AMENDMENT NO. 1

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 is hereby further amended as follows:

I. RESTATED PLAN

The Restated Offering Plan dated May 13, 1994 is recorded as Amendment No. 18 to the original Offering Plan dated January 6, 1986 with the New York State Department of Law. This amendment will be numbered Amendment No. 1 to the Restated Offering Plan but will be listed in the records of the New York State Department of Law as Amendment No. 19 to the original Offering Plan.

II. HOMES/LOTS

As provided in the Restated Offering Plan the Sponsor initially offered for sale twenty (20) Homes/Lots it acquired from the successor to the origin. Sponsor. Sponsor is now offering for sale an additional forty (40) Homes and Lets as follows:

Phase III:

359, 360, 361, 362, 363 and 364

Phase IV:

391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 403, 404, 449,

450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462,

463, 464, 465, 466, 467, 468, 469 and 470.

III. FINANCIAL STATEMENT/BUDGET

As disclosed in the Restated Offering Plan, the Association was in the process of changing its fiscal year to commence October 1, 1994 through September 30, 1995. Said process has been completed. As a result, annexed hereto and made a part of this Amendment as Exhibit "A" is a copy of the six (6) month financial statement for the period ending September 30, 1994. The next financial statement will be for a twelve (12) month period ending September 30, 1995. In addition, annexed hereto

LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC. FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION SIX MONTHS ENDED SEPTEMBER 30, 1994

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as Exhibit "B" is a copy of the current operating twelve (12) month budget for the fiscal year ending September 30, 1995.

The budget and accompanying footnotes have been prepared by the Home Owner controlled Board of Directors and are contained in this amendment for informational purposes only. Since Sponsor does not represent a majority of the members of the Board of Directors, Sponsor can not represent, assure or guarantee their accuracy or completeness.

IV. 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: February 27, 1995

LEISURE GLEN HOMEOWNERS' ASSOCIATION. INC.

BALANCE SHEET

SEPTEMBER 30. 1994

ASSETS.

Cash - Undesignated	\$ 58,316
Cash - Designated for Future Repairs	445. 445
and Replacements	448,633
Note Receivable	16,545
Accounts Receivable - Members	1,140
Prepaid Franchise Tax	31 9,564
Prepaid Insurance and Other Expenses	₹6,283
Furniture and Improvements (Net)	0,203
Total Assets	\$540,512
	•
LIABILITIES AND MEMBERS' EQUITY	
Accounts Payable and Accrued Expenses	\$ 72,304
Assessments Received in Advance	34,233
Income Taxes Payable	3.028
Total Liabilities	<u>\$109,565</u>
Members' Equity	\$(27,098)
Undesignated	458,045
Designated for Future Repairs and Replacements	_130,013
Total Members' Equity	\$430,947
	.
Total Liabilities and Members' Equity	<u>\$540,512</u>

LEISURE GLEN HOMEOWNERS! ASSOCIATION. INC.

STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN MEMBERS' EQUITY

FOR THE SIX MONTHS ENDED SEPTEMBER 30: 1994

Revenues

Monthly Common Charges Miscellaneous Income Resale Fees	\$585,000 3,228 <u>1,750</u>
Total Revenues	\$589,978
Operating Expenses	
Utilities Sanitation Contract Recreation Activities Security Contract Insurance Management & Maintenance Bus Service Legal Accounting & Audit Fees Reserve Funds Maintenance Contracts Miscellaneous Repairs & Maintenance Cablevision Depreciation	\$ 75,390 -42,753 744 55,203 8,364 246,250 16,380 3,581 3,467 48,269 14,122 36,121 28,950 783
<u>Total</u>	.\$580,377
Excess (Deficit)	\$ 9,601
Beginning - Members' Equity Undesignated Prior Year Adjustment - Sales Tax	(44,537) <u>7,838</u>
Ending - Members' Equity Undesignated	<u>\$(27,098</u>)

LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 1994

Cash Flow from Operating Activities

Net Surplus (Deficit)	\$ 9,601
Adjustments to Reconcile Net	
Income to Net Cash Provided	
by Operating Activities:	
Depreciation	783
(Increase) Decrease in	
Maintenance Charges Receivable	313
(Increase) Decrease in	·
Prepaid Expenses	(2,169)
(Ir≾rease) Decrease in	(=, = = = ,
- Receivables - Insurance	11,399
(increase) Decrease in	• *
Note Receivable	4,680
Increase (Decrease) in Maintenance	
Charges Paid in Advance	1,743
Increase (Decrease) in Income	
Taxes Payable	(308)
Increase (Decrease) in	
Accounts Payable	(14.304)
	<u>\$ 2.137</u>
Net Cash Dunnidad (timed)	
Net Cash Provided (Used)	A
by Operating Activities	<u>\$ 11.738</u>
Cash Flow from Investing Ambigities	
Cash Flow from Investing Activities	
Prior Year Adjustment - Sales Tax	\$ 7,838
Interest Income	4,039
Basis of Assets Sold	•
ngate of Vasera anin	3,602
Net Cash Provided (Used)	
by Investing Activities	\$ 15,479
Di THIESCHIN UCCLATORS	<u> </u>

LEISURE GLEN HOMEOWNERS' ASSOCIATION. INC.

STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 1994

Cash Flow from Financing Activities	
Capital Contributions Interest Income Expended	\$ 48,269 8,185 (20)
Corporation Taxes Payable	(4,207)
Net Cash Provided (Used) by Financing Activities	\$ 52.227
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 79,444
Cash and Cash Equivalents at Beginning of Year	427.505
Cash and Cash Equivalents at End of Year	\$506,949
Supplemental Disclosures:	
Income Taxes	\$ 1,028

LEISURE GLEN HOMEOWNERS' ASSOCIATION STATEMENT OF RECONCILIATION OF FUTURE REPAIRS AND REPLACEMENT ACCOUNTS

SIX MONTHS ENDED SEPTEMBER 30. 1994

<u>Capital Project Reserve</u> <u>Funds - Beginning</u>	\$265,170
Contributed Capital	
Contributions	44,004
Interest	8,185
Disbursements	
Expended	\$ 0
Corporation Taxes	2,819
<u>Capital Project Reserve</u> <u>Funds - Ending</u>	\$314,540
Paid in Capital - Beginning	\$136,609
Contributed Capital	
Contributions	4,265
Interest	4,039
Disbursements	
Expended	\$ 20
Corporation Taxes	1,388
Paid in Capital - Ending	\$143,505

LEISURE GLEN HOMEOWNERS' ASSOCIATION. INC.

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 1994

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 30,1994, there were 386 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 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.

The Association has requested a change in their fiscal year under Revenue Procedure 92-13. The request was to change the year-ending date from March 31, 1995, to September 30, 1994. Thus, these statements reflect only six (6) months of operations of the Association.

Note 3 - 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.

LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30. 1994

Note 4 - 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 because those properties are owned by the individual unit owners in common and not by the Association. The Association capitalizes personal property at cost and depreciates it using the straight-line and MACRS methods.

Property, equipment and improvements consisted of the following:

September 30, 1994

Office Furniture	\$ 6,230
Improvements	6,769
Accumulated Depreciation	<u>(6.716</u>

<u>\$ 6,283</u>

Note 5 - Contracts and Contingencies

- A. Security Services The Association had a contract with Peace Security, Inc. The hourly cost of security will be \$8.00 per hour plus tax and \$1.20 additional per hour for roving patrol car for the contract period April 1, 1993 to March 31, 1995 for the initial year with an increase to \$8.32 per hour plus tax for the second year. They provide twenty-four hour gate house service and a roving patrol car.
- B. Maintenance and Management Services J.P.M.
 Management Corp. The Association has contracted for maintenance and management services at an effective rate of \$106.33 per unit per month for the period April 1, 1991 through March 31, 1997.
- C. <u>Sanitation</u> Detail Carting Co., Inc. An agreement exists with Detail Carting Co., Inc. for disposal of garbage at a cost of \$16.15 per unit per month, plus \$500 for a dumpster as required.

LEISURE GLEN HOMEOWNERS' ASSOCIATION. INC.

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30. 1994

Note 6 - Capital Reserves

During the current fiscal period Future Repairs and Replacements previously established for repair and replacement of roofs, roads, and 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 7 - Sponsor Contribution

During the period April 1, 1994 to September 30, 1994, 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.

Note 8 - <u>Uninsured Cash Balances</u>

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 \$0 at September 30. 1994.

The reserves for the roof and road replacements has been invested in U.S. Government securities. The cost of these investments is \$149,224 and the fair market value as at September 30, 1994, is \$127,914. It is intended to hold these securities until maturity.



LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)

SEPTEMBER 30. 1994"

The Association's Board of Directors conducted a study in March, 1994, 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 study. Estimated current replacement costs have not been revised since that date and do not take into account the effects of inflation between the date of the study and the date that the components will require repair or replacement.

The following information is based on the study and presents significant information about the components of common property (Amounts - 1 to the nearest thousand dollars.)

Component	Estimated Useful Life(Years)	Estimated Current Replacement Cost	
Roofs	20	\$ 750,000	
Road	13 to 27	792,000	
Painting	5	160,000	
Rec. Bldg. Mech. Res.	10	100,000	
Tree/Shrub Repl.	10	110,000	
		\$1,912,000	

LEISURE GLEN HOMEOWNERS ASSOCIATION, INCOOPERATING BUDGET

OCTOBER 1, 1994 THROUGH SEPTEMBER 30, 1995

INCOM	E (1)	6 MONTH EST EXPENSES 4/1/94- 9/30/94	12 MONTHS BUDGET 10/1/94- 9/30/95	MONTHLY COST PER UNIT 10/1/94- 9/30/95
			•	•
	Association fees Sponsor maintenance fees Miscellaneous income Builder payments Transfer fees	\$579,000 \$6,000 \$600 \$3,000 \$1,500	\$1,163,250 \$12,000 \$1,400 \$6,000 \$2,500	\$250.00 \$2.58 \$0.30 \$1.29 \$0.54
TOTAL	INCOME	\$590,100	\$1,185,150	\$254.71
EXPENS	SES			
	Utilities (2)	\$75,700	\$121,000	\$26.00
	LILCO	\$36,700	\$75,000	\$16.12
	Water	\$36,800	\$40,000	\$8.59
	Telephone	\$2,000	\$5,600	\$1.20
	Sewage	\$200	\$400	\$0.09
	Sanitation (3)	\$43,000	\$90,900	\$19.54
	Recreacional Activities (4)	\$800	\$1,800	\$0.39
	Security (5)	\$55,200	\$115,600	\$24.84
	Insurance (6)	\$9,200	\$24,450	\$5.25
	Management & Maint. Serv (7)	\$246,300	\$492,500	\$105.85
	Bus Service (8)	\$16,100	\$34,000	\$7.31
	Legal (9)	\$3,700	\$10,000	\$2.15
	Accounting & Audit Fees (10)	\$3,400	\$6,600	\$1.42
	Reserves (11)	\$44,000	\$97,800	\$21.00
	Other Operating Expenses (12	\$32,700	\$99,500	\$21.41
	Depreciation (13)	\$900	\$2,100	\$0.45
	Maintenance Contracts (14)	\$14,300 .	\$29,000	\$6.23
	Cablevision (15)	\$29,000	\$59,900	\$12.87
OTAL	EXPENSES	\$574,300	\$1,185,150	\$254.71
URPLU	S (to be applied against	\$15,800	(\$0)	(\$0)
	accumulated deficit)	2,2222222		*=======

FOOTNOTES TO THE OPERATING BUDGET

INCOME

We will conclude our six month interim budget period on Sept. 30. Our new budget shown above will start our new : cal year on Cotober 1. (Fiscal year is now 10/1/94 - 9/30/95). The present budget maintains the maintenance fee at the conte \$250.00 per month. During this period Oct. 1, 1994 to Sept. 30, 1995 the Sponsor, per the offering plan and by-laws of the NCA, is required to remit the maintenance fee for the units it cwns. We have calculated the revenue for only the 4 units in Phina 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 1995. and have added that to our revenue stream. Miscellaneous income is derived from late fees on maintenance charges, from copier reimbursements, and gate badges.

UTILITIES

Common electricity is provided by LILCO for the walks, strest lights, recreational facilities, and the guardhouse. The costs are based on historical usage. Gas is provided by LILCO for heating the recreation building and guardhouse. Sewerage is provided by the Utilities Operating Company for the recreation building and the quardhouse only. Water is provided by Suffolk County Water Authority for irrigation of the recreation area, the lawns of the residential areis, water usage for the recreation building, guardhouse, and pool. The six month estimated expenses indicates that the water usage has been controlled and with SCNA more reasonable rates, we have reduced the water costs. Telephone expenses for the recreation area, guardhouse, and Association office are estimates, based on past years usage. The HCA is also paying for all utilities for the unit that the Sponsor has allowed the HOA to use to conduct our business.

CANTTATION

Samitation is provided by Detail Carting Company for the .: noval of and disposal of all garbage and recyclables. The cost .: \$17.15 per unit per month. This includes the cost of \$500. 3 on average for eight months for a dumpster for ground roller.

RECREATION ACTIVITIES

Allowance this year will be \$150 per month for expenses by 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 throughou 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 costs, in the second year of their two year contract, is \$8.32 per hour for labor and \$1.20 per hour for the vehicle + taxes, or an increase to \$8.50 per hour for labor and a \$1.75 per hour for the vehicle.

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 \$2,000,000 umbrella policy. Directors, Officers and committee members will continue with coverage of \$1,000,000, and the Boiler & Machinery policy will be continued.

7. MANAGEMENT AND MAINTENANCE SERVICES

Our labor service agreement continues with J.P.M. Management 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. All employees will, at this time, remain employed by J.P.M. The cost of this service holds at \$106.57 per unit per month for 385 units. The board approved an additional extension to the contract to 3/31/97 which has the result of a no increase in this service for 4 years, no matter how many homes are built. The HOA has essentially frozen the cost of this service to 385 homes, although we are receiving revenue for 390 homes.

BUS SERVICE CONTRACT

Our bus service is now supplied by Laidlaw Bus Co. The daily fee to the HOA is at the rate of \$217.00 per full day of operation. The agreement is for 21 hours of usage per week. The \$217.00 is the result of minor increases.

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 35 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 \$21.00 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, home repairs, tree replacement, sprinkler parts, lawn fungicides, and miscel. expenses of our committees. We have once again included the cost of an additional lawn fertilization, and have provided funds to continue the tree pruning program.

DEPRECIATION

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

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 composer, our security system, the fire alarm & sprinkler system for the Rec. Bldg, a data processing consultant, and for the kitchen equipment.

We have made great progress in the repair of the home security

We have made great progress in the repair of the home security system and will continue this on going project.

15. CABLEVISION

A vote by the residents stated the desire for Cablevision. As such Cablevision has purchased the rights and assets of Ocean Hills Cable, including all the underground cable. Cablevision has tied the existing underground cable to their system and started servicing our community on Dec. 15, 1993. The monthly payment to Cablevision will be remitted by the Homeowners' Association and as such, \$12.50 has been included in your monthly maintenance fee to take care of this obligation, with an increase to \$13.00 effective Dec. 15, 1994.

AMENDMENT NO. 2

To the Restated Offering Plan of

LEISURE GLEN HOME OWNERS ASSOCIATION, INC.

Randall Road Ridge, New York

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

I. HOMES/LOTS

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

II. FINANCIAL STATEMENT/BUDGET

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

III. FINANCIAL OBLIGATIONS TO ASSOCIATION

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

IV. <u>UNSOLD HOMES AND LOTS SUBJECT TO MORTGAGES OR FINANCING COMMITMENTS</u>

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

V. AGGREGATE MONTHLY RENTS RECEIVED FROM TENANTS BY SPONSOR

Sponsor does not currently rent any homes in the Association.

VI. STATUS OF CURRENT OBLIGATIONS OF SPONSOR

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

VII. MEANS OF SPONSOR OBLIGATIONS

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

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

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

Timber Ridge at Holtsville Condominium II CD93-0016

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

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

IX. BOARD OF DIRECTORS

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

Donald M. Eversoll - Sponsor Representative Tony DiCara - President

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

X. NEW PURCHASE AGREEMENT

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

XI. EXTENSION

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

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

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

Dated: May 8, 1995

LEISURE GLEN LIST OF UNSOLD UNITS

LOT 406

LOT 411 thru LOT 412

LOT 417 thru LOT 420

LOT 429 thru LOT 430

LOT 431 thru LOT 432

LOT 444

LOT 446

LOT 399 thru LOT 404

LOT 449 thru LOT 460

LOT 391 thru LOT 398

PURCHASE AGREEMENT

Home No Lo	t No	Model	Date
SELLER: TIMBER RIDG	E HOMES AT LE	ISURE GLEN, INC.	
ADDRESS: 631 COMMA	CK ROAD, COMM	MACK, NEW YORK 11725	
PURCHASER:			or control and the second seco
ADDRESS:			
Seller and Purchaser agre	e as follows:		
shall buy from Seller a Ho as Unit No. (the No. (the "Lot") o	me substantially "Home") to be bi in "Map of Leisur 's Office as Mag	- Seller shall sell to Purch similar to Seller's uilt by Seller on a parcel of e Glen Section " which No The Home hall also include the following	model know. I land known as Loth map was filed and Lot (sometime)

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

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

3) PURCHASE PRICE - The pric paid by Purchaser as follows:	e for the Home is \$	which shall
At the time Purchaser s "Downpayment" which sh \$1,000 nor exceed 10% of (inclusive of payments p Purchaser, if any, as a no	nall not be less than of the Purchase Price previously made by	
deposit)	\$	
At the time of Closing	\$	

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

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

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

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

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

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

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

Seller shall have the right, from time to time, to adjourn such date and time for Closic on written notice to Purchaser. If the Closing is adjourned by Seller, then Seller shall, to a new Notice for Closing, fix a new date and time for Closing and shall give Purchasingt less than 10 days prior written notice of the new scheduled date and time for Closing.

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

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

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

TRUST FUNDS - All deposits, down payments or advances towards the purch price made by Purchasers prior to closing shall be held in a segregated escrow acco held by the law firm of Certilman Balin Adler & Hyman, 90 Merrick Avenue, E Meadow, New York 11554 pursuant to an Escrow Agreement between Seller and Escrow Agent, in the form set forth in Exhibit "L" of the Offering Plan and pursuant the provisions of Sections 352-h and 352-e (2b) of the New York State General Busin Law and the escrow regulations promulgated thereunder by the Department of Law the State of New York as disclosed the Offering Plan. Said funds shall be held in Interest-on-Lawyers Account pursuant to Judiciary Law Section 497 in an account entitled "Certilman Balin Adler & Hyman/Leisure Glen IOLA Escrow Account" at No. Fork Bank, Melville, New York. Pursuant to Judiciary Law, Section 497, all interes earned in the IOLA account will be paid to the State of New York. All instruments sn be made payable to or endorsed to the order of Certilman Balin Adler & Hyman, escrow agent. The deposit by the escrow agent of the Purchaser's down payment in the escrow account shall not be deemed acceptance of the Purchase Agreement. To Purchase Agreement shall only be deemed accepted when countersigned by the Seller his authorized agent. In addition, although all funds received by Seller for upgrages extras to the Home will initially be placed in the escrow account, such funds may : released from the escrow account as long as the Sponsor uses the funds for suc upgrade or extra. At Closing, the down payment shall be paid to Seller upc consummation of the closing, and execution of this Purchase Agreement snall c deemed a writing executed by both Seller and Purchaser authorizing the Escrow Ager to release said funds to Seller at closing. In addition, Purchaser shall execute the releas from annexed to and made a part of the Purchase Agreement as Exhibit D-2.

8) MORTGAGE LOAN -

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

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

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

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

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

- The mortgage loan contingency contained in this paragraph 8) shall deemed fulfilled, and this contract shall be considered firm and binding on Purchaeven though the Commitment contains conditions to be satisfied by Purchaser a: prerequisite to funding the mortgage loan including, but not limited to (i) proofs a confirmations regarding the credit-worthiness of Purchaser or any co-applicant a existing bank accounts of Purchaser or any co-applicant and any balances thereof. continued employment of Purchaser or any co-applicant, (iii) sale of any house, prope or other asset required to be sold by Purchaser or any co-applicant and (iv) satisfacti of a debt by Purchaser or any co-applicant. THE RISK OF COMPLYING WITH A CONDITIONS OF THE COMMITMENT IN SUFFICIENT TIME TO BE ABLE TO CLOSE TIT AT THE TIME. PLACE AND DATE SET FORTH IN SELLER'S NOTICE FOR CLOSING. EXCLUSIVELY ON PURCHASER. AND THE FAILURE OF THE LENDER TO FUND THE LOAN BECAUSE OF PURCHASER'S FAILURE TO COMPLY WITH ALL CONDITIONS THE COMMITMENT, REGARDLESS OF CIRCUMSTANCES, SHALL NOT EXCUS PURCHASEH FROM CLOSING TITLE AND PAYING THE BALANCE OF ALL SUMS DE UNDER THIS CONTRACT ON THE DATE SET FORTH IN SELLER'S NOTICE FC CLOSING. In addition, if the commitment conditioned upon the sale of any asset, eve though the failure to sell such asset will not excuse Purchaser from completing tr purchase of the Premises, the failure of Purchaser to sell such asset within 45 days art the date of the commitment shall constitute a default by Purchaser under this contract for which Seller may cancel this contract and be entitled to the remedies and retention c monies as provided in paragraph 24). Upon such cancellation of this contract. Selic shall be released and discharged of all further liability and obligations to Purchaser unde this contract. Thereafter the Premises may be sold or disposed of as though the contract had never existed and without any accounting to Purchaser for the proceeds c any subsequent sale.
- (c) If the Commitment expires prior to the Closing, Purchaser shall obtain renewals or extensions of the Commitment through the date of Closing on such term and conditions and at such interest rate as the Lender may require, and shall pay an fees and charges required to so renew or extend the Commitment.
- (d) If required by the Lender, Purchaser shall also pay in full and discharge, prio to Closing, all outstanding obligations and judgments. If Seller has advanced to the Lender any fees or charges on Purchaser's behalf, then in addition to all other sums payable or reimbursable by Purchaser to Seller at or before Closing, Purchaser shall reimburse to Seller as and when demanded by Seller, all such fees and charges so advanced. Purchaser hereby authorizes release to Seller and/or Lender, all financial employment and other information relative to Purchaser's mortgage loan application.
- (e) If the Commitment is conditioned upon execution of the mortgage loan documents by a co-borrower, the entire risk of the failure of such co-borrower to co-sign the mortgage loan documents shall be upon Purchaser.
- (f) THIS MORTGAGE CONTINGENCY PROVISION IS ONLY APPLICABLE IF PURCHASER APPLIES FOR THE LOAN TO THE LENDER DESIGNATED BY SELLER. ALTHOUGH PURCHASER IS FREE TO OBTAIN A MORTGAGE LOAN FROM ANY OTHER LENDER. THIS CONTRACT WILL NOT BE CONTINGENT UPON PURCHASER'S ABILITY TO OBTAIN A MORTGAGE LOAN COMMITMENT OR MORTGAGE LOAN FROM ANY LENDER NOT DESIGNATED BY SELLER. IF PURCHASER APPLIES TO A LENDER NOT DESIGNATED BY SELLER AND FAILS TO OBTAIN A LOAN FROM SUCH OTHER LENDER AND CANNOT CLOSE TITLE BECAUSE THE LOAN WAS NOT GRANTED, SELLER MAY

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

- DEED AND ENCUMBRANCES UPON OWNERSHIP The deed to be given by St to Purchaser at Closing shall be the usual Bargain and Sale with Covenant aga. Grantor's Acts deed, but subject, nevertheless, to the matters set forth sub-paragraphs (a) through (h) below which need not be recited in the deed giver Closing but shall survive Closing, and Seller's covenant in the deed again encumbrances shall be deemed modified accordingly. The deed shall be duly execu and acknowledged by Seller in proper statutory form for recording (except for paym of the New York State transfer taxl so as to convey to Purchaser fee simple title to Home, free and clear of all liens and encumbrances, except as herein stated. The de shall also contain the covenant required by subdivision 5 of Section 13 of the Lien La Seller shall give and Purchaser shall accept such title and deed description of the U subject to the liens, encumbrances and other matters set forth in this contract, as Fi American Title Insurance Company, 210 Court Street, Riverhead, New York ("Fit American*) is willing to approve and insure without additional premium. At Purchase: sole discretion. Purchaser may obtain title insurance from any other title insuran company or Purchaser may decline to obtain any title insurance at all. HOWEVE SHOULD PURCHASER USE A TITLE COMPANY OTHER THAN FIRST AMERICA. PURCHASER SHALL PAY SELLER'S ATTORNEY A FEE IN THE AMOUNT OF \$150.(FOR ITS SERVICES RENDERED IN CONNECTION WITH ITS REVIEW OF THE TITL REPORT AND CLEARANCE OF ANY TITLE EXCEPTIONS. IN ADDITION, SELLER SHALL NOT BE OBLIGATED TO CAUSE PURCHASER'S TITLE COMPANY IIF OTHER THA FIRST AMERICAN) TO OMIT ANY EXCEPTION TO TITLE IF FIRST AMERICAN I WILLING TO INSURE PURCHASER'S TITLE WITHOUT SUCH EXCEPTION OR AGAINS ENFORCEMENT OF SUCH EXCEPTION. Purchaser shall be responsible to pay the tit. company the entire premium for Purchaser's title insurance, and shall also pay th applicable New York State transfer tax. The sale and transfer of ownership of the Un to Purchaser shall, even though not stated in the deed, be subject to:
 - (a) Ordinances, rules, regulations, requirements and approvals of applicable governmental authorities, provided not violated by the Home to a constructed.
 - (b) Any state of facts which an accurate survey of the Home as it appears or the date of Closing may show, provided tittle is not rendered unmarketable.
 - (c) Rights for installation, use and/or maintenance of easements and rights or way for utilities, sewer, cable television, drainage, scenic purposes screening and planting which have already been granted or may be granted after this contract is signed or after Closing, provided they do not preventuse of the Home for one-family residence purposes.
 - (d) Declarations, covenants, restrictions, reservations, exceptions, easements and agreements which have been recorded, or appear in recorded documents, or are yet to be recorded, provided they do not prevent use of the Home as a one family residence.
 - (e) Unpaid taxes and liens, provided the title insurance company shall insure against collection of same out of the Home.
 - (f) The filed "Map of Leisure Glen Section ____ " and all matters reflected thereon.
 - (g) The Declaration of Covenants, Restrictions, Easements, Charges and Liens, and the By-Laws of Leisure Glen Home Owners Association, as said documents may have been amended and/or supplemented.
 - (h) Reservations by Seller of ownership of streets abutting the Premises, provided access from the Premises over such streets to the nearest public highway is given Purchaser until the streets are offered and accepted for dedication by the appropriate municipality, or conveyed to the Association.
- 10) CONSTRUCTION LOAN MORTGAGE This contract is subject and subordinate without the necessity of Purchaser signing or delivering any documents or papers, to the

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

- 11) CONDITION OF HOME ON CLOSING DATE Seller and Purchaser shall close tit even though there are things remaining to be done by Seller to the Home, provided Certificate of Occupancy for the Home (or building in which it is located) has bee issued and Seller gives Purchaser a written list at the time of Purchaser's final inspection of the Home which sets forth the incomplete items and provides for completion within months after Closing, weather and circumstances permitting. This paragraph she survive delivery of the deed.
- 12) ENCUMBRANCES EXISTING AT CLOSING If there is anything affecting the sail which Seller is obligated to pay and discharge, Seller may use any portion of the balanc of the purchase price to discharge it at Closing. As an alternative Seller may depose money with or do whatever other acts may be required by First American Title Insurance Company or Purchaser's title insurance company so that First American Title Insurance Company or Purchaser's title insurance company is willing to insure Purchaser's title clear of the matter or is willing to insure against enforcement or collection out of the Home.
- 13) INABILITY OF SELLER TO TRANSFER OWNERSHIP Except for Seller's willful default, if Seller is unable to transfer ownership of the Home in accordance with this contract, Seller shall only be liable to Purchaser for the return to Purchaser of all payments made by Purchaser to Seller towards the purchase price of the Home Thereafter, this contract shall be deemed cancelled and neither party shall have any further liability to the other in connection with this contract or transaction. Seller shall not be required to commence any action or proceeding or incur any expense in order to remove the condition which prevents Seller from transferring ownership of the Unit in accordance with this contract.
- 14) PURCHASER MAY NOT ERECT SIGNS ON HOME Purchaser shall not place any sign, other than a house number sign, anywhere on the Home or Property at any time within 3 years after Closing without Seller's prior written consent and subject to such conditions that may be imposed by the Home Owners Association. This paragraph shall survive delivery of the deed.
- 15) PURCHASER MAY NOT TAKE POSSESSION OF THE HOME PRIOR TO CLOSING Neither Purchaser nor anyone acting on Purchaser's behalf may enter or take possession of any part of the Home nor have any work performed or materials supplied or installed at the Home prior to Closing without the prior written consent of Seller. This prohibition is regarded by Seller as extremely important and violation by Purchaser shall constitute a major default by Purchaser under this contract.
- 16) SELLER'S OBLIGATIONS END AT CLOSING The delivery of the deed for the Home to Purchaser or Purchaser's representative at Closing shall be deemed to mean that all things required to be done by Seller under this contract have been done and that Purchaser shall not claim otherwise except as to those things, if any, which are specifically stated in this contract or in a separate writing signed by Seller or Seller's attorney on Seller's behalf, to survive or continue beyond Closing or delivery of the deed.
- 17) NO BROKER CONSULTED BY PURCHASER Purchaser warrants that Purchaser did not employ or consult with any broker or agent other than those employed by Seller in connection with this transaction. This paragraph shall survive delivery of the deed.
- 18) REQUIRED PAPERS AND ACTS Purchaser shall deliver all documents to Seller and perform all acts required by Seller to carry out the provisions of the Restated Plan and conform to all applicable laws and regulations. At Closing, Seller shall deliver to

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

- 19) ASSIGNMENT OF RECORDING PROHIBITED Neither this contract nor Purchast interest hereunder may be assigned by Purchaser. Nor shall this contract or a memorandum thereof be recorded in any county clerk's office by Purchaser or anyon Purchaser's behalf.
- 20) ADDITIONAL MONEY TO BE PAID BY PURCHASER AT CLOSING At Closic Purchaser shall pay, or reimburse to Seller if Seller has already made payment. addition to all other sums payable or reimbursable elsewhere under this contract. charges for (a) inspections. (b) appraisals, (c) survey and surveying services, (d) ti examination and policy insuring the Lender's interest, (e) Lender's attorneys' fees preparation of all loan documents, (f) all commitment fees, points, origination fees a other fees and charges (howsoever characterized) imposed or exacted by the Lender incurred by Seller or Purchaser in connection with Purchaser's mortgage loan, I mortgage recording taxes, (h) governmental charges which may be assessed on accou of the mortgage loan, (i) New York State real estate transfer tax on the deed. (j) recording and filing charges payable to any public official. (k) water and sewer tap ar connection fees, water meter deposit, water vault, water meter reading equipment ar water and sewer test fees, (I) advance sewer use payments, if any, (m) an initi non-reimbursable capital contribution equal to two (2) months of Association month assessments to the Home Owners Association and (n) \$450 to seller's couns representing a fee for services in connection with preparing the deed and fo coordinating and attending the closing.

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

- 21) EXTRA WORK AND EXTRA ITEMS ORDERED BY PURCHASER Any work or items ordered from Seller by Purchaser which are not included in the plans or standard model of the Home shall, except as may otherwise be provided in this contract or in a writing signed by Seller, be paid for in full by Purchaser at the time they are ordered. The failure of Seller to perform or supply and install such work or items shall not entitle Purchaser to cancel this contract even if Purchaser has already paid for such work or items. Purchaser's only right in the event of Seller's failure to perform such extra work or supply and install such extra items is to receive a refund or credit at the time of Closing equal to the total payments made to Seller for such extra work or extra items. Seller shall have no responsibility for any work, fixtures, appliances, equipment or materials not ordered directly from Seller by Purchaser. For the purposes of this provision, any orders which Purchaser places directly with Seller's contractors or supplies shall not be deemed to have been ordered directly from Seller.
- 22) OPTIONS AND COLOR SELECTIONS Any choices given by Seller to Purchaser in colors, products, materials, design, features and similar matters shall be made by Purchaser in writing at Seller's office or model site, within 10 days after notification to Purchaser to make such choices. If there is anything as to which Purchaser has a choice, and Purchaser fails to inform Seller of Purchaser's choice within such 10 day time period, then Seller may made the choice on Purchaser's behalf and Purchaser shall

accept such choice so made by Seller as if originally made by Purchaser. No cla objection to Closing shall be made by Purchaser because of any choice made by Seller timely notice of Purchaser's choice.

- 23) ACKNOWLEDGMENT THAT THERE ARE NO OTHER UNDERSTANDINGS All understandings and agreements are hereby superseded and merged into this cont which alone contains the final and entire understanding and agreement between 5 and Purchaser. Neither Seller nor Purchaser shall be bound by any terms, conditionate statements, or representations, oral or written, not set forth in this contract. Purchaser acknowledges that Purchaser is buying a Home in an existing Home Owners Associated that, except as stated in this contract, the Declaration, By-laws, Exhibits, Scheciand Plan, Purchaser has not relied on any representations or other statements of kind or nature made by Seller or anyone else, including but not limited to any relating the estimated maintenance charges or other expenses relative thereto.
- 24) PURCHASER'S DEFAULT If Purchaser fails to appear and close title in accorda with this contract on the date and at the time and place stated in Seller's Notice Closing, or if Purchaser fails to observe or perform any other thing to be observed performed by Purchaser under this contract, Seller may send Purchaser a written no of default giving Purchaser 30 days from the date of such notice to cure any s default. Upon Purchaser's failure to cure such default within such 30 day period contract shall, at Seller's option, be deemed cancelled and Seller shall have the righretain as and for liquidated damages, all sums paid by Purchaser to Seller on accounthe purchase price plus all additional sums paid and/or payable by Purchaser for all ex work and extra items ordered by Purchaser, together with all interest credited thereor any, which total amount Purchaser acknowledges to be fair and reasonable. The not of default shall be deemed notice to the Purchaser by the Escrow Agent of the Escr Agent's intent to release the funds being held in escruw on behalf of the Purcha: pursuant to the dispute resolution provisions of the Attorney General's escre regulations as described in the Restated Offering Plan. TIME IS OF THE ESSENCE F PURCHASER TO CURE SUCH DEFAULT WITHIN SUCH 30 DAY PERIOD. UP cancellation of this contract for Purchaser's failure to timely cure any such default, Sei shall be released and discharged of all further liability and obligations to Purchaser unc this contract. Thereafter the Home may be sold or disposed of as though this contra had never existed and without any accounting to Purchaser for the proceeds of an subsequent sale. The foregoing remedy shall be in addition to any and all other remedi available to Seller under this contract or at law for any default by Purchaser under the contract.
- 25) MORE THAN ONE PURCHASER UABILITY: AUTHORITY TO SIGN If 2 or more persons are named as Purchaser in this contract, (i) each person shall be jointly ar severally liable for payment, observance and performance of all obligations under the contract and (ii) anyone of them is hereby made agent for the other in all matters of are and every kind or nature with respect to the Home and/or this contract. The act, assent election or approval by one shall conclusively constitute the act, assent, election an approval by all.
- 26) SELLER'S RIGHT TO CANCEL Seller may cancel this contract by forwarding a furefund of the Downpayment to Purchaser together with written notice of cancellation the event of the occurrence of any of the following:
 - (a) any governmental, authority imposes a ban on the construction of completion of residential dwellings or imposes restrictions on the manufacture, sale, distribution and/or use of materials from Seller's regula suppliers or from using same in the construction and/or completion of the Home; or
 - (b) Seller is unable to obtain materials from its usual sources due to labo troubles, lockouts, war, military operations and requirements, civil unrest act of God or national emergencies; or
 - (c) the installation of public utilities is restricted or curtailed; or
 - (d) the Phase of the Plan being sold is abandoned, withdrawn or not consummated for any reason.

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

- 27) DAMAGE TO PUBLIC IMPROVEMENTS. AMENITIES AND COMMON ARE. Purchaser shall repair and/or restore to their original condition and standards any put improvement, amenity or common area on the Property damaged by Purchaser Purchaser's agents, employees, contractors or licensees. Upon failure of Purchaser complete such repair and/or restoration work within 30 days after written notice fro Seller, then and in that event, Seller may complete same at the expense of Purchase who shall reimburse Seller for the cost thereof immediately upon demand. The paragraph shall survive delivery of the deed.
- 28) NOTICES Any notices, statements, certificates, requests or demand required permitted to be given or delivered under this contract shall be in writing and may be se by mail, overnight courier or personal delivery, addressed to Purchaser or to Seller, the case may be, at their respective addresses shown at the beginning of this contrac or to such other address as Purchaser or Seller may designate in the manner here provided. Such notice, statement, certificate, request or demand shall be deemed thave been given
 - (i) when received by the person to whom it was sent, if sent by regular mail,
 - (ii) when delivered to an overnight courier service, if sent by overnight courier.
 - (iii) upon personal delivery actually being made, and
 - (iv) within 3 days after delivery to the United States Post Office with prope postage prepaid, if sent by registered or certified mail return receip requested.
- 29) STRICT COMPLIANCE: SEVERABILITY: WAIVER OF TRIAL BY JURY Any failure by Seller to insist upon strict performance by Purchaser of any of Purchaser's obligations under this contract shall not be deemed a waiver of such obligations, and Seller may a any time insist upon strict performance by Purchaser of any and all obligations to be performed by Purchaser under this contract irrespective of the number of times Purchaser failed to strictly comply with such obligations in the past. If any part of this contract or the Plan is invalid or unenforceable with respect to a particular individual or circumstance, the remainder of this contract or the Plan and the applicability to other individuals or circumstances shall not be affected thereby but shall continue in full force and effect. Purchaser waives all rights to trial by jury in any action, proceeding or counterclaim in any way arising out of or relating to this contract or the Plan.
- 30) RISK OF LOSS The risk of loss or damage to the Home by fire or any other cause until delivery of the deed is assumed by Seller. However, if Purchaser is or becomes the occupant or tenant of the Home prior to Closing, then as of the date of Purchaser's occupancy, Purchaser shall be responsible for all damage caused by any acts or omissions of Purchaser, Purchaser's agents, employees or invitees.
- 31) LIMITED WARRANTY THE LIMITED WARRANTY SET FORTH IN SCHEDULE A ANNEXED HERETO AND INCORPORATED HEREIN BY REFERENCE (THE "LIMITED WARRANTY") IS IN PLACE OF AND EXCLUDES THE HOUSING MERCHANT IMPLIED WARRANTY, AS DEFINED IN <u>ARTICLE 36-8</u> OF THE NEW YORK GENERAL BUSINESS LAW, AS SAME MAY BE AMENDED FROM TIME TO TIME. AND ALSO EXCLUDES ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH THIS CONTRACT AND THE CONSTRUCTION AND SALE OF THE HOME. SELLER MAKES NO HOUSING MERCHANT IMPLIED WARRANTY AND, EXCEPT AS EXPRESSLY SET FORTH IN THE LIMITED WARRANTY, SELLER MAKES NO OTHER WARRANTIES. EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, IN CONNECTION WITH THIS CONTRACT AND THE CONSTRUCTION AND SALE OF THE HOME, WHICH EXTEND BEYOND THE FACT THEREOF.

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

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

THIS ARTICLE 31) SHALL SURVIVE DELIVERY OF THE DEED.

- 32) SECURITY SYSTEM Purchaser acknowledges having received, read and execut the security services certification annexed hereto as Exhibit D-4 to the Purcha Agreement.
- 33) BONA FIDE PURCHASERS Purchaser represents to Seller than the persons will occupy the Home meet the occupancy requirements stated in the Restate Offerir Plan and the applicable provisions of the Town of Brookhaven Zoning Code as it applicate a Planned Retirement Community.

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

TIMBER RIDGE HOMES AT LEISURE GLEN, INC.

Ву:			
•			
PURCHASERS:			
•			
Signature	Social Security Number		
Signature	Social Security Number		

AMENDMENT NO. 3

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) and on May 8, 1995 (Amendment No. 2 to the Restated Offering Plan, Amendment No. 20 to the original Offering Plan) is hereby further amended as follows:

I. AMENDMENT TO THE BY-LAWS

On or about May 8, 1992, the members of Leisure Glen Home Owners Association. Inc. voted to amend Article VIII, Sections 1 and 2 of the By-Laws of the Association to read as follows:

"Section 1. Number and Term.

The number of Directors which shall constitute the whole Board shall be not less than three nor more than seven. The Developer shall continue to have the right to designate one (1) Director, for so long as the Developer holds at least one membership in the Association. At the next annual meeting, the Members of the Association shall vote for and elect six (6) Directors, three (3) to serve a two (2) year term and three (3) to serve an initial one (1) year term. Thereafter, at each subsequent annual meeting there shall be an election of three (3) Directors to serve a two (2) year term. All Directors duly elected shall serve their designated term and until their successors have been duly elected and qualified. All Directors, except the one designated by the Developer, must be a resident adult Member of the Association. No resident Director may seek or serve more than three (3) consecutive terms."

"Section 2. Voting and Right of Developer to Designate Director.

In an election of Directors, each Member of the Association shall be entitled to one (1) vote. Where more than one (1) person or entity holds ownership interest in any Home, the one (1) vote attributable to such Member shall be exercised as such persons mutually determine but not more than one (1) vote may be cast on behalf of that Member. The Developer shall continue to have the right to designate one (1) Director for so long as it holds any membership interest. When the Developer no longer holds any membership interests, it may not designate any Director. A replacement Director will be designated in accordance with Section #3 hereof for the remainder of the term and an additional Director will be elected at the annual meeting for a two (2) year term. The Developer may not cast any votes it may have by virtue of its ownership of Homes or Lots to elect Directors in addition to the designated Director set forth above."

Other than as set torth 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: June 15, 1995

AMENDMENT NO. 4

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) and on June 15, 1995 (Amendment No. 3 to the Restated Offering Plan, Amendment No. 21 to the original Offering Plan) is hereby further amended as follows:

I. HOMES/LOTS

Pursuant to the terms of the Restated Offering Plan whereby the Sponsor has a purchase agreement with Leisure Glen, L.P. to purchase and offer for sale unsold lots in existing and subsequent phases of the development over an extended period of time, Sponsor is now offering for sale the following fourteen (14) homes and lots:

Phase III: 365-374 inclusive Phase IV: 387-390 inclusive

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. Sponsor

Dated: September 7, 1995

AMENDMENT NO. 5

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) and on September 7, 1995 (Amendment No. 4 to the Restated Offering Plan, Amendment No. 22 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 and the monthly real estate taxes attributable to each unit.

II. FINANCIAL STATEMENT/BUDGET

A copy of the certified financial statement for the period ending September 30, 1995 and the Association budget ending September 30, 1996 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, 1995 there was no deficit, however, although not required the Sponsor is voluntarily contributing \$500 per month to the Association.

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. <u>UNSOLD HOMES AND LOTS SUBJECT TO MORTGAGES OR FINANCING</u> COMMITMENTS

All the unsold units are subject to two (2) mortgages held by Columbia Federal Savings Bank, 93-22 Jamaica Avenue, Woodhaven, New York 11421 in the total current amount of \$1,228,000. The maturity date of one, with an outstanding principal of \$73,000 is June of 1996. Sponsor pays interest only on said mortgage at the rate of 93/4%. The other, with an outstanding principal of \$1,155,000, has a maturity date of November of 1996. Sponsor pays interest only on said mortgage at rate of 103/4%. Sponsor is current on both 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 OFFERINGS

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 Anthony DiCara - Home Owner Jack McKenna - Home Owner Herb Phillips - Home Owner Elaine Kirsch - Home Owner Howard Ribach - Home Owner

XI. <u>EXTENSION</u>

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 20, 1996

LEISURE GLEN LIST OF UNSOLD UNITS

LOT NUMBER	MONTHLY REAL ESTATE TAX
359	\$21.80
360	\$23.62
361	\$21.80
362	\$21.80
363	\$21.80
364	\$23.62
387	\$23.62
388	\$23.62
389	\$21.80
390	\$23.62
391	\$21.80
392	\$21.80
393	\$23.62
394	\$23.62
395	\$23.62
396	\$23.62
401	\$23.62
429	\$23.62
430	\$23.62
453	\$25.43
454	\$23.62
455	\$23.62
456	\$21.80
461	\$21.80
463	\$21.80
464	\$23.62
466	\$25.43

LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

FINANCIAL STATEMENTS AND

SUPPLEMENTARY INFORMATION

YEAR ENDED SEPTEMBER 30, 1995

ESPOSITO, FUCHS, TAORMINA & FUCHS 38 OAK STREET PATCHOGUE, NEW YORK 11772-2883

LEISURE GLEN HOMEOWNERS' ASSOCIATION. INC. FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION YEAR ENDED SEPTEMBER 30. 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)

HEIL B. ESPOSITO, Managing Pariner HURRAY 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

September 16, 1995

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

We have audited the accompanying Balance Sheet of Leisure Glen Homeowners' Association, Inc. as of September 30, 1995, and the related Statements of Revenue and Expenses and Changes in Members' Equity, and Cash Flows for the year 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 provide 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, 1995, and the results of its operations and its cash flows for the year 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

t, tuck, January - Truck

BALANCE SHEET

SEPTEMBER 30. 1995

ASSETS

Cash - Undesignated	\$ 57,311
Cash - Designated for Future Repairs	555 000
and Replacements	577,001
Note Receivable	7,365
Accounts Receivable - Members	3,619
Prepaid Insurance and Other Expenses	9,034
Furniture and Improvements (Net)	13,342
Talliand and Lapertonino (1100)	
<u>Total Assets</u>	\$667,672
,	
LIABILITIES AND MEMBERS' EQUITY	
Accounts Payable and Accrued Expenses	\$ 44,342
Assessments Received in Advance	24,373
Income Taxes Payable	8,160
m. p. 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	A 76 075
<u>Total Liabilities</u>	<u>\$ 76.875</u>
Members' Equity	
	¢ 4 020
Undesignated	\$ 4,030
Designated for Future Repairs and Replacements	<u>586,767</u>
Makal Nambanal Besides	¢500 707
Total Members' Equity	\$590,797
Total Liabilities and Members' Equity	\$667,672
TOTAL PIEDITIFIES SHO MEMBERS EGGICA	9007,072

STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN MEMBERS' EQUITY

FOR THE YEAR ENDED SEPTEMBER 30. 1995

Revenues

\$1,191,577 8,476 5,000
\$1,205,053
\$ 136,313 82,899 2,935 112,332 18,912 494,382 32,130 3,594 9,017 98,805 26,961 94,399 59,225 2,021 \$1,173,925
\$ 31,128
(27,098)
\$ 4,030

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30. 1995

Cash Flow from Operating Activities

Net Surplus (Deficit) Adjustments to Reconcile Net Income to Net Cash Provided	\$ 31,128
by Operating Activities: Depreciation (Increase) Decrease in	2,021
Maintenance Charges Receivable	(2,479)
(Increase) Decrease in Prepaid Expenses (Increase) Decrease in	530
Note Receivable	9,180
Increase (Decrease) in Maintenance Charges Paid in Advance Increase (Decrease) in Income	(9,860)
Taxes Payable	5,163
Increase (Decrease) in Accounts Payable	5,663
	\$ 10.218
Net Cash Provided (Used) by Operating Activities Cash Flow from Investing Activities	\$ 41.346
Cash Flow Hom Hiveschild Accivities	
Capital Expenditures	\$ (9,080)
Interest Income	27,040
Reduction of Loan	<u>(33.625</u>)
Net Cash Provided (Used) by Investing Activities	<u>\$(15.665</u>)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 1995

Cash Flow from Financing Activities

Loan Repaid Capital Contributions Expended Corporation Taxes Payable	\$ 33,625 110,805 (33,409) (9,339)
Net Cash Provided (Used) by Financing Activities	<u>\$101,682</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$127,363
Cash and Cash Equivalents at Beginning of Year	506,949
<u>Cash and Cash Equivalents at</u> <u>End of Year</u>	\$634,312
Supplemental Disclosures:	·
Income Taxes	\$ 6,815

STATEMENT OF RECONCILIATION OF FUTURE REPAIRS AND REPLACEMENT ACCOUNTS

YEAR ENDED SEPTEMBER 30. 1995

<u>Capital Project Reserve</u> <u>Funds - Beginning</u>	\$314,540
Contributed Capital	
Contributions	98,805
Loan Repaid	33,625
Interest	20,825
Disbursements	
Expended	\$ 33,409
Corporation Taxes	7,191
<u>Capital Project Reserve</u> <u>Funds - Ending</u>	\$427,195
Paid in Capital - Beginning	\$143,505
Contributed Capital	
Contributions	12,000
Interest	6,215
<u>Disbursements</u>	
Corporation Taxes	\$ 2,148
Paid in Capital - Ending	\$159,572

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 1995

Note 1 - <u>Description of Operations</u>

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 30,1995, there were 410 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 - Income Taxes

The Association is required to file a Federal Corporate Income Tax Return and has elected to file as a Home-owners' 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.

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30. 1995

Note 4 - 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 because those properties are owned by the individual unit owners in common and not by the Association. The Association capitalizes personal property at cost and depreciates it using the straight-line and MACRS methods.

Property, equipment and improvements consisted of the following:

	September 30, 1995
Office Furniture	\$ 6,230
Improvements	15,849
Accumulated Depreciation	<u>(8,737</u>)
	\$13,342

Note 5 - 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.
- B. Maintenance and Management Services J.P.M.

 Management Corp. The Association has contracted for maintenance and management services at an effective rate of \$106.33 per unit per month for the period April 1, 1991 through March 31, 1997, for three hundred and eighty-five (385) units only.
- C. <u>Sanitation</u> Detail Carting Co., Inc. An agreement exists with Detail Carting Co., Inc. for disposal of garbage at a cost of \$16.15 per unit per month, plus \$500 for a dumpster as required.

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30. 1995

Note 6 - Capital Reserves

During the current fiscal period Future Repairs and Replacements previously established for repair and replacement of roofs, roads, and 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 7 - Sponsor Contribution

During the period October 1, 1994 to September 30, 1995, 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.

Note 8 - 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 \$0 at September 30, 1995.

A portion of the reserves for the roof and road replacements has been invested in U.S. Government securities. The cost of these investments is \$158,253 and the fair market value as at September 30, 1995, is \$151,128. It is the Board's intention to hold these securities until maturity.

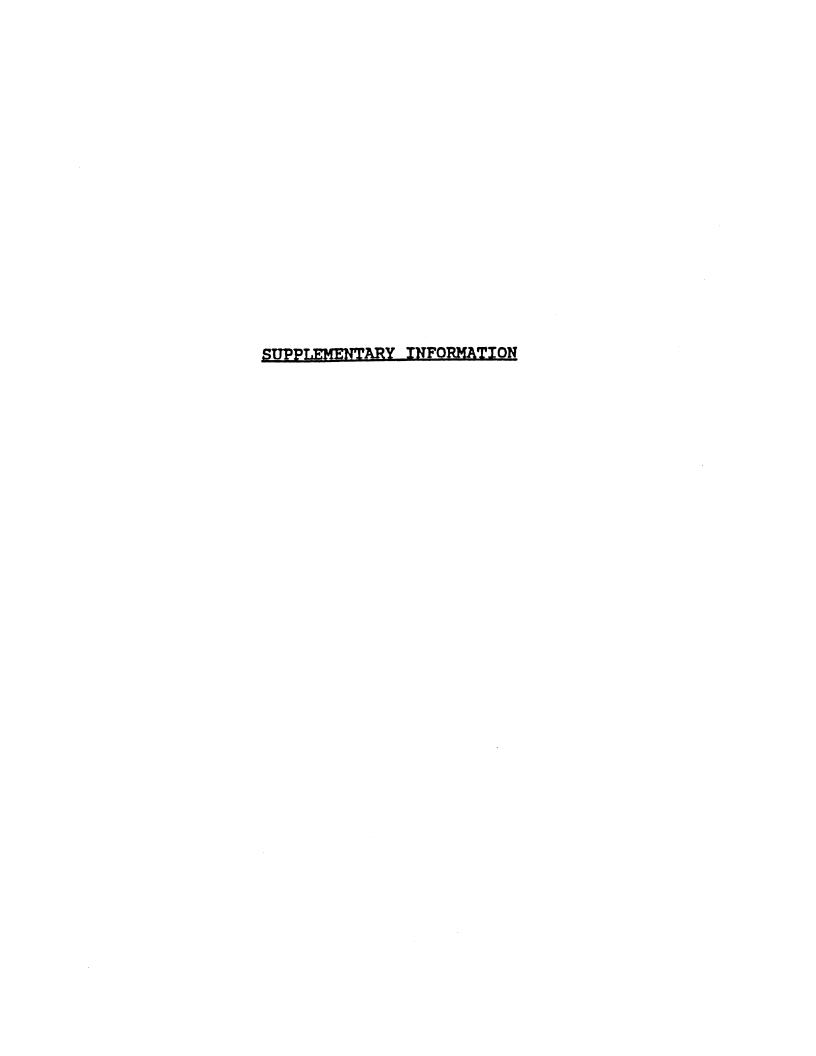
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)

SEPTEMBER 30. 1995

The Association's Board of Directors conducted a study in March, 1994, 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 study. Estimated current replacement costs have not been revised since that date and do not take into account the effects of inflation between the date of the study and the date that the components will require repair or replacement.

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

<u>Component</u>	Estimated Useful Life (Years)	Estimated Current Replacement Cost
Roofs	20	\$ 750,000
Road	13 to 27	792,000
Painting	5	160,000
Rec. Bldg. Mech. Res.	10	100,000
Tree/Shrub Repl.	10	110,000
		\$1,912,000



LEISURE GLEN HOMEOWNERS ASSOCIATION, INC OPERATING BUDGET

OCTOBER 1, 1995 THROUGH SEPTEMBER 30, 1996

TNOONE (1)	12 MONTH EST EXPENSES 10/1/94- 9/30/95	12 MONTHS BUDGET 10/1/95- 9/30/96	MONTHLY COST PER UNI 10/1/95- 9/30/96
INCOME (1)			
Association fees Sponsor maintenance fees Miscellaneous income Builder payments Transfer fees	\$1,189,097 \$12,000 \$1,400 \$6,000 \$4,000	\$1,252,250 \$12,000 \$1,400 \$6,000 \$2,500	\$250.00 \$2.40 \$0.28 \$1.20 \$0.50
TOTAL INCOME	\$1,212,497	\$1,274,150	\$254.37
EXPENSES			
Utilities (2)	\$127,808	\$136,400	\$27.23
LILCO	\$72,340	\$80,000	\$15.97
Water	\$49,500	\$50,000	\$9.97
Telephone	\$5,568	\$6,000	\$1.20
Sewage	\$400	\$400	\$0.08
Sanitation (3)	\$82,706	\$92,200	\$18.41
Recreational Activities		\$3,000	\$0.60
Security (5)	\$112,790	\$119,300	\$23.82
Insurance (6)	\$24,501	\$24,000	\$4.79
Management & Maint. Serv		\$492,500	\$98.32
Bus Service (8) Legal (9)	\$32,130 \$6,694	\$34,000 \$10,000	\$6.79 \$2.00
Accounting & Audit Fees		\$7,000	\$1.40
Reserves (11)	\$100,800	\$122,800	\$24.50
Other Operating Expenses	· · · · · · · · · · · · · · · · · · ·	\$130,500	\$26.08
Depreciation (13)	\$1,562	\$2,100	\$0.42
Maintenance Contracts (• •	\$35,150	\$7.02
Cablevision (15)	\$59,975	\$65,200	\$13.02
,			
TOTAL EXPENSES	\$1,184,710	\$1,274,150	\$254.37
SURPLUS (to be applied against accumulated deficit		\$0 =======	(\$0)

FOOTNOTES TO THE OPERATING BUDGET

1. INCOME

Our new budget shown above will again start our new fiscal year on October 1. (Fiscal year is now 10/1/95 - 9/30/96). The present budget maintains the maintenance fee at the same \$250.00 per month.

During this period Oct. 1, 1995 to Sept. 30, 1996 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 have added that to our revenue stream.

Miscellaneous income is derived from late fees on maintenance

2. UTILITIES

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

charges, from copier reimbursements, and gate badges.

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. The estimated expenses indicates that the water usage has been controlled and with SCWA more reasonable rates, we have reduced the water costs.

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.

SANITATION

Sanitation is provided by Detail Carting Company for the removal of and disposal of all garbage and recyclables. The cost is again \$16.15 per unit per month. This includes the cost of \$500.00 on average for eight months for a dumpster for ground refuse.

4. RECREATION ACTIVITIES

Allowance this year will be \$250 per month for expenses by 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 \$8.84 per hour for labor and \$2.00 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 \$2,000,000 umbrella policy. Directors, Officers and committee members will continue with coverage of \$1,000,000, and the Boiler & Machinery policy will be continued.

7. MANAGEMENT AND MAINTENANCE SERVICES

Our labor service agreement continues with J.P.M. Management 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. All employees will, at this time, remain employed by J.P.M. The cost of this service holds at \$106.57 per unit per month for 385 units. The board approved an additional extension to the contract to 3/31/97, which has the result of a no increase in this service until 1997, no matter how many homes are built. The HOA has essentially frozen the cost of this service to 385 homes, although we are receiving revenue for 408 homes.

8. BUS SERVICE CONTRACT

Our bus service is now supplied by Laidlaw Bus Co. The daily fee to the HOA is at the rate of \$210.00 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 35 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 \$24.50 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, home repairs, tree replacement, sprinkler parts, lawn fungicides, and miscel. expenses of our committees. We have once again included the cost of an additional lawn fertilization, 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 well.

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.

We have made great progress in the repair of the home security system and will continue this on going project.

.5. CABLEVISION

The HOA remits to Cablevision the fee for this service, which is presently \$13.00 per month.

AMENUMENT NO. 6

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) and on May 20, 1996 (Amendment No. 5 to the Restated Offering Plan, Amendment No. 23 to the original Offering Plan) is hereby further amended as follows:

I. HOMES/LOTS/PHASES V AND VI

Pursuant to the terms of the Restated Offering Plan whereby the Sponsor has a Purchase Agreement with Leisure Glen, L.P. to purchase and offer for sale unsold Lots in existing and subsequent Phases of the Development over an extended period of time, Sponsor is now offering for sale the following Homes and Lots:

Phase IV: 471-474 inclusive

In addition, pursuant to the right of Sponsor in the Offering Plan and Declaration of Covenants and Restrictions to develop an additional 158 Homes in Phase V Sponsor is hereby amending the Plan to offer for sale Home Nos. 555-558, inclusive, in Phase V and Home Nos. 643-648, inclusive, in Phase VI. Sponsor expects to close title of the first Home in Phase V and VI in the Spring of 1997.

Prior to closing the above Homes in Phase V and Phase VI Sponsor will record an amendment to the Declaration of Covenants and Restrictions (the "Declaration") contained in the Offering Plan to bring said Homes within the scheme of the Declaration. In addition, Sponsor will convey title to the common areas contained in Phases V and VI to the Association.

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: October 2, 1996

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.

UNSULD 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:

Maturity date	Interest rate
6/20/98	10.25%
4/27/97	10.25%
8/28/98	9.75%
9/20/98	10.5%
	6/20/98 4/27/97 8/28/98

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

BALANCE SHEETS

SEPTEMBER 30,

ASSETS

	<u>1996</u>	1995
Cash - Undesignated Cash - Designated for Future Repairs	\$115,432	\$ 57,311
and Replacements	483,358	418,748
Investments - Designated for Future Repairs and Replacements	167,839	158,253
Note Receivable - Members	0 1,855	7,365 3,619
Prepaid Insurance and Other Expenses	17,799	9,034
Furniture and Improvements (Net)	18,589	13,342
Total Assets	\$804,872	\$667,672
LIABILITIES AND MEMBERS	EQUITY	
	¢100 571	6 44 343
Accounts Payable and Accrued Expenses Assessments Received in Advance	\$100,571 32,524	\$ 44,342 24,373
Income Taxes Payable	7,167	8,160
Total Liabilities	\$140,262	\$ 76,875
Members' Equity	•	
Undesignated	\$ 2,028	\$ 4,030
Designated for Future Repairs and Replacements	662,582	586,767
Total Members' Equity	\$664,610	<u>\$590,797</u>
Total Liabilities and Members' Equity	\$804,872	<u>\$667,672</u>

STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN MEMBERS' EQUITY

FOR THE YEARS ENDED SEPTEMBER 30,

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

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30,

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

LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEAR'S ENDED SEPTEMBER 30.

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

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

STATEMENTS OF RECONCILIATION OF FUTURE REPAIRS AND REPLACEMENT ACCOUNTS

YEARS ENDED SEPTEMBER 30.

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

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.

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:

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

Note 7 - Contracts and Contingencies

A. <u>Security Services</u> - 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 hundered and eighty-five (385) units only.
- C. <u>Sanitation</u> 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>	Estimated Useful Life (Years)	Estimated Current Replacement <u>Cost</u>	
Roofs (Including Skylight 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	150,000	
		\$2,200,000	

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

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.

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,

John Grady,

Treasure & Director

Leisure Glen Homeowners

Association.

JG:lh

LEISURE GLEN HOMEOWNERS ASSOCIATION, INC OPERATING BUDGET

OCTOBER 1, 1996 THROUGH SEPTEMBER 30, 1997

	EST	12 MONTH IMATED EXPENSES 10/1/95- 9/30/96	12 MONTHS BUDGET 10/1/96- 9/30/97	MONTHLY COST PER UNIT 10/1/96- 7 9/30/97
INCOM	E (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
EXPEN:	SES			
	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		\$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 (1	10) \$9,805	\$8,000	\$1.50
	Reserves (11)	\$133,607	\$136,400	\$25.50
	Other Operating Expense (1	(2) \$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
SURPLI	JS	\$2,273	(\$0}	\$0
		=========	========	

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

		/30;8/16; FINAL B	8/26;9/10 UDGET-API	0;10/16 PROVED BY BOARD		D TO BOARD SEPTEMBER	SEPT
2. U	TILITIES ·			 			
	A) LILCO	-					
		-FROM H					
		REC BLDO	Elec.	\$43,000 \$15,000		BUDGET TOTAL	
			Total	\$58,000	\$58,000		
		PASEO			\$2,000		
		STREET I	IGHTS		\$15,000		
		GUARD HO	USE		\$6,000		
		ADMINIST	RATION E	LDG.	\$4,500		
		TOTAL			\$85,500	\$85,500	
	B) WATER	-					
				TOTAL	\$45,000	\$45,000	
	C) TELEPHO	ONE				Ų 15,000	
		-Include	s	Rec Bldg (Conc HOA (DALTON Of Pay Phone Guard House			

ESTIMATED EXPENSE

TOTAL

\$8,500

\$8,500

\$8,500

D) SEWAGE

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

	2x42x1 = ADJUSTME			\$336 \$64	
	TOTAL			\$400	\$400
TOTAL UTI	ADJUSTMENT TOTAL UTILITIES				\$100 \$139,500
SANITATION					
·	-use \$50	.50 per mont 0 per dumpst e 33 new clo	er		
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 MAY -97		442	3	445	
JUN -97		445 449	4 3	449 452	
JUL -97		452	4	452 456	
AUG -97		456	4	460	
SEP -97		460	3	463	
			33	5347	
				446	
Dumpster (cost - \$5	00 X 8		\$4,000	- 40 40 40 40 40 40 40
vg closings	5347	x \$12.50		\$66,838	
	Tax & Ad	justment		\$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 -Total of 32 hours x 7 days = -9 holidays = 9 x 32 x 0.5 -Use \$9.00/hour. -\$2.24/hr for use of security	224 hrs./wk.	s/day
•	Shift cost 224 x \$9.00 x 52 Holiday 9 x 32 x \$9.00 x 0.5 Car usage 8 x 7 x \$2.24 x 52	\$1,296	
		\$112,651	-
	SALES TAX + Adjustment	\$9,349	
	TOTAL	\$122,000	\$122,000
6. INSURANCE		ANNUAL COST	
-Boiler + M -Blanket + -Directors -Compensati -Insurance	umbrella & Officers	\$1,100 \$19,000 \$1,660 \$840 \$1,400	
	TOTAL	\$24,000	\$24,000
7. DALTON MANAGE	MENT & MAINTENANCE CONTRACT		
	-As per contract, fixed at \$49 thru 3/31/97; and \$15.00 / we from 4/1/97.	2,500 for 385 ek for subseq	units quent units
)*15*26+(21/6*15*26)) = -Adjustments	\$516,095 \$505	
	TOTAL	\$516,600	\$516,600
B. BUS SERVICE C	ONTRACT		
	-Daily rate is \$216. -216 x 3 x 52 = -Adjustments	\$33,696 \$304	

TOTAL TO DATE

\$34,000

\$34,000

LEGAL RETAINER \$3,000 EXTRA HOURS 60 @ \$200/hr \$12,000 TOTAL \$15,000 \$15,000 0. ACCOUNTING & AUDIT AUDIT & miscel. DATUMEG Est. \$273/month, use \$4,000 TOTAL \$8,000 \$8,000				
EXTRA HOURS 60 @ \$200/hr \$12,000 TOTAL \$15,000 \$15,000 0. ACCOUNTING & AUDIT AUDIT & miscel. \$4,000 DATUMEG Est. \$273/month, use \$4,000 TOTAL \$8,000 \$8,000 1. 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 TOTAL \$136,400 \$136,400 2. OTHER OPERATING EXPENSES 1 -Copier & PC supplies \$2,000	. LEGAL		_	
AUDIT & miscel. \$4,000 DATUMEG Est. \$273/month, use \$4,000 TOTAL \$8,000 \$8,000 1. 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 TOTAL \$136,400 \$136,400 2. OTHER OPERATING EXPENSES 1 -Copier & PC supplies \$2,000			•	
AUDIT & miscel. DATUMEG Est. \$273/month, use \$4,000 TOTAL \$8,000 \$8,000 1. 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 TOTAL \$136,400 \$136,400 2. OTHER OPERATING EXPENSES 1 -Copier & PC supplies \$2,000		TOTAL	\$15,000	\$15,000
DATUMEG Est. \$273/month, use \$4,000 TOTAL \$8,000 \$8,000 1. 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 TOTAL \$136,400 \$136,400 2. OTHER OPERATING EXPENSES 1 -Copier & PC supplies \$2,000	O. ACCOUNTING	& AUDIT	,	
-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 TOTAL \$136,400 \$136,400 2. OTHER OPERATING EXPENSES 1 -Copier & PC supplies \$2,000				
-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 TOTAL \$136,400 \$136,400 2. OTHER OPERATING EXPENSES 1 -Copier & PC supplies \$2,000		TOTAL	\$8,000	\$8,000
-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 TOTAL \$136,400 \$136,400 2. OTHER OPERATING EXPENSES 1 -Copier & PC supplies \$2,000	1. RESERVES			
TOTAL \$136,400 \$136,400 2. OTHER OPERATING EXPENSES 1 -Copier & PC supplies \$2,000		-Paint = \$10.00/mo (includes p	ivewavs)	,
1 -Copier & PC supplies \$2,000		-Roof = \$6.00/mo -Facilities = \$2.50/mo \$25.50 x 5347.00	Increase of \$	1.00
		-Roof = \$6.00/mo -Facilities = \$2.50/mo\$25.50 x 5347.00 -Adjustment	Increase of \$ \$136,349 \$51	
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	======================================	-Roof = \$6.00/mo -Facilities = \$2.50/mo \$25.50 x 5347.00 -Adjustment TOTAL	Increase of \$ \$136,349 \$51	
Special electrical \$2,000	1 -Copier & 2 -Street 1 3 -General 4 -Sprinkle 5 -Rec buil incl & re 6 -Pool & T 7 -Paseo & Repa 8 -Guard Ho 9 -Other Re	-Roof = \$6.00/mo -Facilities = \$2.50/mo \$25.50 x 5347.00Adjustment TOTAL TOTAL	\$136,349 \$51 \$136,400 \$136,400 \$2,000 \$4,000 \$7,000 \$10,000 \$7,000 \$7,000 \$3,500 \$1,000	

\$30,500

\$6,000 \$7,000

10 -Landscaping

Drainage Corrections Fungicides

replacements, paseo plantings & material Tree Pruning/root trim \$6 Seed & Wood chips \$3 Tree Sprays \$1 Other Miscel. \$1	,000 ,000 ,000 ,000 ,000 \$500	
11 -Preventive Maintenance	\$500	
Group Supplies 12 -Contingencies	\$8,000	
TOTAL	\$97,500	\$97,500
13. DEPRECIATION		- And also using signs signs signs signs some some stille from their dear date date date date.
\$200.00 PER MONTH FOR ALL	\$2,400	
TOTAL	\$2,400	\$2,400
14. MAINTENANCE CONTRACTS/SERVICE CONTRACT	TS	
-MAS \$363/mo.+ service -Ross Inc HVAC & hot water boiler \$5		
- Kitchen appliances \$1 -Data Processing Consultant Service -Knight Bus. \$450/yr + PM serv. (cop-ISSCO (Card Reader)	\$4,800	
-Fire alarm & sprinkler maintenance and inspectionGate ControlContingencies	\$550 \$1,000 \$3,150	
TOTAL	\$23,750	\$23,750
15. CABLEVISION		
-Per contractual agreement	-	
5347 x \$13.50 per mont	sh \$72,185	
-Adjustment	\$72,185 \$315	
TOTAL	\$72,500	\$72,500

16. HOME REPAIRS

	1 -MATERIALS Roof Dry Rot Skylights Driveways Driveway sealing Gutters & Vents Security System (labor & parts) Other	\$1,500 \$15,000 \$6,000 \$20,000 \$5,500 \$4,000 \$15,000	\$74,000		
	2 -LABOR Daulton handyman	\$13,000	\$13,000		
	TOTAL		\$87,000	\$87,000	
	TOTAL FOR ALL CATEGORIES		and the first new days with this last was and	\$1,358,650	
LESS	MISCEL INCOME			(\$1,400)	
LESS			its)	(\$12,000)	
LESS	use \$250.00 per u TRANSFER FEES (resales @ \$2		units)	(\$2,500)	
LESS	BUILDER PAYMENT FOR SALES OF \$500.00 per month	•		(\$6,000)	
LESS	MAINTENANCE FEE REVENUE EST	'IMATE \$250 x	5347	(\$1,336,750)	
	DEFICIT/SURPLUS -0.00	PER HOME SU	RPLUS	(\$0)	
====	PERCENT OF BUDGET			-0.00%	

FOOTNOTES TO THE OPERATING BUDGET

REVENUE

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

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

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.

AMENUMENT NO. 8

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. 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) and on April 30, 1997 (Amendment No. 7 to the Restated Offering Plan, Amendment No. 25 to the original Offering Plan) is hereby further amended as follows:

I. BUDGET

A copy of the Association budget ending September 30, 1998 is annexed hereto as Exhibits "A".

II. AGREEMENT

On or about May 29, 1997 the Sponsor, Leisure Glen, L.P. (a successor in interest to the original Sponsor, Leisure Glen, Inc.) and the Home Owners Association entered into an agreement which finalized and detailed the obligations of each party. Annexed hereto and made a part of this Amendment as Exhibit "B" is a copy of the Agreement without the Exhibits. A full copy of the Agreement is available to prospective purchasers upon request.

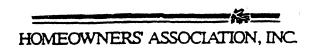
III. <u>EXTENSION</u>

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:



August 29, 1997

Dear Residents.

Here is our Budget for the fiscal year, October 1, 1997 through September 30, 1998. In order not only to maintain but also to enhance the quality of our community, the Board of Directors has authorized an increase of \$5.00 in our monthly maintenance fee, bringing that fee up to \$255.00 per month. Coupons reflecting that change will be delivered to you no later than the middle of September.

Of out total budget of \$1,468,281, mandated costs account for \$1,297,382, or 88.4 % of the total, and discretionary expenses comprise \$ 170,899, or 11.6 % of that figure. Within the mandated costs area contractual obligations (Sanitation, Security, Mgmt. & Maint., Bus and Cablevision) account for \$ 943,394, (64.3%), reserves for \$153,370, (10.4%) and necessary expensed (Utilities, Professional Services, Insurance, Depreciation, and Maintenance Contracts) for \$200,618, or 13.7%. Included in discretionary expenses are expenditures for Facilities, Grounds, Roads, Streets and Lights, Gen'l/Admin/Financial, and Home Repairs.

We are delivering this budget to you now so that you can review at your leisure; if you have any questions, please come to a meeting devoted to this budget only. The date for that meeting is Tuesday September 9th, at 7:00 P.M. If at all possible, please submit your questions in writing to Annette Garguilo no later than Friday, September 5th that way, if any research is required we can do it beforehand and we can keep the meeting moving.

EXHIBIT "A"

In closing, I want to thank Sal Spataro, our President, Patricia Burke, Chairperson of our Budget and Finance Committee and the members of the Budget and Finance Committee for their time, efforts and input. I particularly want to thank John Ragusa, our Computer Consultant, who not only provided us with historical data and other information, but made himself available when we needed him and delivered the product in timely fashion.

Sincerely,

John Grady, Treasurer &

Director Leisure Glen

Homeowners' Assoc., Inc.

LEISURE GLEN HOMEOWNERS ASSOCIATION, INC OPERATING BUDGET

OCTOBER 1, 1997 THROUGH SEPTEMBER 30, 1998

	ES	STIMAI	12 MONTH FED EXPENSES 10/1/96- 9/30/97	-	•
INCOME	(1)	-			
	Residents Maintenance Fe Leisure Glen L.P. Maint Timber Ridge Payments Transfer Fees - Resales Miscellaneous Income		\$1,318,423 \$12,000 \$6,000 \$4,000 \$1,512	\$1,443,470 \$12,240 \$6,000 \$3,750 \$2,821	\$255.00 \$2.16 \$1.06 \$0.66 \$0.50
TOTAL	INCOME		\$1,341,935	\$1,468,281	\$259.38
EXPENS	ES				
	Utilities (2) LILCO Water Telephone Sewage Sanitation (3) Professional Services (4 Security (5) Insurance (6) Management & Maint. Serv Bus Service (8) Facilities (9) Grounds (10) Roads, Streets, & Lights Reserves (12) Gen'l/Admin/Financial (1 Home Repairs (14) Depreciation (15) Maintenance Contracts (1 Cablevision (17)	(11) (13)	\$126,336 \$76,000 \$41,000 \$9,000 \$336 \$71,391 \$25,214 \$121,933 \$25,120 \$541,007 \$32,383 \$18,500 \$49,300 \$20,500 \$138,822 \$12,750 \$72,000 \$4,319 \$16,336 \$65,940	\$129,500 \$83,164 \$37,500 \$8,500 \$336 \$79,190 \$22,100 \$125,482 \$28,390 \$622,791 \$34,933 \$25,909 \$72,490 \$15,000 \$153,370 \$11,500 \$46,000 \$7,740 \$12,888 \$80,998	\$22.88 \$14.69 \$6.62 \$1.50 \$0.06 \$13.99 \$3.90 \$22.17 \$5.02 \$10.02 \$6.17 \$4.58 \$12.81 \$2.65 \$27.09 \$2.03 \$8.13 \$1.37 \$2.28 \$14.31
TOTAL SURPLU	EXPENSES	-	\$1,341,851 \$84	\$1,468,281 \$0	- \$259.38 \$0

MANDATED EXPENSES

CONTRACTUAL OBLIGATIONS

Sanitation	79,190		
Security	125,482		
Management & Maint.	622,791		
Bus Service	34,933		
Cablevision	80,998	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>12.888 200.618 (13.7%)</u>
•	1,297,382 (88,4%)

NECESSARY/DISCRETIONARY EXPENSES

Facilities	25,909	
Grounds	72,490	
Roads, Streets & Lights	15,000	
Gen'l/Admin/Financial	11,500	
Home Repairs	46,000	170,899 (11.6%)
		.468.281(100.0%)

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

'ILI'	TIES				
A)	LILCO	•			
		-FROM HISTORY -ESTIMATE			
		REC BLDG Elec. Gas	\$42,000 \$10,000		BUDGET TOTAL
		Total WELLS PASEO	\$52,000	\$52,000 \$2,000 \$2,500	
		STREET LIGHTS		\$16,164	
		GUARD HOUSE		\$6,000	
		ADMINISTRATION BL	DG.	\$4,500	
		TOTAL	•	\$83,164	\$83,164
B)	WATER	-			
		~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~	TOTAL	\$37,500	\$37,500
C)	TELEPH	ONE			
		-Includes	Rec Bldg (Cor HOA (DALTON (Pay Phone Guard House	Office)	
		ESTIMATED EXPENSE		\$8,500	- err err err err err err err err err er
		TOTAL	•	\$8,500	\$8,500

D) SEWAGE

TOTAL

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

\$336

2x42x1 = \$84\$336 ADJUSTMENT \$0 \$336

ADJUSTMENT \$0 TOTAL UTILITIES \$129,500 ------

3. SANITATION

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

FISCAL 9	SALES PRIOR EC	M CLOSINGS	EOM	
OCT -97	455	3	458	
NOV -97	458	3	461	
DEC -97	461	. 2	463	
JAN -98	463	3	466	1
FEB -98	466	3	469	
MAR -98	469	3	472	
APR -98	472	3	475	
MAY -98	475		478	
JUN -98	478	. 3	481	
JUL -98	481	. 3	484	
AUG -98	484	3	487	
SEP -98	487	2	489	
	5649	34	5683	
•		5660.67	474	
		5738		
rg closings	5649 x \$12.95 Tax Adjustment		\$73,155 \$6,035 \$0	
	TOTAL		\$79,190	\$79,190

4. PRO	FESSIONAL			
		-Accounting & Audit -Data Processing -Datumeg -Legal -Adjustment	\$4,000 \$5,200 \$5,400 \$7,500 \$0	
		TOTAL	\$22,100	\$22,100
5. SEC		-One guard 24 hours /day, one -Total of 32 hours x 7 days = -9 holidays = 9 x 32 x 0.5 -Use \$9.27/hour\$2.20/hr for use of security	224 hrs./wk.	/day
		Shift cost 224 x \$9.27 x 52 Holiday 9 x 32 x \$9.27 x 0.5 Car usage 8 x 7 x \$2.20 x 52	\$1,335	
		SALES TAX + Adjustment	\$9,764	
		TOTAL	\$125,482	\$125,482
	URANCE		ANNUAL COST	
<u>-</u>	Boiler + 1 Blanket + Directors Compensat:	umbrella & Officers	\$1,017 \$22,197 \$2,889 \$825	

TOTAL

\$1,462

\$28,390

\$28,390

-Compensation -Insurance contingencies

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 -Dumpsters \$487 * 12	\$572,060 \$5,844		
	-Sales Tax -Adjustment	\$40,431 \$4,456		
	TOTAL	\$622,791	\$622,791	
8. BUS SERVICE		=======================================		
	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	
0. GROUNDS				
-Landsca	ning	\$35,500		
-Rep -Dra -Fun -See -Tre	lacement Lights \$500 inage Corrections \$2,000 gicides \$12,000 d/Sod/Wood Chips \$7,000 e Pruning & Removal \$9,000	433,300		
-Gar	den Club Subsidy \$1,000 Cellaneous \$4,000			
	cellaneous \$4,000 common property	\$24,990		
	lacement Lights \$5,000	<i>~,</i>		
	airs & Maintenance \$19,990			
-Sprinkl	er parts & systems	\$12,000		
	TOTAL	\$72,490	\$72,490	
72522223222				

-Road	eet lights/Flagpole ds & Streets tingencies	\$1,000 \$11,000 \$3,000	
	TOTAL	\$15,000	\$15,000
2. RESERV	======================================		
1.00 0.00 6.00 6.00 3.50 0.50	-Curb Tree Removal = -Paint = \$10.00/mo (i -Road = \$6.00/mo -Roof = \$6.00/mo -Facilities = \$3.50/m -Wells = \$.50/mo -Computers = \$.15/mo	ncludes privacy fences	5)
7.15	-\$27.15 x 5649.00 -Adjustment	\$153,370 \$0	
	TOTAL	\$153,370	\$153,370
3. Gen'l /	/ Admin / Financial		
	-Bank Charges -Copying Outside -Community Mgr -Dues & Subsriptions -Postage -Repairs & Maint -Supplies -Taxes -Miscellaneous	\$300 \$2,000 \$200 \$500 \$1,500 \$1,500 \$500 \$1,000 \$4,000	
.=======	TOTAL	\$11,500	\$11,500
1 -MA	EPAIRS ATERIALS Roof Repairs Dry Rot Skylights Driveways Replacement Driveway sealing	\$2,000 \$6,000 \$4,000 \$15,000 \$5,500	

Leaders & Gutters Security System (labor & parts)

TOTAL FOR ALL CATEGORIES

\$1,500 \$12,000

•		-
TOTAL	\$46,000	\$46,000
		=======================================
\$625.00 PER MONTH FOR ALL Adjustment	\$7,500 \$240	
TOTAL	\$7,740	\$7,740
16. MAINTENANCE CONTRACTS/SERVICE CONTRACTS	ه خوان میک میک میک میک میک میک میک میک میک این	
-Ansul Inspection -Ross Inc.	\$125 \$8,036	
- HVAC & hot water boiler \$6,236 - Kitchen appliances \$1,800 -J & S Kitchen works -AAA Sprinler inspection -Bilar Piano Tuning -ISSCO (Card Reader) -Knight Bus. copier maintenance -Computers (Micro Key etc.)	\$742 \$586 \$603 \$936 \$1,260 \$600	
TOTAL	\$12,888	\$12,888
7. CABLEVISION		
-Per contractual agreement -10/1/97 - 11/30/97 913 units*13.5/month	\$12,326	
-12/1/97 - 9/30/98 4736 units*14.5/month	\$68,672	_
TOTAL	\$80,998	\$80,998

\$1,468,281

	TOTAL FOR ALL CATEGORIES	\$1,468,281
LESS	MISCEL INCOME	(\$2,821)
LESS	SPONSOR MAINTENANCE FEES (use average 4 units)	(\$12,240)
LESS	Use \$255 per month 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

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

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.

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.

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.

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.

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.

2. 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.

SETTLEMENT AGREEMENT

AGREEMENT made this 4 date of 4, 1997 between Timber Ridge Homes at Leisure Glen, Inc., a New York Corporation with an address at 631 Commack Road, Commack, New York 11725 (hereinafter "Timber Ridge"); Leisure Glen, L.P., a Georgia limited partnership with an address at 5570 Glenridge Drive, Atlanta, Georgia, (hereinafter "Leisure") and Leisure Glen Home Owners Association, Inc., Randall Road, Ridge, New York (hereinafter the "Association").

WHEREAS, Leisure is a successor in interest to Leisure Glen, Inc. the original developer ("Original Developer") of a senior citizen residential community located on Randall Road, Ridge, Town of Brookhaven, Suffolk County, New York known as Leisure Glen (hereinafter the "Development"), which Development may ultimately consist of a total of 650 homes, each on an individual lot; and

WHEREAS, Leisure currently owns 158 lots in the Development; and

WHEREAS, Timber Ridge has an agreement with Leisure to acquire the lots owned by Leisure, construct homes on said lots and to sell the homes in the Development simultaneously with membership interests in the Association to bona fide purchasers pursuant to the terms of a Restated Offering Plan (the "Plan") which was accepted for filing by the New York State Department of Law on or about May 13, 1994, as amended; and

WHEREAS, pursuant to the terms of the aforesaid agreement, Timber Ridge has conveyed 56 Homes to bona fide purchasers as of April 15, 1997 and currently owns an additional 47 Homes which Timber Ridge is offering for sale to bona fide purchasers and 3 model Homes which are not currently being offered for sale; and

including but not limited to recreational facilities, roadways, a gate house and natural and landscaped area (hereinafter "Common Area"); and

WHEREAS, Leisure and/or Timber Ridge will convey additional Common Area to the Association as the development progresses; and

WHEREAS, the Association was incorporated under the Not-for-Profit Corporation Law of the State of New York on July 24, 1985 for the purpose of owning and maintaining the Common Area as well as providing various services to the individual Homes and Home Owners in the Development, all as detailed in the Plan; and

WHEREAS, the Board of Directors of the Association authorized the President, and Secretary thereof, by resolution at a duly held meeting of the Board of Directors to execute this Agreement on its behalf, a copy of said resolution being attached hereto as Exhibit "A"; and

WHEREAS, Timber Ridge, Leisure and the Association are desirous of consummating the orderly transition of the operation and maintenance of the Development to the Association, as well as finalizing the obligations of each party.

NOW THEREFORE, in furtherance of the above and in consideration of the mutual promises and considerations made by each, the parties hereby agree as follows:

1. In lieu of their promise to transfer title to the sales office to the Association,
Leisure and Timber Ridge agree to convey Lots 365 and 366 to the
Association by June 30, 1997. Thereafter, Leisure and Timber Ridge agree
to simultaneously convey Lots 367 and 368 in exchange for the common area
located at the intersection of Leisure Drive and Laurel Drive and the

municipal approvals are in place so that the common area can be separated into separate buildable lots and used for the construction of homes in the Development for sale to bona fide purchasers. In the event Timber Ridge and/or Leisure is unable to obtain the necessary municipal approvals required to create separate buildable lots on the aforementioned lots, the Association shall have the option to acquire Lots and expire six (6) months from the date Timber Ridge and/or Leisure provides written notice to the Association that that they are prohibited from creating separate buildable lots on Lots 583 and 632. Said notice shall be provided to the Association within thirty (30) days of either Timber Ridge and/or Leisure receiving final notice from the necessary municipal agencies that they are prohibited from creating separate buildable lots on Lots 583 and 632.

- 2. At such time as the Association obtains title to Lots 365, 366, 367 and 368 it is the Association's intent to use said lots for construction of a storage, administrative and/or parking facility for the Association (hereinafter the "Association Facility") subject to obtaining all required municipal approvals.
- 3. All costs associated with the approvals to construct the Association Facility shall be the sole responsibility of the Association.

- aforementioned common area for construction of Homes in the Development shall be the responsibility of Timber Ridge and/or Leisure.
- 5. All parties agree to mutually cooperate to the best of their ability in order to obtain all the necessary municipal approvals required to effectuate Paragraphs

 1 and 2 hereof within a reasonable period of time after the execution of this Agreement.
- 6. In the event the Association obtains municipal approval to construct the Association Facility, they shall have the option to require Timber Ridge to construct the Association Facility on Lots 365, 366, 367 and 368 pursuant to final plans and specifications reasonably agreed upon by the Association, Timber Ridge and Leisure (hereinafter "Option 1").
- 7. In the alternative, the Association shall have the option to have Timber Ridge and Leisure contribute the sum of \$215,000 to the Association (hereinafter "Option 2"). The Association can choose option 2 regardless of whether they obtain title to Lots 367 and 368.
- 8. The Association shall choose either Option 1 or Option 2 within six (6) months of the execution of this Agreement by written notice to Timber Ridge and Leisure, unless the parties otherwise agree to extend said date.
- 9. In the event the Association chooses Option 1, construction of the Association Facility will be completed no later than February 1, 1999 subject to strikes, material shortages, acts of God, municipal approvals or other unforseen delays beyond the control of all Parties subject to this Agreement. In the event the

Association Facility is not completed prior to said date then all funds then being held in escrow pursuant to Paragraph 12 of this Agreement shall be released to the Association.

- 10. In the event the Association chooses Option 2, Timber Ridge and Leisure shall pay the Association the combined total sum of \$215,000 upon the earlier of the transfer of title to the 41st Home to a bona fide purchaser subsequent to the execution of this Agreement or September 1, 1998.
- 11. In the event the Association is unable to obtain the required municipal approvals for construction of the Association Facility within six (6) months of the execution of this Agreement, unless said period is extended by agreement of all Parties, Timber Ridge and Leisure agree to pay the Association \$215,000.00 pursuant to the terms of Option 2 above and the Association shall have no obligation to construct the Association Facility.
- 12. In addition to Option 1 or Option 2, Timber Ridge and Leisure agree that a \$1,000 payment on behalf of the Association shall be made at each closing of title to a Home in the Development conveyed to a bona fide purchaser commencing with the closing of title to the 61st Home in the Development from Timber Ridge to a bona fide purchaser. The \$1,000 payment shall be payable to the Association as follows: \$750 shall be paid to the Association simultaneously with each closing and \$250 shall be paid to the law firm of Certilman Balin Adler and Hyman, LLP, 90 Merrick Avenue, East Meadow, New York 11554 (the "Escrow Agent") to be held in escrow to be released

only in accordance with Paragraphs 9 and 17 of this Agreement. The number of Homes necessary to be conveyed to bona fide purchasers to reach the 61st Home shall include all Homes conveyed by Timber Ridge to bona fide purchasers prior to the date of the execution of this Agreement as well as all Homes conveyed by Timber Ridge to bona fide purchasers subsequent to the execution of this Agreement.

- 13. The Parties further agree that Timber Ridge shall be able to construct detached Homes or any other new Model types on all unsold lots, except lots 369-374 (inclusive), 387, 388, 389, 392, 393 and 396, in Section 4 upon which Timber Ridge will construct semi-attached model type Homes similar to the semi-attached model type Homes previously constructed in Sections 1 through 4 of the Development.
- 14. The Parties further agree that until such time as the Association Facility is complete and operational or funds paid to the Association are used for other than construction of the Association Facility, pursuant to the terms of Paragraph 11, the Association shall have use of the existing administrative building.
- 15. The Parties further agree that the Association shall continue to have use of the parking lot across from the existing administrative building (a "Parking Lot") for said purpose until either the Association Facility is complete and operational, any funds paid to the Association are used for other than construction of the Association Facility pursuant to the terms of Paragraph 11 or until Timber Ridge and/or Leisure shall need the Parking Lot for construction of Homes on said area, whichever shall come first. The Board

of Directors of the Association agrees to inform the membership as a whole that the Parking Lot is to be kept in its current condition at the request of the Association pursuant to the terms contained in this Paragraph 15 of the Agreement.

16. The Parties further agree that the Association shall have three (3) months from the date of the closing of title to the last Home in the Development to provide Timber Ridge and Leisure with a written list of items located in the Common Area that have been conveyed to the Association subsequent to the date of this Agreement the Association deems in need of repair and/or replacement, and deems is the responsibility of Timber Ridge and/or Leisure ("Association List"). Timber Ridge or Leisure shall provide the Association with written notice of the closing of the last Home in the Development within ten (10) days subsequent to said closing. None of the items on the Association List shall pertain to the individual Homes in the Development, it being the intent of the Parties hereto that each Homeowner be responsible individually for any claims regarding their Home. Timber Ridge and/or Leisure shall have a reasonable period of time, not to exceed ninety (90) days, to determine whether or not Timber Ridge and/or Leisure disputes any or all items on the Association List and to notify the Association in writing within said ninety (90) days of any items on the Association List they deem are not their responsibility. Failure by Timber Ridge and Leisure to dispute any or all items within said ninety (90) day period shall mean that they do not

dispute any of the items on the Association List. Timber Ridge and/or Leisure shall either repair and/or replace each item on the Association List it acknowledges are their responsibility, or in the alternative contribute a sum to the Association equal to an amount of the cost to repair and/or replace said items as estimated by an independent contractor agreed to by all parties hereto. Timber Ridge and/or Leisure will make said repairs and/or replacements or contribute said sum within a reasonable period of time, not to exceed ninety (90) days subsequent to the date it acknowledges in writing those items on the Association List is their responsibility. Upon the reasonably satisfactory completion of the repair and/or replacement of each item on the Association List by Timber Ridge and/or Leisure a representative of the Association shall execute the form attached hereto as Exhibit "B" which acknowledges that the work has been completed. In the event there is a dispute as to any item on the Association List, the parties agree to go before a binding three (3) member arbitration panel consisting of one (1) member designated by Timber Ridge and Leisure, one (1) member designated by the Association and one (1) member designated by the other two (2) members of the panel. The decision of the arbitration panel shall be final and binding on all parties and the cost of the arbitration shall be shared by the Association, Timber Ridge and Leisure each paying one-third of the cost.

17. The funds being held in escrow by the Escrow Agent pursuant to Paragraph

12 of this Agreement shall not be released until all the terms of Paragraph 15

hereof are fully completed by all parties and the general releases described in Paragraph 18(c) are executed and exchanged by the respective parties. Further, none of the funds being held in escrow pursuant to Paragraph 12 shall be used by Timber Ridge and/or Leisure to satisfy any items on the Association List.

- 18. The Parties to this Agreement agree to execute the following General Releases upon execution of this Agreement:
 - a. General Release C-1 and C-2 are to be exchanged and released upon the execution of this Agreement and will release Leisure and Timber Ridge from any and all causes of action, suits, debts, obligations, etc., as provided for in General Release C-1, to all the Common Area and Common Area facilities previously conveyed to the Association as of the date of this Agreement by either the Original Developer, Leisure or Timber Ridge (General Release C-1) and which releases the Association from any and all causes of action, suits, debts, obligations etc., as provided for in General Release C-2, to Timber Ridge or Leisure for all obligations to all the Common Area and Common Area facilities previously conveyed to the Association as of the date of this Agreement by either the Original Developer, Leisure or Timber Ridge (General Release C-2).
 - b. General Release C-3 and C-4 are to be held in escrow by the Escrow Agent and released to Timber Ridge, Leisure and the Association

upon the issuance of a certificate of occupancy for the Association Facility by the Town of Brookhaven or other responsible municipal agency, in the event the Association chooses Option 1 described in Paragraph 8 of this Agreement or if the Association chooses Option 2, to be released to Timber Ridge and Leisure upon the payment of the \$215,000 to the Association as described in Paragraph 9 of this Agreement.

- C. General Release C-5 and C-6 are to be held in escrow by the Escrow Agent and released to Timber Ridge, Leisure and the Association simultaneously with the payment to the Association of all funds then being held in escrow pursuant to Paragraph 12 of this Agreement.
- 19. This Agreement is being executed to settle a claim amongst the parties hereto and in consideration of the promises set forth in this Agreement and their faithful performance, the Association has offered to refrain from commencing an action at law and/or in equity for the items set forth herein.
- 20. The terms of this Agreement shall be binding on all future Boards of Directors of the Association and all successors in interest and assignees of Leisure and Timber Ridge.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

	LEISURE GLEN HOME OWNERS
•	ASSOCIATION, INC
Ву:	Centen Lese
	President of Leisure Glen Home Owners
Ву:	Association, Inc. Accord Riback
	Secretary of Leisure Glen Home Owners
	Association, Inc.
	TIMBER RIDGE HOMES AT LEISURE
	GLEN/INC.
Ву:	
	Donald M. Eversoll, Executive Vice Presiden
	<u>-</u>

of Timber Ridge Homes at Leisure Glen, Inc.

General Partner of Leisure

Glen, L.P.

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. 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. <u>UNSOLD HOMES AND LOTS SUBJECT TO MORTGAGES OR FINANCING</u> 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:

Current principal amount	Maturity date	Interest rate
\$ 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.%

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.

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.

ldh

BALANCE SHEETS

SEPTEMBER 30.

ASSETS

	1997	<u>1996</u>
Cash - Undesignated Cash - Designated for Future Repairs	\$129,219	\$115,432
and Replacements Investments - Designated for Future	558,584	483,358
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>	18,589
<u>Total Assets</u>	\$911,625	\$804,872
Accounts Payable and Accrued Expenses Assessments Received in Advance Income Taxes Payable	\$102,766 27,504 <u>8,444</u>	\$100,571 32,524 7,167
Total Liabilities	\$138,714	\$140,262
Members' Equity Undesignated	\$ 277	\$ 2,028
Designated for Future Repairs and Replacements	772.634	662,582
Total Members' Equity	\$772,911	\$664,610
Total Liabilities and Members' Equity	\$911,625 °	\$804,872

STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN MEMBERS' EQUITY

FOR THE YEARS ENDED SEPTEMBER 30,

	<u> 1997</u>	<u>1996</u>
Revenues		
Monthly Common Charges Miscellaneous Income Resale Fees Interest Income	\$1,333,556 7,315 4,000 1,403	\$1,273,947 7,886 3,750
<u>Total Revenues</u>	\$1,346,274	\$1,285,583
Operating Expenses		
Utilities Sanitation Contract Recreation Activities Security Contract Insurance Management & Maintenance Bus Service Legal Accounting & Audit Fees Reserve Funds Maintenance Contracts Miscellaneous Repairs & Maintenan Cablevision New York State Franchise Tax Federal Corporation Tax Depreciation	\$ 128,476 71,350 896 121,901 24,682 541,192 32,230 6,255 14,018 146,086 22,025 168,730 62,311 113 326 5,406	\$ 130,553 87,964 1,693 117,311 21,001 494,386 32,025 9,852 9,805 135,107 46,211 130,669 65,112 0 0
<u>Total</u>	\$1,345,997	<u>\$1,283,555</u>
Excess (Deficit)	\$ 277	\$ 2,028
Beginning - Members' Equity Undesignated	2,028	4,030
Less: Contributed Road Reserve Contributed Working Capital	0 <u>(2,028</u>)	(4,030) 0
Ending - Members' Equity Undesignated	\$ 277	\$ 2,028

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30.

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

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30.

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

STATEMENTS OF RECONCILIATION OF FUTURE REPAIRS AND REPLACEMENT ACCOUNTS

YEARS ENDED SEPTEMBER 30,

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

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.

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 Home-owners' 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:

		September 30, 1997
Office	e Furniture	\$ 8,367
Improv	rements	60,456
		\$68,823
Less:	Accumulated Depreciation	(12,166)
		<u>\$56,657</u>

Note 7 - Contracts and Contingencies

A. <u>Security Services</u> - 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.

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. <u>Sanitation</u> 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.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1997

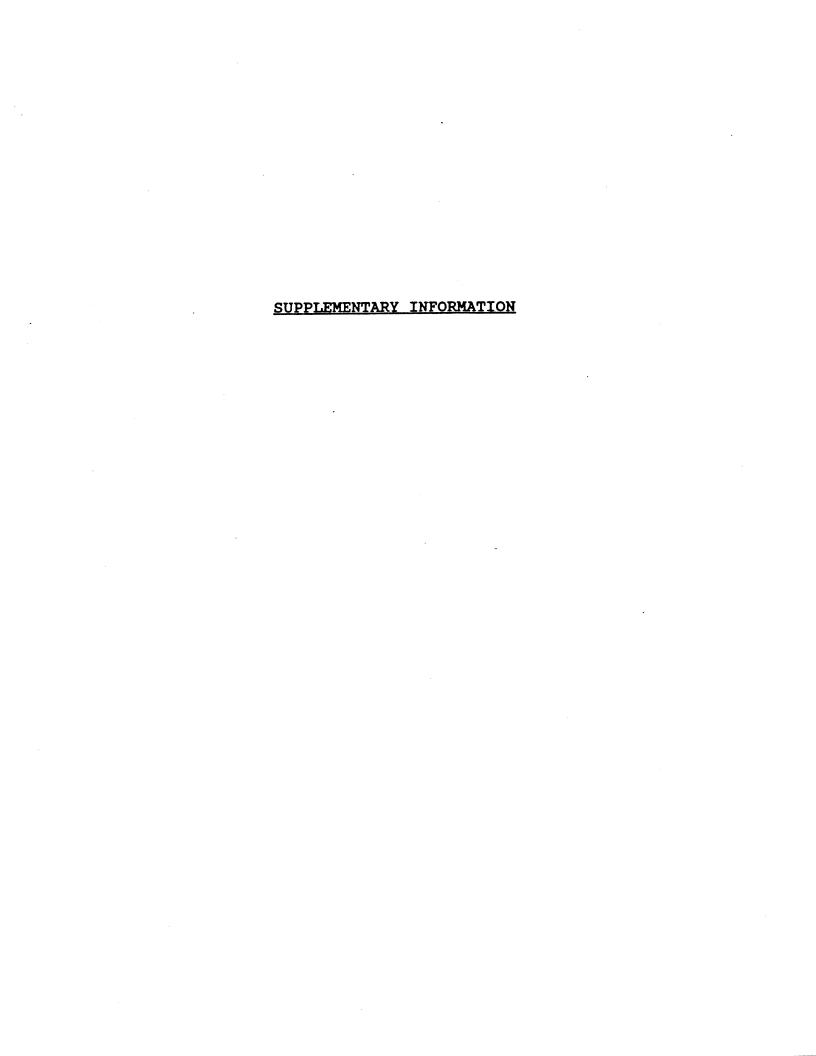
Note 10 - <u>Uninsured Cash Balances</u>

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:

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



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.)

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

LEISURE GLEN HOMEOWNERS ASSOCIATION, INC OPERATING BUDGET

OCTOBER 1, 1997 THROUGH SEPTEMBER 30, 1998

		ESTIMA'	12 MONTH TED 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
INCOM	E (1)	•		****	
	Residents Maintenance I Leisure Glen L.P. Maint Timber Ridge Payments Transfer Fees - Resales Miscellaneous Income	t Fee	\$1,318,423 \$12,000 \$6,000 \$4,000 \$1,512	\$1,443,470 \$12,240 \$6,000 \$3,750 \$2,821	\$255.00 \$2.16 \$1.06 \$0.66 \$0.50
TOTAL	INCOME		\$1,341,935	\$1,468,281	\$259.38
EXPENS	SES				
	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. Ser	v (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
ጥርጥልፕ.	EXPENSES		\$1,341,851	\$1,468,281	\$259.38
SURPLU			\$84	\$0	\$0
			=======================================	=========	

MANDATED EXPENSES

CONTRACTUAL OBLIGATIONS

Sanitation	79,190		
Security	125,482		
Management & Maint.	622,791		
Bus Service	34,933		
Cablevision	80,998	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>12,888 200,618 (13.7%</u>)
	1 297 382 (88 4%	7

NECESSARY/DISCRETIONARY EXPENSES

Facilities	25,909	
Grounds	72,490	
Roads, Streets & Lights	15,000	
Gen'l/Admin/Financial	11,500	
Home Repairs	46,000	170,899 (11.6%)
·		1 468 281(100 0%)

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

A) LILCO				
,	-FROM HISTORY -ESTIMATE			
	REC BLDG Elec. Gas	\$42,000 \$10,000		BUDGET TOTAL
	Total WELLS PASEO	\$52,000	\$52,000 \$2,000 \$2,500	
	STREET LIGHTS		\$16,164	
	GUARD HOUSE		\$6,000	
	ADMINISTRATION E	BLDG.	\$4,500	
	TOTAL		\$83,164	\$83,164
B) WATER				
C) TELEPI	HONE	TOTAL	\$37,500	\$37,500
	-Includes	Rec Bldg (Cond HOA (DALTON Of Pay Phone Guard House		
	ESTIMATED EXPENS	E	\$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 9	6 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 3 3 3	481	
JUL -98		481	3	484	
AUG -98		484	3 3 2	487	
SEP -98		487	2	489	•
		5649	34	5683	
			5660.67	474	
			5738		
Avg closings	5649	x \$12.95		\$73,155	
	Tax	•		\$6,035	
	Adjustmen	nt		\$0	
	TOTAL			\$79,190	\$79,190

	-Accounting & Audit -Data Processing -Datumeg -Legal -Adjustment	\$4,000 \$5,200 \$5,400 \$7,500 \$0	
	TOTAL	\$22,100	\$22,100
. SECURITY			
. SECURITY	One guard 24 hours /day, one -Total of 32 hours x 7 days = -9 holidays = 9 x 32 x 0.5 -Use \$9.27/hour. -\$2.20/hr for use of security	224 hrs./wk.	/day
S. SECURITY	-Total of 32 hours x 7 days = -9 holidays = 9 x 32 x 0.5 -Use \$9.27/hour.	224 hrs./wk. car. \$107,977	/day
S. SECURITY	-Total of 32 hours x 7 days = -9 holidays = 9 x 32 x 0.5 -Use \$9.27/hour\$2.20/hr for use of security	224 hrs./wk. car. \$107,977 \$1,335	/day
S. SECURITY	-Total of 32 hours x 7 days = -9 holidays = 9 x 32 x 0.5 -Use \$9.27/hour\$2.20/hr for use of security	224 hrs./wk. car. \$107,977 \$1,335 \$6,406	/day

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

7.	DALTON	MANAGEMENT	&	MAINTENANCE	CONTRACT

	-As per contract, fixed at \$49 thru 3/31/97; and \$15.00 / we		
	from 4/1/97492500+(487-385)*15*52 -Dumpsters \$487 * 12	\$572,060 \$5,844	decire annue
	-Sales Tax -Adjustment	\$40,431 \$4,456	
	TOTAL	\$622,791	\$622,791
8. BUS SER	VICE CONTRACT	# # # # # # # # # # # # # # # # # # #	
	Daily rate is \$222.48 -105 full days @ \$222.48 -104 half days @ 111.24 -Adjustment	\$23,360 \$11,569 \$4	
	TOTAL TO DATE	\$34,933	\$34,933
9. FACILIT	'IES	:====== <u>==</u>	**************************************
	-Recreation Building -Pool & Tennis Court -Security Gate House -Adjustment	\$15,000 \$9,000 \$1,000 \$909	
	TOTAL	\$25,909	\$25,909
10. GROUND	S ·		
	dscaping -Replacement Lights \$500	\$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	\$35,500	
-Pas	-Replacement Lights \$500 -Drainage Corrections \$2,000 -Fungicides \$12,000 -Seed/Sod/Wood Chips \$7,000 -Tree Pruning & Removal \$9,000	\$35,500 \$24,990	
-Pas	-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 eo & common property -Replacement Lights \$5,000		

11. ROADS, STREETS, & LIGHTS

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

12. RESERVES			
1.00	-Curb Tree Removal	= \$1.00/mo	
	- · · · · · · · · · · · · · · · · · · ·	/ i 1	•

10.00	-Paint = \$10.00/mo (include	des privacy fences	5)
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		
27.15	-\$27.15 x 5649.00	\$153,370	
	-Adjustment	\$0	
	TOTAL	\$153,370	\$153,370

-Bank Charges	\$300
-Copying Outside	\$2,000
-Community Mgr	\$200
-Dues & Subsriptions	\$500
-Postage	\$1,500
-Repairs & Maint	\$1,500
-Supplies	\$500
-Taxes	\$1,000
-Miscellaneous	\$4,000

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
Security System
(labor & parts)

\$1,500 \$12,000

TOTAL	\$46,000	\$46,000
5. DEPRECIATION		
\$625.00 PER MONTH FOR ALL Adjustment	\$7,500 \$24 0	
TOTAL	\$7,740	\$7,740
L6. MAINTENANCE CONTRACTS/SERVICE CONTRACTS		
-Ansul Inspection -Ross Inc HVAC & hot water boiler \$6,236	\$125 \$8,036	
- Kitchen appliances \$1,800 -J & S Kitchen works -AAA Sprinler inspection -Bilar Piano Tuning -ISSCO (Card Reader)	\$742 \$586 \$603 \$936	
-Knight Bus. copier maintenance -Computers (Micro Key etc.)	\$1,260 \$600	
TOTAL	\$12,888	\$12,888
17. CABLEVISION		
-Per contractual agreement -10/1/97 - 11/30/97 913 units*13.5/month	\$12,326	
-12/1/97 - 9/30/98 4736 units*14.5/month	\$68,672	_
4/30 diltes 14.3/ mondi.		

====		
	TOTAL FOR ALL CATEGORIES	\$1,468,281
LESS	MISCEL INCOME	(\$2,821)
LESS	SPONSOR MAINTENANCE FEES (use average 4 units)	(\$12,240)
LESS	Use \$255 per month 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%

FCOTNOTES TO THE OPERATING BUDGET

REVENUE

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

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.

AMENDMENT NO. 10

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. 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/BEING OFFERED FOR SALE

Pursuant to the terms of the Restated Offering Plan whereby the Sponsor has a Purchase Agreement with Leisure Glen, L.P. to purchase and offer for sale unsold Lots in existing and subsequent Phases of the Development over an extended period of time, Sponsor is now offering for sale the following additional Homes and Lots:

Phase V:

524-554 Inclusive 559-563 Inclusive 583-595 Inclusive 608-632 Inclusive 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:

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. <u>UNSOLD HOMES AND LOTS SUBJECT TO MORTGAGES OR FINANCING</u> <u>COMMITMENTS</u>

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>Maturity date</u>	Interest rate
October of 1999	9 1/4%
January of 2000	9 1/4%
May of 2000	9 1/4%
November of 1999	9 1/4%
	October of 1999 January of 2000 May of 2000

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

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ESPOSITO, FUCHS. TAORMINA & FUCHS

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PATCHOGUE, NEW YORK 11772-2883

516-475-0745 TELECOPY: 516 - 475-9507

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

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

MCMBERS-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.

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.

The Tannin Tucks ESPOSITO, FUCHS, TAORMINA & FUCHS

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BALANCE SHEETS

SEPTEMBER 30,

<u>ASSETS</u>

	1998	<u>1997</u>
Cash - Undesignated Cash - Designated for Future Repairs	\$ 121,985	\$129,219
and Replacements Investments - Designated for Future	646,046	558,584
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 Furniture and Improvements (Net)	7,500 104,804	0 <u>56,65</u> 7
rdifficule and improvements (Nec)	104,804	
Total Assets	\$1,054,116	\$911,625
Accounts Payable and Accrued Expenses Assessments Received in Advance Income Taxes Payable Due from Sponsor	\$ 70,175 34,221 10,543 7,500	\$102,766 27,504 8,444 0
Date from Sponsor	77300	
<u>Total Liabilities</u>	\$ 122,439	\$138,714
Members' Equity Undesignated	\$ 21,364	\$ 277
Designated for Future Repairs and Replacements	910,313	772,634
Total Members' Equity	\$ 931,677	<u>\$772,911</u>
Total Liabilities and Members' Equity	\$1,054,116	\$911,625

STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN MEMBERS' EQUITY

FOR THE YEARS ENDED SEPTEMBER 30,

	1998	1997
Revenues		
Monthly Common Charges Miscellaneous Income Resale Fees Interest Income	\$1,426,201 7,858 6,005 4,198	\$1,333,556 7,315 4,000 1,403
Total Revenues	\$1,444,262	\$1,346,274
Operating Expenses		
Utilities Sanitation Contract Recreation Activities Security Contract Insurance Management & Maintenance Bus Service Legal Accounting & Audit Fees Reserve Funds Maintenance Contracts Miscellaneous Repairs & Maintenance Cablevision New York State Franchise Tax Federal Corporation Tax Depreciation Total	\$ 111,064 77,606 0 124,320 26,333 606,177 33,739 9,037 19,775 151,524 9,137 164,169 77,718 343 993 10,963	\$ 128,476 71,350 896 121,901 24,682 541,192 32,230 6,255 14,018 146,086 22,025 168,730 62,311 113 326 5,406
Excess (Deficit)	\$ 21,364	\$ 277
Beginning - Members' Equity Undesignated	277	2,028
Less: Contributed Working Capital	(277)	(2,028)
Ending - Members' Equity Undesignated	\$ 21,364	\$ 277

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30,

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

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30,

	<u>1998</u>	1997
Cash Flow from Financing Activities		
Capital Contributions Expended Corporation Taxes Payable	\$182,051 (69,679) <u>(12,026</u>)	\$177,286 (90,341) <u>(10,538</u>)
Net Cash Provided (Used) by Financing Activities	\$100,346	\$ 76,407
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 80,228	\$ 89,013
Cash and Cash Equivalents at Beginning of Year	687,803	598,790
Cash and Cash Equivalents at End of Year	\$768,031	<u>\$687,803</u>
Summary of Cash and Cash Equivalents:		
Undesignated	\$121,985	\$129,219
Designated for Future Repairs and Replacements	646,046	558,584
	\$768,031	\$687,803
Supplemental Disclosures:		
Income Taxes	\$ 13,362	\$ 10,977

STATEMENTS OF RECONCILIATION OF FUTURE REPAIRS AND REPLACEMENT ACCOUNTS

YEARS ENDED SEPTEMBER 30,

	1998	<u>1997</u>
<u>Capital Project Reserve</u> <u>Funds - Beginning</u>	\$567,245	\$489,837
Contributed Capital		•
Contributions	151,524	149,334
Interest	31,122	26,867
Disbursements		
Expenditures	\$ 69,679	\$ 90,341
Corporation Taxes	10,022	8,452
<u>Capital Project Reserve</u> <u>Funds - Ending</u>	<u>\$670,190</u>	\$567,245
Paid in Capital - Beginning	\$205,389	\$172,745
Contributed Capital		
Contributions	30,527	27,952
Interest	6,211	6,778
<u>Disbursements</u>		
Corporation Taxes	\$ 2,004	\$ 2.086
Paid in Capital - Ending	\$240,123	\$205,389

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.

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:

			September 30	1998
Buildin Office Improve	Equipment & :	Furniture	\$ 2,46 22,89 102,57 \$127,93	96 7 <u>6</u>
Less:	Accumulated :	Depreciation	(23,12	<u>?9)</u>
			\$104.80)4

Note 7 - Contracts and Contingencies

A. <u>Security Services</u> - 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.

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. <u>Sanitation</u> 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.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1998

Note 10 - <u>Uninsured Cash Balances</u>

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:

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

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>	Estimated Useful Life (Years)	Estimated Current Replacement Cost
Roofs	20	\$ 750,000
Road	30	800,000
Painting	4	225,000
Facilities	10 to 20	275,000
Tree/Shrub Repl.	10	150,000
		\$2,200,000

SUPPLEMENTARY INFORMATION

AMENDMENT NO. 12 (Amendment No. 30 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 Offerina 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 is hereby further amended as follows:

I. HOMES/LOTS/BEING OFFERED FOR SALE

Pursuant to the terms of the Restated Offering Plan whereby the Sponsor has a Purchase Agreement with Leisure Glen, L.P. to purchase and offer for sale unsold Lots in existing and subsequent Phases of the Development over an extended period of time, Sponsor is now offering for sale the following additional Homes and Lots:

Phase V:

488-523 Inclusive 564-576 Inclusive 596-608 Inclusive 651-652 Inclusive

II. <u>EXTENSION</u>

This Plan may be used for six (6) 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. Sponsor

Dated: December 8, 1999

AMENDMENT NO. 13 (Amendment No. 31 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. 13 to the Restated Plan, Amendment No. 30 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 is annexed hereto as Exhibit "B". The budget for the fiscal year ending September 30, 2000 is annexed hereto as Exhibit "C".

III. AGGREGATE MONTHLY OBLIGATIONS/REAL ESTATE TAXES

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, 1999 there was no deficit.

The annual Real Estate Taxes for the unsold lots is approximately \$570 per lot or a total of \$29,580. Sponsor is current in the payment of the Real Estate Taxes of the unsold lots.

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.

The financial statement reflects an amount due from Sponsor in the amount of \$17,750. Said amount represents funds being held by Sponsor in an escrow account to be turned over to the Association per Agreement with the Association. See Note 9 at page 10 of the Financial Statement, Exhibit B of the Amendment.

V. <u>UNSOLD HOMES AND LOTS SUBJECT TO MORTGAGES OR FINANCING COMMITMENTS</u>

All the unsold units are subject to two (2) mortgages held by Columbia Federal Savings Bank, 615 Merrick Avenue, Westbury, New York 1590. The mortgages are as follows:

Current principal amount	Maturity date	Interest rate
\$1,178,000	June of 2000	10 1/2%
\$1,470,000	November of 2000	11%

Sponsor pays interest only on both mortgages and, Sponsor is current on both 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, 1999 the Paid in Capital had an aggregate balance of approximately \$512,079 in various accounts held by the Board of Directors.

As of Septembér 30, 1999 the Reserve Fund had an aggregate balance of approximately \$746,786.

XII. <u>EXTENSION</u>

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

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LIST OF UNSOLD HOMES

638, 639, 640, 645, 369-372, 488-518, 565-575, 594-596, 598-601, 603-606, 608, 609, 651 and 652.

LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC. FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION YEARS ENDED SEPTEMBER 30, 1999 AND 1998

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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, Meneging 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 14, 1999

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, 1999 and 1998, 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, 1999 and 1998, 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 twelve 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

Esposito, Fucha Jaamina Frucha

ldh

BALANCE SHEETS

SEPTEMBER 30.

ASSETS

	<u>1999</u>	1998
Cash - Undesignated Cash - Designated for Puture Repairs	\$ 108,289	\$ 121,985
and Replacements Investments - Designated for Future	1,025,035	646,046
Repairs and Replacements Accounts Receivable - Members	145,180	161,345
Prepaid Insurance and Other Expenses	2,355 10,648	3,665 8,771
Escrow Deposits	17,750	7,500
Furniture and Improvements (Net)	94,744	104.804
Total Assets	\$1,404,001	\$1,054,116
LIABILITIES AND MEMBERS	' EQUITY	
	•	•
Accounts Payable and Accrued Expenses Assessments Received in Advance	\$ 48,825 44,698	\$ 70,175
Income Taxes Payable	11,819	34,221 10,543
Due from Sponsor	17,750	7,500
Total Liabilities	\$ 123.092	5 122,439
Members' Equity	• • • • • • • • • • • • • • • • • • • •	
Undesignated	\$ 22,044	\$ 21,364
Designated for Future Repairs and Replacements	1,258,865	910,313
Total Members' Equity	\$1,280,909	\$ 931,677
Total Liabilities and Members' Equity	\$1,404,001	\$1,054,116

STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN MEMBERS' EQUITY

FOR THE YEARS ENDED SEPTEMBER 30.

	1999	1998
Revenues		
Monthly Common Charges Miscellaneous Income Resale Fees Interest Income	\$1,526,413 11,482 7,500 6,124	\$1,426,201 7,858 6,005 4,198
Total Revenues	\$1,551,519	\$1,444,262
Operating Expenses		
Utilities Sanitation Contract Security Contract Insurance Management & Maintenance Bus Service Legal Accounting & Audit Fees Reserve Funds Maintenance Contracts Miscellaneous Repairs & Maintenance Cablevision New York State Franchise Tax Federal Corporation Tax Depreciation	\$ 113,982 83,003 129,159 26,582 665,940 34,242 9,098 19,611 170,811 10,310 187,857 85,132 243 703 14,166	\$ 111,064 77,606 124,320 26,333 606,177 33,739 9,037 19,775 151,524 9,137 164,169 77,718 343 993 10,963
<u>Total</u>	\$1,550,839	\$1,422,898
Excess (Deficit)	\$ 680	\$ 21,364
Beginning - Members' Equity Undesignated	21,364	277
Less: Contributed Working Capital	0	(277)
Ending - Members' Equity Undesignated	\$ 22,044	\$ 21,364

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30.

		<u>1999</u>	<u>1998</u>
Cash Flow from Operating Activities			
Net Surplus (Deficit) Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	\$	(5,444)	\$ 17,166
Depreciation		14,166	10,963
(Increase) Decrease in Maintenance Charges Receivable (Increase) Decrease in		1,310	740
Prepaid Expenses		(1,877)	1,566
(Increase) Decrease in Escrow Deposits Increase (Decrease) in Maintenance		(10,250)	(7,500)
Charges Paid in Advance		10,477	6,718
Increase (Decrease) in Income Taxes Payable Increase (Decrease) in		1,276	2,099
Accounts Payable and Accrued Expenses		(21,350)	(32,591)
Increase (Decrease) in Due from Sponsor		10,250	7.500
	<u>\$</u>	4,002	<u>\$(10,505)</u>
Net Cash Provided (Used) by Operating Activities	\$_	(1,442)	\$ 6.661
Cash Flow from Investing Activities			
Investments Capital Expenditures Interest Income Contribution to Working Capital	\$	16,163 (4,105) 49,322 0	\$ (8,922) (59,111) 41,531 (277)
Net Cash Provided (Used) by Investing Activities	\$_	61,38	<u>\$(26,779</u>)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30.

	<u>1999</u>	1998
Cash Flow from Financing Activities		
Capital Contributions Expended Corporation Taxes Payable	\$ 440,269 (120,601) (14,313)	\$ 182,051 (69,679) (12,026)
Net Cash Provided (Used) by Financing Activities	<u>\$ 305,355</u>	\$ 100,346
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 365,293	\$ 80,228
Cash and Cash Equivalents at Beginning of Year	768,031	687,803
Cash and Cash Equivalents at End of Year	\$1,133,324	\$ 768,031
Summary of Cash and Cash Equivalents:		
Undesignated	\$ 108,289	\$ 121,985
Designated for Future Repairs and Replacements	1,025,035	646,046
	\$1,133,324	\$ 768,031
Supplemental Disclosures:		
Income Taxes	\$ 13,983	\$ 13,362

STATEMENTS OF RECONCILIATION OF FUTURE REPAIRS AND REPLACEMENT ACCOUNTS

YEARS ENDED SEPTEMBER 30.

	1999	1998
<u>Capital Project Reserve</u> <u>Funds - Beginning</u>	\$670,190	\$567,245
Contributed Capital		
Contributions	173,609	151,524
Interest	34,155	31,122
<u>Disbursements</u>		
Expenditures	\$120,601	\$ 69,679
Corporation Taxes	10,567	10,022
<u>Capital Project Reserve</u> <u>Funds - Ending</u>	<u>\$746,786</u>	<u>\$670,190</u>
Paid in Capital - Beginning	\$240,123	\$205,389
Contributed Capital		
Contributions	266,660	30,527
Interest	9,042	6,211
<u>Disbursements</u>		
Corporation Taxes	\$ 3,746	\$ 2,004
Paid in Capital - Ending	<u>\$512,079</u>	\$240,123

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 1999

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, 1999, there were 519 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 - <u>Cash and Cash Equivalents</u>

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, 1999 and 1998.

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 1999

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:

	September 30, 1999
Building Office Equipment & Furn Improvements	\$ 5,099 iture 24,364
Less: Accumulated Depre	\$132,039 eciation (37,295)
	\$ 94,744

Note 7 - Contracts and Contingencies

A. <u>Security Services</u> - 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.

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 1999

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. <u>Sanitation</u> 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, 1998 to September 30, 1999, the sponsor contributed \$215,000 for the Association's construction of a facility. The sponsor also agreed to pay the Association \$1,000, of which \$250 is to be held in escrow on each closing of title to the 61st home in the development.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1999

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 \$17,401 at September 30, 1999 and \$74,214 at September 30, 1998.

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, 1999, the investments are as follows:

Face Value	<u>Maturity</u>	Carrying Value
\$112,000	8/15/03	\$ 90,334
68,000	8/15/03	54,846
\$180,000		<u>\$145,180</u>

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)

SEPTEMBER 30, 1999

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>	Estimated Useful Life(Years)	Estimated Current Replacement Cost
Roofs	20	\$ 757,500
Road	30	808,000
Painting	4	227,250
Facilities	10 to 20	277,750
Tree/Shrub Repl.	10	151,500
		\$2,222,000

LEISURE GLEN HOMEOWNERS ASSOCIATION, INC OPERATING BUDGET

OCTOBER 1, 1999 THROUGH SEPTEMBER 30, 2000

INCOME (40)	12 MONTH ** ESTIMATED 10/1/98- 9/30/99	12 MONTHS BUDGET 10/1/99- 9/30/00	MONTHLY COST PER UNIT 10/1/99- 0 9/30/00
41 Maintenance Fees	\$1,526,039	\$1,658,265	\$255.00
43 Timber Ridge Payments	\$6,000	\$6,000	\$0.92
44 Transfer Fees - Resales	\$6,500	\$5,000	\$0.77
45 Miscel Income + Interest	\$11,750	\$5,000	\$0.77
46 From Surplus-Prior Year	\$0	\$16,585	\$2.55
TOTAL INCOME	\$1,550,289	\$1,690,850	\$260.01
EXPENSES (50)			
51 Utilities	\$116,315	\$109,400	\$16.81
51 Octificies 511 LIPA	\$72,485	\$75,000	\$11.53
512 Telephone	\$9,480	\$9,000	\$1.38
513 Water	\$33,950	\$25,000	\$3.84
514 Waste Dispos		\$400	\$0.06
52 Sanitation	\$83,003	\$91,300	\$14.04
53 Professional Services	\$22,903	\$30,500	\$4.69
54 Security	\$129,445	\$129,700	\$19.95
55 Insurance	\$28,780	\$29,000	\$4.46
56 Management & Maint. Serv	\$664,690	\$772,500	\$118.79
57 Bus Service	\$34,174	\$36,000	\$5.55
58 Facilities	\$28,100	\$29,750	\$4.57
59 Grounds	\$63,158	\$70,500	\$10.84
60 Road Repairs & St Lights		\$10,500	\$1.62
61 Reserves	\$170,725	\$156,100	\$24.00
62 Gen'l/Admin/Financial	\$50,750	\$65,700	\$10.10
64 Home Repairs	\$40,556	\$40,000	\$6.15
65 Depreciation	\$10,500	\$10,500	\$1.62
66 Maintenance Contracts	\$12,300	\$11,700	\$1.80
67 Cablevision	\$85,530	\$97,700	\$15.02
TOTAL EXPENSES	\$1,546,584	\$1,690,850	\$260.01
REVENUE LESS EXPENSE	\$3,705	\$0	(\$0)

^{** 11} MONTHS ACTUAL, 1 MONTHS ESTIMATED.

8/22/99 APPROVED MODIFIED 9/5/99

LEISURE GLEN HOMEOWNERS ASSOCIATION BUDGET & FINANCE COMMITTEE BUDGET 10/1/99 TO 9/30/2000

51	UTILITIES		
	511 LIPA		
	of the day and also the sale that an	-FROM HISTORY -ESTIMATE	
	•	5111 REC BL 51111 E \$31,000 51112 G \$14,000	BUDGET TOTAL
	•	Total \$45,000	\$45,000
		5112 GATE HOUSE	\$5,000
		5113 PASEO	\$2,000
		5114 STREET LIGHTS	\$12,000
		5115 HOA BUSINESS OFFICE 51151 E \$2,000 51152 G \$2,500	\$4,500
		5116 WELLS	\$6,500
		TOTAL	\$75,000 \$75,000
	512 TELEP	HONE	
		5121 Rec Bldg 5122 Gate House 5123 HOA Office 5124 Pay Phone 5125 Emerg No Rec Bldg	\$1,000 \$3,600 \$3,200 \$700 \$500
		TOTAL	\$9,000 \$9,000
	513 WATER	_	
٠		5131 Rec Bldg 5132 Gate House 5133 HOA Office 5134 Pool 5135 All Sprinklers	\$700 \$150 \$150 \$1,000 \$23,000

TOTAL

514 WASTE	DISPOSAL			
	-Based on two location rec. building. cost			the
	5141 Rec Bldg 5142 Gate House		\$200 \$200	
	TOTAL		\$400	\$400
TOTAL UTIL	ITIES			\$109,400
52 SANITATION				
	-use \$12.95 per mont -Estimate 34 new clo	h per unit sings		
FISCAL 2000	PRIOR EOM	CLOSINGS	EOM	
OCT -99 NOV -99 DEC -99 JAN -00 FEB -00 MAR -00 APR -00 MAY -00 JUN -00 JUL -00	523 527 531 534 536 538 540 542 545 548	4 4 3 2 2 2 2 3 3 3	527 531 534 536 538 540 542 545 548 551	
AUG -00 SEP -00	551 554	3 3 34	554 557 6503	
	AV	ERAGE	542	
Avg closings	6503 x \$12.95 Tax Adjustment		\$84,214 \$6,948 \$139	
	TOTAL	ua-d	\$91,300	\$91,300
53 PROFESSIONAL				
	531 Accounting & Aud 532 Data Processing 533 Datumeg 534 Legal	lit	\$4,000 \$7,000 \$7,500 \$12,000	

\$30,500

\$30,500

54 SECURITY	= 224 hrs./wk.	s/day	
541 Shift cost 224 x \$9.60 x 52 Holiday 9 x 32 x \$9.60 x 0.9 542 Car usage 8 x 7 x \$2.24 x 52	5 \$1,382		
	\$119,726		
SALES TAX + Adjustment	\$9,974		
TOTAL	\$129,700	\$129,700	
55 INSURANCE	ANNUAL COST		
551 Package 552 Directors & Officers 553 Boiler + Machinery 554 Workman's Comp 555 NY Disability Insurance	\$25,000 \$2,200 \$1,000 \$200 \$600		
TOTAL	\$29,000	\$29,000	
56 DALTON MANAGEMENT & MAINTENANCE CONTRACT Contract is for \$25.50 per unit per week w/no COLA			
561 Management 562 Maintenance +Tax 563 Dumpsters + Tax Adjustment	\$143,716 \$622,292 \$6,492 \$0		
TOTAL	\$772,500	\$772,500	
57 BUS SERVICE CONTRACT -Daily rate is \$2	29.00		
571 Contractual -104 full days @ &229.0 -104 half days @ \$114.5 572 Specials	0 \$23,816 0 \$11,908 \$276		
TOTAL	\$36,000	\$36,000	

58 FACILITIES

581 Rec	reation Bldg		
332 333	5811 Janitorial supplies	\$4,500	
	5812 Repairs & Maint	\$8,000	
	5813 Lights	\$1,000	
•	5814 Rec Supplies	\$1,200	
	5815 Miscel (Maint Group only		
,	5615 MISCEL (Matric Group Only	7) 31,000	
	TOTAL	\$15,700	• • • • • • • • • • • • • • • • • • •
	l & Tennis Court Pool		
5021	58211 Repairs & Maint	\$8,500	
	58212 Supplies	\$500	
	58212 Supplies 58213 Miscellaneous	\$250	
	58213 Miscellaneous	7200	
	TOTAL	\$9,250	
5822	Tennis Court	, . ,	
3322	58221 Repairs & Maint	\$2,000	
	58222 Supplies	\$250	
	58223 Miscellaneous	\$250	
	TOTAL	\$2,500	
583 Sec	curity Gate House		
200 200	5831 Repairs & Maint	\$1,500	
	5832 Supplies	\$500	
	5833 Miscellaneous	\$300	
	TOTAL	\$2,300	
	TOTAL ALL	\$29,750	\$29,750
======================================			
	, ago an an an an an an an an		
591 Lar	ndscaping (Common Property)	A	
	5911 Drainage Corrections	\$3,000	
	5912 Supplies	\$20,000	
	5913 Tree Prunning	\$7,000	
	5914 Garden Club Subsidy	\$2,000	
	5915 Miscellaneous	\$3,000	
	OTAL	\$35,000	
592 Pace	eo & Common Property		
272 1400	5921 Replacement Lights	\$3,000	
	5922 Repairs & Maintenance	\$15,000	
	Joe merate a manifement		
	TOTAL	\$18,000	
		•	

593 Sprink	lers 5931 Supplies 5932 Miscellaneous	\$14,500 \$3,000	
	TOTAL	\$17,500	
	TOTAL ALL	\$70,500	\$70,500
60 ROADS REPAIRS	& STREET LIGHTS		
601 Str	eet Lights / Flagpole 6011 Repairs & Maint 6012 Replacement Lights 6013 Miscellaneous	\$2,500 \$2,000 \$500	
602 Roa	TOTAL ds & Streets 6021 Repairs & Maint 6022 Miscellaneous	\$5,000 \$5,000 \$500	
	TOTAL	\$5,500	
	TOTAL ALL	\$10,500	\$10,500
61 RESERVES			
\$3.00 \$7.00 \$7.50 \$4.50 \$1.00	611 Road = \$3.00/mo 612 Roof = \$7.00/mo 613 Paint = \$7.50/mo 617 Facilities = \$4.50/mo 618 Curb Tree Removal = \$1.00 619 Wells = \$1.00/mo Adjustment	\$19,509 \$45,521 \$48,773 \$29,264 \$6,503 \$6,503 \$28	1
\$24.00	-\$24.00 x 6503	\$156,100	
	TOTAL	\$156,100	\$156,100

62 GEN'L / ADMIN / FINANCIAL

,			
621	Bank Charges	\$400	
	Office Equipment Leasing	\$3,000	
	Community Mgr Expense	\$200	
	Dues & Subscriptions	\$500	
		\$1,800	
	Postage	\$1,800	
626	Bldg & Equipment	¢1 000	
	6261 Repairs & Maintenance	\$1,000	
	6262 Supplies	\$700	
	mom » T	\$7.600	
	TOTAL	\$7,600	
627	Clerical	¢40.000	
	6271 Payroll	\$40,000	
	6272 HOA's Share Payr Tax	\$5,000 \$1,500	
	6273 Paycheck Service Charge	\$1,500	
		CAC 500	
	TOTAL	\$46,500	
628	Supplies	41 500	
	6281 Computer	\$1,500	
	6282 Copier	\$1,500	
	6283 Fax	\$200	
	6284 Medical	***	
	62841 Rec Bldg	\$250	
	62842 Gate House	\$50 \$100	
	62843 Admin Bldg	\$100	
	62844 Pool	\$300	
	6285 Office Supplies	\$5,000	
	mom) t	\$8,900	
600	TOTAL	¥0,500	
629	Taxes 6291 Federal Income	\$1,000	
		\$200	
	6292 NYS Franchise	7200	
	TOTAL	\$1,200	
620	Miscellaneous	42,200	
630	6301 Contingencies	\$500	
		\$1,000	
	6302 Printing		
	TOTAL	\$1,500	
	TOTAL	72,000	
	TOTAL ALL	\$65,700	\$65,700

64 HOME REPAIRS

641 Materials + Contractors 6411 Roof Repairs 6412 Dry Rot 6413 Skylights, Gutters & lead 6414 Driveway Sealing 6415 Security System 6416 Miscellaneous	\$2,000 \$6,000 \$6,000 \$3,000 \$20,000 \$3,000	
TOTAL	\$40,000	\$40,000
65 DEPRECIATION		
651 Computers 652 Wells	2500.00 8000.00	
TOTAL	\$10,500	\$10,500
66 MAINTENANCE CONTRACTS/SERVICE CONTRACTS		**********
661 Computer Microkey 662 Copier 663 Gate Card Reader 664 Ansul Inspection 665 LI Tech & Miscel 666 LI Mech Hvac 667 Fire Alarm System 668 Sprinkler System Inspectio 669 Piano Tuning	\$1,500 \$500 \$1,300 \$150 \$1,500 \$5,000 \$550 \$600 \$600	\$11,700

67	CABI	LEVI	SION
----	------	------	------

671 Contractual Agreement 6503 x \$15.00/month Adjustment

\$97,640 \$60

					•
	TOTAL		\$97	,700	\$97,700
=======	*******************			====	
	TOTAL FOR ALL CATEGORIES				\$1,690,850
LESS	MISCEL INCOME & INTEREST				(\$5,000)
LESS	TRANSFER FEES (resales @ \$250	estimate	20 units)		(\$5,000)
LESS	BUILDER PAYMENT FOR SALES OFF	ICE (\$500,	/UNIT/MO)		(\$6,000)
LESS	MAINTENANCE FEE REVENUE ESTIM	ATE \$255	x	6503	(\$1,658,265)
LESS	TRANSFER FROM PREVIOUS SURPLU	s			(\$16,585)
LESS	DEFICIT/SURPLUS (+)				\$0
	PERCENT OF BUDGET \$0.00	PER HOME			0.00%

FOOTNOTES TO THE OPERATING BUDGET

REVENUE

40 REVENUE

Our new budget shown on the preceding pages covers our fiscal year commencing October 1. (10/1/99 - 9/30/00). During this period, Leisure Glen, L.P., the owner of the undeveloped land, and Timber Ridge, are required to remit the maintenance fees on the units they own. These units are located at the corner of Glen Drive and Amagansett court and are currently used as the Associations' Administrative Offices. These fees are included in the maintenance fee line. 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 1999 and 2000 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

50 UTILITIES

Common electricity is provided by LIPA for the wells, walks, street lights, recreational facilities, administration office, and the gatehouse. The costs are based on historical usage. Gas is provided by Brooklin Union Gas Co. for heating the recreation building. At this time sewerage is provided by the Suffolk County Sewer Authority for the recreation building and the gatehouse 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, gatehouse, and pool. Telephone expenses for the recreation area, gatehouse, 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. Year over year increase mainly attributable to addition of new sections and operation of existing wells.

52 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. The cost of this service is \$12.95 per unit per month, and will continue at that level until 5/31/2001.

53 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.

54 SECURITY

Peace Security is under contract with the Association to provide twenty four hour gatehouse service and a roving patrol car throughout the community seven days per week, 7PM to 3AM. Charges for the guards' services is \$9.60 per hour for regular pay; \$14.40 per hour for holiday pay; and \$2.24 per hour per hour car usage. This contract expires 11/1/00.

55 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 Associations 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' Medical Compensation coverage will be continued.

56 MANAGEMENT AND MAINTENANCE SERVICES

This service agreement is with Dalton Contracting Corp. and expires 9/30/01. Included in this service agreement is the management and maintenance of all common areas, lawns, parking areas, roads, wells, and all recreational facilities. It also includes materials for such activities as four fertilizations, liming, weed & crabgrass control, and tree spraying at a cost of \$25.50 per unit per week. It also provides for twelve months availability of a dumpster for debris resulting from their activities.

57 BUS SERVICE CONTRACT

This contract is currently with Laidlaw Bus Co and provides for the payments of \$229.00 for each full day of operation (Wednesdays & Thursdays) and \$114.50 for each half-day of operation (Sundays & Mondays). The projected cost reflects a COLA increase of 1.8 %. This service is available to our residents for attendance at religious services, lock shopping and banking, and trips to nearby shopping plazas.

58 FACILITIES

This cost is for our facilities, (recreation building, pool, tennis courts, and other playing fields).

This cost category will provide us with the ability to analyze costs more closely, based on historical data, and give us the opportunity to predict more accurately our future costs in this area.

59 GROUNDS

Included in this category are sprinkler parts, repairs & maintenance and replacement lights for the Paseo, fungicides, tree sprays, tree pruning, drainage corrections in common areas, contribution to the Garden Club for plantings on the Paseo and at the clubhouse, and other similar expenses.

60 ROAD REPAIRS & STREET LIGHTS

This cost covers the replacement of lights and repairs and maintenance on roads including Glen Drive, and Leisure Drive, and the various courts.

61 RESERVE FUNDS

Provides for a reserve 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 interior and exterior facia, heating/ventilating & air conditioning equipment in the clubhouse, tree removal, and tennis courts. These funds also provide for existing wells, and paseo concrete work, wherever located, pergolas, and similar items. Computer models are used to project the revenue/expense stream. These amounts aré adequate to cover all such expenses, and they are frequently reviewed, so there should be no surprises.

62 GEN'L/ADMIN/FINANCIAL

This cost now includes the cost of two persons and has been increased accordingly. The bookeeping and clerical function are now employees of the Association. This allows us to be independent of Mgmt contract in the administrative area. Other expenses are for copier lease, postage, paper supplies, printing, taxes and paycheck service.

64 HOME REPAIRS

These expenses are for certain repairs to residents' homes including dry rot, roof repair, driveway sealing and includes both labor and materials. Driveway replacement is allocated to the Road Reserve Account.

Also includes repairs to the Homeowners' Security System.

65 DEPRECIATION

This category is for the depreciation of our paid for capital assets, the computers, and wells. Cash equivalent to this expense is transferred from our checking account, as a repayment to the Working Capital Account for monies advanced for the placement of wells and computers.

66 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.

67 CABLEVISION

The HOA remits to Cablevision the fee for this service, which is \$15.00 per month per unit.

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.

LIST OF UNSOLD HOMES

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

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)

MEMBERS-NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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

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.

BALANCE SHEETS

SEPTEMBER 30,

ASSETS

	2000	<u>1999</u>
Cash - Undesignated Cash - Designated for Future Repairs	\$ 79,740	\$ 108,289
and Replacements Investments - Designated for Future	1,061,829	1,025,035
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>	94,744
Total Assets	<u>\$1,726,259</u>	\$1,404,001
Accounts Payable and Accrued Expenses Assessments Received in Advance	\$ 116,603 51,707	\$ 48,825 44,698
Income Taxes Payable	17,842	11,819
Due from Sponsor Due to Operating	27,250 58,000	17,750 0
Total Liabilities	\$ 271,402	<u>\$ 123,092</u>
Members' Equity		
Undesignated	\$ 44,429	\$ 22,044
Designated for Future Repairs and Replacements	1,410,428	1,258,865
Total Members' Equity	\$1,454,857	\$1,280,909
Total Liabilities and Members' Equity	<u>\$1,726,259</u>	\$1,404,001

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30,

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

STATEMENTS OF RECONCILIATION OF FUTURE REPAIRS AND REPLACEMENT ACCOUNTS

YEARS ENDED SEPTEMBER 30,

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

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2000

Note 5 - <u>Income Taxes</u>

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:

	September 30, 2000
Building Land Office Equipment & Furniture Improvements Trucks and Equipment	\$ 12,910 105,000 40,219 102,576 109,133
Less: Accumulated Depreciation	\$369,838 <u>(64,137</u>) <u>\$305,701</u>

Note 7 - Contracts and Contingencies

A. <u>Security Services</u> - 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.

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:

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

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.)

Component	Estimated Useful Life(Years)	Estimated Current Replacement Cost
Roofs	20	\$ 757,500
KOOLS	20	۲۵۲,۵00
Road	30	808,000
Painting	4	227,250
Facilities	10 to 20	277,750
Tree/Shrub Repl.	10	<u>151,500</u>
		\$2,222,000

LEISURI LEN HOMEOWNER'S ASSOCIAT (), INC. OPERATING BUDGET OCTOBER 1,2000 THROUGH SEPTEMBER 30, 2001

	**12 Month Est. 10/1/99-9/30/00	12 Month Budget 10/1/00-9/30/01	Monthly Cost Per Unit 10/1/00-9/01/01
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	•	• •	\$0.34
46 Interest-Operating income	\$3,000.00	\$2,200.00	<u> </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	• •	\$14.98
53 Professional Services	\$43,128.00	•	\$ 4.97
54 Security	\$130,385.00	· · · · · · · · · · · · · · · · · · ·	\$25.20
55 Insurance	\$47,513.00		\$7.68
56 Management & Maintenance	\$620,439.00	·	\$0.00
57 Bus Service	\$35,009.00		\$5.43
58 Facilities	\$42,428.00		\$17.35
59 Grounds	\$95,1 46 .00		\$50.75
60 Road Repair & Street Lights	\$7,353.00	· · · · · · · · · · · · · · · · · · ·	\$3.00
61 Reserves	\$172,325.00	•	\$26.00
62 General/Admin./Financial	\$76,891.00	•	\$30.95
63 Miscellaneous Accruals	\$0.00	•	\$0.00
64 Home Repairs	\$51, 065 .00		\$7.20
65 Depreciation	\$20,583.00		
66 Maintenance Contracts	\$12,271.00		\$1.98
67 Cablevision	\$91,610.00		\$15.52
68 Reserve for Contingencies	\$0.00		
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

TOTAL SANITATION \$104,000	Sub-Total	Adjustment 155	Tax 7,420	6944 x \$12.95 \$89,925	Sept	Feb 575 Aug 591	573 July	571	567 May	562 Apr 579	EOM Unit EOM	521 Sanitation	52 SANITATION	TOTAL UTILITIES \$134,500	Sub-Total	5141 Recreation Bldg. \$300 Based on two locations, the gate house and the 5142 Gate House 100 recreation bldg. Cost is \$50.00 per quarter.	514 WASTE DISPOSAL	Sub-Total \$31,500	136 Accruals 4,000	5134 FOOI 5135 Sprinklers (SCWA) 25,000 Community growth & accruals for late billing	Homeowners' Office	•	5131 Decreation Building \$ 700
						rati	٤		x. 6944 units serviced	d unit count @ \$12.95 per						ions, the gate house and the st is \$50.00 per quarter.				& accruals for late billing			

	\$120,500	TOTAL FACILITIES	TOTAL
	\$ 6,000	<u>1,500</u> tal	5833 Misc. Sub-Total
Reflects expense for updating computer software and related fees.		€9	583 Security Gate House 5831 Rep. & Maint. 5832 Supplies
	\$ 2,500		58222 Supplies 58223 Misc. Sub-Total
	\$25,300	© Contract 17	58213 WISC. 58214 Pool Service Sub-Total 5822 Tennis Court 58221 Ren & Maint
Pool contract is for service May thru Sept.		nnis Court & Maint. \$ 7,000 jes 500	582 Pool & Tennis Court 5821 Pool 58211 Rep. & Maint. 58212 Supplies
	\$86,700	plies nt.Group Only) sc.Dir.& Custodial	5814 Rec. Supplies 5815 Misc.(Maint.Gr 5816 Payroll-Rec.Di Sub-Total
Due to re-organization, this category now reflects salaries.		Janitorial Supplies \$ 4,000 Repairs & Maint. 9,000	581 Recreation Bldg. 5811 Janitorial Supplies 5812 Repairs & Maint.

60 ROAD REPAIR & STREET LIGHTS

6011 Mech. Street Sweeping 6012 Replacement Lights 6013 Misc. Sub-Total	
\$ 2,500 2,000 _500	
\$ 5,00	

6021 Repl & Maint.	602 ROAD & STREETS
\$ 5,500	

\$ 5,500 500 10,000

6022 Misc. 6023 Salt & Sand

Sub-Total

8

TOTAL ROAD REPAIR

\$16,000

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

& STREET LIGHTS

\$21,000

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	456	Adjustment
Mechanical replacement of pumps	3,472	619 Wells - \$.50 per month
Future use as needed	3,472	\$ 50 per month
		618 Curb/Paseo Tree Removal-
Interior decorating, physical plant re	41,664	617 Facilities - \$6.00 per month
Four year cycle, estimate 125 unit	52,080	613 Paint - \$7.50 per month
Skylights and future roof replacem	48,608	612 Roof - \$7.00 per month
Driveways,entrance, paseo & futur	\$31,248	611 Roads - \$4.50 per month

ment replacement its per year. ure road replacement

s and motors.

\$26.00 per month \times 6944 = 180,544 + adj. 456.

\$181,000

Total Reserves

66 MAINTENANCE & SERVICE CONTRACTS

To	669 Pia	80	668 Spri	667 Fire	666 LI 7	665 LI 7	664 Ans	663 Ga	662 Copier	661 Cor
Total Maint & Svc. Cont.	669 Piano Tuning	& Backflow check	668 Sprinkler System Inspection	667 Fire Alarm System	LI Tech & Mech HVAC	LI Tech & Mech.(Kitchen)	Ansul Inspection	Gate Card Reader	oier .	661 Computer Microkey
Cont	1		pection							\$ 1
	600	1,200		550	5,000	3,000	150	1,300	500	\$ 1,500

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

67 CABLEVISION

Adinostmont	6944 x \$15.45/month	671 Contractual Agreement
תנת	\$107,285	

Total Cablevision Adjustment

0

\$13,800

\$107,800

6944 units served in a year.

and the rate reflects an estimated increase.

Cablevision contract to be re-newed this year

68 RESERVE FOR CONTINGENCIES

\$140,000

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

AMENDMENT NO. 15 (Amendment No. 33 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), on June 21, 2000 (Amendment No. 13 to the Restated Plan, Amendment No. 31 to the Original Offering Plan) and on July 2, 2001 (Amendment No. 14 to the Restated Plan, Amendment No. 32 to the Original Offering Plan) 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, 2000 and September 30, 2001 is annexed hereto as Exhibit "B". The budget for the fiscal year ending September 30, 2002 is annexed hereto as Exhibit "C".

III. AGGREGATE MONTHLY OBLIGATIONS/REAL ESTATE TAXES

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, 2000 and September 30, 2001 there was no deficit.

The annual Real Estate Taxes for unsold lots 105-108, 125-128,637, 649 and 650 is approximately \$450 per unimproved lot or a total of \$4,950. The annual Real Estate Taxes for unsold lot 638 is approximately \$5,780 annually and for unsold lot 639 is approximately \$6,210 annually. Sponsor is current in the payment of the Real Estate Taxes of the unsold lots.

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.

The financial statement reflects an amount due from Sponsor in the amount of \$38,500. Said amount represents funds being held by Sponsor in an escrow account to be turned over to the Association per Agreement with the Association. See Note 9 at page 10 of the Financial Statement, Exhibit B of the Amendment.

V. <u>UNSOLD HOMES AND LOTS SUBJECT TO MORTGAGES OR FINANCING</u> COMMITMENTS

None of the Homes are currently subject to any 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 all of whom are home owners are as follows:

Salvatore Spataro - - President
Arthur Stewart - - Vice President/Secretary
Patricia Burke - - Vice President/Treasurer
George Frost - - Vice President/Secretary
Ken Kusch - - Vice President
Thomas Virtuoso - Vice President
Jo Ann Meehan - Vice President

XI. WORKING CAPITAL AND RESERVE FUNDS

As of June 15, 2002 the Paid in Capital had an aggregate balance of approximately \$284,400 in various accounts held by the Board of Directors.

As of June 14, 2002 the Reserve Fund had an aggregate balance of approximately \$946,300.00

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:

LEISURE GLEN HOME OWNERS ASSOCIATION LIST OF UNSOLD HOMES

105-108, 125-128, 637-639, 649 and 650

LEISURE GLEN HOMEOWNERS' ASSOCIATION, INC. FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION YEARS ENDED SEPTEMBER 30, 2001 AND 2000

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ESPOSITO, FUCHS, TAORMINA & CO.

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)

MEMBERS-NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

NEIL B. ESPOSITO, Managing Partner

JOSEPH A. TAORMINA, C.P.A.

JEFFREY S. FUCHS, C.P.A.

November 9, 2001

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, 2001 and 2000, 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, 2001 and 2000, 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 twelve 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.

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ESPOSITO, FUCHS, TAORMINA & CO.

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ESPOSITO, FUCHS, TAORMINA & CO.

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ESPOSITO, FUCHS, TAORMINA & CO.

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BALANCE SHEETS

SEPTEMBER 30,

ASSETS

	2001	2000
Cash - Undesignated Cash - Designated for Future Repairs	\$ 63,311	\$ 79,740
and Replacements Investments - Designated for Future	1,198,597	1,061,829
Repairs and Replacements Accounts Receivable - Members Prepaid Insurance and Other Expenses Escrow Deposits Due from Working Capital Furniture and Improvements (Net)	161,743 4,695 30,475 38,500 0 296,829	153,238 8,355 32,146 27,250 58,000 305,701
Total Assets	\$1,794,150	\$1,726,259
Accounts Payable and Accrued Expenses Assessments Received in Advance Income Taxes Payable Due from Sponsor Due to Operating	\$ 118,403 35,517 15,768 38,500	\$ 116,603 51,707 17,842 27,250 58,000
Total Liabilities	\$ 208,188	\$ 271,402
Members' Equity Undesignated Designated for Future Repairs and Replacements	\$ 107,812 1,478,150	\$ 44,429 1,410,428
Total Members' Equity	\$1,585,962	\$1,454,857
Total Liabilities and Members' Equity	\$1,794,150	\$1,726,259

STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN MEMBERS' EQUITY

FOR THE YEARS ENDED SEPTEMBER 30,

	2001	2000
Revenues		
Monthly Common Charges Miscellaneous Income Resale Fees Interest Income Prior Year Appropriated Surplus	\$1,784,497 11,820 6,005 13,186	\$1,650,844 7,901 6,000 7,843 16,585
Total Revenues	\$1,815,508	<u>\$1,689,173</u>
Operating Expenses		
Utilities Sanitation Contract Security Contract Insurance Management & Maintenance Bus Service Legal Accounting Audit Fees & Consulting Reserve Funds Maintenance Contracts Miscellaneous Repairs & Maintenance Cablevision New York State Franchise Tax Federal Corporation Tax Depreciation	\$ 139,330 102,605 136,975 52,169 0 35,742 6,008 18,065 180,986 7,328 891,961 93,745 319 984 41,479	\$ 124,916 91,124 129,999 31,536 614,504 35,010 16,609 31,283 154,357 12,074 290,012 90,545 339 1,053 26,842
<u>Total</u>	\$1,707,696	\$1,650,203
Excess (Deficit)	\$ 107,812	\$ 38,970
Beginning - Members' Equity Undesignated	44,429	22,044
Less: Appropriated Surplus 1998-2000	(44,429)	(16,585)
Ending - Members' Equity Undesignated	\$ 107,812	\$ 44,429

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30,

	2001	2000
Cash Flow from Operating Activities		
Net Surplus (Deficit) Adjustments to Reconcile Net Income to Net Cash Provided	\$ 94,626	\$ 31,127
by Operating Activities: Depreciation	41,479	26,842
(Increase) Decrease in Maintenance Charges Receivable	3,660	(6,000)
(Increase) Decrease in Prepaid Expenses	1,671	(21,498)
(Increase) Decrease in Escrow Deposits	(11,250)	(9,500)
Increase (Decrease) in Maintenance Charges Paid in Advance	(16,190)	7,009
Increase (Decrease) in Income Taxes Payable	(2,074)	6,023
Increase (Decrease) in Accounts Payable and Accrued Expenses	1,800	67,778
Increase (Decrease) in Due from Sponsor	11,250	9,500
	\$ 30,346	\$ 80,154
Net Cash Provided (Used) by Operating Activities Cash Flow from Investing Activities	\$ 124,972	\$ 111,281
Investments Capital Expenditures Interest Income	\$ (8,505) (32,607) 66,871	\$ (8,058) (237,799) 65,949
Net Cash Provided (Used) by Investing Activities	\$ 25,759	<u>\$(179,908</u>)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30,

·	<u> 2001</u>	2000
Cash Flow from Financing Activities		
Capital Contributions Expended Corporation Taxes Payable Prior Year Appriated Surplus	\$ 282,745 (248,889) (19,819) (44,429)	\$ 216,187 (102,306 (20,424 (16,585
Net Cash Provided (Used) by Financing Activities	<u>\$ (30,392</u>)	\$ 76,87 <u>2</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 120,339	\$ 8,245
Cash and Cash Equivalents at Beginning of Year	1,141,569	1,133,324
Cash and Cash Equivalents at End of Year	\$1,261,908	\$1,141,569
Summary of Cash and Cash Equivalents:		
Undesignated	\$ 63,311	\$ 79,740
Designated for Future Repairs and Replacements	1,198,597	1,061,829
	\$1,261,908	<u>\$1,141,569</u>
Supplemental Disclosures:		
Income Taxes	\$ 23,162	<u>\$ 15,793</u>

STATEMENTS OF RECONCILIATION OF FUTURE REPAIRS AND REPLACEMENT ACCOUNTS

YEARS ENDED SEPTEMBER 30,

	2001	2000
<u>Capital Project Reserve</u> <u>Funds - Beginning</u>	\$847,541	\$746,786
Contributed Capital		,
Contributions	180,986	154,357
Interest	44,743	43,799
<u>Disbursements</u>		
Expenditures	\$237,532	\$ 82,913
Corporation Taxes	14,185	14,488
<u>Capital Project Reserve</u> <u>Funds - Ending</u>	<u>\$821,553</u>	<u>\$847,541</u>
Paid in Capital - Beginning	\$562,887	\$512,079
Contributed Capital		
Contributions	101,759	61,830
Interest <u>Disbursements</u>	8,942	14,307
Expenditures Corporation Taxes	\$ 11,357 5,634	\$ 19,393 5,936
Paid in Capital - Ending	<u>\$656,597</u>	<u>\$562,887</u>

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2001

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, 2001, there were 602 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, 2001 and 2000.

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2001

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:

Sentember 20 2001

	September 30, 2001
Building Land Office Equipment & Furniture Improvements Trucks and Equipment	\$ 18,726 105,000 40,219 102,576 135,924
Less: Accumulated Depreciation	\$402,445 (105,616)
	<u>\$296,829</u>

Note 7 - Contracts and Contingencies

A. <u>Security Services</u> - The Association has an agreement with Peace Security, Inc. to provide security at a cost of \$10.10 per hour plus tax and \$2.51 additional per hour for roving patrol car. They provide twenty-four hour gate house service and a roving patrol car.

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2001

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 \$25.50 per unit. The contract is in effect from October 1, 1999, through September 30, 2000. As of June 30, 2000 the contract has been terminated.
- C. <u>Sanitation</u> 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 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, 1998 to September 30, 1999, the sponsor contributed \$215,000 for the Association's construction of a facility. The sponsor also agreed to pay the Association \$1,000 starting with the 61st home in the development of which \$250 is to be held in escrow on each closing.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2001

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 \$0 at September 30, 2001 and \$34,553 at September 30, 2000.

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, 2001, the investments are as follows:

Face Value	Maturity	Carrying Value
\$112,000	8/15/03	\$100,640
68,000	8/15/03	61,103
\$180,000		\$161,743

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)

SEPTEMBER 30, 2001

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 cmmon property. (Amounts are rounded to the nearest thousand dollars).

Component	Estimated Useful Life (Years)	Estimated Current Replacement <u>Cost</u>
Roofs	20	\$ 757,500
Road	30	808,000
Painting	4	227,250
Facilities	10 to 20	277,750
Common Grounds	10	151,500
		\$2,222,000

LEISURE GLEN HOMEOWNER'S ASSOCIATION, INC. OPERATING BUDGET

**12 Month Est. 12 Month Budget Monthly Cost Per Unit

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	·
44 Transfer Fees-Resales	\$5,250.00	\$5,000.00	\$0.86
45 Miscellaneous Income	•		\$0.72
	\$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	\$3,000.00	\$2,280.00	<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>	\$140,000.00	<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

AMENDMENT NO. 16 LEISURE GLEN HOME OWNERS ASSOCIATION, INC.

RIDGE, NY

AMENDMENT NO. 17 LEISURE GLEN HOME OWNERS ASSOCIATION, INC.

RIDGE, NY

CERTIFICATE OF AMENDMENT TO THE DECLARATION AND BY-LAWS OF LEISURE GLEN HOME OWNERS ASSOCIATION, INC.

Pursuant to the provisions of Article XIV, Section 2 of the Declaration and Article XII of the By-Laws of LEISURE GLEN HOME OWNERS ASSOCIATION, INC., having an office at 311 Glen Drive, Ridge, New York 11961, the undersigned being the President and Secretary of the above-named Association, hereby certify, as follows:

FIRST: The name of the Association at the time of the filing of the Declaration in the Office of the Suffolk County Clerk was LEISURE GLEN HOME OWNERS ASSOCIATION, INC. The real property comprising the Association is more particularly described on Schedule "A" annexed hereto.

SECOND: The Declaration of LEISURE GLEN HOME OWNERS ASSOCIATION, INC. was filed in the Office of the Suffolk County Clerk on $9/\sqrt{8}$ in Liber/0/24, Page 284.

THIRD: The By-Laws of LEISURE GLEN HOME OWNERS ASSOCIATION, INC. was filed in the Office of the Suffolk County Clerk on 9/18/84 in Liber/0124, Page. 284

AMENDMENT 1

FOURTH: The Declaration of LEISURE GLEN HOME OWNERS ASSOCIATION, INC. is amended, as authorized by Article XIV, Section 2 of the Declaration, as follows:

XII of the Declaration of LEISURE GLEN HOMEOWNERS ASSOCIATION, INC. is amended by the addition of a new Section thereto, captioned Section 2, 'Enforcement'.

Section 2. Enforcement. In the event of a violation of any of the covenants and restrictions set forth in this Article XII, any Rules and Regulations promulgated by the Board of Directors, or any provision of the Declaration or By-Laws, the Board of Directors, or its designated committee, shall send a written notice to the homeowner advising the homeowner of the violation and/or giving the homeowner a reasonable time to cure, as the case may be. In the event of any further violations after the sending of such notice, or a failure to cure within the time period established, the Board of Directors, or its designated committee, may in its discretion levy a fine against such homeowner in an amount not to exceed \$100.00 per violation. All fines levied shall be considered to be additional assessments, subject to all collection remedies set forth in the Declaration. The Board of Directors shall have the right to exercise any and all legal remedies in addition to the levying of any fines.

Any homeowner receiving a written notice, or fine, shall have the right to contest such notice or fine by (i) requesting a grievance, or (ii) writing a letter to the Board of Directors setting forth what the homeowner believes to be all pertinent facts, documents, photographs, or other information. The grievance must be requested, or letter written, within fifteen (15) business days from the date of the notice advising of a violation or levying a fine. The Board of Directors, or its designated committee, will respond to such letter within fifteen (15) business days after its receipt. The decision of the Board of Directors shall be controlling.

FIFTH: The foregoing Amendment to the Declaration of LEISURE GLEN HOME OWNERS ASSOCIATION, INC. was authorized by instruments signed by no less than sixty-six and two-thirds (66 2/3%) percent of the votes of the membership.

AMENDMENT 2

SIXTH: The By-Laws of LEISURE GLEN HOME OWNERS ASSOCIATION, INC. is amended, as authorized by Article XII of the By-Laws, as follows:

Article VIII, Section 1 of the By-Laws of LEISURE GLEN HOME OWNERS ASSOCIATION, INC. is amended by the deletion of this Section, in its entirety, and the substitution in its place of a new Article VIII, Section 1 reading, as follows:

ARTICLE VIII.

Section 1. Number and Term.

The number of directors which shall constitute the whole Board shall be seven (7). All directors:

- (i) Must be a member of the Association or the spouse of a member; and
- (ii) Shall have been a member (or the spouse of a member) of Leisure Glen Homeowners Association, Inc. for at least one (1) year prior to the date of election; and
- (iii) Must physically reside at Leisure Glen Homeowners Association, Inc. for at least ten (10) months of each calendar year; and
- (iv) May not be employed on a full-time basis in any capacity, and
- (v) Must be in good standing, which shall be defined for the purposes of this Article VIII, Section 1 as being current in all financial obligations to the Association, not having any architectural violations, and having provided the Board of Directors with proof of dwelling insurance in accordance with the Board's requirements; and

(vi) Must not knowingly be in violation of any provisions of the Declaration, By-Laws or Rules and Regulations.

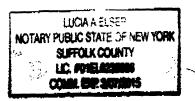
SEVENTH: The foregoing Amendment to the By-Laws of LEISURE GLEN HOME OWNERS ASSOCIATION, INC. was approved by the vote of no less than sixty-six and two-thirds (66 2/3%) percent of the members at a duly called meeting of the membership, duly held for such purpose.

IN WITNESS WHEREOF, the undersigned have signed this Certificate on the 37 day of August, 2011.

Michael Smoller, President

Tomas Voemer Perretor

STATE OF NEW YORK)
COUNTY OF SUFFOLK) ss:)



On the Aday of August, 2011, before me, the undersigned, a Notary Public in and for said State personally appeared Michael Smoller personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that hc/she/they executed the same in his/her/their/ capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(signature and office of individual taking acknowledgment)

STATE OF NEW YORK COUNTY OF SUFFOLK

LICALESER NOTARY PUBLIC STATE OF NEW YOR UC. #0181# COMM. EXP. 307,00%

On the day of August, 2011, before me, the undersigned, a Notary Public in and for said State, personally appeared James Koerner personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(signature and office of individual taking acknowledgment)

SCHEDULE A

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being at Ridge, Town of Brookhaven, County of Suffolk and State of New York, know and designated as:

Lot number 1 through 128 as shown on a certain map entitled "Map of Leisure Glen, Section 1" which said map was duly filed in the office of the clerk of the County of Suffolk on 12/23/1985 as map number 8034.

Lot number 129 through 276 as shown on a certain map entitled "Map of Leisure Glen, Section 2" which said map was duly filed in the office of the clerk of the County of Suffolk on 1/15/1987 as map number 8258.

Lot number 277 through 386 as shown on a certain map entitled "Map of Leisure Glen, Section 3" which said map was duly filed in the office of the clerk of the County of Suffolk on 1/19/1988 as map number $8459. \qquad EXCept 367 + 362$

Lot number 387 through 474 as shown on a certain map entitled "Map of Leisure Glen, Section 4" which said map was duly filed in the office of the clerk of the County of Suffolk on 10/17/1988 as map number 8632.

and 651 & 652 through 632 as shown on a certain man entitled "Man

Lot number 475 through 632 as shown on a certain map entitled "Map of Leisure Glen, Section 5" which said map was duly filed in the office of the clerk of the County of Suffolk on 7/23/1993 as map number 9392.

Lot number 633 through 650 as shown on a certain map entitled "Map of Leisure Glen, Section 6" which said map was duly filed in the office of the clerk of the County of Suffolk on 9/19/1995 as map number 9742.

CERTIFICATE OF AMENDMENT OF THE DECLARATION AND BY-LAWS OF LEISURE GLEN HOME OWNERS ASSOCIATION, INC.

Pursuant to the provisions of Article XIV, Section 2 of the Declaration and Article XII of the By-Laws of **LEISURE GLEN HOME OWNERS ASSOCIATION**, **INC.**, having an office at 311 Glen Drive, Ridge, New York 11961, the undersigned, being respectively the President and Secretary of the Board of Directors of the above-named Home Owners Association, hereby certify, as follows:

FIRST: The name of the Home Owners Association at the time the Declaration and By-Laws were filed in the Office of the Suffolk County Clerk was **LEISURE GLEN HOME OWNERS ASSOCIATION, INC.** The real property comprising the Home Owners Association is more particularly described on Schedule A annexed hereto.

SECOND: The Declaration and By-Laws of **LEISURE GLEN HOME OWNERS ASSOCIATION, INC.**, dated September 16, 1986, were filed in the Office of the Suffolk County Clerk on the 18TH day of September, 1986 in Liber 10126 at Page 284.

THIRD: The Declaration of LEISURE GLEN HOME OWNERS ASSOCIATION, INC. as authorized by Article XIV, Section 2 and the By-Laws of LEISURE GLEN HOME OWNERS ASSOCIATION, INC. as authorized by Article XII is hereby amended thereof as follows:

Note: Language to be removed is stricken through (stricken through). Language to be added appears in bold and underlined type.

AMENDMENT #19

DECLARATION: ARTICLE IV. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

The Association shall have one class of membership interest. The owner of each dwelling unit on The Properties subject to this Declaration shall be a member.

Each Member, or the spouse of a Member is entitled to one vote on any business that comes before them in which they have a voting interest. When more than one person or entity holds such interest in any Home, the one vote attributable to such Home shall be exercised as such persons mutually determine but, with the exception of cumulative voting employed in the election of Directors, not more than one vote may be cast with respect to any such Home. For purposes of this section the word "home" shall have the same meaning as "lot" and therefore if there is no home constructed on a particular lot in the Development, the owner of such lot will still be considered a Member entitled to cast the one vote as set forth above. No Member voter shall split or divide its vote on any motion, resolution or ballot other than in the cumulative voting procedure employed in the election of Directors.

BY-LAWS: ARTICLE VI. MEMBERSHIP AND VOTING RIGHTS

<u>Section 1. Membership</u>. The Association shall have one class of membership interest as follows:

The Owner of each Home (or "lot" in the event no home is constructed on such lot) on the Properties shall be a member of the Association whether such Home is a townhouse or any other type of residential dwelling unit and whether such ownership is joint, in common or tenancy by the entirety. Each member, or the spouse of a member, is entitled to one vote. When more than one person or entity holds such interest in any Home, the one vote attributable to such Home shall be exercised as such persons mutually determine but with the exception of cumulative voting employed in the election of Directors, not more than one vote may be cast with respect to any such Home. No member shall split or divide its votes Votes shall not be split or divided on any motion, resolution or ballot other than in the cumulative voting procedure employed in the election of Directors.

BY-LAWS: ARTICLE VII. QUORUM, PROXIES AND WAIVERS

Section 1. Quorum. So many Members <u>authorized voters</u> as shall represent at least 51% <u>forty percent (40%)</u> of the total authorized votes of all Members present in person or represented by written proxy shall be requisite to and shall constitute a quorum at all meetings of the Association for the transaction of business, except as otherwise provided by Statute, by the Declaration, the Certificate of Incorporation of the Association or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Association, the Members <u>those</u> entitled to vote thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting. At least 5 days written notice of such adjourned meeting shall be given to all <u>Members those</u> entitled to vote. At such adjourned meeting any business may be transacted which might have been transacted at the meeting originally called.

BY-LAWS: ARTICLE VII. QUORUM, PROXIES AND WAIVERS

Section 2. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of a majority of the Members those entitled to vote present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding on all Members, unless the question is one upon which by express provision of the Statute, Declaration, Certificate of Incorporation or of these By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

<u>Section 3.</u> Right to Vote. Members, <u>or the spouse of a Member</u>, shall be entitled to vote either in person or by proxy at any meeting of the Association. Any such proxy shall be valid for such meeting or subsequent adjourned meetings thereof.

Remaining provisions are unchanged.

BY-LAWS: ARTICLE VIII. BOARD OF DIRECTORS

Section 1. Number, and Term and Qualifications.

The number of Directors which shall constitute the whole Board shall be <u>no more than</u> seven (7) and no less than three (3). All Directors:

- (i) Must be a member of the Association or the immediate family member residing in the member's home; and
- (ii) Shall have been a member of Leisure Glen Homeowners Association, Inc. for at least one (1) year prior to the date of election, or immediate family member residing in the member's home for at least one (1) year prior to the date of election; and
- (iii) Must physically reside at Leisure Glen Homeowners Association, Inc., for at least ten (10) months of each calendar year; and
- (iv) May not be employed on a full-time basis in any capacity; and
- (v) Must be in good standing, which shall be defined for the purposes of this Article VIII, Section 1 as being current in all financial obligations to the Association, not having any architectural violations, and having provided the Board of Directors with proof of dwelling insurance in accordance with the Board's requirements; and
- (vi) Must not knowingly be in violation of any provisions of the Declaration or By-Laws or Rules and Regulations; and
- (vii) At the first Annual Meeting following the effective date of this Amendment, Members shall vote for and elect seven (7) Directors [four (4) for a two (2)-year term, and three (3) for a one (1)-year term]. Thereafter, at each subsequent Annual Election, those elected shall serve a two (2)-year term; and
- (viii) No Director may be elected to serve more than three (3) consecutive two (2)-year terms.

BY-LAWS: ARTICLE VIII. BOARD OF DIRECTORS

<u>Section 2.</u> <u>Cumulative—Voting and Right of Developer to Designate Certain Board Members.</u>

In an election of Directors, each Member <u>or spouse of a Member</u>, shall be entitled to <u>one</u> vote <u>for each open position on the Board</u>. as many votes as shall equal the number of Directors to be elected and a Member may cast all such votes for a single Director or may distribute them among two or more Directors as he sees fit.

Notwithstanding the foregoing, the Developer shall have the right to designate three Directors until the fifth anniversary date of the recording of the Declaration or until 90% of the Homes in all phases of the Development are closed, whichever is sooner. Thereafter, the Developer shall have the right to designate one Director for so long as it holds at least one membership. When the Developer no longer holds any membership interests it may not designate any Directors. Developer may not cast its votes to elect any Directors in addition to the designated Directors set forth above. The provisions of Article VII Sections 1 and 2 may not be amended without the written consent of the Developer.

<u>Section 4. Removal.</u> Directors, other than Sponsor designees may be removed for cause by an affirmative vote of a majority of the Members those entitled to vote. No Director, other than a designee of the Sponsor, shall continue to serve on the Board if, during his term of office, he shall cease to be a Member or spouse of a Member.

Remaining provisions are unchanged.

BY-LAWS: ARTICLE IX. OFFICERS

Section 1. Elective Officers. The officers of the Association shall be chosen by the Board of Directors and shall be a President, a Vice President, a Secretary and a Treasurer. The Board of Directors may also choose one or more Assistant Secretaries and Assistant Treasurers and such other officers as in their judgment may be necessary. All officers must be either members of the Board of Directors or Members of the Association, except Sponsor designees. To be considered for an Officer position, a Director must have served a minimum of (1) year on the Board.

Section 2. Election. The Board of Directors, at its first meeting after each annual meeting of Association Members, shall elect a President, a Vice President, a Secretary and a Treasurer. The President, Vice President, and Secretary must be a member of the Board of Directors.

Remaining provisions are unchanged

AMENDMENT #20

DECLARATION: ARTICLE XIV. GENERAL PROVISIONS

Section 2. Duration and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable to the Association, any Member, or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, until December 31, 2026, unless otherwise expressly limited herein, after which time said covenants and restrictions shall be automatically extended for successive periods of ten (10) years unless an instrument signed by sixty-six and

two-thirds (66 2/3%) percent of the Home Owners has been recorded, agreeing to change said covenants and restrictions in whole or in part. Notwithstanding the foregoing the easements, licenses, rights and privileges established and created with respect to the Properties by Section 2 of Article VI shall be perpetual, run with the land and shall survive any destruction, reconstruction and relocation of the physical structures unless said provision is abrogated by the unanimous written consent of all the Home Owners. Unless specifically prohibited herein, this Declaration may be amended by an instrument signed by Members or the spouses of Members holding not less than sixty—six and (66 2/3%) fifty one percent (51%) of the votes of the membership those entitled to vote. Any amendment must be properly recorded to be effective.

BY-LAWS: ARTICLE XII. AMENDMENTS

Except as otherwise provided, these By-laws may be altered, amended or added to at any duly called meeting of Association Members provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment and (2) that the amendment shall be approved by vote of at least sixty six and two thirds (66 2/3%) fifty one percent (51%) of the members those entitled to vote. No amendment, however, shall affect or impair the validity or priority of the Members' interests and the interests of holders of a mortgage encumbering a Member's Home. Nor shall any amendment have the effect of infringing upon the Developer's right to build and make membership in or use of the Association available to purchasers or lessees of no more than 603 Homes on the Properties, if only, Phase II is brought into the scheme of the Declaration and 1483 Homes on the properties if the Phase III properties are brought within the scheme of the Development.

Remaining provisions are unchanged

FOURTH: The foregoing Amendments to the Declaration and By-Laws of **LEISURE GLEN HOME OWNERS ASSOCIATION, INC.** was duly authorized by a vote of the members of the Association at a meeting of the membership held on February 27, 2020 at which the Amendments were approved by more than 66 2/3% of the members pursuant to the requirements of Declaration and By-Laws.

IN WITNESS WHEREOF, the undersigned have signed this Certificate on the 28th ay of FEBRUARY . 2020.

Edward Marczak, President

Frederick Finter, Secretary

STATE	OF	NEW	YORK)
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SS.:

COUNTY OF SUFFOLK)

On the 28th day of February, 2020, before me, the undersigned, personally appeared Edward Marczak, personally known to me or proved to be on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Jucea a. Elsen Notary Public

LUCIÁ A ELSER
NOTARY PUBLIC STATE OF NEW-YORK
SUFFOLK COUNTY
LIC. #01EL6236686
MY COMMISSION EXPIRES 3/1/3,03/3

STATE OF NEW YORK)

ss.:

COUNTY OF SUFFOLK)

On the 28th day of February, 2020, before me, the undersigned, personally appeared Frederick Finter, personally known to me or proved to be on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Jucea a . Elsen Notary Public

LUCIÁ A ELSER
NOTARY PUBLIC STATE OF NEW YORK
SUFFOLK COUNTY
LIC. #01EL6236686
MY COMMISSION EXPIRES 3/17/2033

SCHEDULE A

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being at Ridge, Town of Brookhaven, County of Suffolk and State of New York, know and designated as:

Lot number 1 through 128 as shown on a certain map entitled "Map of Leisure Glen, Section 1" which said map was duly filed in the office of the clerk of the County of Suffolk on 12/23/1985 as map number 8034.

Lot number 129 through 276 as shown on a certain map entitled "Map of Leisure Glen, Section 2" which said map was duly filed in the office of the clerk of the County of Suffolk on 1/15/1987 as map number 8258.

Lot number 277 through 386 as shown on a certain map entitled "Map of Leisure Glen, Section 3" which said map was duly filed in the office of the clerk of the County of Suffolk on 1/19/1988 as map number 8459. -2200 + 367 + 368

Lot number 387 through 474 as shown on a certain map entitled "Map of Leisure Glen, Section 4" which said map was duly filed in the office of the clerk of the County of Suffolk on 10/17/1988 as map number 8632.

Lot number 475 through 632 as shown on a certain map entitled "Map of Leisure Glen, Section 5" which said map was duly filed in the office of the clerk of the County of Suffolk on 7/23/1993 as map number 9392.

Lot number 633 through 650 as shown on a certain map entitled "Map of Leisure Glen, Section 6" which said map was duly filed in the office of the clerk of the County of Suffolk on 9/19/1995 as map number 9742.