

AMENDMENT NO. 14
(Amendment No. 32 to the Original Offering Plan)

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), on October 27, 1997 (Amendment No. 8 to the Restated Offering Plan, Amendment No. 26 to the Original Offering Plan), on April 10, 19998 (Amendment No. 9 to the Restated Plan, Amendment No. 27 to the Original Offering Plan), on December 4, 1998 (Amendment No. 10 to the Restated Plan, Amendment No. 28 to the Original Offering Plan), and on May 6, 1999 (Amendment No. 11 to the Restated Offering Plan, Amendment No. 29 to the Original Offering Plan), and on December 8, 1999 (Amendment no. 12 to the Restated Plan, Amendment No. 30 to the Original Offering Plan) and on June 21, 2000 (Amendment No. 13 to the Restated Plan, Amendment No. 31 to the Original Offering Plan) and is hereby further amended as follows:

I. HOMES/LOTS/BEING OFFERED FOR SALE

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, 1999 and September 30, 2000 is annexed hereto as Exhibit "B". The budget for the fiscal year ending September 30, 2001 is annexed hereto as Exhibit "C".

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
George Frost - Home Owner Representative
Frank Kusch - Home Owner Representative

XI. WORKING CAPITAL AND RESERVE FUNDS

As of September 30, 2000 the Paid in Capital had an aggregate balance of approximately \$562,887 in various accounts held by the Board of Directors.

As of September 30, 2000 the Reserve Fund had an aggregate balance of approximately \$847,541.

LEISURE GLEN HOME OWNERS ASSOCIATION

LIST OF UNSOLD HOMES

105-108, 371, 372, 475-491, 493-497
500, 501, 505, 516, 571, 577-582, 638-640

EXHIBIT 'A'

LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

FINANCIAL STATEMENTS AND

SUPPLEMENTARY INFORMATION

YEARS ENDED SEPTEMBER 30, 2000 AND 1999

ESPOSITO, FUCHS, TAORMINA & FUCHS

38 OAK STREET
PATCHOGUE, NEW YORK 11772-2883

631 - 475-0745
TELECOPY: 631 - 475-9507

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

NEIL B. ESPOSITO, Managing Partner
JOSEPH A. TAORMINA, C.P.A.
JEFFREY S. FUCHS, C.P.A.

MEMBERS-NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

November 20, 2000

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, 2000 and 1999, 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, 2000 and 1999, 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.

BALANCE SHEETS

SEPTEMBER 30,

ASSETS

	<u>2000</u>	<u>1999</u>
Cash - Undesignated	\$ 79,740	\$ 108,289
Cash - Designated for Future Repairs and Replacements	1,061,829	1,025,035
Investments - Designated for Future Repairs and Replacements	153,238	145,180
Accounts Receivable - Members	8,355	2,355
Prepaid Insurance and Other Expenses	32,146	10,648
Escrow Deposits	27,250	17,750
Due from Working Capital	58,000	0
Furniture and Improvements (Net)	<u>305,701</u>	<u>94,744</u>
<u>Total Assets</u>	<u>\$1,726,259</u>	<u>\$1,404,001</u>

LIABILITIES AND MEMBERS' EQUITY

Accounts Payable and Accrued Expenses	\$ 116,603	\$ 48,825
Assessments Received in Advance	51,707	44,698
Income Taxes Payable	17,842	11,819
Due from Sponsor	27,250	17,750
Due to Operating	<u>58,000</u>	<u>0</u>
<u>Total Liabilities</u>	<u>\$ 271,402</u>	<u>\$ 123,092</u>
Members' Equity		
Undesignated	\$ 44,429	\$ 22,044
Designated for Future Repairs and Replacements	<u>1,410,428</u>	<u>1,258,865</u>
<u>Total Members' Equity</u>	<u>\$1,454,857</u>	<u>\$1,280,909</u>
<u>Total Liabilities and Members' Equity</u>	<u>\$1,726,259</u>	<u>\$1,404,001</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 CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30,

	<u>2000</u>	<u>1999</u>
<u>Cash Flow from Operating Activities</u>		
Net Surplus (Deficit)	\$ 31,127	\$ (5,444)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	26,842	14,166
(Increase) Decrease in Maintenance Charges Receivable	(6,000)	1,310
(Increase) Decrease in Prepaid Expenses	(21,498)	(1,877)
(Increase) Decrease in Escrow Deposits	(9,500)	(10,250)
Increase (Decrease) in Maintenance Charges Paid in Advance	7,009	10,477
Increase (Decrease) in Income Taxes Payable	6,023	1,276
Increase (Decrease) in Accounts Payable and Accrued Expenses	67,778	(21,350)
Increase (Decrease) in Due from Sponsor	<u>9,500</u>	<u>10,250</u>
	<u>\$ 80,154</u>	<u>\$ 4,002</u>
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>\$ 111,281</u>	<u>\$ (1,442)</u>
<u>Cash Flow from Investing Activities</u>		
Investments	\$ (8,058)	\$ 16,163
Capital Expenditures	(237,799)	(4,105)
Interest Income	<u>65,949</u>	<u>49,322</u>
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>\$ (179,908)</u>	<u>\$ 61,380</u>

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

	<u>2000</u>	<u>1999</u>
<u>Capital Project Reserve</u>		
<u>Funds - Beginning</u>	\$746,786	\$670,190
<u>Contributed Capital</u>		
Contributions	154,357	173,609
Interest	<u>43,799</u>	<u>34,155</u>
<u>Disbursements</u>		
Expenditures	\$ 82,913	\$120,601
Corporation Taxes	<u>14,488</u>	<u>10,567</u>
<u>Capital Project Reserve</u>		
<u>Funds - Ending</u>	<u>\$847,541</u>	<u>\$746,786</u>
<u>Paid in Capital - Beginning</u>	\$512,079	\$240,123
<u>Contributed Capital</u>		
Contributions	61,830	266,660
Interest	<u>14,307</u>	<u>9,042</u>
<u>Disbursements</u>		
Expenditures	\$ 19,393	0
Corporation Taxes	<u>5,936</u>	<u>3,746</u>
<u>Paid in Capital - Ending</u>	<u>\$562,887</u>	<u>\$512,079</u>

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LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2000

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, 2000</u>
Building	\$ 12,910
Land	105,000
Office Equipment & Furniture	40,219
Improvements	102,576
Trucks and Equipment	<u>109,133</u>
	\$369,838
Less: Accumulated Depreciation	<u>(64,137)</u>
	<u>\$305,701</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 \$9.60 per hour plus tax and \$2.20 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 FINANCIAL STATEMENTS

SEPTEMBER 30, 2000

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 \$34,553 at September 30, 2000 and \$17,401 at September 30, 1999.

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, 2000, the investments are as follows:

<u>Face Value</u>	<u>Maturity</u>	<u>Carrying Value</u>
\$112,000	8/15/03	\$ 95,348
<u>68,000</u>	8/15/03	<u>57,890</u>
<u>\$180,000</u>		<u>\$153,238</u>

LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS
AND REPLACEMENTS (UNAUDITED)

SEPTEMBER 30, 2000

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 take into account a percentage inflation factor 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	\$ 757,500
Road	30	808,000
Painting	4	227,250
Facilities	10 to 20	277,750
Tree/Shrub Repl.	10	<u>151,500</u>
		<u>\$2,222,000</u>

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LEISURE HLEN HOMEOWNER'S ASSOCIATION, INC.
 OPERATING BUDGET
 OCTOBER 1, 2000 THROUGH SEPTEMBER 30, 2001

	**12 Month Est. <u>10/1/99-9/30/00</u>	12 Month Budget <u>10/1/00-9/30/01</u>	Monthly Cost Per Unit <u>10/1/00-9/01/01</u>
INCOME (40)			
41 Maintenance Fees	\$1,653,564.00	\$1,770,720.00	\$255.00
43 Timber Ridge Payments	\$6,000.00	\$6,000.00	\$0.86
44 Transfer Fees-Resales	\$5,250.00	\$5,000.00	\$0.72
45 Miscellaneous Income	\$6,000.00	\$1,000.00	\$0.15
46 Transfer from Previous Surplus	\$16,560.00	\$0.00	\$0.00
47 Interest-Working Capital	\$3,000.00	\$3,000.00	\$0.43
48 Interest-Operating Income	<u>\$3,000.00</u>	<u>\$2,280.00</u>	<u>\$0.34</u>
TOTAL INCOME	\$1,693,374.00	\$1,788,000.00	\$257.50
EXPENSES (50)			
51 Utilities	\$132,000.00	\$134,500.00	\$19.36
52 Sanitation	\$89,231.00	\$104,000.00	\$14.98
53 Professional Services	\$43,128.00	\$34,500.00	\$4.97
54 Security	\$130,385.00	\$175,000.00	\$25.20
55 Insurance	\$47,513.00	\$53,400.00	\$7.68
56 Management & Maintenance	\$620,439.00	\$0.00	\$0.00
57 Bus Service	\$35,009.00	\$37,000.00	\$5.43
58 Facilities	\$42,428.00	\$120,500.00	\$17.35
59 Grounds	\$95,146.00	\$372,400.00	\$50.75
60 Road Repair & Street Lights	\$7,353.00	\$21,000.00	\$3.00
61 Reserves	\$172,325.00	\$181,000.00	\$26.00
62 General/Admin./Financial	\$76,891.00	\$214,900.00	\$30.95
63 Miscellaneous Accruals	\$0.00	\$0.00	\$0.00
64 Home Repairs	\$51,065.00	\$50,000.00	\$7.20
65 Depreciation	\$20,583.00	\$28,200.00	\$4.05
66 Maintenance Contracts	\$12,271.00	\$13,800.00	\$1.98
67 Cablevision	\$91,610.00	\$107,800.00	\$15.52
68 Reserve for Contingencies	<u>\$0.00</u>	<u>\$140,000.00</u>	<u>\$23.08</u>
TOTAL EXPENSE	\$1,667,377.00	\$1,788,000.00	\$257.50
REVENUE LESS EXPENSE	\$25,997.00	\$0.00	

** 11 Months Actual, 1 Month Estimated

513 WATER

5131 Recreation Building	\$ 700
5132 Gate House	150
5133 Homeowners' Office	150
5134 Pool	1,500
5135 Sprinklers (SCWA)	25,000
5136 Accruals	<u>4,000</u>
Sub-Total	\$31,500

Community growth & accruals for late billing at year end.

514 WASTE DISPOSAL

5141 Recreation Bldg.	\$300
5142 Gate House	<u>100</u>
Sub-Total	400

Based on two locations, the gate house and the recreation bldg. Cost is \$50.00 per quarter.

TOTAL UTILITIES

\$134,500

52 SANITATION

521 Sanitation	
Unit	EOM
Oct	562
Nov	567
Dec	571
Jan	573
Feb	575
Mar	577
6944 x \$12.95	
Tax	\$89,925
Adjustment	7,420
Sub-Total	155
Unit	EOM
Apr	579
May	582
June	585
July	588
Aug	591
Sept	594
6944 x \$12.95	
Tax	\$89,925
Adjustment	7,420
Sub-Total	155
522 Dumpster	6,500
Sub-Total	97,500
TOTAL SANITATION	\$104,000

Based on estimated unit count @ \$12.95 per month per unit + tax. 6944 units serviced per fiscal year.

58 FACILITIES

581 Recreation Bldg.

5811 Janitorial Supplies	\$ 4,000
5812 Repairs & Maint.	9,000
5813 Lights	1,000
5814 Rec. Supplies	1,500
5815 Misc. (Maint. Group Only)	1,000
5816 Payroll-Rec. Dir. & Custodial	<u>70,200</u>
Sub-Total	\$86,700

Due to re-organization, this category now reflects salaries.

582 Pool & Tennis Court

<u>5821 Pool</u>	
58211 Rep. & Maint.	\$ 7,000
58212 Supplies	500
58213 Misc.	300
58214 Pool Service Contract	<u>17,500</u>
Sub-Total	\$25,300

Pool contract is for service May thru Sept.

5822 Tennis Court

58221 Rep. & Maint.	\$ 2,000
58222 Supplies	300
58223 Misc.	<u>200</u>
Sub-Total	\$ 2,500

583 Security Gate House

5831 Rep. & Maint.	\$ 3,000
5832 Supplies	1,500
5833 Misc.	<u>1,500</u>
Sub-Total	\$ 6,000

Reflects expense for updating computer software and related fees.

TOTAL FACILITIES

\$120,500

60 ROAD REPAIR & STREET LIGHTS

601 Street Lights/Flagpoles

6011 Mech. Street Sweeping	\$ 2,500	
6012 Replacement Lights	2,000	
6013 Misc.	<u>500</u>	
Sub-Total		\$ 5,000

602 ROAD & STREETS

6021 Repl & Maint.	\$ 5,500	
6022 Misc.	500	
6023 Salt & Sand	<u>10,000</u>	
Sub-Total		\$16,000

Because the H.O.A. will now be responsible for snow removal, an expense line for salt and sand has been added to this category.

TOTAL ROAD REPAIR & STREET LIGHTS **\$21,000**

61 RESERVES

611 Roads - \$4.50 per month	\$31,248	Driveways, entrance, paseo & future road replacement
612 Roof - \$7.00 per month	48,608	Skylights and future roof replacement
613 Paint - \$7.50 per month	52,080	Four year cycle. estimate 125 units per year.
617 Facilities - \$6.00 per month	41,664	Interior decorating, physical plant replacement
618 Curb/Paseo Tree Removal- \$.50 per month	3,472	Future use as needed
619 Wells - \$.50 per month	3,472	Mechanical replacement of pumps and motors.
Adjustment	<u>456</u>	
Total Reserves		\$26.00 per month x 6944 =180,544 + adj. 456.

\$181,000

66 MAINTENANCE & SERVICE CONTRACTS

661 Computer Microkey	\$ 1,500	
662 Copier	500	
663 Gate Card Reader	1,300	
664 Anslu Inspection	150	
665 LI Tech & Mech. (Kitchen)	3,000	
666 LI Tech & Mech. - HVAC	5,000	
667 Fire Alarm System	550	
668 Sprinkler System Inspection & Backflow check	1,200	
669 Piano Tuning	600	
Total Maint. & Svc. Cont.		\$13,800

These service contracts minimized larger expenses and enable the H.O.A. to keep our office, HVAC, security and kitchen facilities in top operating condition.

67 CABLEVISION

671 Contractual Agreement	\$107,285	
6944 x \$15.45/month Adjustment	515	
Total Cablevision		\$107,800

Cablevision contract to be re-newed this year and the rate reflects an estimated increase. 6944 units served in a year.

68 RESERVE FOR CONTINGENCIES

\$140,000

2000-2001 Budget is our first as an independently operated H.O.A. It has been formatted with the best information available. To avoid the possibility of unexpected expense it has been decided to set aside the excess revenue in a contingency reserve until we establish a history on which to base future budgets.