

AMENDMENT NO. 9

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), on October 2, 1996 (Amendment No. 6 to the Restated Offering Plan, Amendment No. 24 to the original Offering Plan), on April 30, 1997 (Amendment No. 7 to the Restated Offering Plan, Amendment No. 25 to the original Offering Plan) and on October 27, 1997 (Amendment No. 8 to the Restated Offering Plan, Amendment No. 26 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, 1997 and the Association budget ending September 30, 1998 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.

V. 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, 242 Old Country Road, Suite 310, Mineola, New York 11501. The mortgages are as follows:

<u>Current principal amount</u>	<u>Maturity date</u>	<u>Interest rate</u>
\$ 426,000.00	12/27/98	10.50%
\$ 700,000.00	09/20/98	10.50%
\$ 611,000.00	01/17/98	10.50%
\$1,000,000.00	12/19/98	10.0%

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
Salvatore Spataro - Home Owner Representative
Arthur Stewart - Home Owner Representative
Gloria Frost - Home Owner Representative
Jack O'Grady - Home Owner Representative
Ed Royals - Home Owner Representative
Harry Smeltzer - Home Owner Representative

XI. WORKING CAPITAL AND RESERVE FUNDS

The Working Capital Fund currently has an aggregate balance of approximately \$131,352, in various accounts held by the Board of Directors of the Association at Marine Midland Bank, A. G. Edwards & Sons, Inc. and Home Federal Bank.

The Reserve Fund currently has an aggregate balance of approximately \$621,997, in various accounts held by the Board of Directors of the Association at Marine Midland Bank, A. G. Edwards & Sons, Inc., Long Island Savings Bank and North Fork Bank.

XII. 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 10, 1998

LEISURE GLEN HOME OWNERS ASSOCIATION

LIST OF UNSOLD HOMES

638, 639, 640, 645, 367 - 372, 374, 387, 392, 467, 470 - 474, 543 - 548, 550, 552,
553, 556, 557, 560 - 562, 583, 622 - 627, 629 - 632.

EXHIBIT "A"

Leisure Glen Homeowners Association, Inc.

October 29, 1997

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

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LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

BALANCE SHEETS

SEPTEMBER 30,

ASSETS

	<u>1997</u>	<u>1996</u>
Cash - Undesignated	\$129,219	\$115,432
Cash - Designated for Future Repairs and Replacements	558,584	483,358
Investments - Designated for Future Repairs and Replacements	152,423	167,839
Accounts Receivable - Members	4,405	1,855
Prepaid Insurance and Other Expenses	10,337	17,799
Furniture and Improvements (Net)	<u>56,657</u>	<u>18,589</u>
<u>Total Assets</u>	<u>\$911,625</u>	<u>\$804,872</u>

LIABILITIES AND MEMBERS' EQUITY

Accounts Payable and Accrued Expenses	\$102,766	\$100,571
Assessments Received in Advance	27,504	32,524
Income Taxes Payable	<u>8,444</u>	<u>7,167</u>
<u>Total Liabilities</u>	<u>\$138,714</u>	<u>\$140,262</u>
Members' Equity		
Undesignated	\$ 277	\$ 2,028
Designated for Future Repairs and Replacements	<u>772,634</u>	<u>662,582</u>
<u>Total Members' Equity</u>	<u>\$772,911</u>	<u>\$664,610</u>
<u>Total Liabilities and Members' Equity</u>	<u>\$911,625</u>	<u>\$804,872</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>1997</u>	<u>1996</u>
<u>Revenues</u>		
Monthly Common Charges	\$1,333,556	\$1,273,947
Miscellaneous Income	7,315	7,886
Resale Fees	4,000	3,750
Interest Income	<u>1,403</u>	<u>0</u>
<u>Total Revenues</u>	<u>\$1,346,274</u>	<u>\$1,285,583</u>
<u>Operating Expenses</u>		
Utilities	\$ 128,476	\$ 130,553
Sanitation Contract	71,350	87,964
Recreation Activities	896	1,693
Security Contract	121,901	117,311
Insurance	24,682	21,001
Management & Maintenance	541,192	494,386
Bus Service	32,230	32,025
Legal	6,255	9,852
Accounting & Audit Fees	14,018	9,805
Reserve Funds	146,086	135,107
Maintenance Contracts	22,025	46,211
Miscellaneous Repairs & Maintenance	168,730	130,669
Cablevision	62,311	65,112
New York State Franchise Tax	113	0
Federal Corporation Tax	326	0
Depreciation	<u>5,406</u>	<u>1,866</u>
<u>Total</u>	<u>\$1,345,997</u>	<u>\$1,283,555</u>
<u>Excess (Deficit)</u>	\$ 277	\$ 2,028
Beginning - Members' Equity Undesignated	2,028	4,030
Less: Contributed Road Reserve	0	(4,030)
Contributed Working Capital	<u>(2,028)</u>	<u>0</u>
<u>Ending - Members' Equity Undesignated</u>	<u>\$ 277</u>	<u>\$ 2,028</u>

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LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30.

	<u>1997</u>	<u>1996</u>
<u>Cash Flow from Operating Activities</u>		
Net Surplus (Deficit)	\$ (1,126)	\$ 2,028
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	5,406	1,866
(Increase) Decrease in Maintenance Charges Receivable	(2,550)	1,764
(Increase) Decrease in Prepaid Expenses	7,462	(8,765)
(Increase) Decrease in Note Receivable	0	7,365
Increase (Decrease) in Maintenance Charges Paid in Advance	(5,020)	8,151
Increase (Decrease) in Income Taxes Payable	1,277	(993)
Increase (Decrease) in Accounts Payable	<u>2,195</u>	<u>56,229</u>
	<u>\$ 8,770</u>	<u>\$ 65,617</u>
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>\$ 7,644</u>	<u>\$ 67,645</u>
<u>Cash Flow from Investing Activities</u>		
Investments	\$ 15,416	\$ (9,586)
Capital Expenditures	(43,474)	(7,113)
Interest Income	35,048	28,169
Contribution to Road Reserve	0	(4,030)
Contribution to Working Capital	<u>(2,028)</u>	<u>0</u>
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>\$ 4,962</u>	<u>\$ 7,440</u>

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LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30,

	<u>1997</u>	<u>1996</u>
<u>Cash Flow from Financing Activities</u>		
Capital Contributions	\$177,286	\$137,637
Expended	(90,341)	(80,300)
Corporation Taxes Payable	<u>(10,538)</u>	<u>(9,691)</u>
<u>Net Cash Provided (Used)</u> <u>by Financing Activities</u>	<u>\$ 76,407</u>	<u>\$ 47,646</u>
<u>Net Increase (Decrease) in Cash</u> <u>and Cash Equivalents</u>	<u>\$ 89,013</u>	<u>\$122,731</u>
Cash and Cash Equivalents at Beginning of Year	<u>598,790</u>	<u>476,059</u>
<u>Cash and Cash Equivalents at</u> <u>End of Year</u>	<u>\$687,803</u>	<u>\$598,790</u>
<u>Summary of Cash and Cash Equivalents:</u>		
Undesignated	\$129,219	\$115,432
Designated for Future Repairs and Replacements	<u>558,584</u>	<u>483,358</u>
	<u>\$687,803</u>	<u>\$598,790</u>
<u>Supplemental Disclosures:</u>		
Income Taxes	<u>\$ 10,977</u>	<u>\$ 9,691</u>

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LEISURE GLEN HOMEOWNERS' ASSOCIATION
STATEMENTS OF RECONCILIATION OF FUTURE REPAIRS
AND REPLACEMENT ACCOUNTS
YEARS ENDED SEPTEMBER 30,

	<u>1997</u>	<u>1996</u>
<u>Capital Project Reserve</u>		
<u>Funds - Beginning</u>	\$489,837	\$427,195
<u>Contributed Capital</u>		
Contributions	149,334	128,637
Interest	<u>26,867</u>	<u>21,864</u>
<u>Disbursements</u>		
Expenditures	\$ 90,341	\$ 80,300
Corporation Taxes	<u>8,452</u>	<u>7,559</u>
<u>Capital Project Reserve</u>		
<u>Funds - Ending</u>	<u>\$567,245</u>	<u>\$489,837</u>
<u>Paid in Capital - Beginning</u>	\$172,745	\$159,572
<u>Contributed Capital</u>		
Contributions	27,952	9,000
Interest	<u>6,778</u>	<u>6,305</u>
<u>Disbursements</u>		
Corporation Taxes	<u>\$ 2,086</u>	<u>\$ 2,132</u>
<u>Paid in Capital - Ending</u>	<u>\$205,389</u>	<u>\$172,745</u>

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LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 1997

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 Association known as Leisure Glen at Ridge, New York. The Association is funded through common charge assessments collected from homeowners. As of September 30, 1997, there were 455 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, 1997 and 1996.

LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 1997

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, 1997</u>
Office Furniture	\$ 8,367
Improvements	<u>60,456</u>
	\$68,823
Less: Accumulated Depreciation	<u>(12,166)</u>
	<u>\$56,657</u>

Note 7 - Contracts and Contingencies

- A. Security Services - The Association has an agreement with Peace Security, Inc. to provide security at a cost of \$9.00 per hour plus tax and \$2.24 additional per hour for roving patrol car. They provide twenty-four hour gate house service and a roving patrol car.

LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 1997

Note 7 - Contracts and Contingencies (continued)

- B. Maintenance and Management Services - The Association has a contract with Dalton Contracting Corp. for its maintenance and management services. The agreement calls for a weekly payment of \$10,103 for 385 units and \$16 for each new unit added. The contract is in effect from April 1, 1997, through September 30, 1999.
- C. Sanitation - An agreement exists with Detail Carting Co., Inc. for disposal of garbage at a cost of \$12.95 per unit per month.

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 exteriors continued. Charges are assessed against homeowners on a monthly basis and are considered capital contributions which will be used only for 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, 1996 to September 30, 1997, the sponsor, per the Offering Plan and By-Laws of the Homeowners Association, is required to remit the maintenance fee for its unsold units.

LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1997

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 \$61,208 at September 30, 1997 and \$15,182 at September 30, 1996.

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.

As of September 30, 1997, the investments are as follows:

<u>Face Value</u>	<u>Maturity</u>	<u>Carrying Value</u>
\$112,000	8/15/03	\$ 81,084
25,000	8/15/99	22,109
<u>68,000</u>	8/15/03	<u>49,230</u>
<u>\$205,000</u>		<u>\$152,423</u>

SUPPLEMENTARY INFORMATION

LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS
AND REPLACEMENTS (UNAUDITED)

SEPTEMBER 30, 1997

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>

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FINANCIAL STATEMENTS ARE INTEGRAL PARTS OF THIS REPORT
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LEISURE GLEN HOMEOWNERS ASSOCIATION, INC
OPERATING BUDGET

OCTOBER 1, 1997 THROUGH SEPTEMBER 30, 1998

	12 MONTH ESTIMATED EXPENSES 10/1/96- 9/30/97	12 MONTHS BUDGET 10/1/97- 9/30/98	MONTHLY COST PER UNIT 10/1/97- 9/30/98
INCOME (1)			
Residents Maintenance Fees	\$1,318,423	\$1,443,470	\$255.00
Leisure Glen L.P. Maint Fee	\$12,000	\$12,240	\$2.16
Timber Ridge Payments	\$6,000	\$6,000	\$1.06
Transfer Fees - Resales	\$4,000	\$3,750	\$0.66
Miscellaneous Income	\$1,512	\$2,821	\$0.50
TOTAL INCOME	\$1,341,935	\$1,468,281	\$259.38
EXPENSES			
Utilities (2)	\$126,336	\$129,500	\$22.88
LILCO	\$76,000	\$83,164	\$14.69
Water	\$41,000	\$37,500	\$6.62
Telephone	\$9,000	\$8,500	\$1.50
Sewage	\$336	\$336	\$0.06
Sanitation (3)	\$71,391	\$79,190	\$13.99
Professional Services (4)	\$25,214	\$22,100	\$3.90
Security (5)	\$121,933	\$125,482	\$22.17
Insurance (6)	\$25,120	\$28,390	\$5.02
Management & Maint. Serv (7)	\$541,007	\$622,791	\$110.02
Bus Service (8)	\$32,383	\$34,933	\$6.17
Facilities (9)	\$18,500	\$25,909	\$4.58
Grounds (10)	\$49,300	\$72,490	\$12.81
Roads, Streets, & Lights (11)	\$20,500	\$15,000	\$2.65
Reserves (12)	\$138,822	\$153,370	\$27.09
Gen'l/Admin/Financial (13)	\$12,750	\$11,500	\$2.03
Home Repairs (14)	\$72,000	\$46,000	\$8.13
Depreciation (15)	\$4,319	\$7,740	\$1.37
Maintenance Contracts (16)	\$16,336	\$12,888	\$2.28
Cablevision (17)	\$65,940	\$80,998	\$14.31
TOTAL EXPENSES	\$1,341,851	\$1,468,281	\$259.38
SURPLUS	\$84	\$0	\$0

MANDATED EXPENSES

CONTRACTUAL OBLIGATIONS

Sanitation	79,190		
Security	125,482		
Management & Maint.	622,791		
Bus Service	34,933		
Cablevision	<u>80,998</u>	943,394	(64.3%)
Reserves		153,370	(10.4%)

NECESSARY SERVICES

Utilities	129,500		
Professional Services	22,100		
Insurance	28,390		
Depreciation	7,740		
Maintenance Contracts	<u>12,888</u>	200,618	(13.7%)
		<u>1,297,382</u>	(88.4%)

NECESSARY/DISCRETIONARY EXPENSES

Facilities	25,909		
Grounds	72,490		
Roads, Streets & Lights	15,000		
Gen'l/Admin/Financial	11,500		
Home Repairs	<u>46,000</u>	170,899	(11.6%)
		<u>1,468,281</u>	(100.0%)

LEISURE GLEN HOMEOWNERS ASSOCIATION
 BUDGET & FINANCE COMMITTEE
 BUDGET 10/1/97 TO 9/30/98

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2. UTILITIES

A) LILCO

-FROM HISTORY
 -ESTIMATE

REC BLDG		BUDGET TOTAL
	Elec.	\$42,000
	Gas	\$10,000
	Total	\$52,000
WELLS		\$2,000
PASEO		\$2,500
STREET LIGHTS		\$16,164
GUARD HOUSE		\$6,000
ADMINISTRATION BLDG.		\$4,500
TOTAL		\$83,164

B) WATER

	TOTAL	\$37,500	\$37,500
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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	\$336	
ADJUSTMENT	\$0	
TOTAL	\$336	\$336

	ADJUSTMENT	\$0
TOTAL UTILITIES		\$129,500

3. SANITATION

-use \$12.95 per month per unit
-Estimate 34 new closings

FISCAL 96	SALES	PRIOR EOM	CLOSINGS	EOM
OCT -97		455	3	458
NOV -97		458	3	461
DEC -97		461	2	463
JAN -98		463	3	466
FEB -98		466	3	469
MAR -98		469	3	472
APR -98		472	3	475
MAY -98		475	3	478
JUN -98		478	3	481
JUL -98		481	3	484
AUG -98		484	3	487
SEP -98		487	2	489

	5649	34	5683
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	5660.67	474
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5738

Avg closings	5649 x \$12.95	\$73,155	
	Tax	\$6,035	
	Adjustment	\$0	
TOTAL		\$79,190	\$79,190

4. PROFESSIONAL

-Accounting & Audit	\$4,000	
-Data Processing	\$5,200	
-Datameg	\$5,400	
-Legal	\$7,500	
-Adjustment	\$0	
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TOTAL	\$22,100	\$22,100

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 \$9.27/hour.
-\$2.20/hr for use of security car.

Shift cost 224 x \$9.27 x 52	\$107,977	
Holiday 9 x 32 x \$9.27 x 0.5	\$1,335	
Car usage 8 x 7 x \$2.20 x 52	\$6,406	
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	\$115,718	
SALES TAX + Adjustment	\$9,764	
	<hr/>	
TOTAL	\$125,482	\$125,482

6. INSURANCE

	ANNUAL COST	
-Boiler + Machinery	\$1,017	
-Blanket + umbrella	\$22,197	
-Directors & Officers	\$2,889	
-Compensation	\$825	
-Insurance contingencies	\$1,462	
	<hr/>	
TOTAL	\$28,390	\$28,390

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+(487-385)*15*52 \$572,060
-Dumpsters \$487 * 12 \$5,844
-Sales Tax \$40,431
-Adjustment \$4,456

TOTAL \$622,791 \$622,791

8. BUS SERVICE CONTRACT

-Daily rate is \$222.48
-105 full days @ \$222.48 \$23,360
-104 half days @ 111.24 \$11,569
-Adjustment \$4

TOTAL TO DATE \$34,933 \$34,933

9. FACILITIES

-Recreation Building \$15,000
-Pool & Tennis Court \$9,000
-Security Gate House \$1,000
-Adjustment \$909

TOTAL \$25,909 \$25,909

10. GROUNDS

-Landscaping \$35,500
-Replacement Lights \$500
-Drainage Corrections \$2,000
-Fungicides \$12,000
-Seed/Sod/Wood Chips \$7,000
-Tree Pruning & Removal \$9,000
-Garden Club Subsidy \$1,000
-Miscellaneous \$4,000
-Paseo & common property \$24,990
-Replacement Lights \$5,000
-Repairs & Maintenance \$19,990

-Sprinkler parts & systems \$12,000

TOTAL \$72,490 \$72,490

11. ROADS, STREETS, & LIGHTS

-Street lights/Flagpole	\$1,000	
-Roads & Streets	\$11,000	
-Contingencies	\$3,000	
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TOTAL	\$15,000	\$15,000

12. RESERVES

1.00	-Curb Tree Removal = \$1.00/mo		
10.00	-Paint = \$10.00/mo (includes privacy fences)		
6.00	-Road = \$6.00/mo		
6.00	-Roof = \$6.00/mo		
3.50	-Facilities = \$3.50/mo		
0.50	-Wells = \$.50/mo		
0.15	-Computers = \$.15/mo		
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27.15	-\$27.15 x 5649.00	\$153,370	
	-Adjustment	\$0	
		<hr/>	
TOTAL		\$153,370	\$153,370

13. Gen'l / Admin / Financial

-Bank Charges	\$300	
-Copying Outside	\$2,000	
-Community Mgr	\$200	
-Dues & Subscriptions	\$500	
-Postage	\$1,500	
-Repairs & Maint	\$1,500	
-Supplies	\$500	
-Taxes	\$1,000	
-Miscellaneous	\$4,000	
	<hr/>	
TOTAL	\$11,500	\$11,500

14. HOME REPAIRS

1 -MATERIALS		
Roof Repairs	\$2,000	
Dry Rot	\$6,000	
Skylights	\$4,000	
Driveways Replacement	\$15,000	
Driveway sealing	\$5,500	

Leaders & Gutters	\$1,500		
Security System (labor & parts)	\$12,000		

TOTAL		\$46,000	\$46,000
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15. DEPRECIATION

\$625.00 PER MONTH FOR ALL Adjustment		\$7,500	\$240
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TOTAL		\$7,740	\$7,740
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16. MAINTENANCE CONTRACTS/SERVICE CONTRACTS

-Ansul Inspection		\$125	
-Ross Inc.		\$8,036	
- HVAC & hot water boiler	\$6,236		
- Kitchen appliances	\$1,800		
-J & S Kitchen works		\$742	
-AAA Sprinler inspection		\$586	
-Bilar Piano Tuning		\$603	
-ISSCO (Card Reader)		\$936	
-Knight Bus. copier maintenance		\$1,260	
-Computers (Micro Key etc.)		\$600	

TOTAL		\$12,888	\$12,888
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17. CABLEVISION

-Per contractual agreement			
-10/1/97 - 11/30/97		\$12,326	
913 units*13.5/month			
-12/1/97 - 9/30/98		\$68,672	
4736 units*14.5/month			

TOTAL		\$80,998	\$80,998
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TOTAL FOR ALL CATEGORIES		\$1,468,281	
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TOTAL FOR ALL CATEGORIES			\$1,468,281
LESS MISCEL INCOME			(\$2,821)
LESS SPONSOR MAINTENANCE FEES (use average 4 units)			(\$12,240)
	Use \$255 per month		
LESS TRANSFER FEES (resales @ \$250, estimate 10 units)			(\$3,750)
LESS BUILDER PAYMENT FOR SALES OFFICE (\$500/UNIT/MO)			(\$6,000)
LESS MAINTENANCE FEE REVENUE ESTIMATE \$255			(\$1,443,470)
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 on the preceding pages covers our fiscal year commencing October 1. (10/1/97 - 9/30/98). During this period Leisure Glen, L.P., the owner of the undeveloped land, is required to remit the maintenance fees on the units it owns. These units are located at the corner of Glen Drive and Amagansett Court and are currently used as the Associations Administrative Offices. In addition Timber Ridge Homes at Leisure Glen Inc., the Sponsor/Builder, reimburses the Association (at a rate of \$500.00 per month) for additional expenses related to their efforts to sell new homes. On the basis of information supplied to us by Timber Ridge, we have forecasted additional units to be occupied in 1997 and 1998 and have added them to our revenue stream. We also derive income from transfer fees on the re-sale of existing homes, interest on the operating cash investments, late charges, copier fees, and some small peripheral items.

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. At this time 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, which includes the container at the Recreation Building. Effective 10/1/97 the cost for this service increases from \$12.50 to \$12.95 per unit per month, and will continue at that level until 5/31/2001.

4. PROFESSIONAL

We have grouped together the payments by the Association to our attorney, our outside accountants, data processing consultants, and our contractor for processing our accounts receivable information. We are taking these steps so we can link together and more closely monitor expenditures of a similar nature.

5. SECURITY

Peace Security is under contract with the Association to provide twenty four hour gatehouse service and, originally, a roving patrol car throughout the community seven days per week. (Roving patrol hours were to be 6 PM to 2 AM Monday to Friday and 7 PM to 3 AM on Saturday and Sunday). Because of extenuating circumstances, the Board has decided to delay the start of the roving patrol until 10 PM, and until that delayed starting time, utilize that guard's services for more appropriate duties. Charge for the guard service is \$9.27 per hour for regular pay, \$13.91 per hour for holiday pay, \$2.20 per hour for car usage.

6. INSURANCE

Property and liability insurance is provided under a package policy obtained through Community Associates Underwriters for all property owned by the Association. Structures and personal property are covered on an all risks "basis" for guaranteed replacement cost. The Association's exposure to liability claims is covered to a maximum of \$6,000,000. Directors, Officers, and committee members will continue to be covered under a separate policy of up to a maximum of \$3,000,000. Boiler and Machinery and Workers' Compensation coverage will be continued.

7. MANAGEMENT AND MAINTENANCE SERVICES

This service agreement is with Dalton Contracting Corp. and expires 9/30/99. Included in the service are the management and maintenance of all common areas, lawns, parking areas, roads, all recreational facilities, and for this year only, the labor portion of our Home Repairs activity. It also includes materials for such activities as four fertilizations, liming, weed and crabgrass control, and tree spraying. It also provides for twelve months availability of an additional dumpster for debris resulting from their activities. The cost of this contract is two-tiered, with a basic cost geared to 385 homes and then an additional charge of \$16.20 per week for each unit over the 385 units.

8. BUS SERVICE CONTRACT

This contract is currently with Laidlaw Bus Co and provides for the payments of \$222.48 for each full day of operation (Wednesdays & Thursdays) and \$111.24 for each half-day of operation (Sundays & Mondays). This cost is, per the terms of our contract, 3 % higher than the cost in fiscal year 10/1/96 - 9/30/97. This service is available to our residents for attendance at religious services, local shopping and banking, and trips to nearby shopping plazas.

9. FACILITIES

In order to focus more accurately on expenses related to our facilities, (recreation building, pool, tennis courts, and other playing fields), we have created this new category. It will provide us with the ability not only to analyze costs more closely, but also give us, based on historical data, the opportunity to predict more accurately our future costs in this area.

10. GROUNDS

Again, what has been said about facilities, also applies to this cost center. It accounts for approximately 4.5 % of our total budget and requires careful oversight. Included in this category are sprinkler parts, repairs & maintenance and replacement lights for the Paseo, fungicides, tree sprays, tree pruning & removal, drainage corrections in common areas, contribution to the Garden Club for plantings on the Paseo and at the Clubhouse, and other similar expenses.

11. ROADS, STREETS, & LIGHTS

This, too, is another new cost center and covers the replacement of lights and repairs & maintenance on roads including Glen Drive and the various courts.

12. RESERVE FUND

Provides for reserves to offset future costs relating to replacement of items such as roadways, recreational building roof, dwelling unit roofs, and repainting of dwelling units and recreation building exterior facia, heating/ventilating & air conditioning equipment in the clubhouse, and tree removal. This fund also provides for repairs & maintenance to tennis courts, existing wells, & paseo concrete work. Not included is repair & maintenance of brick work, wherever located, barbecue, pergolas, & similar items. Computer models are used to project the revenue/expense stream. 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.

13. GEN'L/ADMIN/FINANCIAL

Again, a new cost center which while relatively modest, does require oversight so that we will in the future be able to forecast these expenditures more accurately. While the bulk of these costs are geared to those usual to the running of an office, it also contains provisions for the payment of income taxes on our interest income.

14. HOME REPAIRS

We are continuing the process of doing certain repairs to residents' homes, but for this year on a materials cost basis only. Labor portion has been absorbed into the Management and Maintenance Services. Also included are the repairs to the Homeowner's Security System.

15. DEPRECIATION

This category is for the depreciation of our paid for capital assets, the copier, computer, and wells. Cash equivalent to this expense is transferred from our checking account either to an office equipment sinking fund established for future purchases of office equipment or as a repayment to the Capital Projects Reserve for monies advanced for the placement of wells.

16. 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, our security system, the fire alarm & sprinkler system for the Rec. Bldg, and for the kitchen equipment.

17. CABLEVISION

The HOA remits to Cablevision the fee for this service, which will be increased by \$1.00 to \$14.50 per month per unit in December 1997.