

## **AMENDMENT NO. 11**

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), on April 10, 1998 (Amendment No. 9 to the Restated Offering Plan and Amendment No. 27 to the original Offering Plan and on December 4, 1998 (Amendment No. 10 to the Restated Offering Plan and Amendment No. 28 to the original 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, 1998 is annexed hereto as Exhibits "B". The budget for the fiscal year ending September 30, 1999 is not yet complete and the Association currently is operating under the budget for the fiscal year ending September 30, 1998 a copy of which is contained in Amendment No. 9 dated April 10, 1998.

**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, 1998 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, 615 Merrick Avenue, Westbury, New York 1590. The mortgages are as follows:

<u>Current principal amount</u>	<u>Maturity date</u>	<u>Interest rate</u>
\$ 370,000	October of 1999	9 1/4%
\$ 787,000	January of 2000	9 1/4%
\$ 913,000	May of 2000	9 1/4%
\$1,500,000	November of 1999	9 1/4%

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  
Patricia Burke - Home Owner Representative  
Ed Royals - Home Owner Representative  
Harry Smeltzer - Home Owner Representative

**XI. WORKING CAPITAL AND RESERVE FUNDS**

As of September 30, 1998 the Working Capital Fund had an aggregate balance of approximately \$161,345, in various accounts held by the Board of Directors.

As of September 30, 1998 the Reserve Fund had an aggregate balance of approximately \$646,046.

**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: May 6, 1999

**LEISURE GLEN HOME OWNERS ASSOCIATION**

**LIST OF UNSOLD HOMES**

638, 639, 640, 645, 367 - 372, 474, 524-541, 545-547, 562-563, 584-587, 589, 593-595, 609-621, 105-106

LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

FINANCIAL STATEMENTS AND

SUPPLEMENTARY INFORMATION

YEARS ENDED SEPTEMBER 30, 1998 AND 1997

**EXHIBIT "B"**

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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.

MEMBERS-NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

November 4, 1998

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, 1998 and 1997, 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.

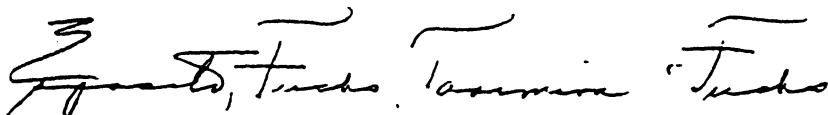
We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis evidence supporting 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, 1998 and 1997, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Leisure Glen Homeowners Association, Inc.

November 4, 1998

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.

A handwritten signature in cursive script, appearing to read "Esposito, Fuchs, Taormina & Fuchs".

ESPOSITO, FUCHS, TAORMINA & FUCHS

ldh



LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

BALANCE SHEETS

SEPTEMBER 30,

ASSETS

	<u>1998</u>	<u>1997</u>
Cash - Undesignated	\$ 121,985	\$129,219
Cash - Designated for Future Repairs and Replacements	646,046	558,584
Investments - Designated for Future Repairs and Replacements	161,345	152,423
Accounts Receivable - Members	3,665	4,405
Prepaid Insurance and Other Expenses	8,771	10,337
Escrow Deposits	7,500	0
Furniture and Improvements (Net)	<u>104,804</u>	<u>56,657</u>
<u>Total Assets</u>	<u>\$1,054,116</u>	<u>\$911,625</u>

LIABILITIES AND MEMBERS' EQUITY

Accounts Payable and Accrued Expenses	\$ 70,175	\$102,766
Assessments Received in Advance	34,221	27,504
Income Taxes Payable	10,543	8,444
Due from Sponsor	<u>7,500</u>	<u>0</u>
<u>Total Liabilities</u>	<u>\$ 122,439</u>	<u>\$138,714</u>
Members' Equity		
Undesignated	\$ 21,364	\$ 277
Designated for Future Repairs and Replacements	<u>910,313</u>	<u>772,634</u>
<u>Total Members' Equity</u>	<u>\$ 931,677</u>	<u>\$772,911</u>
<u>Total Liabilities and Members' Equity</u>	<u>\$1,054,116</u>	<u>\$911,625</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>1998</u>	<u>1997</u>
<u>Revenues</u>		
Monthly Common Charges	\$1,426,201	\$1,333,556
Miscellaneous Income	7,858	7,315
Resale Fees	6,005	4,000
Interest Income	<u>4,198</u>	<u>1,403</u>
<u>Total Revenues</u>	<u>\$1,444,262</u>	<u>\$1,346,274</u>
<u>Operating Expenses</u>		
Utilities	\$ 111,064	\$ 128,476
Sanitation Contract	77,606	71,350
Recreation Activities	0	896
Security Contract	124,320	121,901
Insurance	26,333	24,682
Management & Maintenance	606,177	541,192
Bus Service	33,739	32,230
Legal	9,037	6,255
Accounting & Audit Fees	19,775	14,018
Reserve Funds	151,524	146,086
Maintenance Contracts	9,137	22,025
Miscellaneous Repairs & Maintenance	164,169	168,730
Cablevision	77,718	62,311
New York State Franchise Tax	343	113
Federal Corporation Tax	993	326
Depreciation	<u>10,963</u>	<u>5,406</u>
<u>Total</u>	<u>\$1,422,898</u>	<u>\$1,345,997</u>
<u>Excess (Deficit)</u>	\$ 21,364	\$ 277
Beginning - Members' Equity Undesignated	277	2,028
Less: Contributed Working Capital	<u>(277)</u>	<u>(2,028)</u>
<u>Ending - Members' Equity Undesignated</u>	<u>\$ 21,364</u>	<u>\$ 277</u>

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LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30,

	<u>1998</u>	<u>1997</u>
<u>Cash Flow from Operating Activities</u>		
Net Surplus (Deficit)	\$ 17,166	\$ (1,126)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	10,963	5,406
(Increase) Decrease in Maintenance Charges Receivable	740	(2,550)
(Increase) Decrease in Prepaid Expenses	1,566	7,462
(Increase) Decrease in Escrow Deposits	(7,500)	0
Increase (Decrease) in Maintenance Charges Paid in Advance	6,718	(5,020)
Increase (Decrease) in Income Taxes Payable	2,099	1,277
Increase (Decrease) in Accounts Payable and Accrued Expenses	(32,591)	2,195
Increase (Decrease) in Due from Sponsor	<u>7,500</u>	<u>0</u>
	<u>\$ (10,505)</u>	<u>\$ 8,770</u>
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>\$ 6,661</u>	<u>\$ 7,644</u>
<u>Cash Flow from Investing Activities</u>		
Investments	\$ (8,922)	\$ 15,416
Capital Expenditures	(59,111)	(43,474)
Interest Income	41,531	35,048
Contribution to Working Capital	<u>(277)</u>	<u>(2,028)</u>
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>\$ (26,779)</u>	<u>\$ 4,962</u>

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LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30,

	<u>1998</u>	<u>1997</u>
<u>Cash Flow from Financing Activities</u>		
Capital Contributions	\$182,051	\$177,286
Expended	(69,679)	(90,341)
Corporation Taxes Payable	<u>(12,026)</u>	<u>(10,538)</u>
<u>Net Cash Provided (Used)</u> <u>by Financing Activities</u>	<u>\$100,346</u>	<u>\$ 76,407</u>
<u>Net Increase (Decrease) in Cash</u> <u>and Cash Equivalents</u>	<u>\$ 80,228</u>	<u>\$ 89,013</u>
Cash and Cash Equivalents at Beginning of Year	<u>687,803</u>	<u>598,790</u>
<u>Cash and Cash Equivalents at</u> <u>End of Year</u>	<u>\$768,031</u>	<u>\$687,803</u>

Summary of Cash and Cash Equivalents:

Undesignated	\$121,985	\$129,219
Designated for Future Repairs and Replacements	<u>646,046</u>	<u>558,584</u>
	<u>\$768,031</u>	<u>\$687,803</u>

Supplemental Disclosures:

Income Taxes	<u>\$ 13,362</u>	<u>\$ 10,977</u>
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LEISURE GLEN HOMEOWNERS' ASSOCIATION  
STATEMENTS OF RECONCILIATION OF FUTURE REPAIRS  
AND REPLACEMENT ACCOUNTS  
YEARS ENDED SEPTEMBER 30,

	<u>1998</u>	<u>1997</u>
<u>Capital Project Reserve</u>		
<u>Funds - Beginning</u>	\$567,245	\$489,837
<u>Contributed Capital</u>		
Contributions	151,524	149,334
Interest	<u>31,122</u>	<u>26,867</u>
<u>Disbursements</u>		
Expenditures	\$ 69,679	\$ 90,341
Corporation Taxes	<u>10,022</u>	<u>8,452</u>
<u>Capital Project Reserve</u>		
<u>Funds - Ending</u>	<u>\$670,190</u>	<u>\$567,245</u>
<u>Paid in Capital - Beginning</u>	\$205,389	\$172,745
<u>Contributed Capital</u>		
Contributions	30,527	27,952
Interest	<u>6,211</u>	<u>6,778</u>
<u>Disbursements</u>		
Corporation Taxes	<u>\$ 2,004</u>	<u>\$ 2,086</u>
<u>Paid in Capital - Ending</u>	<u>\$240,123</u>	<u>\$205,389</u>

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LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 1998

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, 1998, there were 480 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 and short-term U.S. Treasury bonds at September 30, 1998 and 1997.

LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 1998

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, 1998</u>
Building	\$ 2,461
Office Equipment & Furniture	22,896
Improvements	<u>102,576</u>
	\$127,933
Less: Accumulated Depreciation	<u>(23,129)</u>
	<u>\$104,804</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, 1998

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 residential exterior painting 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, 1997 to September 30, 1998, 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, 1998

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 \$74,214 at September 30, 1998 and \$61,208 at September 30, 1997.

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, 1998, the investments are as follows:

<u>Face Value</u>	<u>Maturity</u>	<u>Carrying Value</u>
\$112,000	8/15/03	\$ 85,584
25,000	8/15/99	23,799
<u>68,000</u>	8/15/03	<u>51,962</u>
<u>\$205,000</u>		<u>\$161,345</u>

LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS  
AND REPLACEMENTS (UNAUDITED)

SEPTEMBER 30, 1998

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	20	\$ 750,000
Road	30	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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SUPPLEMENTARY INFORMATION