$7,000	

Trees & Plants	\$6,000	
replacements, paseo		
plantings & material		
Tree Pruning/root trim	\$6,000	
Seed & Wood chips	\$3,000	
Tree Sprays	\$1,000	
Other Miscel.	\$1,000	
Architectural Committee	\$500	

11 -Preventive Maintenance		\$500
Group Supplies		

12 -Contingencies		\$8,000
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TOTAL	\$97,500	\$97,500
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13. DEPRECIATION

\$200.00 PER MONTH FOR ALL	\$2,400	
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TOTAL	\$2,400	\$2,400
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14. MAINTENANCE CONTRACTS/SERVICE CONTRACTS

-MAS \$363/mo.+ service	\$5,000	
-Ross Inc.	\$7,250	
- HVAC & hot water boiler	\$5,500	
- Kitchen appliances	\$1,750	
-Data Processing Consultant Service	\$4,800	
-Knight Bus. \$450/yr + PM serv. (copier)	\$1,000	
-ISSCO (Card Reader)	\$1,000	
-Fire alarm & sprinkler maintenance		\$550
and inspection.		
-Gate Control-	\$1,000	
-Contingencies	\$3,150	

TOTAL	\$23,750	\$23,750
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15. CABLEVISION

-Per contractual agreement

5347 x \$13.50 per month	\$72,185	
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\$72,185	
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-Adjustment

\$315	
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TOTAL	\$72,500	\$72,500
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16. HOME REPAIRS

1 -MATERIALS		\$74,000	
Roof	\$1,500		
Dry Rot	\$15,000		
Skylights	\$6,000		
Driveways	\$20,000		
Driveway sealing	\$5,500		
Gutters & Vents	\$4,000		
Security System (labor & parts)	\$15,000		
Other	\$7,000		
2 -LABOR			
Daulton handyman	\$13,000	\$13,000	

TOTAL \$87,000 \$87,000

TOTAL FOR ALL CATEGORIES		\$1,358,650
LESS MISCEL INCOME		(\$1,400)
LESS SPONSOR MAINTENANCE FEES (use average 4 units) use \$250.00 per unit		(\$12,000)
LESS TRANSFER FEES (resales @ \$250 estimate 10 units)		(\$2,500)
LESS BUILDER PAYMENT FOR SALES OFFICE USE \$500.00 per month		(\$6,000)
LESS MAINTENANCE FEE REVENUE ESTIMATE \$250 x 5347		(\$1,336,750)
DEFICIT/SURPLUS -0.00 PER HOME SURPLUS		(\$0)
PERCENT OF BUDGET		-0.00%

FOOTNOTES TO THE OPERATING BUDGET

REVENUE

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1. INCOME

Our new budget shown above will again start our new fiscal year on October 1. (Fiscal year is 10/1/96 - 9/30/97).

The present budget maintains the maintenance fee at the same \$250.00 per month.

During this period Oct. 1, 1996 to Sept. 30, 1997 the Sponsor, per the offering plan and by-laws of the HOA, is required to remit the maintenance fee for the units it owns. We have calculated the revenue for only the 4 units in Phase IV; We have added revenue from the Builder, (\$500.00 per month) to reimburse the HOA for any additional expense to us of their sales effort to sell new homes, i.e. use of our clubhouse etc. Also we have forcasted additional units to be occupied in 1996 and 1997, and have added that to our revenue stream.

Miscellaneous income is derived from late fees on maintenance charges, from copier reimbursements, and gate badges.

EXPENDITURES

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2. UTILITIES

Common electricity is provided by LILCO for the walks, street lights, recreational facilities, administration office, and the guardhouse. The costs are based on historical usage. Gas is provided by LILCO for heating the recreation building. Sewerage is provided by the Utilities Operating Company for the recreation building and the guardhouse only.

Water is provided by Suffolk County Water Authority for irrigation of the recreation area, the lawns of the residential areas, water usage for the recreation building, guardhouse, and pool.

Telephone expenses for the recreation area, guardhouse, and Association office are estimates, based on past years usage. The HOA is also paying for all utilities for the unit that the Sponsor has allowed the HOA to use to conduct our business.

3. SANITATION

Sanitation is provided by Detail Carting Company for the removal of and disposal of all garbage and recyclables. The cost is reduced to \$12.50 per unit per month. This caption also includes the cost of \$500.00 on average for eight months for a dumpster for ground refuse. Prior to leaving office, the former board agreed to a new contract which over its five year term will save the Association approximately \$92,000. Part of that saving is incorporated in this year and allows us to apply it to other activities.

4. RECREATION ACTIVITIES

Allowance this year will be \$250 per month for expenses for the Recreation Department.

5. SECURITY

We have a contract with Peace Security, Inc. to provide for twenty-four (24) hour gatehouse service and a roving patrol car throughout the community seven days per week. (Roving patrol hours are 6PM to 2AM Monday to Friday, and 7PM to 3AM on Saturday and Sunday). Peace will use their vehicle.

New York State in 1990 passed a sales tax applicable to security services, which has been further increased by sales tax changes. The hourly cost is \$9.00 per hour for labor and \$2.24 per hour for the vehicle, plus taxes.

6. INSURANCE

Property and liability insurance will be provided by an "All Risk" package policy obtained through Community Associates Underwriters of America for all property owned by the Homeowners' Association. We will maintain a \$1,000,000 liability basic policy and a \$6,000,000 umbrella policy. Directors, Officers and committee members will continue with coverage of \$3,000,000, and the Boiler & Machinery policy will be continued.

7. MANAGEMENT AND MAINTENANCE SERVICES

Our labor service agreement is now with Dalton Contracting Corporation. Included in the services is the management and maintenance of all common areas, lawns, parking areas, roads, residential building exteriors, (except warranty items), and all recreational facilities. This includes minor materials required for the performance of their functions, including two fertilizations, lime, weed & crabgrass control, and tree spraying.

The cost of this service is fixed, regardless of how many homes are built, until 3/31/97, and then the additional homes are expensed at \$15.00 per week per unit.

3. BUS SERVICE CONTRACT

Our bus service is now supplied by Laidlaw Bus Co. The daily fee to the HOA is at the rate of \$216.00 per full day of operation. The agreement is for 21 hours of usage per week.

9. LEGAL FEES

We have utilized the services of Barry Warren, Esq. as the attorney for the Association. Legal fees will provide for services as required, such as, advice to the Board of Directors, assisting in financial disputes, interpreting NY State Laws as applicable to homeowners associations etc. Budget reflects a retainer and 60 hours of miscellaneous work at \$200 per hour.

10. ACCOUNTING AND AUDIT FEES

Professional auditing services will be provided by the firm of Esposito, Fuchs, Taormina & Fuchs. This will include the cost of certifying the Association's financial statements and preparing tax returns. This item also includes the services from Datumeg, Inc., which does the accounts receivable processing for the association, the creation of the payment stubs, and the computer processing of the monthly maintenance fees.

11. RESERVE FUND

Provides for a reserve to offset future replacement of capital items such as roadways, recreational building roof, dwelling unit roofs, repainting of dwelling units and recreation building exterior facia, heating/ventilating & air conditioning equipment in the clubhouse, and tree/shrub replacement. Computer models are used to project the revenue/expense stream. The total amount for reserves is \$25.50 per unit per month. No representation is made that these amounts are adequate to cover all such expenses, but they are frequently reviewed so there should be no surprises.

12. OTHER OPERATING EXPENSES

This a a broad range category that encompasses a variety of items. Includes the costs associated with the copier, the computer, the HOA office, miscel. costs of the Rec. Bldg., the pool, tree replacement, sprinkler parts, lawn fungicides, and miscel. expenses of our committees. We have also added sums for replacement of trees & shrubs in common areas, and have provided funds to continue the tree pruning program.

13. DEPRECIATION

This category is for the depreciation of our paid for capital assets, the copier, computer, and wells.

14. MAINTENANCE CONTRACTS

To minimize the possibility of large expenditures for repair of some of our equipment and systems, we have moved towards a maintenance contract philosophy. As such, we have contracts in place to cover the HVAC (Heating, Ventilating, & Air Conditioning) for the Recreation building, the copier, the computer, our security system, the fire alarm & sprinkler system for the Rec. Bldg, a data processing consultant, and for the kitchen equipment.

15. CABLEVISION

The HOA remits to Cablevision the fee for this service, which will be increased by \$.50 to \$13.50 per month per unit.

16. HOME REPAIRS

Because of the continuing upward trending of these expenses, the Board of Directors has decided to make this a separate item in our budget and to monitor it more closely. In 1992, this expense accounted for only 2.7% of our expenses, but as the Association assumed more and more responsibility for repairs, it now has ballooned to 6.4% of our expenses.