

HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Sponsor and Selling Agent: HUNTER HIGHLANDS

FIRST AMENDMENT TO OFFERING PLAN FOR  
HUNTER HIGHLANDS II CONDOMINIUM

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This Amendment modifies and supplements the original Offering Plan dated December 1, 1979 and should be read in conjunction with said Plan.

The terms of this Amendment are as follows:

1. Revisions to Offering Plan

(a) As the result of a recent federal law over-riding state usury laws with respect to the amount of interest permitted to be charged on first mortgages secured by residential real property (including condominiums), mortgage loans made by West Side Federal shall bear interest at a rate equal to one-quarter (1/4%) per cent above West Side Federal's prevailing rate on new one and two family primary homes at the time of closing of title. In addition, if legally permissible, the purchasers shall also pay an origination fee at time of closing of title equal to two (2%) per cent of the purchaser's mortgage. See pages 61 and 62 of the Plan for other provisions concerning "Purchasers' Mortgages" and pages 69 and 70 for other "Estimated Closing Costs and Expenses".

(b) The top line of page 62 of the Plan is corrected by inserting "See pages 69-70" at the end of the line.

(c) The Purchase Agreement (Schedule L, pages 171-178 of the Plan) is amended by substituting the following:

Paragraph 6(b) (page 173). "If Purchaser elects to finance the purchase price, all mortgage closing costs including mortgage title insurance, mortgage tax, bank attorneys' fees, bank credit, appraisal and two (2%) per cent origination fees, recording fee and private mortgage fee, if any (only on mortgages exceeding 80%); Purchaser agrees to reimburse Seller to the extent of any mortgage tax and origination fees previously paid by Seller for which the Purchaser receives a credit";

EXHIBIT A  
PRICE AND MORTGAGE CHANGES

Home No.	Model	New Price X1000	20% Cash X1000	80% Mtge. X1000	Monthly Mtge. Charge 30 yrs. 13%	Est. Total Monthly Charge	Est. Monthly Charges Deductible For Income Tax Purposes
K 1	(1) D/L	150	21	84	929.21	1,105.52	991.01
K 2	(2) D	130	21	84	929.21	1,096.59	984.84
L 4	D	95	19	76	840.72	1,004.46	897.29
L 8	D	99	19.8	79.2	876.11	1,043.93	933.28
O 2	D	99	19.8	79.2	876.11	1,043.49	932.84
O 3	D/L	105	21	84	929.21	1,098.35	986.60
O 4	D	95	19	76	840.72	1,004.46	897.29
O 5	D/L	105	21	84	929.21	1,098.35	986.60
O 6	D	95	19	76	840.72	1,004.46	897.29
O 8	D	99	19.8	79.2	876.11	1,043.93	933.28
P 2	(3) D	109	21.8	87.2	964.62	1,132.00	1,019.51
P 4	D	95	19	76	840.72	1,004.46	897.29
P 5	D/L	105	21	84	929.21	1,098.35	986.60
P 6	D	95	19	76	840.72	1,004.46	897.29
P 8	D	99	19.8	79.2	876.11	1,043.93	933.28
Q 2	S	72	14.4	57.6	637.18	747.51	688.03
Q 4	S	69	13.8	55.2	610.63	717.81	640.26
Q 8	S	72	14.4	57.6	637.18	747.51	668.03
R 1	(4) D/L	112.5	22.5	90	995.58	1,171.89	1,056.01
R 2	D	99	19.8	79.2	876.11	1,043.49	932.84
R 3	D/L	105	21	84	929.21	1,098.35	986.60
R 4	D	95	19	76	840.72	1,004.46	897.29
R 5	D/L	105	21	84	929.21	1,098.35	986.60
R 6	D	95	19	76	840.72	1,004.46	897.29
R 8	D	99	19.8	79.2	876.11	1,043.93	933.28

FOOTNOTES

(1) The new price of unit includes all furnishings. Mortgage is available for unfurnished unit based on price of \$105,000.

(2) Unit price includes all furnishings and whirl pool tub. Mortgage is available based on unfurnished price of unit of \$105,000.

(3) Unit price includes whirl pool tub.

(4) Unit price includes whirl pool tub.

Mortgagee: West Side Federal Savings and Loan Association New York City  
Mortgagor(s):

### RIDER

**NOTICE: THE SECURITY INSTRUMENT SECURES A NOTE WHICH CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE INTEREST RATE. INCREASES IN THE INTEREST RATE WILL RESULT IN HIGHER PAYMENTS. DECREASES IN THE INTEREST RATE WILL RESULT IN LOWER PAYMENTS.**

This Rider is made this ..... day of ....., 19..... and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Deed to Secure Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to ..... "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at .....

*Property Address*

Modifications. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

#### INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note has an "Initial Interest Rate" of .....%. The Note interest rate may be increased or decreased on each Change Date, as described in the Note. Changes in the interest rate are governed by changes in the "Contract Interest Rate, Purchase of Previously Occupied Homes, National Average for all Major Types of Lenders" made available by the Federal Home Loan Bank Board (the "Index"). The interest rate cannot be changed to more than ..... percentage points higher or lower than the Initial Interest Rate.

If the interest rate changes, the amount of Borrower's monthly payments will change as provided in the Note. Increases in the interest rate will result in higher payments. Decreases in the interest rate will result in lower payments.

#### LOAN CHARGES

It could be that the loan secured by the Security Instrument is subject to a law which sets maximum loan charges. That law is interpreted so that the interest or other loan charges collected or to be collected in connection with the loan would exceed permitted limits. If this is the case, then: (A) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (B) any sums already collected from Borrower which exceed permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal due under the Note or by making a direct payment to Borrower.

#### TRANSFER OF THE PROPERTY

If there is a transfer of the Property subject to paragraph 17 of the Security Instrument, Lender may require an increase in the current Note interest rate or an increase in the Base Index figure, or both, as a condition of waiving the option to accelerate provided in paragraph 17.

By signing this, Borrower agrees to all of the above.

..... (Seal)  
—Borrower

..... (Seal)  
—Borrower

# NOTE

NOTICE TO BORROWER: THIS NOTE CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE INTEREST RATE. INCREASES IN THE INTEREST RATE WILL RESULT IN HIGHER PAYMENTS. DECREASES IN THE INTEREST RATE WILL RESULT IN LOWER PAYMENTS.

..... 19.....  
..... City State  
.....  
Property Address City State Zip Code

## 1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay US \$..... (this amount will be called "principal"), plus interest, to the order of the Lender. The Lender is WEST SIDE FEDERAL SAVINGS AND LOAN ASSOCIATION OF NEW YORK CITY.....

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note will be called the "Note Holder".

## 2. INTEREST

Interest will be charged on that part of principal which has not been paid. Interest will be charged beginning on the date of this Note and continuing until the full amount of principal has been paid.

Starting on the date of this Note, I will pay interest at a yearly rate of .....% (the "Initial Interest Rate"). The interest rate that I will pay will change in accordance with Section 5 of this Note until my loan is paid. Interest rate changes may occur on the ..... day of ..... in 19..... and on that day in that month every ..... years thereafter (the "Change Date").

The interest rate that I pay will not be changed by more than ..... percentage points on any Change Date.

The interest rate that I pay may never be increased to more than .....% or decreased to less than .....% during the period I have my loan.

## 3. THIS NOTE SECURED BY A MORTGAGE

In addition to the protections given to the Note Holder under this Note, a Mortgage, dated ..... 19..... protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Mortgage describes how and under what conditions I may be required to make immediate payment in full of all amounts that I owe under this Note.

## 4. PAYMENTS

### (A) Time and Place of Payments

I will pay principal and interest by making payments every month. I will make my monthly payments on the ..... day of each month beginning on ..... 19..... I will make my monthly payments at 1790 Broadway, New York, New York 10019..... or at a different place if required by the Note Holder. I will make these payments until I have paid all of the principal and interest and any other charges, described below, that I may owe under this Note. I will pay all sums that I owe under this Note no later than ..... 20..... (the "final payment date").

### (B) Borrower's Payments Before They Are Due

I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment". When I make a prepayment, I will tell the Note Holder in a letter that I am doing so. I may make a full prepayment or a partial prepayment without paying any penalty. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no delays in the due dates of my monthly payments unless the Note Holder agrees in writing to those delays. My partial prepayment will reduce the amount of my monthly payments after the first Change Date following my partial prepayment. However, any reduction due to my partial prepayment may be offset by an interest rate increase.

### (C) Amount of Monthly Payments

My initial monthly payments will be in the amount of US \$..... if the interest rate that I pay changes, the amount of my monthly payments will change. Increases in the interest rate will result in higher payments (unless my prepayments since the last Change Date offset the increases in my monthly payments). Decreases in the interest rate will result in lower payments. The amount of my monthly payments will always be sufficient to repay my loan in full in substantially equal payments by the final payment date. In setting the monthly payment amount on each Change Date, the Note Holder will assume that the Note interest rate will not change again prior to the final payment date.

**5. INTEREST RATE CHANGES**

**(A) The Index**

Any changes in the interest rate will be based on changes in a measure of the cost of home mortgage loans called the "Index". The Index is the "Contract Interest Rate, Purchase of Previously Occupied Homes, National Average for all Major Types of Lenders" made available by the Federal Home Loan Bank Board. If the Index ceases to be made available by the Federal Home Loan Bank Board, or by any successor to it, the Note Holder will set the Note interest rate by using a comparable national index.

**(B) Setting the New Interest Rate**

To set the new interest rate, the Note Holder will first determine a "preliminary rate". The preliminary rate will reflect the change between the most recent Index figure available on ..... 19..... (the "Base Index figure") and the most recent Index figure available on the ..... day of ..... prior to each Change Date (the "current Index figure").

If the current Index figure is larger than the Base Index figure, the Note Holder will add the amount of the change to the Initial Interest Rate. If the current Index figure is smaller than the Base Index figure, the Note Holder will subtract the amount of the change from the Initial Interest Rate. The result of this addition or subtraction will be the preliminary rate. If there is no change between the Base Index figure and the current Index figure, the Initial Interest Rate will be the preliminary rate.

Next, the Note Holder will adjust the preliminary rate so that:

- (i) the change in the interest rate on any Change Date will not be more than ..... percentage points; and
- (ii) the new interest rate will not be more than ..... percentage points higher or lower than the Initial Interest Rate.

My new interest rate will equal the figure that results from this adjustment of the preliminary rate.

**(C) Effective Date of Changes**

Each new interest rate will become effective on the next Change Date. If my monthly payment changes as a result of a change in the interest rate, my monthly payment will change as of the first monthly payment date after the Change Date.

**(D) Notice to Borrower**

The Note Holder will mail me a notice by first class mail (which may be certified) at least 90 days before each Change Date during the period I have my loan. The notice will include:

- (i) a statement that my loan interest rate is scheduled to be adjusted on the next Change Date;
- (ii) a statement that if I do not pay my loan in full by the next Change Date, the interest rate on my loan will be adjusted;
- (iii) the interest rate that will apply to my loan for the period beginning with the next Change Date;
- (iv) the amount of my monthly payment of principal and interest after the next Change Date;
- (v) the date of my first monthly payment after the next Change Date;
- (vi) a statement of what the principal balance of my loan will be on the next Change Date assuming I make my regular monthly payments;
- (vii) a reminder that there is no penalty if I pay off my entire loan or a part of it on the next Change Date or at any other time; and,
- (viii) the title and telephone number of an employee who will answer my questions regarding the notice.

**6. BORROWER'S FAILURE TO PAY AS REQUIRED**

**(A) Late Charge for Overdue Payments**

If the Note Holder has not received the full amount of any of my monthly payments by the end of ..... calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be ..... % of my overdue payment of principal and interest. I will pay this late charge only once on any late payment.

**(B) Notice from Note Holder**

If I do not pay the full amount of each monthly payment on time, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date I will be in default. That date must be at least 30 days after the date on which the notice is mailed to me.

**(C) Default**

If I do not pay the overdue amount by the date stated in the notice described in (B) above, I will be in default. If I am in default, the Note Holder may require me to pay immediately the full amount of principal which has not been paid and all the interest that I owe on that amount.

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

**(D) Payment of Note Holder's Costs and Expenses**

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to require me to pay all the costs and expenses of the Note Holder in connection with the enforcement of this Note.

**7. WAIVERS**

Anyone who signs this Note to transfer it to someone else (known as an "endorser") waives certain rights. Those rights are (A) the right to require the Note Holder to demand payment of amounts due (known as "presentment") and (B) the right to require the Note Holder to give notice that amounts due have not been paid (known as "notice of dishonor").

**8. GIVING OF NOTICES**

Except for the notice provided in Section 5(D), any notice that must be given to me under this Note will be given by mailing it by certified mail. All notices will be addressed to me at the Property Address above. Notices will be mailed to me at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by certified mail to the Note Holder at the address stated in Section 4(A) above. Notices will be mailed to the Note Holder at a different address if I am given a notice of that different address.

**9. RESPONSIBILITY OF PERSONS UNDER THIS NOTE**

If more than one person signs this Note, each of us is fully and personally obligated to pay the full amount owed and to keep all of the promises made in this Note. Any guarantor, surety, or endorser of this Note is also obligated to do these things. The Note Holder may enforce its rights under this Note against each of us individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

Any person who takes over my rights or obligations under this Note will have all of my rights and must keep all of my promises made in this Note. Any person who takes over the rights or obligations of a guarantor, surety, or endorser of this Note is also obligated to keep all of the promises made in this Note.

**10. LOAN CHARGES**

It could be that this loan is subject to a law which sets maximum loan charges and that law is interpreted so that the interest or other loan charges collected or to be collected in connection with this loan would exceed permitted limits. If this is the case, then: (A) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (B) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

.....(Seal)  
*Borrower*

.....(Seal)  
*Borrower*

.....(Seal)  
*Borrower*  
*(Sign Original Only)*

HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Sponsor and Selling Agent: HUNTER HIGHLANDS

SECOND AMENDMENT TO OFFERING PLAN FOR  
HUNTER HIGHLANDS II CONDOMINIUM

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This Amendment modifies and supplements the original Offering Plan dated December 1, 1979 and the First Amendment dated June 30, 1980 and should be read in conjunction with said Plan and prior Amendment.

The terms of this Amendment are as follows:

1. Revisions to Offering Plan

(a) As the result of an increase in title insurance fees granted by the New York State Insurance Department, as of August 1, 1980 the title insurance charges referred to in paragraphs "1" and "3" on pages "69" and "70" of the Plan have been increased by 12.07%. For example, for a house selling at \$74,000.00, the cost of an owner's title policy would be \$323.88 rather than \$289.00 and for a mortgage of \$60,800.00, the cost of mortgage title insurance would be \$237.88 rather than \$212.00.

(b) To correct a printer's error in collating the Plan, page "58" should be renumbered "59", page "59" renumbered "60", page "60" renumbered "58", page "78" renumbered "79" and page "79" renumbered "78".

(c) As the result of topographical conditions determined after filing of the Plan, the layout of the tennis courts and swimming pool facilities required a change in a portion of the common area located on the easterly side of Hunter Drive. Amended Schedule A annexed hereto shows the area that has been deleted and the equal area that has been added. Amended Schedule D annexed hereto also shows the revised common area as well as the new location of the tennis courts and pool (under construction). Schedules "J" and "O" have accordingly been amended by changing the description of that portion of the Condominium which is

Also a parcel of land situate lying and being on the eastern side of a road called Hunter Drive bounded and described as follows:

BEGINNING at a point in the east bounds of said Hunter Drive in range with the south bounds of Highlands Lane thence along other land of Hunter Highlands S 54° 00' E 145.00 feet and S 18° 00' E 230.33 feet to a point in the west bounds of land of Jack J. Forest and others; thence along said bounds S 41° 18' 50" W 260.82 feet; thence along other lands of Hunter Highlands N 46° 41' 10" W 126.18 feet to a point in the east bounds of said Hunter Drive; thence along the east bounds of said Hunter Drive the following three courses and distances N 31° 10" E 216.84 feet to a point of curvature; thence along an arc curving to the right with a radius of 375 feet a distance measured along the arc of 180.62 feet to a point of tangency; thence N 31° 33' E 24.42 feet to the point and place of beginning. Contains 1.948 Acres of land.

2. Incorporation of Plan

The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth at length.

3. Definitions

All terms used in this Amendment shall have the same meaning as ascribed thereto in the Plan.

4. No Material Changes

Except as set forth in this Amendment, there have been no material changes in the Plan.

Dated: Hunter, New York  
August , 1980

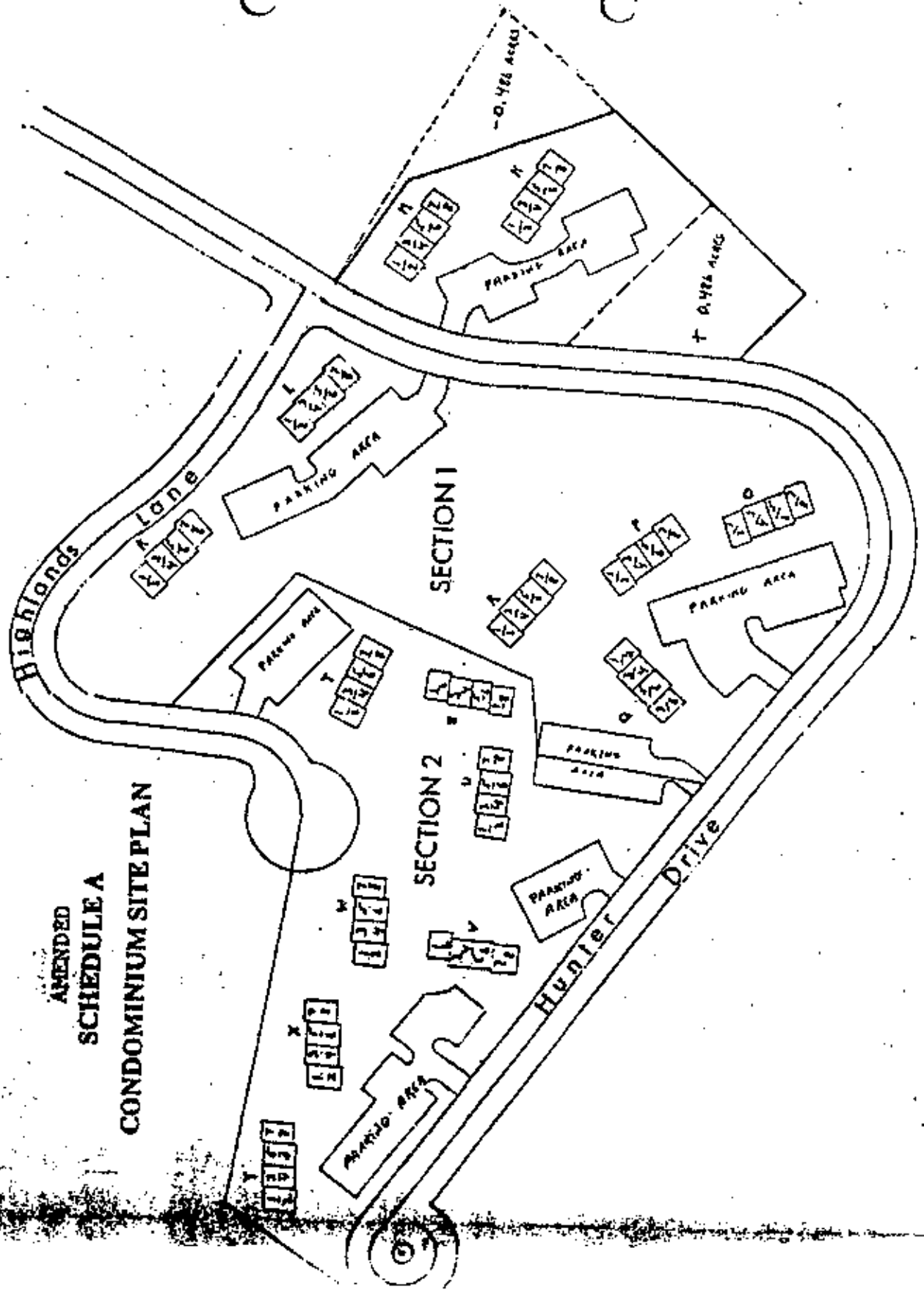
HUNTER HIGHLANDS

Sponsor

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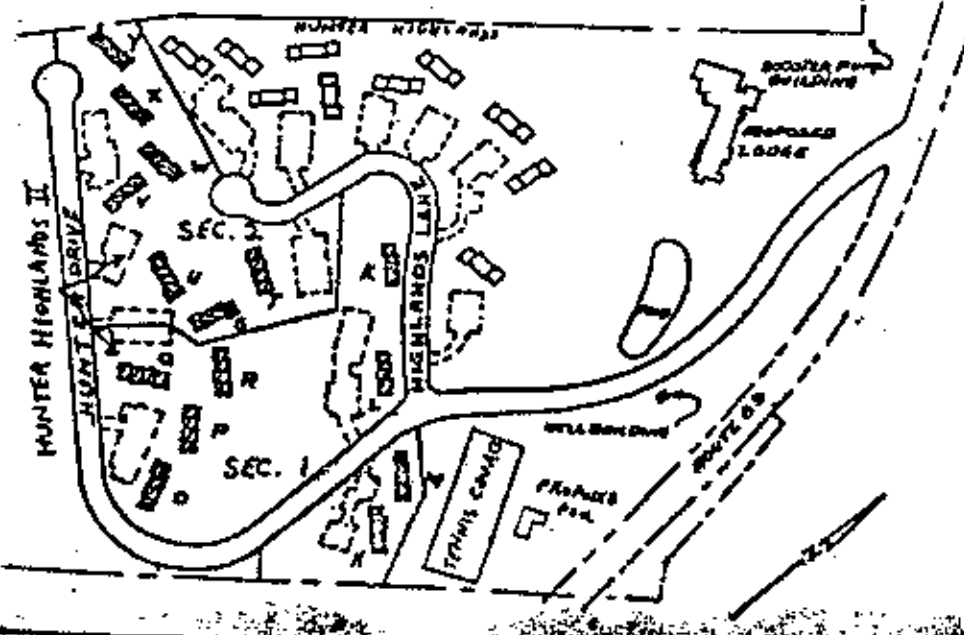
AMENDED  
SCHEDULE A  
CONDOMINIUM SITE PLAN

AMENDED  
SCHEDULE D  
OVERALL AREA PLAN

NOTE: LOCATIONS OF HUNTER MOUNTAIN  
SKI AREA FACILITIES ARE APPROXIMATELY  
AS SHOWN.

HUNTER SKI BOWL

EXISTING  
LIFTS & TOWS



HUNTER HIGHLANDS LEGEND  
EXISTING BUILDINGS □  
NEW BUILDINGS ▭

is  
to  
be  
of

HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Sponsor and Selling Agent: HUNTER HIGHLANDS

THIRD AMENDMENT TO OFFERING PLAN FOR  
HUNTER HIGHLANDS II CONDOMINIUM

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This Amendment modifies and supplements the original Offering Plan dated December 1, 1979 and the First Amendment dated May 30, 1980 and the Second Amendment dated August , 1980.

1. The terms of this Amendment are as follows:

(a) The prices of unsold Homes are increased as set forth in Exhibit "A" annexed. The percentage of common interest of each Home remains unchanged.

(b) As of the date of this Amendment, Purchase Agreements covering approximately 24 Homes have been executed and are in effect. The Sponsor has accordingly declared the Plan effective. The Declaration has not been filed as of the date of this Amendment.

2. Incorporation of Plan

The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth at length.

3. Definitions

All terms used in this Amendment shall have the same meanings as ascribed thereto in the Plan.

4. No Material Changes

Except as set forth in this Agreement, there have been no material changes in the Plan.

Dated: New York, New York  
October 1, 1980

HUNTER HIGHLANDS

EXHIBIT A

NEW PURCHASE PRICES OF UNSOLD RESIDENTIAL UNITS

<u>HOME NO.</u>	<u>MODEL</u>	<u>AMOUNT OF INCREASE</u>	<u>NEW PURCHASE PRICE</u>
K-1	D/L	\$23,000	\$ 99,000
K-2	D	16,000	90,000
K-4 *	D	8,000	80,000
L-2	D	9,000	83,000
L-4	D	8,000	80,000
L-6	D	8,000	80,000
L-7*	D/L	17,000	93,000
L-8*	D	9,000	83,000
M-1*	D/L	17,000	93,000
M-2*	D	9,000	83,000
M-3*	D/L	16,000	90,000
M-4	D	8,000	80,000
M-5*	D/L	16,000	90,000
M-6	D	8,000	80,000
M-7*	D/L	17,000	93,000
M-8	D	9,000	83,000
N-1*	D/3	14,000	101,000
N-2*	S	10,000	63,000
N-4*	S	8,000	60,000
N-5*	D/3	12,000	97,000
N-7*	D/3	14,000	101,000
O-1	D/L	17,000	93,000
O-2	D	9,000	83,000
O-3	D/L	16,000	90,000
O-4	D	8,000	80,000
O-5	D/L	16,000	90,000
O-6	D	8,000	80,000
O-7	D/L	17,000	93,000
O-8	D	9,000	83,000

\*Note: Contracts for the sale of these Homes have been executed subject to approval of the purchasers' mortgage applications. The above increases shall apply only to subsequent purchasers, if any, and not to existing contract vendees.

HOME

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<u>HOME NO.</u>	<u>MODEL</u>	<u>AMOUNT OF INCREASE</u>	<u>NEW PURCHASE PRICE</u>
P-1	D/L	\$ 17,000	\$ 93,000
P-2	D	9,000	83,000
P-3	D/L	16,000	90,000
P-4	D	8,000	80,000
P-5	D/L	16,000	90,000
P-6	D	8,000	80,000
P-7	D/L	17,000	93,000
P-8	D	9,000	83,000
Q-1	D/3	14,000	101,000
Q-2	S	10,000	63,000
Q-3	D/3	12,000	97,000
Q-4	S	8,000	60,000
Q-5	D/3	12,000	97,000
Q-6	S	8,000	60,000
Q-7	D/3	14,000	101,000
Q-8	S	10,000	63,000
R-1	D/L	17,000	93,000
R-2	D	9,000	83,000
R-3	D/L	16,000	90,000
R-4	D	8,000	80,000
R-5	D/L	16,000	90,000
R-6	D	8,000	80,000
R-7	D/L	17,000	93,000
R-8	D	9,000	83,000
S-1	D/3	24,000	111,000
S-2	S	16,000	69,000
S-3	D/3	22,000	107,000
S-4	S	14,000	66,000
S-5	D/3	22,000	107,000
S-6	S	14,000	66,000
S-7	D/3	24,000	111,000
S-8	S	16,000	69,000
T-1	D/3	24,000	111,000
T-2	S	16,000	69,000
T-3	D/3	22,000	107,000
T-4	S	14,000	66,000
T-5	D/3	22,000	107,000
T-6	S	14,000	66,000
T-7	D/3	24,000	111,000
T-8	S	16,000	69,000

<u>HOME NO.</u>	<u>MODEL</u>	<u>AMOUNT OF INCREASE</u>	<u>NEW PURCHASE PRICE</u>
U-1	D/L	\$ 23,000	\$ 99,000
U-2	D	16,000	90,000
U-3	D/L	23,000	97,000
U-4	D	16,000	88,000
U-5	D/L	23,000	97,000
U-6	D	16,000	88,000
U-7	D/L	23,000	99,000
U-8	D	16,000	90,000
V-1	D/3	20,000	111,000
V-2	S	14,000	69,000
V-3	D/3	18,000	107,000
V-4	S	12,000	66,000
V-5	D/3	18,000	107,000
V-6	S	12,000	66,000
V-7	D/3	20,000	111,000
V-8	S	14,000	69,000
W-1	D/L	18,000	99,000
W-2	D	11,000	90,000
W-3	D/L	18,000	97,000
W-4	D	11,000	88,000
W-5	D/L	18,000	97,000
W-6	D	11,000	88,000
W-7	D/L	18,000	99,000
W-8	D	11,000	90,000
X-1	D/3	20,000	111,000
X-2	S	14,000	69,000
X-3	D/3	18,000	107,000
X-4	S	13,000	66,000
X-5	D/3	18,000	107,000
X-6	S	12,000	66,000
X-7	D/3	20,000	111,000
X-8	S	14,000	69,000
Y-1	D/L	18,000	99,000
Y-2	D	11,000	90,000
Y-3	D/L	18,000	97,000
Y-4	D	11,000	88,000
Y-5	D/L	18,000	97,000
Y-6	D	11,000	88,000
Y-7	D/L	18,000	99,000
Y-8	D	11,000	90,000

HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands I  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Sponsor and Selling Agent: HUNTER HIGHLANDS

FOURTH AMENDMENT TO OFFERING PLAN FOR  
HUNTER HIGHLANDS II CONDOMINIUM

This Amendment modifies and supplements the original Offering Plan dated December 1, 1979, the First Amendment dated May 30, 1980, the Second Amendment dated August 8, 1980 and the Third Amendment dated October 1, 1980.

1. The terms of this Amendment are as follows:

(a) The living room window in the Simplex Home will be a 5' x 4' aluminium window in place of a sliding glass door.

(b) The first floor plan of the Two Bedroom Duplex Loft (Exhibit B, page 113 of the Plan) has been modified by opening the entrance closet area into the ski area and by enlarging the bathroom. See the amended floor plan annexed.

(c) The description of the fireplaces set forth on Page 100 of the Plan is corrected by deleting "glass doors" which are not included.

2. Incorporation of Plan

The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth at length.

3. Definitions

All terms used in this Amendment shall have the same meanings as ascribed thereto in the Plan.

4. No Material Changes

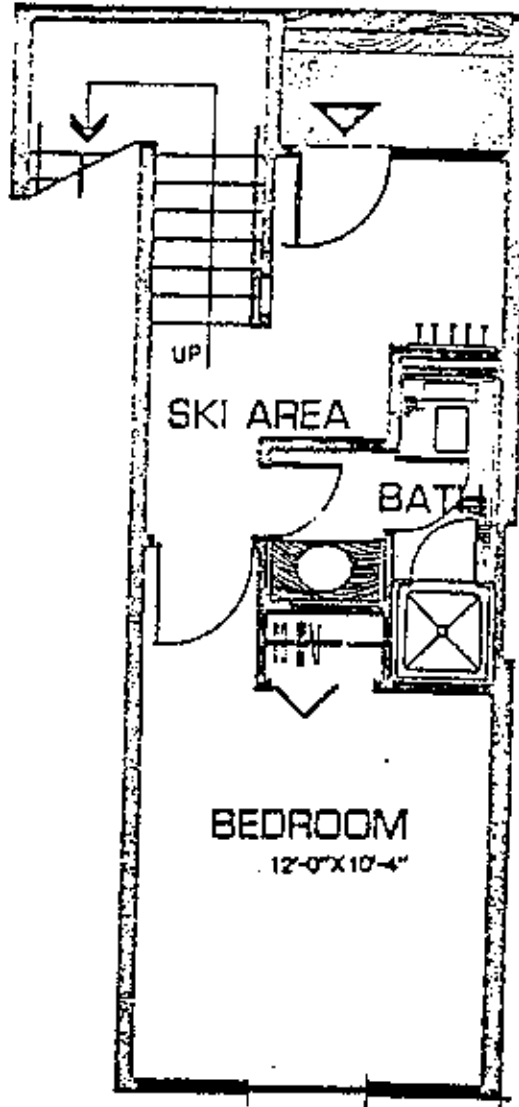
Except as set forth in this Agreement, there have been no material changes in the Plan.

Dated: New York, New York  
November 14, 1980

HUNTER HIGHLANDS

Sponsor

TYPICAL  
FLOOR PLAN  
TWO BEDROOM DUPLEX LOFT HOME



TWO BEDROOM  
DUPLEX LOFT HOME  
FIRST FLOOR PLAN



HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Sponsor and Selling Agent: HUNTER HIGHLANDS

FIFTH AMENDMENT TO OFFERING PLAN FOR  
HUNTER HIGHLANDS II CONDOMINIUM

This Amendment modifies and supplements the original Offering Plan dated December 1, 1979, the First Amendment dated May 30, 1980, the Second Amendment dated August 8, 1980, the Third Amendment dated October 1, 1980 and the Fourth Amendment dated November 14, 1980.

1. The terms of this Amendment are as follows:

(a) Schedule F has been modified by adding a new rider to the Mortgage (Exhibit "A" annexed) which provides for periodic changes in the interest rate which may be increased or decreased from time to time.

(b) Schedule Q has been modified by adding a new rider to the Note (Exhibit "B" annexed) which provides for periodic changes in the interest rate which may be increased or decreased from time to time.

(c) Use of the Offering Plan is extended for four months from this amendment.

2. Incorporation of Plan

The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth at length.

3. Definitions

All terms used in this Amendment shall have the same meanings as ascribed thereto in the Plan.

4. No Material Changes

Except as set forth in this Agreement, there have been no material changes in the Plan.

Dated: Great Neck, New York  
April 13, 1981

HUNTER HIGHLANDS

HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Sponsor and Selling Agent: HUNTER HIGHLANDS

SIXTH AMENDMENT TO OFFERING PLAN FOR  
HUNTER HIGHLANDS II CONDOMINIUM

This Amendment modifies and supplements the original Offering Plan dated December 1, 1979, the First Amendment dated May 30, 1980, the Second Amendment dated August 8, 1980, the Third Amendment dated October 1, 1980 and the Fourth Amendment dated November 14, 1980 and the Fifth Amendment dated April 13, 1981.

1. The terms of this Amendment are as follows:

Use of the Offering Plan is extended for four months from this amendment.

2. Incorporation of Plan

The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth at length.

3. Definitions

All terms used in this Amendment shall have the same meaning as ascribed thereto in the Plan.

4. No Material Changes

Except as set forth in this Agreement, there have been no material changes in the Plan.

Dated: Great Neck, New York  
October 13, 1981

HUNTER HIGHLANDS

Sponsor

HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Sponsor and Selling Agent: HUNTER HIGHLANDS

SEVENTH AMENDMENT TO OFFERING PLAN FOR  
HUNTER HIGHLANDS II CONDOMINIUM

This Amendment modifies and supplements the original Offering Plan dated December 1, 1979, the First Amendment dated May 30, 1980, the Second Amendment dated August 8, 1980, the Third Amendment dated October 1, 1980, the Fourth Amendment dated November 14, 1980, the Fifth Amendment dated April 13, 1981 and the Sixth Amendment dated October 13, 1981.

1. The terms of this Amendment are as follows:

(a) Use of the Offering Plan is extended for four months from this amendment.

(b) As the result of an increase in title insurance fees granted by the New York State Insurance Department, as of February 15, 1982 the fees for owner's title insurance and mortgage title insurance set forth on pages 69-70 have been increased by 13.3%.

(c) The Sponsor no longer has a commitment for permanent mortgages from West Side Federal with respect to the homes contained in buildings S, T, U, V, W, X and Y. Purchasers of homes in those buildings will therefor be required to pay the full purchase price in cash or obtain their own mortgage loans at their own expense.

2. Incorporation of Plan

The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth at length.

3. Definitions

All terms used in this Amendment shall have the same meaning as ascribed thereto in the Plan.

4. No Material Changes

Except as set forth in this Agreement, there have been no material changes in the Plan.

Dated at New York, New York  
February 24, 1982

HUNTER HIGHLANDS

HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Sponsor and Selling Agent: HUNTER HIGHLANDS  
EIGHTH AMENDMENT TO OFFERING PLAN FOR  
HUNTER HIGHLANDS II CONDOMINIUM

This Amendment modifies and supplements the terms of the original Offering Plan dated December 1, 1979, the First Amendment dated May 30, 1980, the Second Amendment dated August 8, 1980, the Third Amendment dated October 1, 1980, the Fourth Amendment dated November 14, 1980, the Fifth Amendment dated April 13, 1981, the Sixth Amendment dated October 13, 1981 and the Seventh Amendment dated February 24, 1982 and should be read in conjunction with said Plan and prior Amendments.

1. The terms of this Amendment are as follows:

(a) Use of the Offering Plan is extended for six months from this amendment.

(b) The prices of unsold homes are increased as set forth in Exhibit A annexed. The percentage of common interest of each home remains unchanged.

(c) Sponsor has obtained a commitment from First Nationwide Savings Bank, a successor of West Side Federal, to provide 30 year fixed rate mortgages at 13% annual interest rate. These mortgages will be available for 80% and/or 90% of the selling price or appraised value of a home which ever is less, to qualified purchasers. Purchasers obtaining 90% mortgages will be required to pay a one-time insurance premium equal to 0.65 percent of the mortgage to Investor Mortgage Insurance Company at the time of closing. The effect on the mortgage amount, monthly mortgage charges and monthly carrying charges deductible for income tax purposes are set forth in Exhibit A, annexed hereto and amend Schedule B of the Offering Plan. Additionally, interest rates further reduced by 1% by paying 4 points (4% of the loan) at the time of closing.

(d) Mortgagors may prepay their mortgages without penalty.

(e) The escrow depository wherein Sponsor shall hold all monies received under the purchase agreement in trust shall be a special non-interest bearing account entitled "Hunter Highlands II Condominium Escrow Account" account #324517-6 at Bankers Trust Company of New York, N.A., Main Street, Tannersville, New York 12485, ("the Escrow Depository"). This amends the following items: TRUST FUNDS-page 85; NON-BINDING UNIT RESERVATION-page 85; PURCHASE AGREEMENT-page 85.

(f) Sponsor is now represented by Greg D. Lubow, Esq., P.O. Box 830, Main Street, Tannersville, New York 12485, 518-589-5723. His change of attorney amends the following items: TRUST FUNDS-page 85; SPONSOR'S ATTORNEY-page 88; GENERAL (4)-page 88; PURCHASE AGREEMENT-page 177(20); REQUEST FOR RETURN OF UNIT RESERVATION DEPOSIT-

2. There are presently 25 unsold homes in section I. Nineteen of these are completed. Six are in construction needing interior finishing. Section II has not yet commenced.

3. Incorporation of Plan  
The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth at length.

4. Definitions  
All terms used in this Amendment shall have the same meaning as ascribed thereto in the Plan.

5. No Material Changes  
Except as set forth in this Agreement, there has been no material changes in the Plan.

Dated: August 9, 1982  
Hunter, New York

HUNTER HIGHLANDS

Sponsor

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EXHIBIT A  
PRICE AND MORTGAGE CHANGES

Home No.	Model	New Price X1000	10% Cash X1000	90% Mtge. X1000	Monthly Mtge. Charge 30 yrs. 13%	Est. Total Monthly Charge	Est. Monthly Charges Deductible For Income Tax Purposes
K 1	(1) D/L	150	10.5	94.5	1,045.36	1,200.06	1,104.76
K 2	(2) D	130	10.5	94.5	1,045.37	1,191.13	1,098.59
L 4	D	95	9.5	85.5	945.81	1,109.55	1,000.21
L 8	D	99	9.9	89.1	985.65	1,153.47	1,040.53
O 2	D	99	9.9	89.1	985.65	1,153.03	1,040.09
O 3	D/L	105	10.5	94.5	1,045.37	1,214.51	1,100.35
O 4	D	95	9.5	85.5	945.81	1,109.55	1,000.21
O 5	D/L	105	10.5	94.5	1,045.37	1,214.51	1,100.35
O 6	D	95	9.5	85.5	945.81	1,109.55	1,000.21
O 8	D	99	9.9	89.1	985.65	1,153.47	1,040.53
P 2	(3) D	109	10.9	98.1	1,085.19	1,252.57	1,137.59
P 4	D	95	9.5	85.5	945.81	1,109.55	1,000.21
P 5	D/L	105	10.5	94.5	1,045.37	1,214.51	1,100.35
P 6	D	95	9.5	85.5	945.81	1,109.55	1,000.21
P 8	D	99	9.9	89.1	985.65	1,153.47	1,040.53
Q 2	S	72	7.2	68.8	716.80	827.13	746.03
Q 4	S	69	6.9	62.1	686.96	794.14	715.01
Q 8	S	72	7.2	64.8	716.80	827.13	746.03
R 1	(4) D/L	112.5	11.25	101.25	1,108.98	1,285.29	1,177.88
R 2	D	99	9.9	89.1	985.65	1,153.47	1,040.09
R 3	D/L	105	10.5	94.5	1,045.37	1,214.51	1,100.35
R 4	D	95	9.5	85.5	945.81	1,109.55	1,000.21
R 5	D/L	105	10.5	94.5	1,045.37	1,214.51	1,100.35
R 6	D	95	9.5	85.5	945.37	1,109.55	1,109.55
R 8	D	99	9.9	89.1	985.65	1,153.47	1,040.53

**FOOTNOTES**

- (1) The new price of unit includes all furnishings. Mortgage is available for unfurnished unit based on price of \$105,000.
- (2) Unit price includes all furnishing and whirl pool tub. Mortgage is available based on price of unit or \$105,000.
- (3) Unit price includes whirl pool tub.
- (4) Unit price includes outdoor deck.

(a deductible item) decreases as the mortgage term continues. The estimate is computed by adding the estimate of real estate taxes and interest on the mortgage at 10%.

(8) Based upon a first mortgage of 90% of each the above purchase prices obtained by qualified purchasers from West Side Federal Savings and Loan Association of New York City and including principal and interest of 10% for thirty (30) years, self-liquidating, plus  $\frac{1}{2}\%$  for insurance from Investors' Mortgage Insurance Company. Although the maximum legal rate of interest is presently 10 $\frac{1}{2}\%$ , it may be increased by  $\frac{1}{2}\%$  quarter annually under existing law. For example, in the event the maximum legal rate is hereafter raised to 10 $\frac{1}{2}\%$ , purchasers would be required to pay 10 $\frac{1}{2}\%$  interest plus  $\frac{1}{2}\%$  insurance. See page 61 for the effect of such increase. Purchasers obtaining 90% mortgages will also be required to pay a one time insurance premium equal to .65% of their mortgage to Investors' Mortgage Insurance Company at time of closing of title.

(9) Total of estimated real estate taxes, common charges and interest and amortization on a 90%, 30 year, self liquidating mortgage at 10 $\frac{1}{2}\%$  interest, plus  $\frac{1}{2}\%$  insurance premium.

(10) Estimate is for first month. Subject to increase or decrease as interest payments decrease and real estate taxes change. The estimate is computed by adding the estimate of real estate taxes and interest on the mortgage at 10% ( $\frac{1}{2}\%$  insurance premium is not tax deductible).

## SCHEDULE B-1

PERCENTAGE OF COMMON INTEREST OF HOMES  
IF THE CONDOMINIUM CONSISTS OF ONLY  
64 HOMES IN SECTION 1

HOME NO.	TYPE (1)	% OF COMMON INTEREST (2)
K-1.	D/L	1.635
K-2.	D	1.588
K-3.	D/L	1.588
K-4.	D	1.540
K-5.	D/L	1.588
K-6.	D	1.540
K-7.	D/L	1.635
K-8.	D	1.588
L-1.	D/L	1.635
L-2.	D	1.588
L-3.	D/L	1.588
L-4.	D	1.540
L-5.	D/L	1.588
L-6.	D	1.540
L-7.	D/L	1.635
L-8.	D	1.588
M-1.	D/L	1.635
M-2.	D	1.588
M-3.	D/L	1.588
M-4.	D	1.540
M-5.	D/L	1.588
M-6.	D	1.540
M-7.	D/L	1.635
M-8.	D	1.588
N-1.	D/3	1.871
N-2.	S	1.137
N-3.	D/3	1.825
N-4.	S	1.114
N-5.	D/3	1.825
N-6.	S	1.114
N-7.	D/3	1.871
N-8.	S	1.137

(1) S: Simplex D: 2 bedroom Duplex D/L: 2 bedroom Duplex Loft  
D/3: 3 bedroom Duplex. See "Description of a Home" commencing  
page 44.

(2) The percentage of common interest for each home has been de-  
mined by the Sponsor based upon floor space, subject to the loc-  
tion of such space in the Condominium, the uniqueness of the ho-  
the availability of common elements for exclusive or shared use  
and the overall dimensions of the particular home (see page 47).



SCHEDULE B-1  
(continued)

<u>HOME NO.</u>	<u>TYPE (1)</u>	<u>% OF COMMON INTEREST (2)</u>
O-1.	D/L	1.635
O-2.	D	1.588
O-3.	D/L	1.588
O-4.	D	1.540
O-5.	D/L	1.588
O-6.	D	1.540
O-7.	D/L	1.635
O-8.	D	1.588
P-1.	D/L	1.635
P-2.	D	1.588
P-3.	D/L	1.588
P-4.	D	1.540
P-5.	D/L	1.588
P-6.	D	1.540
P-7.	D/L	1.635
P-8.	D	1.588
Q-1.	D/3	1.871
Q-2.	S	1.137
Q-3.	D/3	1.825
Q-4.	S	1.114
Q-5.	D/3	1.825
Q-6.	S	1.114
Q-7.	D/3	1.871
Q-8.	S	1.137
R-1.	D/L	1.635
R-2.	D	1.588
R-3.	D/L	1.588
R-4.	D	1.540
R-5.	D/L	1.588
R-6.	D	1.540
R-7.	D/L	1.635
R-8.	D	1.588

(1) S: Simplex D: 2 bedroom Duplex D/L: 2 bedroom Duplex Loft  
D/3: 3 bedroom Duplex. See "Description of a Home" commencing at  
page 44.

(2) The percentage of common interest for each home has been deter-  
mined by the Sponsor based upon floor space, subject to the loca-  
tion of such space in the Condominium, the uniqueness of the home,  
the availability of common elements for exclusive or shared use,  
and the overall dimensions of the particular home (see page 47).

SCHEDULE C

ESTIMATE OF OPERATING BUDGET FOR FIRST YEAR  
OF OPERATION OF HUNTER HIGHLANDS II CONDOMINIUM\*

Income from Common Charges . . . . .	\$132,000.00
Snow Removal (1) . . . . .	\$ 18,600.00
Insurance (2). . . . .	29,000.00
Sewage Charges (3) . . . . .	21,700.00
Water Charges (4). . . . .	4,500.00
Refuse Collection (5). . . . .	4,500.00
Exterior Painting and Staining (6) . .	6,000.00
Electricity (7). . . . .	10,800.00
Managing Agent's Fee (8) . . . . .	12,000.00
Telephone (9). . . . .	2,100.00
Landscape Maintenance (10) . . . . .	4,500.00
Repairs and Maintenance (11) . . . . .	8,300.00
Exterminating (12) . . . . .	1,500.00
Office and Miscellaneous Supplies. . .	1,000.00
Legal Fees (13). . . . .	1,000.00
Accounting Fees (14) . . . . .	3,500.00
Reserve for Contingencies . . . . .	<u>3,000.00</u>
Total Common Expenses. . . . .	\$132,000.00

\* Based upon 120 homes.  
See Footnotes to Schedules C, page 18.

## FOOTNOTES TO SCHEDULE C

(1) Provides for snow removal, sanding and salting of parking areas and walks based upon a snow accumulation of 105 inches during the 1978/79 season, which was above average.

(2) Includes \$1,000,000.00 liability insurance covering all claims against the Condominium for bodily injury and property damage arising out of one occurrence. Fire and extended coverage insurance .

(3) Payments will be made to Hunter Pollution Control Corp. (see pages 34-36 ) and is based upon use of sewage treatment system only by the Condominium home owners and Hunter Highlands condominium home owners and includes labor (a Class 2A waste water treatment plant operator--\$8,800.00 per year), electricity (\$5,100.00 per year), chemicals for plant operation (\$2,000.00 per year), sludge hauling (\$2,000.00 per year), maintenance, lab supplies and repairs (\$2,000.00 per year), fuel for heating the filter building (\$500,00 per year), telephone (\$600.00 per year), insurance (\$6,500.00 per year), office expense (\$2,900.00 per year), accounting (\$1,000.00 per year), and real estate taxes (\$850.00 per year). Estimate is based upon a usage of 75 gallons per day per person assuming two persons per bedroom, pro-rated for seasonal, second home use and upon the actual expenses incurred for operation of the system between August 1, 1978 and July 31, 1979.

Future rates will be subject to control by the New York State Public Service Commission.

(4) Payments will be made to Hunter Water Supply Corp. based upon metered usage. Estimate is based upon a yearly average of 12,000 gallons per day. Rate will be subject to control by the New York State Public Service Commission.

(5) Provides for refuse collection two times each week of the year.

(6) Provides for painting and staining of exterior of buildings based upon a four year schedule at a cost of \$1,500 per building, plus a reserve.

(7) Includes lighting of common areas.

(8) A one year management agreement will be entered into by the Board of Managers with Richard Thompson, residing in Hunter Highlands G-8, as managing agent which will be cancellable upon 90 days written notice by either party. The managing agent shall be responsible for billing and collecting common charges, purchasing supplies, maintenance of the Condominium books and records, engaging contractors for repair of the common elements and generally performing the duties of a managing agent of residential property (see page 83). A copy of such contract will be available for inspection at the office of the Sponsor upon execution thereof.

(9) For use by managing agent.

(10) Based upon a four month season at \$1,125 per month.

(11) Includes repair and maintenance of parking areas, walks, exterior steps and other common elements.

(12) Provides for exterminating around exterior of buildings and common areas as required.

(13) Provides for legal contingency fund.

(14) Provides for preparation of annual statements.

No contracts have been entered into for any of the services and expenses set forth in Schedule C. Expenses have been estimated based upon a review and analysis of engineering reports, utility company letters, estimates and proposals by contractors, statements by others as to existing conditions, and actual expenses incurred by Hunter Highlands Condominium from August 1, 1978 to July 31, 1979.

JAN 30 3 30 PM '87

GREENE COUNTY CLERK'S OFFICE  
CANTON, N.Y.

CERTIFICATE OF AMENDMENT  
OF BY-LAWS OF  
HUNTER HIGHLANDS II CONDOMINIUM  
Pursuant to Section 339-s of New York  
State Real Property Law.

Pursuant to the provisions of Section 339-s of the New York State Real Property Law and ARTICLE X of the By-Laws of HUNTER HIGHLANDS II CONDOMINIUM, the undersigned being the President and Secretary, respectively, of the Board of Managers of the above-named Condominium, hereby certify as follows:

FIRST: The name of the Condominium is Hunter Highlands II Condominium, with offices at Hunter Drive and Highlands Lane, Hunter, Greene County, New York 12442. The real property comprising the Condominium is more particularly described on Schedule "A" annexed hereto.

SECOND: The Declaration of Condominium entitled Hunter Highlands II Condominium was filed in the Greene County Clerk's Office on October 16, 1980, in Liber 506 at Page 146.

THIRD: The By-Laws of Hunter Highlands II Condominium are amended as authorized by ARTICLE X of the By-Laws as follows:

ARTICLE II, Section 11 of the By-Laws is stricken in its entirety and there is substituted in lieu thereof a new ARTICLE II, Section 11 reading as follows:

Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Home Owner of record, at least ten (10) but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

FOURTH: The foregoing amendment to the By-Laws of Hunter Highlands II Condominium was authorized by vote of no less than eighty (80%) percent of all home owners in number and common interest with the consent of the first mortgagees, if any, of the same homes at a meeting of the Hunter Highlands II Condominium home owners duly called and held on November 10, 1990.

IN WITNESS WHEREOF, the undersigned have signed this Certificate on the 12 day of January, 1997.

MARILYN STEFANS  
24 Highland Boulevard  
Dix Hills, New York 11746

*Marilyn Stefans*  
President

STATE OF NEW YORK )  
                  GREENE SS.:  
COUNTY OF ~~SUFFOLK~~ )

On the 12<sup>th</sup> day of January, 1997, before me personally came MARILYN STEFANS to me known to be the individual described in and who executed the foregoing instrument, and acknowledged that she executed the same

THOMAS M. FURTH  
Notary Public, State of New York  
No. 31-4963517  
Qualified in New York County  
Commission Expires March 12, 1998

*Thomas M. Furth*  
Notary Public

FREDRIC STEIN  
124 Bradley Avenue  
White Plains, New York 10607

*Fredric Stein*  
Secretary

STATE OF NEW YORK )  
                  GREENE SS.:  
COUNTY OF GREENE )

On the 12<sup>th</sup> day of January, 1997, before me personally came FREDRIC STEIN to me known to be the individual described in and who executed the foregoing instrument, and acknowledged that he executed the same

THOMAS M. FURTH  
Notary Public, State of New York  
No. 31-4963517  
Qualified in New York County  
Commission Expires March 12, 1998

*Thomas M. Furth*  
Notary Public

Greene County, as  
Recorded on the 30<sup>th</sup> day  
of JAN 19 97 at 3:30  
o'clock P.M. in Liber 868  
of Deeds at page 303  
indexed and examined.  
*Mary Ann Hardish*  
Clerk

SCHEDULE "A"  
DESCRIPTION

All that certain plot, piece or parcel of land, situate, lying and being in the Town of Hunter, County of Greene and State of New York, bounded and described as follows:

BEGINNING at a point in the southeast bounds of land conveyed to Shanty Hollow Corporation by West Side Federal Saving and Loan Association by deed dated June 14, 1977 and recorded in the Office of the Clerk of Greene County on July 18, 1977 in Liber of Deeds 488 of page 1117, said point being on a course and distance of S 33° 25' 50" W 123.94 feet from a point marking the most northerly corner of lands of said Shanty Hollow Corporation, said point also marking the southwest corner of Phase I, thence S 80° 04' 10" E 376.25 feet to a point in the line of a cul-de-sac located at the end of a road called Highlands Lane; thence along a line of said cul-de-sac curving to the left with a radius of 60 feet a distance measured along the arc of 190.04 feet to a point therein; thence along the easterly and the southerly bounds of said Highlands Lane the following seven courses and distances, thence along a line curving to the left with a radius of 115 feet a distance measured along the arc of 107.54 feet to a point of tangency; thence N 5° 43' E 133.00 feet to a point of curvature; thence on a line curving to the right with a radius of 70 feet a distance measured along the arc of 143.96 feet to a point of change of curvature; thence on a line curving to the right with a radius of 315.00 feet a distance measured along the arc of 116.19 feet to a point of reverse curvature; thence along a line curving to the left with a radius of 425 feet a distance along the arc of 189.15 feet to a point of Tangency; thence S 60° 49' E 91.62 feet to a point of curvature; and thence along a line curving to the right with a radius of 21.44 feet a distance measured along the arc of 34.56 feet to a point in the westerly bounds of a road called Hunter Drive; thence along the westerly and the northerly bounds of said Hunter Drive the following four courses and distances, thence on a line curving to the left with a radius of 425 feet a distance measured along the arc of 204.71 feet to a point of tangency; thence S 3° 57' 10" W 256.55 feet to a point of curvature; thence on a line curving to the right with a radius of 150.00 feet a distance measured along the arc of 322.01 feet to a point of tangency; and thence N 53° 02' 50" W 840.00 feet to a point in the line of a cul-de-sac at the end of said Hunter Drive; thence on a curve to the left along the line of said cul-de-sac with a radius of 60 feet a distance measured along the arc of 94.25 feet to a point therein; thence N 53° 02' 50" W 5.75 feet to a point in the southeast bounds of land of said Shanty Hollow Corporation; thence along said bounds N 33° 25' 50" E 186.13 feet to the point and place of beginning. Containing 10.404 Acres of land.

(Continued over.....)



Also a parcel of land situate lying and being on the easterly side of a road called Hunter Drive bounded and described as follows:

BEGINNING at a point in the east bounds of said Hunter Drive in range with the south bounds of Highlands Lane thence along other land of Hunter Highlands S  $60^{\circ} 49'$  E 356.67 feet to a point in the west bounds of lands of Jack J. Forest and others; Thence along said bounds S  $43^{\circ} 18' 50''$  W 320.00 feet; thence along other lands of Hunter Highlands N  $46^{\circ} 41' 10''$  W 224.62 feet to a point in the east bounds of said Hunter Drive; thence along the east bounds of said Hunter Drive the following three courses and distances N  $3^{\circ} 57' 10''$  E 61.64 feet to a point of curvature; thence along a line curving to the right with a radius of 375 feet a distance measured along the arc of 180.62 feet to a point of tangency; thence N  $31^{\circ} 33'$  E 24.42 feet to the point and place of beginning. Contain 1.948 Acres of land.

The above two described parcels contain a total 12.352 Acres of land.

HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Sponsor and Selling Agent: HUNTER HIGHLANDS  
NINTH AMENDMENT TO OFFERING PLAN FOR

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This Amendment modifies and supplements the terms of the original Offering Plan dated December 1, 1979, the First Amendment dated May 30, 1980, the Second Amendment dated August 8, 1980, the Third Amendment dated October 1, 1980, the Fourth Amendment dated November 14, 1980, the Fifth Amendment dated April 13, 1981, the Sixth Amendment dated October 13, 1981, the Seventh Amendment dated February 24, 1982 and the Eighth Amendment dated July 9, 1982 and should be read in conjunction with said Plan and prior Amendments.

1. The terms of this Amendment are as follows:

(a) Robert P. Baron and Stephan B. Gleich, d/b/a Baron and Gleich have commenced a lawsuit for legal services and disbursements allegedly rendered and advanced by them as Sponsor's former attorneys.

(b) Robert P. Baron, individually and as a limited partner on behalf of Hunter Highlands, the Sponsor has commenced a lawsuit against the remaining limited partners, the general partner, Highlands Management Services, Inc. and Sponsor. The action involves business decisions of the defendant concerning management of the Sponsor, future buildings, mortgage commitments, and the makeup of the limited partnership.

2. Current Status

There are presently 25 unsold homes in section I. Nineteen of these are completed. Six are in construction needing interior finishing. Section II has not yet commenced.

3. Incorporation of Plan

The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth at length.

4. Definitions

All terms used in this Amendment shall have the same meaning as ascribed thereto in the Plan.

5. No Material Changes

Except as set forth in this Agreement, there has been no material changes in the Plan.

Dated: November 17, 1982  
Hunter, New York

HUNTER HIGHLANDS  
Sponsor

HUNTER HIGHLANDS II CONDOMINIUM  
Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Sponsor and Selling Agent: HUNTER HIGHLANDS  
TENTH AMENDMENT TO OFFERING PLAN FOR

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This Amendment modifies and supplements the terms of the original Offering Plan dated December 1, 1979, the First Amendment dated May 30, 1980, the Second Amendment dated August 8, 1980, the Third Amendment dated October 1, 1980, the Fourth Amendment dated November 14, 1980, the Fifth Amendment dated April 13, 1981, the Sixth Amendment dated October 13, 1981, the Seventh Amendment dated February 24, 1982, the Eighth Amendment dated July 9, 1982 and the Ninth Amendment dated November 19, 1982 and should be read in conjunction with said Plan and prior Amendments.

1. The terms of this Amendment are as follows:

(a) Use of the Offering Plan is extended six months from the date of this Amendment.

(b) The two lawsuits disclosed in the Ninth Amendment were settled on February 16, 1983.

2. Current Status

There are presently 25 unsold homes in section I. 21 of these are completed; 2 of these are under contract for sale; 6 are in construction needing interior finishing. Section II has not yet commenced.

3. Incorporation of Plan

The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth at length.

4. Definitions

All terms used in this Amendment shall have the same meaning ascribed thereto in the Plan.

5. No Material Changes

Except as set forth in this Agreement, there has been no material changes in the Plan.

Dated: March 1, 1983

HUNTER HIGHLANDS

Sponsor

HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Sponsor and Selling Agent: HUNTER HIGHLANDS  
ELEVENTH AMENDMENT TO OFFERING PLAN

This Amendment modifies and supplements the terms of the original Offering Plan dated December 1, 1979, the First Amendment dated May 30, 1980, the Second Amendment dated August 8, 1980, the Third Amendment dated October 1, 1980, the Fourth Amendment dated November 14, 1980, the Fifth Amendment dated April 13, 1981, the Sixth Amendment dated October 13, 1981, the Seventh Amendment dated February 24, 1982, the Eighth Amendment dated July 9, 1982, the Ninth Amendment dated November 19, 1982 and the Tenth Amendment dated March 1, 1983 and should be read in conjunction with said Plan and prior Amendments.

1. The terms of this Amendment are as follows:

(a) Use of the Offering Plan is extended six months from the date of this Amendment.

2. Current Status

There are presently 25 unsold homes in section I. 21 of these are completed; 2 of these are under contract for sale; 6 are in construction needing interior finishing. Section II has not yet commenced.

3. Incorporation of Plan

The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth at length.

4. Definitions

All terms used in this Amendment shall have the same meaning as ascribed thereto in the Plan.

5. No Material Changes

Except as set forth in this Agreement, there has been no material changes in the Plan.

Dated: October 31, 1983

HUNTER HIGHLANDS

Sponsor

HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Sponsor and Selling Agent: HUNTER HIGHLANDS  
TWELFTH AMENDMENT TO OFFERING PLAN

This Amendment modifies and supplements the terms of the original Offering Plan dated December 1, 1979, the First Amendment dated May 30, 1980, the Second Amendment dated August 8, 1980, the Third Amendment dated October 1, 1980, the Fourth Amendment dated November 14, 1980, the Fifth Amendment dated April 13, 1981, the Sixth Amendment dated October 13, 1981, the Seventh Amendment dated February 24, 1982, the Eighth Amendment dated July 9, 1982, the Ninth Amendment dated November 19, 1982, the Tenth Amendment dated March 1, 1983 and the Eleventh Amendment dated October 31, 1983 and should be read in conjunction with said Plan and prior Amendments.

1. The terms of this Amendment are as follows:

(a) Use of the Offering Plan is extended six months from the date of this Amendment.

2. Current Status

There are presently 24 unsold homes in section I. 20 of these are completed; 2 of these are under contract for sale; 6 are in construction needing interior finishing. Section II has not yet commenced.

3. Incorporation of Plan

The Plan as modified and supplemented hereby is incorporated herein by reference with the same effect as if set forth at length.

4. Definitions

All terms used in this Amendment shall have the same meaning ascribed thereto in the Plan.

5. No Material Changes

Except as set forth in this Agreement, there has been no material changes in the Plan.

Dated:

HUNTER HIGHLANDS

Sponsor

HUNTER HIGHLANDS II CONDOMINIUM  
Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Sponsor and Selling Agent: HUNTER HIGHLANDS  
THIRTEENTH AMENDMENT TO OFFERING PLAN

This Amendment modifies and supplements the terms of the original Offering Plan dated December 1, 1979, the First Amendment dated May 30, 1980, the Second Amendment dated August 8, 1980, the Third Amendment dated October 1, 1980, the Fourth Amendment dated November 14, 1980, the Fifth Amendment dated April 13, 1981, the Sixth Amendment dated October 13, 1981, the Seventh Amendment dated February 24, 1982, the Eighth Amendment dated July 9, 1982, the Ninth Amendment dated November 19, 1982, the Tenth Amendment dated March 1, 1983, the Eleventh Amendment dated October 31, 1983 and the Twelfth Amendment dated May 9, 1984 and should be read in conjunction with said Plan and prior Amendments.

1. The terms of this Amendment are as follows:

(a) Use of the Offering Plan is extended six months from the date of this Amendment.

2. Current Status

There are presently 24 unsold homes in section I. 20 of these are completed; 2 of these are under contract for sale; 6 are in construction needing interior finishing. Section II has not yet commenced.

3. Incorporation of Plan

The Plan as modified and supplemented hereby is incorporated herein by reference with the same effect as if set forth at length.

4. Definitions

All terms used in this Amendment shall have the same meaning as ascribed thereto in the Plan.

5. Price Increase

The prices of unsold homes are increased as set forth in Exhibit "A" annexed hereto. The percentage of common interest of each home remains unchanged. The price increase shall not apply to any unit presently under contract.

6. Mechanics Exchange Mortgage

Sponsor has obtained from Mechanics Exchange a Division of Dimes Savings Bank a mortgage for the completion of Units R-1, R-2, R-3, R-4, R-5, R-6 and R-8. This mortgage encumbers these units.

7. Norman Leibowitz Mortgage

Sponsor has obtained a mortgage from Norman Leibowitz, an Albany businessman. This mortgage is secured by a lien against 17 condominium units (all remaining units except the 7 "R" building units).

8. First Nationwide Savings

First Nationwide Savings a successor in interest to West Side Federal Savings and Loan Association has commenced an action to collect its construction loan advances. First Nationwide's mortgage covers 17 units (all units except the 7 "R" building units).

9. Chapin/Roth Trustees

Monroe Chapin and David J. Roth as Trustees have taken an assignment of a judgment from Fowler & Keith Supply Co.

10. Fowler & Keith Supply Co. Litigation

Fowler & Keith Supply Co., a supplier of construction materials has obtained a judgment based upon legal fees for collection work. Said judgment is presently on appeal pending in the Appellate Division, Third Department.

11. Charles B. Slutzky Litigation

Charles B. Slutzky has commenced a lawsuit based upon the unfinished nature of the development.

12. No Material Changes

Except as set forth in this Agreement, there has been no material changes in the Plan.

Dated: February 11, 1985  
Hunter, New York

HUNTER HIGHLANDS

Sponsor

EXHIBIT A  
PRICES AND MORTGAGE CHANGES

Home No.	Model	Old Price x1000	New Price x1000
K 1 (1)	D/L	150	165
K 2 (2)	D	130	150
L 4	D	95	110
L 8	D	99	115
O 2	D	99	115
O 3	D/L	105	120
O 4	D	95	110
O 6	D	95	110
O 8	D	99	115
P 2 (3)	D	109	125
P 4	D	95	110
P 5	D/L	105	120
P 6	D	95	110
P 8	D	99	115
Q 2	S	72	77
Q 4	S	69	74
Q 8	S	72	77
R 1 (4)	D/L	112	129
R 2	D	99	115
R 3	D/L	105	120
R 4	D	95	110
R 5	D/L	105	120
R 6	D	95	110
R 8	D	99	115

**FOOTNOTES**

- (1) The new price of unit includes all furnishings.
- (2) Unit price includes all furnishing and whirl pool tub.
- (3) Unit price includes whirl pool tub.
- (4) Unit price includes exterior deck.



HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York.

Sponsor and Selling Agent: HUNTER HIGHLANDS

FOURTEENTH AMENDMENT TO OFFERING PLAN

This Amendment modifies and supplements the terms of the original Offering Plan dated December 1, 1979, the First Amendment dated May 30, 1980, the Second Amendment dated August 8, 1980, the Third Amendment dated October 1, 1980, the Fourth Amendment dated November 14, 1980, the Fifth Amendment dated April 13, 1981, the Sixth Amendment dated October 13, 1981, the Seventh Amendment dated February 24, 1982, the Eighth Amendment dated July 9, 1982, the Ninth Amendment dated November 19, 1982, the Tenth Amendment dated March 1, 1983, the Eleventh Amendment dated October 31, 1983, the Twelfth Amendment dated May 9, 1984 and the Thirteenth Amendment dated February 28, 1985 and should be read in conjunction with said Plan and prior Amendments.

1. The terms of this Amendment are as follows:

(a) Use of the Offering Plan is extended six months from the date of this Amendment.

2. On October 3rd, 1985 the Sponsor filed a voluntary petition pursuant to Chapter 11 of Title 11 United States Code in the United States Bankruptcy Court for the Northern District of New York (Case No. 85-11272). This petition has been transferred to the United States Bankruptcy Court for the Southern District of New York and is pending there.

3. Current Status

There are presently 24 unsold homes in section I. 20 of these are completed; 2 of these are under contract for sale; 6 are in construction needing interior finishing. Section II has not yet commenced.

4. Incorporation of Plan

The Plan as modified and supplemented hereby is incorporated herein by reference with the same effect as if set forth at length.

5. Definitions

All terms used in this Amendment shall have the same meaning as ascribed thereto in the Plan.

6. No Material Changes

Except as set forth in this Agreement, there has been no material changes in the Plan.

Dated: November 22, 1985

HUNTER HIGHLANDS

Sponsor

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FIFTEENTH AMENDMENT  
TO  
OFFERING PLAN FOR  
HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Dated: April 10, 1986

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED DECEMBER 1, 1979, THE FIRST AMENDMENT DATED MAY 30, 1980, THE SECOND AMENDMENT DATED AUGUST 8, 1980, THE THIRD AMENDMENT DATED OCTOBER 1, 1980, THE FOURTH AMENDMENT DATED NOVEMBER 14, 1980, THE FIFTH AMENDMENT DATED APRIL 13, 1981, THE SIXTH AMENDMENT DATED OCTOBER 13, 1981, THE SEVENTH AMENDMENT DATED FEBRUARY 24, 1982, THE EIGHTH AMENDMENT DATED JULY 9, 1982, THE NINTH AMENDMENT DATED NOVEMBER 19, 1982; THE TENTH AMENDMENT DATED MARCH 1, 1983; THE ELEVENTH AMENDMENT DATED OCTOBER 31, 1983; TWELFTH AMENDMENT DATED MAY 9, 1984; THE THIRTEENTH AMENDMENT DATED FEBRUARY 28, 1985 AND THE FOURTEENTH AMENDMENT DATED NOVEMBER 22, 1985 AND SHOULD BE READ IN CONJUNCTION WITH SAID AND PRIOR AMENDMENTS.

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HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Sponsor and Selling Agent: HUNTER HIGHLANDS

This Amendment modifies and supplements the terms of the original Offering Plan dated December 1, 1979, the First Amendment dated May 30, 1980, the Second Amendment dated August 8, 1980, the Third Amendment dated October 1, 1980, the Fourth Amendment dated November 14, 1980, the Fifth Amendment dated April 13, 1981, the Sixth Amendment dated October 13, 1981, the Seventh Amendment dated February 24, 1982, the Eighth Amendment dated July 9, 1982, the Ninth Amendment dated November 19, 1982, the Tenth Amendment dated March 1, 1983, the Eleventh Amendment dated October 31, 1983, the Twelfth Amendment dated May 9, 1984, the Thirteenth Amendment dated February 28, 1985 and the Fourteenth Amendment dated November 22, 1985 and should be read in conjunction with said Plan and prior Amendments.

The terms of this Amendment are as follows:

1. Use of the Offering Plan is extended six months from the date of this Amendment.
2. Buildings S and T in Section II are now being offered for sale. Schedule A annexed hereto sets forth the new prices for Condominium Units S 1-8 and T 1-8.
3. The obligations of the Sponsor to pay common charges for all unsold units as set forth in the Offering Plan at page 51 item 5 is amended hereby as follows:

5. Until title to any home is conveyed by Sponsor to a bona fide purchaser, Sponsor will pay as and for common charges assessed to said unsold home(s) an amount equal to the difference between the actual operating costs of the Board of Managers and the amount collected from all other home owners provided however, that in no event, shall the Sponsor be required to make a deficiency payment or to pay more than its pro rata share for all unsold homes.

5a. This shall apply on to the 56 condominium units in Section II of the Condominium. (Building S, T, U, V, W, X and Y).

SCHEDULE A  
PRICE CHANGES

Home No.	Model	Old Price(1) x1000	New Price x1000
S 1	D/3	87	165
S 2	S	53	77
S 3	D/3	85	160
S 4	S	52	74
S 5	D/3	85	160
S 6	S	52	74
S 7	D/3	87	165
D 8	S	53	77
T 1	D/3	87	165
T 2	S	53	77
T 3	D/3	85	160
T 4	S	52	74
T 5	D/3	85	160
T 6	S	52	74
T 7	D/3	87	165
T 8	S	53	77

FOOTNOTES

(1) Old prices based upon original Offering Plan dated December 1,

4. Current Status

a. There are presently 24 unsold homes in Section I. Twenty of these are completed and 4 of these are in need of interior finishing. Nine of these 24 units are under contract and scheduled to close in April 1986. Five Binders have been taken.

b. There are 16 unsold units in Section II, Buildings S and T. These units are in the early stages of construction with the foundations erected together with water, sewer, underground electric and cable lines into the foundation. The construction of either building shall commence within one month of the signing of contracts calling for the construction of the 7th bedroom within said building and Sponsor shall use its best efforts to complete construction within two months thereafter.

5. Incorporation of Plan

The Plan as modified and supplemented hereby is incorporated herein by reference with the same effect as if set forth at length.

6. Definitions

All terms used in this Amendment shall have the same meaning as ascribed thereto in the Plan.

7. No Material Changes

Except as set forth in this Agreement, there has been no material changes in the Plan.

Dated:

HUNTER HIGHLANDS

Sponsor

SIXTEENTH AMENDMENT  
TO  
OFFERING PLAN FOR  
HUNTER HIGHLANDS II CO-CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road B3, Greene County  
Town of Hunter, State of New York

Dated: October 7, 1986

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED DECEMBER 1, 1979, THE FIRST AMENDMENT DATED MAY 30, 1980, THE SECOND AMENDMENT DATED AUGUST 8, 1980, THE THIRD AMENDMENT DATED OCTOBER 1, 1980, THE FOURTH AMENDMENT DATED NOVEMBER 14, 1980, THE FIFTH AMENDMENT DATED APRIL 13, 1981, THE SIXTH AMENDMENT DATED OCTOBER 13, 1981, THE SEVENTH AMENDMENT DATED FEBRUARY 24, 1982, THE EIGHTH AMENDMENT DATED JULY 9, 1982, THE NINTH AMENDMENT DATED NOVEMBER 19, 1982, THE TENTH AMENDMENT DATED MARCH 1, 1983, THE ELEVENTH AMENDMENT DATED OCTOBER 31, 1983, THE TWELFTH AMENDMENT DATED MAY 9, 1984, THE THIRTEENTH AMENDMENT DATED FEBRUARY 28, 1985, THE FOURTEENTH AMENDMENT DATED NOVEMBER 22, 1985 AND THE FIFTEENTH AMENDMENT DATED APRIL 10, 1986 AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN AND PRIOR AMENDMENTS.

HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Sponsor and Selling Agent : HUNTER HIGHLANDS

This Amendment modifies and supplements the terms of the original Offering Plan dated December 1, 1979, the First Amendment dated May 30, 1980, the Second Amendment dated August 8, 1980, the Third Amendment dated October 1, 1980, the Fourth Amendment dated November 14, 1980, the Fifth Amendment dated April 13, 1981, the Sixth Amendment dated October 13, 1981, the Seventh Amendment dated February 24, 1982, the Eighth Amendment dated July 9, 1982, the Ninth Amendment dated November 19, 1982, the Tenth Amendment dated March 1, 1983, the Eleventh Amendment dated October 31, 1983, the Twelfth Amendment dated May 9, 1984, the Thirteenth Amendment dated February 28, 1985, the Fourteenth Amendment dated November 22, 1985 and the Fifteenth Amendment dated April 10, 1986 and should be read in conjunction with said Plan and prior Amendments.

The terms of this Amendment are as follows:

1. The use of the Offering Plan is extended six months from the date of this Amendment.

2. Current Status:

a. There are presently 19 unsold homes in Section I. All of these are substantially completed. Fourteen of these are presently under contract and closings are anticipated for October, 1986.

b. There are 16 unsold units in Section II Buildings S and T. These units are in the early stages of construction with the foundations erected together with water, sewer, underground electric and cable lines into the foundations. The construction of either building shall commence within one month of the signing of contracts calling for the construction of the 7th bedroom within said building as Sponsor shall use its best efforts to complete construction within two months thereafter. Two of these units are presently under contract, one in the S Building and in the T Building.

3. Incorporation of Plan

The Plan as modified and supplemented hereby is incorporated herein by reference with the same effect as if set forth at length.

4. Definitions

All terms used in this Amendment shall have the same meaning ascribed thereto in the Plan.

5. No Material Changes

Except as set forth in this Agreement, there has been no material changes in the Plan.

HUNTER HIGHLANDS  
Sponsor

Dated:

Hunter, New York



SEVENTEENTH AMENDMENT  
TO  
OFFERING PLAN FOR  
HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Dated: *June 1*, 1987

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED DECEMBER 1, 1979, THE FIRST AMENDMENT DATED MAY 30, 1980, THE SECOND AMENDMENT DATED AUGUST 8, 1980, THE THIRD AMENDMENT DATED OCTOBER 1, 1980, THE FOURTH AMENDMENT DATED NOVEMBER 14, 1980, THE FIFTH AMENDMENT DATED APRIL 13, 1981, THE SIXTH AMENDMENT DATED OCTOBER 13, 1981, THE SEVENTH AMENDMENT DATED FEBRUARY 24, 1982, THE EIGHTH AMENDMENT DATED JULY 9, 1982, THE NINTH AMENDMENT DATED NOVEMBER 19, 1982, THE TENTH AMENDMENT DATED MARCH 1, 1983, THE ELEVENTH AMENDMENT DATED OCTOBER 31, 1983, THE TWELFTH AMENDMENT DATED MAY 9, 1984, THE THIRTEENTH AMENDMENT DATED FEBRUARY 28, 1985, THE FOURTEENTH AMENDMENT DATED NOVEMBER 22, 1985, THE FIFTEENTH AMENDMENT DATED APRIL 10, 1986 AND THE SIXTEENTH AMENDMENT DATED OCTOBER 1, 1986 AND SHOULD BE READ IN CONJUNCTION WITH THE PLAN AND PRIOR AMENDMENTS.

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HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Sponsor and Selling Agent: HUNTER HIGHLANDS

This Amendment modifies and supplements the terms of the original Offering Plan dated December 1, 1979, the First Amendment dated May 30, 1980, the Second Amendment dated August 8, 1980, the Third Amendment dated October 1, 1980, the Fourth Amendment dated November 14, 1980, the Fifth Amendment dated April 13, 1981, the Sixth Amendment dated October 13, 1981, the Seventh Amendment dated February 24, 1982, the Eighth Amendment dated July 9, 1982, the Ninth Amendment dated September 19, 1982, the Tenth Amendment dated March 1, 1983, the Eleventh Amendment dated October 31, 1983, the Twelfth Amendment dated May 9, 1984, the Thirteenth Amendment dated February 28, 1985, the Fourteenth Amendment dated November 22, 1985, the Fifteenth Amendment dated April 10, 1986 and the Sixteenth Amendment dated October 1, 1986 and should be read in conjunction with said Plan and prior Amendments.

The terms of this Amendment are as follows:

1. The use of the Offering Plan is extended six months from the date of this Amendment.

On January 29, 1987, an Order was entered in the United States Bankruptcy Court, Northern District of New York in Proceedings entitled "In re Hunter Highlands, a New York Limited Partnership, Debtor" Case No. 85-11272 (JEB) confirming the Debtor's Plan of Reorganization ("The Plan") dated and filed September 24, 1986. A copy of the Plan has been filed in said Court and has been made available in the Office of the Clerk of the County of Greene.

Under the Plan the Sponsor is to continue its business of constructing and selling condominium homes. The Plan primarily restructures the outstanding debts of the Sponsor and provides for the orderly reduction of the debt upon the sale of individual condominium homes.

2. Current Status:

a. All of the 24 condominium homes which were unsold when the Sponsor filed its petition under Chapter 11 on October 3rd, 1985 have been completed and ready for sale. The sale of these 24 units completes Section I of the condominium.

b. There are 16 units in Section II Buildings "S" and "T" for which all utility connections together with water, sewer, underground electric and cable T.V. lines have been installed. Of these 16 units 2 one-bedroom units are under contract.

3. Incorporation of the Plan

The Plan as modified and supplemented hereby is incorporated herein by reference with the same effect as if set forth at length.



EIGHTEENTH AMENDMENT  
TO  
OFFERING PLAN FOR  
HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Dated: August 12 1987

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED DECEMBER 1, 1979, THE FIRST AMENDMENT DATED MAY 30, 1980, THE SECOND AMENDMENT DATED AUGUST 8, 1980, THE THIRD AMENDMENT DATED OCTOBER 1, 1980, THE FOURTH AMENDMENT DATED NOVEMBER 14, 1980, THE FIFTH AMENDMENT DATED APRIL 13, 1981, THE SIXTH AMENDMENT DATED OCTOBER 13, 1981, THE SEVENTH AMENDMENT DATED FEBRUARY 24, 1982, THE EIGHTH AMENDMENT DATED JULY 9, 1982, THE NINTH AMENDMENT DATED NOVEMBER 19, 1982, THE TENTH AMENDMENT DATED MARCH 1, 1983, THE ELEVENTH AMENDMENT DATED OCTOBER 31, 1983, THE TWELFTH AMENDMENT DATED MAY 9, 1984, THE THIRTEENTH AMENDMENT DATED FEBRUARY 28, 1985, THE FOURTEENTH AMENDMENT DATED NOVEMBER 22, 1985, THE FIFTEENTH AMENDMENT DATED APRIL 10, 1986, THE SIXTEENTH AMENDMENT DATED OCTOBER 1, 1986 AND THE SEVENTEENTH AMENDMENT DATED JUNE 6, 1987 AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN AND PRIOR AMENDMENTS.

HUNTER HIGHLANDS II CONDOMINIUM  
Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Sponsor and Selling Agent: HUNTER HIGHLANDS

This Amendment modifies and supplements the terms of the original Offering Plan dated December 1, 1979, the First Amendment dated May 30, 1980, the Second Amendment dated August 8, 1980, the Third Amendment dated October 1, 1980, the Fourth Amendment dated November 14, 1980, the Fifth Amendment dated April 13, 1981, the Sixth Amendment dated October 13, 1981, the Seventh Amendment dated February 24, 1982, the Eighth Amendment dated July 9, 1982, the Ninth Amendment dated November 19, 1982, the Tenth Amendment dated March 1, 1983, the Eleventh Amendment dated October 31, 1983, the Twelfth Amendment dated May 9, 1984, the Thirteenth Amendment dated February 28, 1985, the Fourteenth Amendment dated November 22, 1985, the Fifteenth Amendment dated April 10, 1986, the Sixteenth Amendment dated October 1, 1986 and the Seventeenth Amendment dated June 6, 1987 and should be read in conjunction with said Plan and prior Amendments.

The terms of this Amendment are as follows:

1. The use of the Offering Plan is extended six months from the date of this Amendment.
2. The prices of unused homes in the "U" building are increased as set forth in Exhibit "A" annexed hereto.

3. Current Status:

Construction of the 16 condominium units contained in Buildings "S" and "T" is ongoing. There are currently contracts for sales of units for the "S" building and contracts for sales of units in the "T" building.

4. Incorporation of the Plan

The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth at length.

5. Definitions

All terms used in this Amendment shall have the same meaning as ascribed thereto in the Plan.

6. No Material Changes

Except as set forth in this Agreement, there has been no material changes in the Plan.

Dated  
Hunter, New York

HUNTER HIGHLANDS

Sponsor

Home N

U-1

U-2

U-3

U-4

U-5

U-6

U-7

U-8

Note:

## EXHIBIT A

Case No.	Model	Old Price	New Purchase Price
U-1	D/L	\$ 99,000	\$155,000
U-2	D	\$ 90,000	\$135,000
U-3	D/L	\$ 97,000	\$145,000
U-4	D	\$ 88,000	\$125,000
U-5	D/L	\$ 97,000	\$145,000
U-6	D	\$ 88,000	\$125,000
U-7	D/L	\$ 99,000	\$155,000
U-8	D	\$ 90,000	\$135,000

Footnote: Last price increase effecting "U" building was filed October 1, 1980.

NINETEENTH AMENDMENT  
TO  
OFFERING PLAN FOR  
HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Dated: February 26, 1988

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED DECEMBER 1, 1979, THE FIRST AMENDMENT DATED MAY 30, 1980, THE SECOND AMENDMENT DATED AUGUST 8, 1980, THE THIRD AMENDMENT DATED OCTOBER 1, 1980, THE FOURTH AMENDMENT DATED NOVEMBER 14, 1980, THE FIFTH AMENDMENT DATED APRIL 13, 1981, THE SIXTH AMENDMENT DATED OCTOBER 13, 1981, THE SEVENTH AMENDMENT DATED FEBRUARY 24, 1982, THE EIGHTH AMENDMENT DATED JULY 9, 1982, THE NINTH AMENDMENT DATED NOVEMBER 19, 1982, THE TENTH AMENDMENT DATED MARCH 1, 1983, THE ELEVENTH AMENDMENT DATED OCTOBER 31, 1983, THE TWELFTH AMENDMENT DATED MAY 9, 1984, THE THIRTEENTH AMENDMENT DATED FEBRUARY 28, 1985, THE FOURTEENTH AMENDMENT DATED NOVEMBER 22, 1985, THE FIFTEENTH AMENDMENT DATED APRIL 10, 1986, THE SIXTEENTH AMENDMENT DATED OCTOBER 1, 1986, THE SEVENTEENTH AMENDMENT DATED JUNE 6, 1987 AND THE EIGHTEENTH AMENDMENT DATED AUGUST 12, 1987 AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN AND PRIOR AMENDMENTS.

HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Sponsor and Selling Agent: HUNTER HIGHLANDS

This Amendment modifies and supplements the terms of the original Offering Plan dated December 1, 1979, the First Amendment dated May 30, 1980, the Second Amendment dated August 8, 1980, the Third Amendment dated October 1, 1980, the Fourth Amendment dated November 14, 1980, the Fifth Amendment dated April 13, 1981, the Sixth Amendment dated October 13, 1981, the Seventh Amendment dated February 24, 1982, the Eighth Amendment dated July 9, 1982, the Ninth Amendment dated November 19, 1982, the Tenth Amendment dated March 1, 1983, the Eleventh Amendment dated October 31, 1983, the Twelfth Amendment dated May 9, 1984, the Thirteenth Amendment dated February 28, 1985, the Fourteenth Amendment dated November 22, 1985, the Fifteenth Amendment dated April 10, 1986, the Sixteenth Amendment dated October 1, 1986, the Seventeenth Amendment dated June 6, 1987 and the Eighteenth Amendment dated August 12, 1987 and should be read in conjunction with said Plan and prior Amendments.

The terms of this Amendment are as follows:

1. The use of the Offering Plan is extended for six months.

2. Current Status:

a. Sponsor has completed construction on the "T" building and has conveyed units T-1, T-2, T-4, T-6, T-7 and T-8. Construction on the "S" building is completed to the extent that Certificate of Occupancy has been issued for units S-1, S-2, S-4, S-6, S-7 and S-8. Units S-2, S-4, S-6 and S-8 have been conveyed. Units S-1 and S-7 are awaiting closing scheduling. Construction has commenced on the "U" building with the construction of the foundation and installation of water and sewer lines. There is currently one contract and two binders in units in the "U" building.

3. Incorporation of the Plan

The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth at length.

4. Definitions

All terms used in this Amendment shall have the same meaning as ascribed thereto in the Plan.

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5. No Material Changes

Except as set forth in this Agreement, there has been no material changes in the Plan.

Dated February 26, 1988  
Hunter, New York

HUNTER HIGHLANDS

Sponsor

THIS AN  
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TWENTIETH AMENDMENT  
TO  
OFFERING PLAN FOR  
HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Dated: June 30, 1988

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED DECEMBER 1, 1979, THE FIRST AMENDMENT DATED MAY 30, 1980, THE SECOND AMENDMENT DATED AUGUST 8, 1980, THE THIRD AMENDMENT DATED OCTOBER 1, 1980, THE FOURTH AMENDMENT DATED NOVEMBER 14, 1980, THE FIFTH AMENDMENT DATED APRIL 13, 1981, THE SIXTH AMENDMENT DATED OCTOBER 13, 1981, THE SEVENTH AMENDMENT DATED FEBRUARY 24, 1982, THE EIGHTH AMENDMENT DATED JULY 9, 1982, THE NINTH AMENDMENT DATED NOVEMBER 19, 1982, THE TENTH AMENDMENT DATED MARCH 1, 1983, THE ELEVENTH AMENDMENT DATED OCTOBER 31, 1983, THE TWELFTH AMENDMENT DATED MAY 9, 1984, THE THIRTEENTH AMENDMENT DATED FEBRUARY 28, 1985, THE FOURTEENTH AMENDMENT DATED NOVEMBER 22, 1985, THE FIFTEENTH AMENDMENT DATED APRIL 10, 1986, THE SIXTEENTH AMENDMENT DATED OCTOBER 1, 1986, THE SEVENTEENTH AMENDMENT DATED JUNE 6, 1987, THE EIGHTEENTH AMENDMENT DATED AUGUST 12, 1987 AND THE NINETEENTH AMENDMENT DATED FEBRUARY 26, 1988 AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN AND PRIOR AMENDMENTS.

HUNTER HIGHLANDS II CONDOMINIUM.

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Sponsor and Selling Agent: HUNTER HIGHLANDS

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This Amendment modifies and supplements the terms of the original Offering Plan dated December 1, 1979, the First Amendment dated May 30, 1980, the Second Amendment dated August 8, 1980, the Third Amendment dated October 1, 1980, the Fourth Amendment dated November 14, 1980, the Fifth Amendment dated April 13, 1981, the Sixth Amendment dated October 13, 1981, the Seventh Amendment dated February 24, 1982, the Eighth Amendment dated July 9, 1982, the Ninth Amendment dated November 19, 1982, the Tenth Amendment dated March 1, 1983, the Eleventh Amendment dated October 31, 1983, the Twelfth Amendment dated May 9, 1984, the Thirteenth Amendment dated February 28, 1985, the Fourteenth Amendment dated November 22, 1985, the Fifteenth Amendment dated April 10, 1986, the Sixteenth Amendment dated October 1, 1986, the Seventeenth Amendment dated June 6, 1987, the Eighteenth Amendment dated August 12, 1987 and the Nineteenth Amendment dated February 26, 1988 and should be read in conjunction with said Plan and prior Amendments.

The terms of this Amendment are as follows:

1. The use of the Offering Plan is extended for six months.
2. Annexed hereto and marked as Exhibit "A" is a copy of a modified map by Ralph E. Powell, PLS showing the proposed location of building Z and ZZ as additional buildings in the condominium. Said buildings are located wholly within the bounds of the condominium. Said map shall be filed upon approval of this amendment. Sponsor shall add 16 units in two additional buildings to be known and referred to as Z (units 1-8) and ZZ (units 1-8). Each of the buildings will contain four two-bedroom duplex models and four two-bedroom duplex with loft models as presently exist in buildings K, L, M, O, P, R, U, W and Y buildings. The design of each buildings and the units contained therein shall be the same as those units subject only to changes mandated by the New York State Building and Fire Protection Code.

Sponsor shall, file an amendment to the Declaration reducing the percentage of common elements contained in the units in buildings U, V, W, X and Y and redistributing the percentage of common elements in said buildings to units in buildings U, V, W, X, Y, Z and ZZ as set forth in Exhibit B annexed hereto.

The price of each home in each of the buildings together with the estimated monthly real estate tax and estimated monthly common charge shall be the same as those unit prices, estimated real estate taxes and estimated common charges as applicable to the units in the building.

3. The prices for units in the U, Z and Z2 buildings are hereby modified and increased as set forth in Exhibit C annexed hereto.

4. Current Status:

Hunter Highlands has conveyed all units in the S and T buildings except units S-3, S-5 and T-3 and T-5. Units S-3, S-5, and T-3 are presently under contract and there is presently a binder on unit T-5. Construction of the U building has commenced. There is presently one contract for unit U-5 outstanding. Consent to the modification proposed by this amendment from the contract vendee of the U-5 unit will be obtained.

4. Incorporation of the Plan

The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth in full length.

5. Definitions

All terms used in this Amendment shall have the same meaning ascribed thereto in the Plan.

6. No Material Changes

Except as set forth in this Agreement, there has been no material changes in the Plan.

Dated June 30, 1988  
Hunter, New York

HUNTER HIGHLANDS  
Sponsor

EXHIBIT "E"

Home No.	Old % of Common Interest	New % of Common Interest
U-1	.86639	.63227
U-2	.84128	.61434
U-3	.84128	.61434
U-4	.81617	.59640
U-5	.84128	.61434
U-6	.81617	.59640
U-7	.86639	.63227
U-8	.84128	.61434
V-1	1.04218	.74443
V-2	.62782	.44845
V-3	1.01707	.72649
V-4	.61526	.43948
V-5	1.01707	.72649
V-6	.61526	.43948
V-7	1.04218	.74443
V-8	.62782	.44845
W-1	.92918	.66371
W-2	.90406	.64577
W-3	.90406	.64577
W-4	.87895	.62783
W-5	.90406	.64577
W-6	.87895	.62783
W-7	.92918	.66371
W-8	.90406	.64577
X-1	1.04218	.74443
X-2	.62782	.44845
X-3	1.01707	.72649
X-4	.61526	.43948
X-5	1.01707	.72649
X-6	.61526	.43948
X-7	1.04218	.74443
X-8	.62782	.44845
Y-1	.92918	.66371
Y-2	.90406	.64577
Y-3	.90406	.64577
Y-4	.87895	.62783
Y-5	.90406	.64577
Y-6	.87895	.62783
Y-7	.92918	.66371
Y-8	.90406	.64577

Z-1	N/A	.63227
Z-2	N/A	.61434
Z-3	N/A	.61434
Z-4	N/A	.59640
Z-5	N/A	.61434
Z-6	N/A	.59640
Z-7	N/A	.63227
Z-8	N/A	.61434
ZZ-1	N/A	.63227
ZZ-2	N/A	.61434
ZZ-3	N/A	.61434
ZZ-4	N/A	.59640
ZZ-5	N/A	.61434
ZZ-6	N/A	.59640
ZZ-7	N/A	.63227
ZZ-8	N/A	.61434
TOTAL	34.40456	34.40456

## Exhibit "C"

Home No.	Model	Old Price	New Price
U-1	D/L	\$155,000	\$155,000
U-2	D	\$135,000	\$142,000
U-3	D/L	\$145,000	\$145,000
U-4	D	\$125,000	\$132,000
U-5	D/L	\$145,000	\$145,000
U-6	D	\$125,000	\$132,000
U-7	D/L	\$155,000	\$155,000
U-8	D	\$135,000	\$142,000
Z-1	D/L	N/A	\$155,000
Z-2	D	N/A	\$142,000
Z-3	D/L	N/A	\$145,000
Z-4	D	N/A	\$132,000
Z-5	D/L	N/A	\$145,000
Z-6	D	N/A	\$132,000
Z-7	D/L	N/A	\$155,000
Z-8	D	N/A	\$142,000
ZZ-1	D/L	N/A	\$155,000
ZZ-2	D	N/A	\$142,000
ZZ-3	D/L	N/A	\$145,000
ZZ-4	D	N/A	\$132,000
ZZ-5	D/L	N/A	\$145,000
ZZ-6	D	N/A	\$132,000
ZZ-7	D/L	N/A	\$155,000
ZZ-8	D	N/A	\$142,000

TWENTY-FIRST AMENDMENT  
TO  
OFFERING PLAN FOR  
HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Dated: January 13, 1989

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED DECEMBER 1, 1979, THE FIRST AMENDMENT DATED MAY 30, 1980, THE SECOND AMENDMENT DATED AUGUST 8, 1980, THE THIRD AMENDMENT DATED OCTOBER 1, 1980, THE FOURTH AMENDMENT DATED NOVEMBER 14, 1980, THE FIFTH AMENDMENT DATED APRIL 13, 1981, THE SIXTH AMENDMENT DATED OCTOBER 13, 1981, THE SEVENTH AMENDMENT DATED FEBRUARY 24, 1982, THE EIGHTH AMENDMENT DATED JULY 9, 1982, THE NINTH AMENDMENT DATED NOVEMBER 19, 1982, THE TENTH AMENDMENT DATED MARCH 1, 1983, THE ELEVENTH AMENDMENT DATED OCTOBER 31, 1983, THE TWELFTH AMENDMENT DATED MAY 9, 1984, THE THIRTEENTH AMENDMENT DATED FEBRUARY 28, 1985, THE FOURTEENTH AMENDMENT DATED NOVEMBER 22, 1985, THE FIFTEENTH AMENDMENT DATED APRIL 10, 1986, THE SIXTEENTH AMENDMENT DATED OCTOBER 1, 1986, THE SEVENTEENTH AMENDMENT DATED JUNE 8, 1987, THE EIGHTEENTH AMENDMENT DATED AUGUST 12, 1987, THE NINETEENTH AMENDMENT DATED FEBRUARY 26, 1988 AND THE TWENTIETH AMENDMENT DATED JUNE 30, 1988 AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN AND PRIOR AMENDMENTS.



HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Sponsor and Selling Agent: HUNTER HIGHLANDS

This Amendment modifies and supplements the terms of the original Offering Plan dated December 1, 1979, the First Amendment dated May 1, 1980, the Second Amendment dated August 8, 1980, the Third Amendment dated October 1, 1980, the Fourth Amendment dated November 1, 1980, the Fifth Amendment dated April 13, 1981, the Sixth Amendment dated October 13, 1981, the Seventh Amendment dated February 24, 1982, the Eighth Amendment dated July 9, 1982, the Ninth Amendment dated November 19, 1982, the Tenth Amendment dated March 1, 1983, the Eleventh Amendment dated October 31, 1983, the Twelfth Amendment dated May 9, 1984, the Thirteenth Amendment dated February 18, 1985, the Fourteenth Amendment dated November 22, 1985, the Fifteenth Amendment dated April 10, 1986, the Sixteenth Amendment dated October 1, 1986, the Seventeenth Amendment dated June 6, 1987, the Eighteenth Amendment dated August 12, 1987, the Nineteenth Amendment dated February 26, 1988 and the Twentieth Amendment dated June 30, 1988 and should be read in conjunction with said Plan and prior Amendments.

The terms of this Amendment are as follows:

1. The use of the Offering Plan is extended for six months.
2. Current status:

Hunter Highlands has conveyed all units in the S and T buildings. Construction of the U building has commenced. There is presently four contracts in the U building.

3. Incorporation of the Plan

The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth in full length.

4. Definitions

All terms used in this Amendment shall have the same meaning ascribed thereto in the Plan.

5. No Material Changes

Except as set forth in this Agreement, there has been no material changes in the Plan.

Dated January 13, 1989  
Hunter, New York

HUNTER HIGHLANDS

Sponsor

TWENTY-SECOND AMENDMENT  
TO  
OFFERING PLAN FOR  
HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Dated: March 6, 1989

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED DECEMBER 1, 1979, THE FIRST AMENDMENT DATED MAY 30, 1980, THE SECOND AMENDMENT DATED AUGUST 8, 1980, THE THIRD AMENDMENT DATED OCTOBER 1, 1980, THE FOURTH AMENDMENT DATED NOVEMBER 14, 1980, THE FIFTH AMENDMENT DATED APRIL 13, 1981, THE SIXTH AMENDMENT DATED OCTOBER 13, 1981, THE SEVENTH AMENDMENT DATED FEBRUARY 24, 1982, THE EIGHTH AMENDMENT DATED JULY 9, 1982, THE NINTH AMENDMENT DATED NOVEMBER 19, 1982, THE TENTH AMENDMENT DATED MARCH 1, 1983, THE ELEVENTH AMENDMENT DATED OCTOBER 31, 1983, THE TWELFTH AMENDMENT DATED MAY 9, 1984, THE THIRTEENTH AMENDMENT DATED FEBRUARY 28, 1985, THE FOURTEENTH AMENDMENT DATED NOVEMBER 22, 1985, THE FIFTEENTH AMENDMENT DATED APRIL 10, 1986, THE SIXTEENTH AMENDMENT DATED OCTOBER 1, 1986, THE SEVENTEENTH AMENDMENT DATED JUNE 6, 1987, THE EIGHTEENTH AMENDMENT DATED AUGUST 12, 1987, THE NINETEENTH AMENDMENT DATED FEBRUARY 26, 1988, THE TWENTIETH AMENDMENT DATED JUNE 30, 1988 AND THE TWENTY FIRST AMENDMENT DATED JANUARY 13, 1989 AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN AND PRIOR AMENDMENTS.

HUNTER HIGHLANDS II CONDOMINIUM

Hunter Drive and Highlands Lane  
Off County Road 83, Greene County  
Town of Hunter, State of New York

Sponsor and Selling Agent: HUNTER HIGHLANDS

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This Amendment modifies and supplements the terms of the original Offering Plan dated December 1, 1979, the First Amendment dated May 1980, the Second Amendment dated August 8, 1980, the Third Amendment dated October 1, 1980, the Fourth Amendment dated November 1980, the Fifth Amendment dated April 13, 1981, the Sixth Amendment dated October 13, 1981, the Seventh Amendment dated February 24, 1982, the Eighth Amendment dated July 9, 1982, the Ninth Amendment dated November 19, 1982, the Tenth Amendment dated March 1, 1983, the Eleventh Amendment dated October 31, 1983, the Twelfth Amendment dated May 9, 1984, the Thirteenth Amendment dated February 1985, the Fourteenth Amendment dated November 22, 1985, the Fifteenth Amendment dated April 10, 1986, the Sixteenth Amendment dated October 1, 1986, the Seventeenth Amendment dated June 6, 1987, the Eighteenth Amendment dated August 12, 1987, the Nineteenth Amendment dated February 26, 1988, the Twentieth Amendment dated June 1988 and the Twenty First Amendment dated January 13, 1989 should be read in conjunction with said Plan and prior Amendments.

The terms of this Amendment are as follows:

1. The use of the Offering Plan is extended for six months.

Annexed hereto and made a part hereof is the new amended sales list for all remaining condominium units.

2. Current Status:

At the present time "U" building is under construction and units U-1, 3, 4, 5 and 7 are under contract.

3. Incorporation of the Plan

The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth in full length.

4. Definitions

All terms used in this Amendment shall have the same meaning as described thereto in the Plan.

5. No Material Changes

Except as set forth in this Amendment, there has been no material changes in the Plan.

Dated March , 1989  
Hunter, New York

HUNTER HIGHLANDS

Sponsor

Condominium  
Unit No.

Old Price

New Price

1-1	\$91,000	\$199,000
1-2	55,000	99,000
1-3	89,000	189,000
1-4	54,000	95,000
1-5	89,000	189,000
1-6	54,000	95,000
1-7	91,000	199,000
1-8	55,000	99,000
2-1	81,000	165,000
2-2	79,000	147,000
2-3	79,000	155,000
2-4	77,000	137,000
2-5	79,000	155,000
2-6	77,000	137,000
2-7	81,000	165,000
2-8	79,000	147,000
3-1	91,000	228,000
3-2	55,000	125,000
3-3	89,000	218,000
3-4	54,000	115,000
3-5	89,000	218,000
3-6	54,000	115,000
3-7	91,000	228,000
3-8	55,000	125,000
4-1	81,000	199,000
4-2	79,000	182,000
4-3	79,000	189,000
4-4	77,000	172,000
4-5	79,000	189,000
4-6	77,000	172,000
4-7	81,000	199,000
4-8	79,000	182,000

There have been no prior price changes for these units.

TWENTY-THIRD AMENDMENT TO THE OFFERING PLAN  
FOR THE CONVERSION TO CONDOMINIUM OWNERSHIP  
OF PREMISES KNOWN AS HUNTER HIGHLANDS II  
CONDOMINIUM, HUNTER DRIVE AND HIGHLANDS LANE,  
HUNTER, NEW YORK

The Offering Plan for conversion to Condominium Ownership of the premises known as Hunter Highlands II Condominium, Hunter Drive and Highlands Lane, Town of Hunter, Greene County, New York, which was accepted for filing on December 1, 1979 and amended by the first through Twenty-Second Amendments is hereby further amended as follows:

1. APPLICATION FOR SEWER RATE INCREASE. On July 18, 1989 Highlands Pollution Control Corp. (HPCC), the owner/operator of the sewer treatment facility, submitted an application to the Town of Hunter to increase the rates charged to the Condominium as well as the rates charged to other users. On September 5, 1989, the town approved a rate increase pursuant to the Stipulation annexed here hereto as Exhibit A pending the town's final review and approval of the rate increase application. The interim rates set forth in the Stipulation became effective September 5, 1989, and prescribe that the 11 buildings comprising Hunter Highlands Condominium II shall pay \$2,956.43 per month to HPCC, until a subsequent building is connected to the sewer system, at which time the rates shall be as set forth in Schedule A to the Stipulation. This increase, if approved, may affect the common charges paid by a homeowner as determined by the Board of Managers.

2. STATUS OF CONSTRUCTION. At the present time "U" building is completed and units U-1,3,4,5,7 and 8 have been conveyed. Units U-2 and U-6 are available for sale. "V" and "W" buildings are under construction. Units V-1 and V-8 and W-1,3 and 7 are under contract. Buildings U, V and W will be sided with cedar siding.

3. STATUS OF BOARD OF MANAGERS. The Sponsor does not control the Board of Managers. The current members of the Board of Managers and the offices which they occupy are as follows:

Dr. Laurence Rosen	President
Mr. M. DeTorres	Vice President
Mrs. Marilyn Stefans	Secretary
Mrs. Ethel Slutzky	Treasurer
Mr. H. Cohen	Director
Mr. Robert Kallman	Director (principal of the Sponsor)
Mr. Richard Thompson	Director (Managing Agent)
Mrs. B. Weintraub	Director
Mr. Neil London	Director
Mrs. P. Rosen	Director

4. DISPUTE BETWEEN BOARD OF MANAGERS AND SPONSOR. The Board of Managers of the condominium has submitted a complaint to the New York State Department of Law alleging, among other matters, that the Sponsor failed to complete promised improvements to the condominium, improperly retained control of the Board of Managers and paid an insufficient proportion of common charges. A conference was held at the Department of Law on October 4, 1989, at which the parties resolved certain of the disputed issues and agreed upon a framework



resolving the remainder. Among the items that were resolved were the following:

- (1) All of the condominium's parking lots have been completed with a tar-and-chip surface as set forth in the Plan.
- (2) The Sponsor has agreed not to construct the Z and ZZ buildings.
- (3) The Sponsor's accountant and the Board of Managers' accountant will reconstruct and confirm the annual operating budgets of the condominium for past years and the contributions thereto made by the Sponsor and unit owners.

5. NO OTHER MATERIAL CHANGES. Except as set forth herein, there have been no material changes in the terms and conditions of the plan.

Dated: New York, New York  
October , 1989

HUNTER HIGHLANDS  
Sponsor

[0858-03-jr.001]

- TWENTY-FOURTH AMENDMENT TO OFFERING PLAN -  
A PLAN TO CONVERT TO CONDOMINIUM OWNERSHIP  
PREMISES KNOWN AS  
HUNTER HIGHLANDS II CONDOMINIUM,  
TOWN OF HUNTER, COUNTY OF GREENE, NEW YORK

The Offering Plan - A Plan to convert to condominium ownership premises known as Hunter Highlands II Condominium, Town of Hunter, County of Greene, New York dated December 1, 1979 as heretofore amended (the "plan") is hereby further amended as follows:

1. OFFICERS AND MANAGERS OF THE CONDOMINIUM. The following are the members of the Board of Managers of the Condominium:

<u>NAMES</u>	<u>OFFICE</u>
Lawrence Rosen	President
Pat Rosen	Manager
Ethel Slutsky	Treasurer
Marilyn Stefans	Secretary
Harold Cohen	Manager
Emanuel Weintraub	Assistant Treasurer (not a manager)
Michael Medaglia	Manager
Robert Kallman *	Manager
Neil London	Manager
Richard Thompson	Manager

\* Sponsor designee.

2. FINANCIAL STATEMENT. Annexed hereto as Exhibit A is a certified income and expense statement for the five months ending October 31, 1989.

3. BUDGET FOR 1990. To the best of Sponsor's knowledge, the Board has not adopted a budget for the year 1990. Common charges have not been changed.

4. UNSOLD UNITS. Annexed hereto as Exhibit B is a list of the Unsold Units which are owned by the Sponsor and the present common charges therefor. These units are mortgaged as security for a construction loan and blanket mortgage. The name and address of the lender, the amount of the loans, and the amount of the payments is also set forth in Exhibit B.

5. FINANCIAL OBLIGATIONS TO THE CONDOMINIUM.

According to the provisions of the Fifteenth Amendment to the Offering Plan (accepted by the Attorney General on April 10, 1986), the Sponsor's common charge payments with respect to the 56 unsold units as of that date consist of "an amount equal to the difference between the actual operating costs of the Board of Managers and the amount collected from all other home owners. . . ." The Sponsor has funded such amounts by direct cash advances to the Condominium, payment of certain Condominium bills directly to vendors, and by additional payments to the Condominium upon the closing of the sale of unsold units.

On November 15, 1989, the Board of Managers filed liens for non-payment of common charges against 34 unsold and/or unbuilt units of the Condominium owned by the Sponsor. Subsequently, after extensive negotiations between the parties (both of which are represented by counsel), the parties agreed to

settle all outstanding financial issues between them by the Sponsor's payment to the Board of a minimum amount of \$10,000.00 per unit, paid as unsold units are conveyed, which amount would be increased in the event such unsold units were sold at prices greater than anticipated. The Sponsor also offered to pay an additional amount of approximately \$3,500.00 per unsold unit to the Board to satisfy the liens, and to complete certain exterior improvements to the Condominium property (roads, landscaping, walkways and parking lots). After submission of a draft settlement agreement to the Board's Counsel, and notwithstanding the previous agreement between the parties on the basic points of the settlement, the attorney for the Sponsor was informed that the proposed settlement was no longer acceptable and that the Board would not meet again with the Sponsor to finalize the settlement.

Therefore, as of the date of submission of this Amendment to the Department of Law, the exact nature and extent of Sponsor's financial obligations to the condominium cannot be determined.

6. OBLIGATIONS OF THE SPONSOR. The Sponsor's obligation to pay the common charges with respect to the unsold units owned by the Sponsor as well as other financial obligations to the Condominium such as payments for the improvements listed above, and obligations of the Sponsor with respect to the loans described in Exhibit B will be paid from the net proceeds of

sales of unsold units. If such income proves insufficient, it is expected that payments will be made out of Sponsor's other assets.

7. ADDITIONAL HOLDINGS OF THE SPONSOR. There are no other cooperatives or condominiums in which the Sponsor or a principal thereof owns more than ten (10%) percent of the shares or units.

8. MANAGING AGENT AND BOARD OF MANAGERS. The managing agent of the Condominium is Robert Geisman. The managing agent is not affiliated with the Sponsor. The Sponsor is not in control of the Board of Managers. The Sponsor has not been in control of the Board since November 1988.

9. SEWER RATE INCREASE: As disclosed in the 23rd Amendment, in July 1989 Highlands Pollution Control Corp. (HPCC), the owner/operator of the sewer treatment facility, submitted an application to the Town of Hunter to increase the rates charged for its services. Interim rate increases were approved by the Town effective September 5, 1989. On March 15, 1990, the Town Board conducted a public hearing on the rate increase application, and subsequently approved a new monthly rate of \$5,044.09 for the twelve buildings of Hunter Highlands II Condominium, excluding buildings V, X and Y. As the additional buildings are added to the Condominium, the rate will be

increased. As additional users other than the Condominium buildings are connected to the system, the rate will be re-apportioned among the new users and the existing users. Existing users are Hunter Highlands Condominium, Hunter Highlands II Condominium and Hunter Highlands (Sponsor).

10. NO OTHER MATERIAL CHANGES. Except as set forth herein, there have been no material changes in the terms and conditions of this offering.

Dated: Hunter, New York  
June 11 , 1990

Hunter Highlands  
Sponsor

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EXHIBIT A

Hunter Highlands II Condominium  
Homeowners Association  
Balance Sheet  
October 31, 1989

Assets

Current Assets:

Cash in checking	\$ 4,399.25
Cash in money market	15,079.04
Common charges receivable	15,030.98
Common charges in collection	23,058.76
Prepaid insurance	<u>11,607.95</u>

69,175.98

Contingencies

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Other Assets:

Deposits receivable

200.00

\$69,375.98

Liabilities and Fund Balance

Current Liabilities:

Loan AFCO Credit Corporation

\$ 7,175.95

7,175.95

Total Current Liabilities

--

Contingencies

Fund Balance:

Fund balance

62,200.03

62,200.03

\$69,375.98

See accountants' compilation report and  
notes to the financial statement.

Hunter Highlands II Condominium  
Homeowners Association  
Statement of Revenue, Expenditures  
and Changes in Fund Balance  
Five Months Ended October 31, 1989

	1 Month Ended <u>Oct. 31, 1989</u>	Pct	5 Months Ended <u>Oct. 31, 1989</u>
<b>Revenue:</b>			
Common charges	\$ 7,818.00	98.46	\$ 38,694.00
Common charges sponsor	0.00	0.00	1,299.00
Capital contributions	0.00	0.00	300.00
Services charges	62.89	0.79	1,762.14
Dividend income	<u>59.28</u>	<u>0.75</u>	<u>79.04</u>
<b>Total Revenue</b>	<u>7,940.17</u>	<u>100.00</u>	<u>42,134.18</u>
<b>Expenditures:</b>			
Accounting	375.00	4.72	1,875.00
Bank charges	12.14	0.15	20.14
Electric	0.00	0.00	583.16
Insurance	0.00	0.00	4,888.92
Interest	115.12	1.45	227.16
Landscaping	500.00	6.30	4,000.00
Legal	827.80	10.43	3,783.83
Managing agent	667.00	8.40	3,335.00
Office supplies	0.00	0.00	60.00
Repairs & maintenance	4,335.00	54.60	19,140.00
Sanitation	195.00	2.46	975.00
Sewage charges	1,500.00	18.89	9,500.00
Sewage interim charges	3,892.86	49.03	3,892.86
Telephone	60.61	0.76	496.87
Water charges	<u>558.81</u>	<u>7.04</u>	<u>2,775.87</u>
<b>Total Expenditures</b>	<u>13,039.34</u>	<u>164.22</u>	<u>55,553.83</u>
<b>Excess Revenue over (Expenditures)</b>	<b>(5,099.17)</b>	<b>(64.22)</b>	<b>(13,419.65)</b>
<b>Fund Balance, Beginning</b>	<u>0.00</u>	<u>0.00</u>	<u>75,619.68</u>
<b>Fund Balance, Ending</b>	<u>\$ (5,099.17)</u>	<u>(64.22)</u>	<u>\$ 62,200.03</u>

See accountants' compilation report and  
notes to the financial statements.



Hunter Highlands II Condo nium  
Homeowners Association  
Notes to the financial Statements  
October 31, 1982

989  
NOTE 1 - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Organization - The accompanying financial statements represent the financial position and results of operations of a homeowners association.

(b) Financial Statements - The Association prepares its financial statements and maintains its records on the accrual basis of accounting. This method is consistent with that used in the preparation of the Association's annual information returns.

(c) Common Charges and Assessments - Common charges and assessments are recorded as income in the period in which they come due. These include charges for current maintenance and capital replacements.

(d) Federal Income Taxes - The Association elects on an annual basis to file its tax return as a homeowners association under Section 528 of the Internal Revenue Code. Accordingly, no provision for income taxes have been provided for in the accompanying financial statements.

(e) Common Charges Receivable - Common charges receivable represent current common charges due, while common charges in collection represent back charges turned over to attorneys for collection. No provision has been made on the accompanying financial statements for bad debts, as the Association uses the direct write-off method of accounting for uncollectible accounts. The Association has the right to levy liens on the homowner's property to insure payment of common charges and assessments due the Association.

(f) Donated Services - The Association's Board of Directors and its officers serve without compensation. These services are not recorded in the accompanying financial statements.

(g) Budget - The annual budget and owners' assessments are determined by the Board of Directors. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods.

NOTE 2 - CONTINGENCIES

The Association is presently in dispute with the project sponsor over back common charges receivable and accounts payable due. The Association claims the sponsor owes it approximately \$520,000 in back common charges and approximately another \$200,000 in accrued interest. While the sponsor claims the Association owes it approximately \$155,000 for prior operating expenses paid in behalf of the Association. Since the ultimate outcome of this dispute cannot be presently determined, no provision for any receivable or any liability that may result upon settlement has been provided for in the accompanying financial statements.

See accountants' compilation report.

Hunter Highlands II Condominium  
Homeowners Association  
Notes to the Financial Statements  
October 31, 1989

**NOTE 2 - CONTINGENCIES (CONTINUED)**

The Association may have been over billed for sewage charges since February of 1987 by Highlands Pollution Control Corporation. This pollution control corporation owned by the project sponsor. The rate was increased by \$500 monthly in February of 1987 without legal approvals. Thus current and past sewage charges may be overstated by \$2,000 and \$14,000 respectively. Since the ultimate outcome of this dispute cannot be presently determined, no provision for any refunds that may be due has been provided for in the accompanying financial statements.

**NOTE 3 - SEWAGE INTERIM CHARGES**

The Town of Hunter has granted Highlands Pollution Control Corporation an interim sewage rate increase. Fees collected for this increase are being held in escrow pending final determination of Highlands Pollution Control Corporation's petition for rate increase.

**NOTE 4 - RECEIPT OF COMMON CHARGES IN COLLECTION**

Collections on common charges turned over to attorney for legal actions for the current month and year to date were \$2,000 and \$12,483 respectively.

EXHIBIT B

Unsold Units as of June 1, 1990

<u>Unit designation</u>	<u>Monthly Common Charges</u>
V-1	114.64
V-2	69.00
V-3	111.88
V-4	67.68
V-5	111.88
V-6	67.68
V-7	114.64
V-8	69.06
W-2	99.45
W-5	99.45
W-6	96.68
W-8	99.45
* X-1	114.64
* X-2	69.00
* X-3	111.88
* X-4	67.68
* X-5	111.88
* X-6	67.68
* X-7	114.64
* X-8	69.06
* Y-1	102.20
* Y-2	99.45
* Y-3	99.45
* Y-4	96.68
* Y-5	99.45
* Y-6	96.68
* Y-7	102.20
* Y-8	99.45

\* Not yet constructed.

Loans on Unsold Units

1. The units in V and W buildings are subject to a construction loan mortgage in favor of Yolo Capital Corp., 227 Mamaronck Avenue, White Plains, New York in the original principal balance of \$1,600,000.00 due December 1990. The balance of the loan as of June 1, 1990 is \$1,025,000. Payments of \$100,000.00 are made as each unit is sold, and the lien of the mortgage is released as to that unit. Sponsor is current in its payments to the lender with respect to this loan.

2. The unsold units as well as the property of Highlands Pollution Control Corp. and Sponsor's other property are subject to a blanket mortgage in favor of Yolo Capital Corp. in the original principal balance of \$1,100,000, reduced to \$700,000 as

of June 1, 1990. Payments of \$100,000 are made as each unit is sold, to be applied to the reduction of the principal balance of the mortgage after payment of the construction loan. Sponsor is current in its payments to the lender with respect to this loan.

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**TWENTY-FIFTH AMENDMENT TO THE OFFERING PLAN  
A PLAN TO CONVERT TO CONDOMINIUM OWNERSHIP  
PREMISES KNOWN AS HUNTER HIGHLANDS II CONDOMINIUM  
TOWN OF HUNTER, COUNTY OF GREENE, NEW YORK**

The Offering Plan to convert to Condominium ownership premises known as Hunter Highlands II Condominium, Town of Hunter, County of Greene, New York dated December 1, 1979 as heretofore amended (the "Plan") is hereby further amended as follows:

**1. ADDITIONAL DISCLOSURE CONCERNING SEWERAGE**

**TREATMENT RATES.** The Twenty-Third and Twenty-Fourth Amendments disclosed a rate application submitted to the Town of Hunter on behalf of Highlands Pollution Control Corp. ("HPC") the owner/operator of the sewer treatment facility. The following is additional information concerning the sewerage treatment rates:

Highlands Pollution Control Corp., is a New York corporation formed pursuant to the Transportation Corporations Law of the State of New York for the purposes of collection, treatment and discharge of sewerage generated by the Condominium. HPC is owned by Sponsor. The rates charged for sewerage collection, treatment and disposal are permitted pursuant to the Transportation Corporations Law (Section 121) and are required to be "fair, reasonable and adequate rates agreed to between the corporation and the local governing body . . .".

In July, 1989 HPC submitted a petition to the Town of Hunter for new rates for the collection, treatment and discharge of sewerage from Hunter Highlands II Condominium as well as from other customers of HPC. In September, 1989 HPC and the Town of Hunter agreed to an interim rate increase pending the completion of the rate review process which permitted HPC to collect from all of its customers a total fee of \$72,000.00 per year for sewerage treatment. The Condominium along with Hunter Highlands Condominium (a prior development of the Sponsor) commenced an Article 78 Proceeding in the Supreme Court, County of Greene to review the legality of the interim rate. In December, 1989, the Article 78 Petition brought by the Condominium and Hunter Highlands Condominium was dismissed by the Supreme Court, Hon. George L. Cobb, Justice Presiding.

On March 15, 1990, the Town of Hunter held a public hearing for the sole purpose of considering the rate increase petition of HPC. Said public hearing was attended by various members of the Board of Managers of Hunter Highlands II Condominium as well as several independent homeowners (as well as members of the Board of Managers of Hunter Highlands Condominium). In the rate review process conducted by the Town of Hunter, the Condominium was represented by its independent attorney and accountant. At the public hearing the town of Hunter's independent professional engineer (retained solely for the purpose of reviewing the physical plant of HPC) delivered his report and was subjected to questions by various members of the

Condominium as well as by members of the Town board and the attorney for the Condominium. HPC's proposed budget contained in the petition was also reviewed on an item-by-item basis by the Town's independent certified public accountant retained solely for the purposes of reviewing the rate increase petition. The accountant and attorney for the Condominium as well as various Condominium Board members were able to voice their opinions and concerns on virtually every item in the proposed budget. Following the public hearing the Town of Hunter and HPC entered into an agreement whereby HPC was permitted to collect from its customers the total sum of \$115,470.00. The Condominium pays a proportionate share of this amount based upon the total number of buildings contained in the development.

Immediately after the agreement entered into by the Town Board and HPC, the Condominium stopped paying its pro rata share of the sewerage charges and as of this date is in arrears in the amount of \$46,607.18. A lawsuit has been commenced by HPC to collect said sums from the Condominium, which lawsuit is now pending in the County Court, County of Greene.

On October 2, 1990, title to the first unit in building "V" was conveyed, at which time the sewerage charges for that building became a condominium expense. At that time, HPC adjusted the charges as between Hunter Highlands Condominium which comprises ten buildings, and Hunter Highlands II Condominium (13 buildings). This adjustment resulted in an increase of \$182.76 per month, or \$2,193.12 per annum for the

Condominium, with a corresponding decrease in the amount payable by Hunter Highlands Condominium. This increase was not included in the Condominium's budget adopted in May, 1990, annexed to this Amendment. The procedure for allocation of the sewer rate charges was described in the 23rd and 24th Amendments to the Plan.

On the last possible day for filing, the Condominium, along with Hunter Highlands Condominium commenced a second Article 78 Proceeding seeking to declare the rate agreement null and void. HPC has opposed the Article 78 proceeding and along with the Town of Hunter and Henry V. LaBarba (the engineer hired by the Town who has been permitted to join the lawsuit) has sought sanctions and costs, including attorneys fees, against the Condominium on the grounds that the Article 78 Proceeding was frivolous and was filed solely to harass HPC. After receiving the answers and motions of the various parties, the Condominium substituted the law firm of Brown, Kelleher, Zwicker and Wilhelm (Terry J. Wilhelm, Esq., of counsel) for its previous attorney, Anthony M. Benigno, Esq.. Shortly thereafter, Mr. Wilhelm on behalf of the Condominium and Hunter Highlands Condominium withdrew the Article 78 proceeding. The remaining portion of the litigation concerning the demand for sanctions and costs on behalf of the respondents (Town of Hunter, HPC and Mr. LaBarba) is pending in the Supreme Court, County of Greene.



2. DISPUTE CONCERNING CONDOMINIUM BUDGET. By letter dated May 31, 1990 and purportedly sent to all Unit Owners of Hunter Highland II Condominium, the Board of Managers informed the Unit Owners that, effective July 1, 1990, a new Budget had been adopted which incorporated a twenty-five (25%) percent increase in monthly common charges from the previous Budget. A copy of that Budget is annexed hereto as Exhibit A. The Board of Managers claims that the Budget was adopted at the Board meeting held on May 21, 1990. Robert Kallman, a Unit Owner and member of the Board of Managers, as well as principal of the Sponsor, claims that he did not receive notice of the time, date and place of the meeting, as required by the By-laws, and that the business transacted at that meeting is therefore invalid. Notwithstanding that dispute, the Board of Managers has been billing the Sponsor for common charges based on the new budget attributable to the Unsold Units owned by Sponsor, which charges have been paid by the Sponsor in full as Units have closed. As of December 7, 1990, the common charge arrears attributable to the eleven unsold built units (from February, 1987) amounted to \$56,122.85, and the arrears attributable to the sixteen unsold, unbuilt units amounted to \$84,750.00. The liens which were filed by the Board of Managers against the Sponsor's Units have been satisfied "under protest" as each Unit has closed.

The Fifteenth Amendment to the Plan described the method by which the Budget of the Condominium was devised, and the method by which the Sponsor would pay its proportionate share

of common charges in the future after acceptance of that Amendment. Although the Amendment was duly accepted by the Attorney General, the Attorney General takes the position that the Amendment is invalid because it changed the terms of the original Plan and attempted to change the provisions of the Declaration of Condominium without actually amending the Declaration, and that the Sponsor should pay common charges for Unsold Units (even if such units have not yet been constructed) in the same amount as paid by Owners of Units that have been constructed and conveyed by the Sponsor. The Sponsor disagrees with the position of the Attorney General and asserts that it has complied with the provisions of the Fifteenth Amendment as accepted by the Attorney General. The Sponsor admits no liability for any alleged underpayment of common charges that may now be claimed. Notwithstanding that assertion, as the Sponsor has conveyed Units to Purchasers, both the lien for unpaid common charges filed by the Board of Managers and current common charges based on the Budget allegedly adopted on May 21, 1990 have been paid by the Sponsor "under protest."

3. NO OTHER MATERIAL CHANGES. Other than the above, there have been material changes in the terms and conditions of the Plan.

Dated: Hunter, New York  
December 20, 1990

HUNTER HIGHLANDS  
Sponsor/Owner of Unsold Units

Hunter Highlands Phase II:

Estimate of expenses for the period 7/1/90 through 6/30/91

	Actual Expense 4/1/89 - 3/31/90	Projected 7/1/90 - 6/30/91
Operating Expenses:		
Water	\$7,000	\$8,000
Sewerage	35,400	60,500
Lawn maintenance	5,785	4,500
Snow Removal	10,000	11,000
Sanitation	3,805	4,000
Electric	1,838	2,000
Chimney Cleaning	3,520	4,000
General Maintenance	731	1,000
Insurance	12,678	13,500
Accounting Fees	5,175	4,500
Office Expense	1,263	1,500
Legal Fees	1,637	1,000
Managing Agent	8,000	8,000
Subtotal Operating Expenses	\$99,852	\$123,500
Reserves: 10 % of Budget	0	12,500
Extraordinary Expenses:		
Legal	12,467	7,500
Accounting	5,300	0
Building Inspections	2,500	0
Renovations	24,670	24,000
Severance Pay	2,001	0
Subtotal Extraordinary Expense	\$46,938	\$29,000
Total Budget	\$138,474	\$165,000

Common Charges:

Unit	% Common Elements	Current Charge	New Charge July 1, 1990
K-1, K-7, L-1, L-7 L-1, M-7, O-1, O-7 P-1, P-7, R-1, R-7	.86639	95.00	119.00
K-2, K-3, K-5, K-8 L-2, L-3, L-5, L-8 M-2, M-3, M-5, M-8 O-2, O-3, O-5, O-8 P-2, P-3, P-5, P-8 R-2, R-3, R-5, R-8	.64128	93.00	116.00
K-4, K-6, L-4, L-6 M-4, M-6, O-4, O-6 P-4, P-6, R-4, R-6	.81617	90.00	113.00
N-1, N-7, Q-1, Q-7 S-1, S-7, T-1, T-7	.99196	109.00	136.00
N-2, N-8, Q-2, Q-8 S-2, S-8, T-2, T-8	.60271	66.00	83.00
N-3, N-5, Q-3, Q-5 S-3, S-5, T-3, T-5	.96685	106.00	133.00
N-4, N-6, Q-4, Q-6 S-4, S-6, T-4, T-6	.59015	63.00	81.00
V-1, V-7, X-1, X-7	1.04218	113.00	144.00
V-2, V-8, X-2, X-8	.62782	69.00	86.00
V-3, V-5, X-3, X-5	1.01707	112.00	140.00
V-4, V-6, X-4, X-6	.61526	68.00	85.00
U-1, U-7, W-1, W-7 Y-1, Y-7	.92918	102.00	128.00
U-2, U-3, U-5, U-8 W-2, W-3, W-5, W-8 Y-2, Y-3, Y-5, Y-8	.90406	99.00	124.00
U-4, U-6, W-4, W-6 Y-4, Y-6	.87895	97.00	121.00

**- TWENTY SIXTH AMENDMENT TO OFFERING PLAN -  
A PLAN TO CONVERT TO CONDOMINIUM OWNERSHIP  
PREMISES KNOWN AS  
HUNTER HIGHLANDS II CONDOMINIUM,  
TOWN OF HUNTER, COUNTY OF GREENE, NEW YORK**

The Offering Plan - A Plan to convert to condominium ownership premises known as Hunter Highlands II Condominium, Town of Hunter, County of Greene, New York dated December 1, 1979 as heretofore amended (the "Plan") is hereby further amended as follows:

1. OFFICERS AND MANAGERS OF THE CONDOMINIUM. The following are the members of the Board of Managers of the Condominium:

<u>NAMES</u>	<u>OFFICE</u>
Lawrence A. Rosen, MD	President
Thomas Furth	Vice President
Marilyn Steffens	Treasurer and Assistant Secretary
Patricia Rosen	Secretary
Fred Stein	Manager
Neil London	Manager
Harold Cohen	Manager
Charles Cohen	Manager

The Board of Managers is not controlled by the Sponsor or the Holder of Unsold Units.

2. FINANCIAL STATEMENT. Annexed hereto as Exhibit A are statements of income and expense for the fiscal years ending May 31, 1992, May 31, 1991 and May 31, 1990.

3. BUDGET FOR 1992-1993. Annexed hereto as Exhibit B is a budget for the period October 1, 1992 - September 30, 1993. The Common charges have been increased to reflect past due and current sewer charges. Please see the Twenty-Fifth Amendment.

4. UNSOLD UNITS. Annexed hereto as Exhibit C is a list of the Unsold Units which are owned by the Holder of Unsold Units and the present common charges therefor.

5. FINANCIAL OBLIGATIONS TO THE CONDOMINIUM. On November 15, 1989, the Board of Managers filed liens for non-payment of common charges against 34 unsold and/or unbuilt units of the Condominium owned by the original Sponsor, Hunter Highlands (hereinafter "Sponsor"). Subsequently, the holder of the construction mortgage, Yolo Capital Corp. commenced and completed a Foreclosure Action in the Supreme Court of the State of New York, Greens County. Thereafter, at the Foreclosure Auction, the aforementioned mortgagee was the successful bidder and the Sponsor's interest and equity in the development project was foreclosed, terminated and judicially transferred to a corporation formed by the Foreclosing Mortgagee, to wit, Yolo Equities Corp. (hereinafter "Yolo Equities").

In connection with the Foreclosure Auction, Yolo Equities and Powder Run Associates, Inc., a New York corporation (hereinafter "Powder Run"), entered into a Option/Repurchase Agreement and Management Agreement. Pursuant to the terms of the Agreement, if \$2.5 Million Dollars is paid to

Yolo Equities by Powder Run, Powder Run can acquire a significant part of the Development Project that is presently unsold. Powder Run will receive credit towards the \$2.5 Million Dollar required payment if as and when, the units set forth on Schedule C annexed hereto are sold to bona fide purchasers in accordance with the terms of the Agreement with Yolo Equities and Powder Run. Neither Hunter Highlands nor Powder Run (or an affiliate of Hunter Highlands or Powder Run) will return as sponsor with respect to the 10 remaining units in the Hunter Highlands II condominium set forth in Schedule "C" annexed hereto (i.e. the units in the V and W buildings).

Prospective Purchasers should also note that, as a result of the Foreclosure Auction and Termination of the Sponsor's interest in the unsold and/or unbuilt units formerly owned by the Sponsor and current case law, the common charges allegedly due from the Sponsor will not be paid to the condominium. For further information, please see the prior Amendments to the Plan.

6. NEW HOLDER OF UNSOLD AND/OR UNBUILT UNITS AND OBLIGATIONS OF THE HOLDER. As a result of the Foreclosure described in Paragraph 5, the new Holder of Unsold and/or Unbuilt Units (hereinafter "Holder") is Yolo Equities Corp., a New York corporation with offices at 237 Mamaroneck Avenue, White Plains, New York. Yolo Equities Corp. is a wholly owned subsidiary of Yolo Capital Corp., a New York corporation that made a series of mortgage loans to the Sponsor, the most recent of which was

foreclosed in 1992. (See paragraph 5 of this amendment) Yolo Capital Corp., as the successful bidder at the foreclosure sale, assigned its bid to Yolo Equities Corp., the new holder of unsold and/or unbuilt units at the development. The controlling shareholders and Officers and Directors of Yolo Equities Corp. are: Peter Barotz and Alfred H. Mattikow. Mr. Barotz is a businessman and real estate investor who has been active in the New York metropolitan area for more than 40 years. Mr. Mattikow is an attorney who maintains an office in White Plains, New York. He has experience in the construction and operation of real estate and has been active in New York metropolitan area for more than 35 years. The Holder's obligation to pay the common charges in the future with respect to unsold units on Schedule C, will be paid from the net proceeds of the sales of unsold units. The Holder is current with respect to its obligation to pay common charges on the units listed on Schedule C. If such income proves insufficient, it is expected but not guaranteed, that payments will be made out of the Holder's other assets.

7. ADDITIONAL HOLDINGS. There are no other cooperatives or condominiums in which the Holder or a principal thereof owns more than ten (10%) percent of the shares or units.

8. MANAGING AGENT AND BOARD OF MANAGERS. The managing agent of the Condominium is Robert Geisman with offices at P.O. Box 322, Hunter, New York 12442. The managing agent is not affiliated with the Holder. The Holder is not in control of



the Board of Managers. The Sponsor gave up control of the Board of Managers in November, 1988.

9. ESCROW AND TRUST FUND REQUIREMENTS. The disclosure contained in this amendment replaces and supersedes the former section of the Plan dealing with the placing of downpayments in escrow. As of the date hereof all downpayments being held in escrow will be placed in or transferred to an account in conformity with the disclosure contained in this amendment.

The Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto.

Any provision of any contract or agreement, whether oral or in writing, by which a purchaser or subscriber purports to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Plan or in a purchase or subscription agreement. Purchasers shall not be obligated to pay any legal or other expense of the Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

All deposits, downpayments, or advances made by purchasers prior to closing of each individual transaction,

whether received before or after the date of consummation of the Plan, will be placed, within five business days after the agreement is signed by all necessary parties, in a segregated special escrow account of Goldstick, Weinberger, Feldman & Grossman, P.C., the Escrow Agent, whose address is 261 Madison Avenue, New York, New York 10016 and whose telephone number is (212) 687-3440. The signatories on this account authorized to withdraw funds, each of whom maintains a business address at 261 Madison Avenue, New York, New York 10016, are:

Bonnie Covey  
Eugene H. Feldman  
Howard L. Grossman

Jane Rosenberg  
Sonja Talesnik  
Sidney B. Weinberger

The name of the master escrow account is Goldstick, Weinberger, Feldman & Grossman, P.C. Attorneys at Law Escrow Account, located in Marine Midland Bank, N.A. at 437 Madison Avenue, New York, New York. There shall be a sub-account for each purchaser. This bank is covered by federal bank deposit insurance to a maximum of \$100,000 per individual deposit. If an individual makes a downpayment in excess of \$100,000 for the purchase of a unit, it is a special risk of this offer that such deposit will not be federally insured in excess of \$100,000.

The account will be interest-bearing and, unless the purchaser defaults interest will be credited to the purchaser at closing. The interest rate to be earned will be the prevailing rate for these accounts which as of November 15, 1992 was 2.50%. Interest will begin to accrue within five (5) business days of tender of the downpayment by a good check.

All instruments shall be made payable to or endorsed to the order of 'Gulf Escrow Account' as escrow agent.

Within ten (10) business days after tender of the deposit submitted with the purchase or subscription agreement, the escrow agent will notify the purchaser or subscriber that such funds have been deposited into the escrow account and will provide the account number and the initial interest rate. If the purchaser or subscriber does not receive notice of such deposit within fifteen (15) days after tender of the deposit, the purchaser or subscriber may cancel the purchase and rescind so long as the right to rescind is exercised within ninety (90) days after tender of the deposit. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and requisite notice was timely mailed to the purchaser or subscriber in conformity with the Attorney General's regulations.

The escrow agent will hold funds in escrow until otherwise directed in

- (i) a writing signed by both Sponsor and purchaser or subscriber; or
- (ii) a determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or
- (iii) a judgment or order of a court of competent jurisdiction.

If there is no written agreement between the parties to release the escrowed funds, the escrow agent will not pay the

funds to the Holder until the escrow agent has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to the Holder unless the purchaser or subscriber has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General regulations and has so notified the escrow agent in accordance with such provisions.

The Holder will not object to the release of the escrowed funds to

- (i) a purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan;
- (ii) all purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

Purchasers, subscribers and the escrow agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the downpayment and any interest thereon. The Holder must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is attached as Exhibit E to this amendment. The party applying for a determination must send all other parties a copy of the application.

Pending the determination of the Attorney General to grant or deny the application, the Holder, the purchaser or subscriber, and the escrow agent shall abide by any interim directive issued by the Attorney General.

Attached to this amendment as Exhibit F is a copy of the escrow agreement which incorporates the terms of the Attorney General's regulations.

The escrow agent will maintain all records concerning the escrow account for seven (7) years after the release of funds.

10. ATTORNEY FOR HOLDER OF UNSOLD AND/OR UNBUILT UNITS. The Plan is amended to provide that Alfred H. Mattikow, with offices at 237 Mamaroneck Avenue, White Plains, New York 10605, will be the attorney for the Holder of Unsold and/or Unbuilt Units. Mr. Mattikow has been a practicing attorney for more than twenty-five years. He is also one of the controlling shareholders of Yolo Equities Corp., the Holder of Unsold and/or Unbuilt Units.

11. NO OTHER MATERIAL CHANGES. Except as set forth herein, there have been no material changes in the terms and conditions of this offering.

Dated: Hunter, New York  
June 10<sup>th</sup> 1993

YOLO EQUITIES CORP.  
Holder of Unsold and/or Unbuilt Units

EXHIBIT A

Hunter Highlands II Condominium

Homeowners Association

Financial Statements

May 31, 1992

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SPERRY, CUONO, HOLGATE & CHURCHILL, C.P.A.'s, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

ROBERT T. SPERRY, C.P.A.  
FRANK CUONO, C.P.A.  
DARYL L. HOLGATE, C.P.A.  
TIMOTHY H. CHURCHILL, C.P.A.  
TOMAS V. CHURCHILL, C.P.A.  
ROBERT J. ALLEN, C.P.A.

Route 23A, PO Box 297  
Hunter, New York 12442-0297  
(518) 283-5400

MEMBERS:  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

To The Board Of Directors  
Hunter Highlands II Condominium  
Homeowners Association  
Hunter, New York 12442

We have compiled the accompanying statement of assets and liabilities arising from cash transactions of Hunter Highlands II Condominium, a Homeowners Association, as of May 31, 1992, and the related statement of revenue, expenses and changes in fund balance on cash basis for the twelve months then ended, and the accompanying supplementary information contained on page 5, which are presented only for supplementary analysis purposes, in accordance with standards established by the American Institute of Certified Public Accountants. The financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them. However, as discussed in the following paragraph we did become aware of certain contingencies.

As discussed in Note 2 of the financial statements, the organization is in dispute with the project sponsor over back common charges receivable and accounts payable due. The ultimate outcome of this dispute cannot be presently determined. Accordingly, no provision for any receivable or any liability that may result upon settlement has been made in the accompanying financial statements.

*Sperry, Cuono, Holgate & Churchill, C.P.A.'s, P.C.*

June 24, 1992



Hunter Highlands II Condominium  
Homeowners Association  
Statement of Assets and Liabilities  
Arising From Cash Transactions  
May 11, 1992

Assets

Current Assets:			
Cash in checking	\$	19,468.73	
Cash in money market		524.21	
Escrow account		<u>38,500.00</u>	
Total Current Assets			58,492.
Contingencies			
Other Assets:			
Deposits receivable			<u>200.</u>
			<u>\$ 58,692.</u>

Liabilities and Fund Balance

Contingencies			
Fund Balance		<u>58,692.94</u>	
			<u>58,692.94</u>
			<u>\$ 58,692.94</u>

See accountants' compilation report.

Hunter Highlands II Condominium  
Homeowners Association  
Statement of Revenue, Expenses and  
Changes in Fund Balance - Cash Basis  
Twelve Months Ended May 31, 1992

	Current	Pct	Year to Date	Pct
<b>Revenue:</b>				
Common, service & misc\$	11,095.73	99.99%	\$ 157,295.95	99.99%
Interest income	1.50	0.01%	21.99	0.01%
<b>Total Revenue</b>	<b>11,097.23</b>	<b>100.00%</b>	<b>157,317.94</b>	<b>100.00%</b>
<b>Expenditures:</b>				
Accounting	375.00	3.38%	4,500.00	2.86%
Bank charges	0.00	0.00%	66.63	0.04%
Electric	292.83	2.64%	1,309.17	0.83%
Insurance	1,288.35	11.61%	16,225.68	10.31%
Interest	0.00	0.00%	559.62	0.36%
Landscaping	974.42	8.78%	9,503.04	6.04%
Legal	1,500.00	13.52%	22,390.75	14.23%
Managing agent	1,298.00	11.70%	9,791.83	6.22%
Office supplies	0.00	0.00%	1,503.56	0.96%
Repairs & maintenance	0.00	0.00%	17,014.90	10.82%
Sanitation	351.00	3.16%	3,402.68	2.16%
Snow removal	0.00	0.00%	11,150.00	7.09%
Telephone	108.77	0.98%	1,269.10	0.81%
Water charges	616.23	5.55%	7,420.51	4.72%
Utilities	0.00	0.00%	576.03	0.37%
<b>Total Expenditures</b>	<b>6,804.60</b>	<b>61.32%</b>	<b>106,683.58</b>	<b>67.81%</b>
<b>Excess Revenues over Expenditures</b>	<b>4,292.63</b>	<b>38.68%</b>	<b>50,634.36</b>	<b>32.19%</b>
<b>Fund Balance, Beginning</b>			<b>8,058.58</b>	
<b>Fund Balance, Ending</b>			<b>\$ 58,692.94</b>	

See accountants' compilation report and  
notes to the financial statements.

Hunter Highlands II Condominium  
Homeowners Association  
Notes to the Financial Statements  
May 11, 1992

- NOTE 1 - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
- (a) Organization - The Hunter Highlands II Condominium is a homeowners association incorporated in the State of New York. The Association is responsible for the operation and maintenance of common property within the development.
  - (b) Financial Statements - The Association prepares its financial statements and maintains its records on the cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when cash is disbursed rather than when the obligation is incurred. The Association files its tax returns on the accrual basis of accounting.
  - (c) Federal Income Taxes - The Association elects on an annual basis to file its tax return as a homeowners association under Section 528 of the Internal Revenue Code. Accordingly, no provision for income taxes have been provided for in the accompanying financial statements.
  - (d) Donated Services - The Association's Board of Directors and its officers serve without compensation. These services are not recorded in the accompanying financial statements.
  - (e) Budget - The annual budget and owners' assessments are determined by the Board of Directors. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods.

NOTE 2 - CONTINGENCIES

The Association is presently in dispute with the project sponsor over back common charges receivable and accounts payable due. The Association claims the sponsor owes it approximately \$520,000 in back common charges and approximately another \$200,000 in accrued interest. While the sponsor claims the Association owes it approximately \$155,000 for prior operating expenses paid in behalf of the Association. Since the ultimate outcome of this dispute cannot be presently determined, no provision for any receivable or any liability that may result upon settlement has been provided for in the accompanying financial statements.

See accountants' compilation report.

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Hunter Highlands II Condominium  
Homeowners Association

Financial Statements

May 31, 1991

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SPERRY, CUONO, HOLGATE & CHURCHILL, C.P.A.'s, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

JOE SPERRY, C.P.A.  
JOE CUONO, C.P.A.  
JOE HOLGATE, C.P.A.  
JOE H. CHURCHILL, C.P.A.  
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MEMBERS:  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

To The Board Of Directors  
Hunter Highlands II Condominium  
Homeowners Association  
Hunter, New York 12442

We have compiled the accompanying balance sheet of Hunter Highlands II Condominium, a Homeowners Association, as of May 31, 1991, and the related statement of revenue, expenditures and changes in fund balance for the twelve months then ended, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them. However, as discussed in the following paragraphs we did become aware of certain contingencies and a departure from generally accepted accounting principles that is described in the following paragraphs.

A statement of cash flows for the year ended May 31, 1991, has not been presented. Generally accepted accounting principles require that such a statement to be presented when financial statements purport to present financial position and results of operations.

As discussed in Note 2 to the financial statements, the organization is in dispute with the project sponsor over back common charges receivable and accounts payable due. The ultimate outcome of this dispute cannot be presently determined. Accordingly, no provision for any receivable or any liability that may result upon settlement has been made in the accompanying financial statements.

*Sperry, Cuono, Holgate & Churchill, C.P.A.'s, P.C.*

September 10, 1991

Hunter Highlands II Condominium  
Homeowners Association  
Balance Sheet  
May 31, 1991

Assets

Current Assets:	
Cash in checking	\$ 7,456.36
Cash in money market	402.22
Common charges receivable	20,196.81
Common charges in collection	19,435.77
Common charges sponsor	156,922.88
Prepaid insurance	<u>2,257.18</u>
Total Current Assets	206,671.22
Contingencies	--
Other Assets:	
Deposits receivable	<u>200.00</u>
	<u>\$ 206,871.22</u>

Liabilities and Fund Balance

Current Liabilities:	
Accounts payable	\$ <u>102,296.80</u>
Total Current Liabilities	102,296.80
Contingencies	--
Fund Balance	<u>104,574.42</u>
	<u>104,574.42</u>
	<u>\$ 206,871.22</u>

See accountants' compilation report and  
notes to the financial statement.

Hunter Highlands II Condominium  
Homeowners Association  
Statement of Revenue, Expenditures  
and Changes in Fund Balance  
Twelve Months Ended May 31, 1991

	<u>Year to Date</u>	<u>Pct.</u>
<b>Revenue:</b>		
Common charges	\$ 127,576.00	(72.75)
Common charges sponsor	38,432.00	(21.92)
Capital contributions	200.00	(0.11)
Services charges	8,689.67	(4.96)
Dividend income	<u>462.60</u>	<u>(0.25)</u>
<b>Total Revenue</b>	<u>175,360.27</u>	<u>(100.00)</u>
<b>Expenditures:</b>		
Accounting	5,386.42	(3.07)
Bank charges	129.09	(0.07)
Electric	562.92	(0.32)
Insurance	13,135.90	(7.49)
Interest	5,288.46	(3.02)
Landscaping	9,520.40	(5.43)
Legal	39,661.97	(22.62)
Managing agent	8,004.00	(4.56)
Office supplies	1,420.52	(0.81)
Repairs & maintenance	53,742.47	(30.65)
Sanitation	3,726.75	(2.13)
Snow removal	11,000.00	(6.27)
Sewage charges	61,808.40	(35.25)
Telephone	1,219.60	(0.70)
Water charges	7,180.93	(4.09)
Utilities	<u>1,124.66</u>	<u>(0.64)</u>
<b>Total Expenditures</b>	<u>222,912.49</u>	<u>(127.12)</u>
<b>Excess (Expenditures) over Revenues</b>	(47,552.22)	27.12
Fund Balance, Beginning	181,312.60	
Prior Period Adjustment	<u>(29,185.96)</u>	
<b>Fund Balance, Ending</b>	<u>\$ 104,574.42</u>	

See accountants' compilation report and  
notes to the financial statements.



Hunter Highlands II Condominium  
Homeowners Association  
Notes to the Financial Statements  
May 31, 1991

NOTE 1 - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Organization - The accompanying financial statements represent the financial position and results of operations of a homeowners association.

(b) Financial Statements - The Association prepares its financial statements and maintains its records on the accrual basis of accounting. This method is consistent with that used in the preparation of the Association's annual information returns.

(c) Common Charges and Assessments - Common charges and assessments are recorded as income in the period in which they come due. These include charges for current maintenance and capital replacements.

(d) Federal Income Taxes - The Association elects on an annual basis to file its tax return as a homeowners association under Section 528 of the Internal Revenue Code. Accordingly, no provision for income taxes have been provided for in the accompanying financial statements.

(e) Common Charges Receivable - Common charges receivable represent current common charges due, while common charges in collection represent back charges turned over to attorneys for collection. No provision has been made on the accompanying financial statements for bad debts, as the Association uses the direct write-off method of accounting for uncollectible accounts, which is not materially different than that of the reserve method. The Association has the right to levy liens on the homowner's property to insure payment of common charges and assessments due the Association.

(f) Common Charges Sponsor - Common charges sponsor represents current and past due charges levied against built and unbuilt sponsor units. The Association has filed liens on all these units and is collecting the common charges as the sponsor sells each unit.

(g) Donated Services - The Association's Board of Directors and its officers serve without compensation. These services are not recorded in the accompanying financial statements.

(h) Budget - The annual budget and owners' assessments are determined by the Board of Directors. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods.

See accountants' compilation report.

Hunter Highlands II Condominium  
Homeowners Association  
Notes to the Financial Statements  
May 31, 1991

NOTE 2 - CONTINGENCIES

The Association is presently in dispute with the project sponsor over back common charges receivable and accounts payable due. The Association claims the sponsor owes it approximately \$520,000 in back common charges and approximately another \$200,000 in accrued interest. While the sponsor claims the Association owes it approximately \$155,000 for prior operating expenses paid in behalf of the Association. Since the ultimate outcome of this dispute cannot be presently determined, no provision for any receivable or any liability that may result upon settlement has been provided for in the accompanying financial statements.

NOTE 3 - PRIOR PERIOD ADJUSTMENT

A net decrease in fund balance of \$29,185 is due to the understatement (overstatement) of prior year expenditures, as follows:

Legal fees	\$ 18,494.62
Sewage Charges	11,065.24
Insurance	(375.20)
	-----
	\$ 29,185.96
	=====

See accountants' compilation report.

Hunter Highlands II Condominium  
Homeowners Association

Financial Statements

May 31, 1990

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Hunter Highlands II Condominium  
Homeowners Association  
Balance Sheet  
May 31, 1990

Assets

Current Assets:		
Cash in checking	\$ 13,300.21	
Cash in money market	13,539.62	
Common charges receivable	16,904.27	
Common charges in collection	13,511.51	
Common charges sponsor	123,115.12	
Prepaid insurance	<u>1,850.00</u>	
Total Current Assets		182,220.
Contingencies		--
Other Assets:		
Deposits receivable		200.
		<u>182,420.</u>

Liabilities and Fund Balance

Current Liabilities:		
Accounts payable	\$ <u>1,108.13</u>	
Total Current Liabilities		1,108.
Contingencies		--
Fund Balance	<u>181,312.60</u>	
		<u>181,312.</u>
		<u>\$ 182,420.</u>

See accountants' compilation report and  
notes to the financial statement.

Hunter Highlands II Condominium  
Homeowners Association  
Statement of Revenue, Expenditures  
and Changes in Fund Balance  
Twelve Months Ended May 31, 1990

	<u>Year to Date</u>	<u>Pct.</u>
<b>Revenue:</b>		
Common charges	\$ 95,512.00	(60.13)
Common charges sponsor	37,001.00	(23.63)
Capital contributions	500.00	(0.35)
Charge for leins	4,285.02	(2.97)
Services charges	6,552.59	(4.54)
Dividend income	<u>539.62</u>	<u>(0.37)</u>
<b>Total Revenue</b>	<u>144,390.23</u>	<u>(100.00)</u>
<b>Expenditures:</b>		
Accounting	9,950.00	(6.89)
Bank charges	20.14	(0.01)
Electric	1,759.34	(1.22)
Insurance	13,893.00	(9.62)
Interest	574.62	(0.40)
Landscaping	5,200.00	(3.50)
Legal	13,072.40	(9.05)
Managing agent	10,005.00	(6.91)
Office supplies	609.76	(0.42)
Operating supplies	280.00	(0.19)
Permits & inspections	1,600.00	(1.12)
Repairs & maintenance	17,798.04	(12.31)
Sanitation	3,355.50	(2.32)
Snow removal	10,000.00	(6.93)
Sewage charges	27,248.58	(18.88)
Telephone	1,327.70	(0.92)
Water charges	<u>7,464.47</u>	<u>(5.17)</u>
<b>Total Expenditures</b>	<u>144,158.55</u>	<u>(99.84)</u>
Excess Revenue over (Expenditures)	231.68	(0.16)
Fund Balance, Beginning	75,619.68	(52.37)
Prior Period Adjustment	<u>105,461.24</u>	<u>(73.01)</u>
<b>Fund Balance, Ending</b>	<u>\$ 181,312.60</u>	<u>(125.57)</u>

See accountants' compilation report and  
notes to the financial statements.

Hunter Highlands II Condominium  
Homeowners Association  
Notes to the financial Statements  
May 31, 1990

NOTE 1 - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Organization - The accompanying financial statements represent the financial position and results of operations of a homeowners association.

(b) Financial Statements - The Association prepares its financial statements and maintains its records on the accrual basis of accounting. This method is consistent with that used in the preparation of the Association's annual information returns.

(c) Common Charges and Assessments - Common charges and assessments are recorded as income in the period in which they come due. These include charges for current maintenance and capital replacements.

(d) Federal Income Taxes - The Association elects on an annual basis to file its tax return as a homeowners association under Section 528 of the Internal Revenue Code. Accordingly, no provision for income taxes have been provided for in the accompanying financial statements.

(e) Common Charges Receivable - Common charges receivable represent current common charges due, while common charges in collection represent back charges turned over to attorneys for collection. No provision has been made on the accompanying financial statements for bad debts, as the Association uses the direct write-off method of accounting for uncollectible accounts, which is not materially different than that of the reserve method. The Association has the right to levy liens on the homowner's property to insure payment of common charges and assessments due the Association.

(f) Common Charges Sponsor - Common charges sponsor represents current and past due charges levied against built and unbuilt sponsor units. The Association has filed liens on all these units and is collecting the common charges as the sponsor sells each unit.

(g) Donated Services - The Association's Board of Directors and its officers serve without compensation. These services are not recorded in the accompanying financial statements.

(h) Budget - The annual budget and owners' assessments are determined by the Board of Directors. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods.

See accountants' compilation report.

Hunter Highlands II Condominium  
Homeowners Association  
Notes to the Financial Statements  
May 31, 1990

NOTE 2 - CONTINGENCIES

The Association is presently in dispute with the project sponsor over back common charges receivable and accounts payable due. The Association claims the sponsor owes it approximately \$520,000 in back common charges and approximately another \$200,000 in accrued interest. While the sponsor claims the Association owes it approximately \$155,000 for prior operating expenses paid in behalf of the Association. Since the ultimate outcome of this dispute cannot be presently determined, no provision for any receivable or any liability that may result upon settlement has been provided for in the accompanying financial statements.

The Association is also in dispute with Highlands Pollution Control Corporation, which is owned by the project sponsor. Various advances were made to Highlands Pollution Control Corporation during the period in which the sponsor controlled the Association. The Association is currently holding back current sewage charges until their claimed credits are used up. The pollution control company claims the Association is not entitled to any of these credits. The Association also may have been over billed for sewage charges since February of 1987 by Highlands Pollution Control Corporation. Since the ultimate outcome of these disputes cannot be presently determined, no provision for any liability the Association may have has been provided for in the accompanying financial statements.

NOTE 3 - PRIOR PERIOD ADJUSTMENT

Prior period adjustment of \$105,461.24 represents an adjustment to books to reconcile billing records that reflect past due common charges of the sponsor for prior years. The Association has filed liens against the sponsor's units and is collecting the back common charges as these units are sold.

See accountants' compilation report.



EXHIBIT B

HUNTER HIGHLANDS CONDOMINIUM II  
ESTIMATE BUDGET 10/1/92 THRU 9/30/93

	Actual Expenses 6/1/91 - 5/31/92	Projected Expenses 10/1/92 - 9/30/93
Accounting	\$4,500	\$4,500
Bank Charges	.67	100
Electric	1,309	1,500
Insurance	16,226	16,300
Interest	559	600
Landscaping	9,503	10,000
Legal	22,391	23,000
Managing Agent	9,792	10,000
Office Supplies	1,504	2,000
Repairs & Maintenance	17,015	27,000
Sanitation	3,403	6,000
Snow Removal	11,150	11,200
Sewer Charge	0	62,600
Telephone	1,269	1,500
Water	7,421	8,000
Utilities	576	600
Subtotal	<u>\$106,684</u>	<u>\$184,900</u>
Contingency for Reserves		10,000
Sponsor's Units Uncollectible		<u>57,300</u>
Total Budget		\$252,200
Projected operating expense increase : \$184,900/106,684 = 17.5%		

EXHIBIT C

HUNTER HIGHLANDS CONDOMINIUMS - PHASE II

<u>UNIT NUMBER</u>	<u>% OF COMMON INT</u>	<u>MONTHLY COMMON CHARGES</u>	<u>1992/1993 MONTHLY REAL ESTATE TAXES</u>
V2	.62782	131.00	91.46
V3	1.01707	213.00	148.00
V4	.61526	130.00	98.33
V5	1.01707	213.00	148.00
V6	.61526	130.00	98.33
V8	.62782	131.00	91.46
W2	.90406	188.00	133.42
W5	.90406	188.00	133.42
W6	.87895	184.00	129.85
W8	.90406	188.00	129.85

EXHIBIT D

BLUE SKY LAW—REAL ESTATE SYNDICATION  
OFFERINGS—NON-OCCUPYING OWNER AND  
NON-PURCHASING TENANT

CHAPTER 394

A 1502-A

Approved July 22, 1991, effective as provided in section 2

AN ACT to amend the general business law, in relation to real estate syndication offerings.

The People of the State of New York, represented in Senate and Assembly, in sense as follows:

§ 1. Section 352-a of the general business law is amended by adding a new subdivision 2-i to read as follows:

2-4. (a) "Non-occupying owner" shall mean the owner of shares in a cooperative corporation who does not reside in the apartment assigned to its shares, when the apartment is occupied by a non-purchasing tenant or the owner of a unit in a condominium who does not reside in the unit, when the unit is occupied by a non-purchasing tenant. "Non-purchasing tenant" shall have the same meaning as that term is defined in paragraph (e) of subdivision one of sections three hundred fifty-two-aa and three hundred fifty-two-cc of this chapter.

(b) The attorney general shall also refuse to issue a letter stating that the offering has been filed, if in the case of a plan already accepted for filing, shall refuse to accept an amendment to the plan unless the offering statement, prospectus, and or amendment provides that when a non-occupying owner fails to make an arrearage due on such shares or unit, including but not limited to maintenance payments, common charges, interest or late fees, within thirty days after they are due, upon notice in accordance with paragraph (c) of this subdivision, all rental payments from the non-occupying tenant residing in such apartment or unit shall be directly payable to the apartment corporation or condominium association. The offering shall provide such non-purchasing tenant with appropriate notice of the provisions of this subdivision.

(c) If maintenance payments, common charges or other fees due from the non-occupying owner have not been paid in full, the cooperative corporation board of directors or condominium board of managers shall provide written notice within thirty days after the earliest due date to the non-purchasing tenant and the non-occupying owner providing that, commencing immediately and until such time as payments are made current, all rental payments due are to be made payable to the cooperative corporation or condominium association at the address listed on the notice. Where a majority of the board of directors or managers has been elected or has been among the shareholders or unit owners and are in conformity, the board may elect not to require that rental payments be made payable to the cooperative corporation or condominium association. As such time as payments from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the non-purchasing tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner. A non-occupying owner who acquiesces the corporation's or association's right to receive rental payments pursuant to this section shall be included in present and future supporting an opinion of the duly authorized members of the board of directors or board of managers, which must be said within thirty days.

(d) Nothing in this subdivision shall limit any rights existing under any other law.

(e) Payment by a non-purchasing tenant to the cooperative corporation or condominium association made in accordance with this subdivision shall relieve that non-purchasing tenant from the obligation to pay that rent to the non-occupying tenant.

§ 2. This act shall take effect immediately and shall apply to all offerings plans not yet accepted for filing and to all plans already accepted for filing except those plans where all of the shares or units have been sold.

EXHIBIT E

**APPLICATION TO THE ATTORNEY GENERAL  
FOR A DETERMINATION ON THE  
DISPOSITION OF DOWNPAYMENTS**

[Send this application to the reviewing attorney assigned to the subject plan.]

Re: Hunter Highlands II Condominium  
Town of Hunter, County of Greene,  
New York  
Address of Building or  
Name of Project

File Number: CD79-098

Application is made to the Attorney General to consider and determine the disposition of down-payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

1. Name \_\_\_\_\_  
of Applicant
  
2. Address \_\_\_\_\_  
of Applicant
  
3. Name, Address, and Telephone Number  
of Applicant's Attorney (if any) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. This is an application for

- return of downpayment
- forfeiture of downpayment
- other: \_\_\_\_\_  
\_\_\_\_\_

5. The project is

- a conversion of occupied premises.
- newly constructed or rehabilitated.
- vacant (as is).

6. The project is structured as

- a cooperative.
- a condominium.
- a homeowners association.
- a timeshare.
- other: \_\_\_\_\_

7. Name and Address  
of Sponsor: \_\_\_\_\_  
\_\_\_\_\_

8. Name and Address  
of Escrow Agent: \_\_\_\_\_  
\_\_\_\_\_

9. If downpayments are maintained in an escrow account:

- (a) Name of account \_\_\_\_\_
- (b) Name and address  
of bank \_\_\_\_\_
- (c) Account number (if known) \_\_\_\_\_
- (d) Initial interest rate (if known) \_\_\_\_\_

10. If downpayments have been secured by bonds:

(a) Name and address of bond issuer or surety: \_\_\_\_\_  
\_\_\_\_\_

(b) Copy of bond included in this application. (DO NOT SEND ORIGINAL BOND.) If not included, explain:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

11. If downpayments have been secured by a letter of credit:

(a) Name and address of bank which issued the letter of credit: \_\_\_\_\_  
\_\_\_\_\_

(b) Date of expiration of the letter of credit, if known:  
\_\_\_\_\_

12. Plan information:

(a) Date of filing of plan: \_\_\_\_\_

(b) Plan

[ ] has been declared effective. Approximate date:  
\_\_\_\_\_

[ ] has not been declared effective.

(c) If effective, the plan

has closed or the first unit has closed.

Approximate date: \_\_\_\_\_

has not closed.

don't know.

(d) Downpayments are secured by

escrow account.

bonds.

letter of credit.

13. Contract information:

(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription or purchase agreement was signed: \_\_\_\_\_

(c) Date(s) of downpayment(s): \_\_\_\_\_

(d) Total amount of downpayment(s): \_\_\_\_\_

(e) Names and addresses of subscribers or purchasers affected by this application:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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15. I am contemporaneously sending a copy of this application to the following persons: \_\_\_\_\_

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Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities, I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name (Printed): \_\_\_\_\_

Telephone: (Home) \_\_\_\_\_ (Business) \_\_\_\_\_

Mailing Address: \_\_\_\_\_

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## EXHIBIT F

### ESCROW AGREEMENT

AGREEMENT made this 27th day of January 1993, between YOLO EQUITIES CORP. ("Holder"), as Holder of Unsold/Unbuilt units and GOLDSTICK, WEINBERGER, FELDMAN & GROSSMAN, P.C. ("Escrow Agent") as escrow agent.

WHEREAS, Yolo Equities Corp. is the Holder of unsold/unbuilt condominium units at the premises known as Hunter Highlands II, Hunter, New York; and

WHEREAS, Goldstick, Weinberger, Feldman & Grossman, P.C. is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, Holder desires that Escrow Agent act as escrow agent for deposits and payments by purchasers and subscribers, pursuant to the terms of this agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 Holder and Escrow Agent hereby establish an escrow account with Escrow Agent for the purpose of holding deposits or payments made by purchasers or subscribers. The escrow account has been opened with Marine Midland Bank, N.A. at its branch located at 437 Madison Avenue, New York, New York. The account number is 017-751853.

1.2 The name of the master escrow account is Goldstick, Weinberger, Feldman & Grossman, P.C. Attorneys at Law Escrow Account. There shall be a sub-account for each purchaser who is not a tenant purchaser.

1.3 Escrow Agent is the sole signatory on the account.

1.4 The escrow account shall be an interest-bearing account as disclosed in the offering plan, as amended.

1.5 The escrow account is an IOLA established pursuant to Judiciary Law Section 497 with respect to funds received from tenant purchasers under purchase agreements as disclosed in the offering plan.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All funds received from prospective purchasers or subscribers prior to closing, whether in the form of checks, drafts, money orders, wire transfers or other instruments which identify the payor, shall be deposited in the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser or subscriber to

the order of GWF&G Escrow Account. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser or subscriber promptly, but in no event more than five (5) business days following receipt of such instrument by Escrow Agent. In the event of such return of funds, the instrument shall be deemed not to have been delivered to Escrow Agent pursuant to the terms of this Agreement.

2.2 Within ten (10) business days after tender of the deposit submitted with the subscription or purchase agreement, Escrow Agent shall notify the purchaser of the deposit of such funds in the bank indicated in the offering plan, provide the account number and disclose the initial interest rate. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the subscriber or purchaser.

### 3. RELEASE OF FUNDS.

3.1 Escrow Agent shall not release the escrowed funds of a defaulting purchaser until after consummation of the plan as

defined in the Attorney General's regulations. Consummation of the plan shall not relieve Holder of its fiduciary obligations pursuant to GBL Section 352-h.

3.2 Escrow Agent shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both Holder and purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

3.3 Holder shall not object to the release of the escrowed funds to a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan.

3.4 If there is no written agreement between the parties to release the escrowed funds, Escrow Agent shall not pay the funds to Holder until Escrow Agent has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to Holder unless the purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and has so notified Escrow Agent in accordance with such provisions.

4. RECORDKEEPING.

4.1 Escrow Agent shall maintain all records concerning the escrow account for seven (7) years after release of the funds.

4.2 Upon the dissolution of a law firm which was Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

4.3 Escrow Agent shall make available to the Attorney General, upon his request, all books and records of Escrow Agent relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 Escrow Agent shall maintain the accounts called for in this Agreement under the direct supervision and control of Escrow Agent.

5.2 A fiduciary relationship shall exist between Escrow Agent and purchasers, and Escrow Agent acknowledges its fiduciary obligations.

6. RESPONSIBILITIES OF HOLDER.

6.1 Holder agrees that Holder and its agents, including any selling agents, shall immediately deliver all

deposits and payments received by them prior to closing of an individual transaction to Escrow Agent.

6.2 Holder agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and compliance with the Attorney General's regulations.

6.3 Excepting where it is finally determined that the Escrow Agent has been guilty of gross negligence or wilful misconduct, the Holder agrees (a) that the Escrow Agent shall not be liable for any error in judgment, any act done or step taken or omitted in good faith, or failure to seasonably send to purchaser any notice required under paragraph 2 of this agreement and (b) to defend, indemnify and hold the Escrow Agent harmless against and from any claim, judgment, loss, liability, cost or expense, including reasonable attorneys' fees, resulting from any claim, dispute or litigation arising out of or concerning the Escrow Agent's duties or services hereunder.

## 7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is canceled, by either:

(a) Written notice given by Holder to Escrow Agent of cancellation of designation of Escrow Agent to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor Escrow Agent; or

(b) The resignation of Escrow Agent upon giving notice to Holder of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor Escrow Agent; or

(c) All shares or units offered pursuant to the plan have been sold and all sales transactions have been consummated.

7.2 Upon termination of the duties of Escrow Agent as described in paragraph 7.1 above, Escrow Agent shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by Escrow Agent to the new escrow agent.

8. SUCCESSORS AND ASSIGNS.

8.1 This Agreement shall be binding upon Holder and Escrow Agent and their successors and assigns.

9. GOVERNING LAW.

9.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

10.1 Holder agrees that Escrow Agent's compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to Escrow Agent, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance.

11. SEVERABILITY.

11.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. ENTIRE AGREEMENT.

12.1 This Agreement, read together with GBL Section 352-a(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

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

ESCROW AGENT  
GOLDSTICK, WEINBERGER,  
FELDMAN & GROSSMAN, P.C.

By: \_\_\_\_\_

Holder

YOLO EQUITIES CORP.

By: \_\_\_\_\_



**TWENTY-SEVENTH AMENDMENT TO OFFERING PLAN  
A PLAN TO CONVERT TO CONDOMINIUM OWNERSHIP  
PREMISES KNOWN AS HUNTER HIGHLANDS II CONDOMINIUM  
TOWN OF HUNTER, COUNTY OF GREENE, NEW YORK**

The Offering Plan - A Plan to convert to condominium ownership premises known as Hunter Highlands II Condominium, Town of Hunter, County of Greene, New York dated December 1, 1979 as heretofore amended (the "Plan") is hereby further amended as follows:

1. OFFICERS AND MANAGERS OF THE CONDOMINIUM. The following are the members of the Board of Managers of the Condominium:

<u>Names</u>	<u>Office</u>
Marilyn Stefans	President
Thomas Furth	Vice President
Fred Stein	Treasurer
Charles Cohen	Secretary
Lawrence Rosen	Manager
Patricia Rosen	Manager
Ethel Slutzky	Manager
Harold Cohen	Manager
George Futterknecht	Manager

The Board of Managers is not controlled by the Sponsor or the Holder of Unsold Units.

2. FINANCIAL STATEMENT. Annexed hereto as Exhibit A are statements of income and expense for the Condominium for fiscal years ending May 31, 1994 and May 31, 1993.

3. BUDGET FOR 1994-1995. Annexed hereto as Exhibit B is a budget for the Condominium for the period June 1, 1994 - May 31, 1995.

4. UNSOLD UNITS. Annexed hereto as Exhibit C is a list of the Unsold Units which are owned by the Holder of Unsold Units and the present common charges therefor. The aggregate annual amount of Real Estate Taxes for the units is \$12,320.28.

5. FINANCIAL OBLIGATIONS TO THE CONDOMINIUM. On November 15, 1989, the Board of Managers filed liens for non-payment of common charges against 34 unsold and/or unbuilt units of the Condominium owned by the original Sponsor, Hunter Highlands (hereinafter "Sponsor"). Subsequently the holder of the construction mortgage Yolo Capital Corp. commenced and completed a Foreclosure Action in the Supreme Court of the State of New York, Greene County. Thereafter, at the Foreclosure Auction, the aforementioned mortgagee was the successful bidder and the Sponsor's interest and equity in the development project was foreclosed, terminated and judicially transferred to a corporation formed by the Foreclosing Mortgagee, to wit, Yolo Equities Corp. (hereinafter "Yolo Equities").

As a result of the Foreclosure Auction and Termination of the Sponsor's interest in the unsold and/or unbuilt units formerly owned by the Sponsor and current case law, the common charges allegedly due from the Sponsor to the Condominium were not required to be paid. Litigation between the Sponsor and the Condominium was settled in or about October 1993 and as part of the settlement, any common charges allegedly due from the Sponsor prior to the termination of its interest by the foreclosure conveyance will not be paid to the Condominium. In addition, pursuant to an agreement between the Condominium and Yolo common

charges on the 16 unbuilt units of the Condominium will not be paid until the earlier of the issuance of a certificate of occupancy for each unit or October 1998. Since the last amendment two of the built units, namely W2 and W8, were sold and only 8 of the built units remain as set forth in Schedule C.

Yolo Equities is obligated to pay the common charges with respect to built units on Schedule C from the date of its acquisition by the foreclosure conveyance. At the present time, Yolo is not current with respect to its obligation to pay common charges on its built units. As of June 1, 1995, the sum of \$11,720.00 was due to the Condominium Association for common charges. Yolo Equities will not offer its built units for sale until common charges for the respective units are paid. The Yolo Equities built units are encumbered by a mortgage held by PSI Settlement Corp. in the current principal amount of \$250,000.00. As units are sold, the mortgagee will release its lien on the respective unit and the principal amount of the mortgage will be reduced by \$25,000.00.

Subsequent to, and in connection with, the foreclosure conveyance of Yolo Equities, it entered into an Option/Repurchase Agreement and Management Agreement with Powder Run Associates, Inc., a New York corporation (hereinafter "Powder Run") on June 3, 1992 and August 6, 1993 (herein together the "Powder Run Agreements"). Pursuant to the Powder Run Agreements, Powder Run had repurchase rights to a significant part of the Development Project that is presently built, conditioned upon its payment of common charges and real estate taxes, which have not been paid.

As a result of this and other defaults by Powder Run, Yolo Equities has commenced a lawsuit to recover its damages. Powder Run's option to purchase expired on June 10, 1995 and Yolo Equities has reclaimed possession of the development project including the built units. Yolo Equities will proceed with the development or sale of the project.

6. HOLDER OF BUILT AND/OR UNBUILT UNITS. The new Holder of unsold and/or Unbuilt Units is Yolo Equities, a New York corporation having its office at 271 North Avenue, Suite 520, New Rochelle, New York 10801. The shareholder of Yolo Equities Corp. is PSI Settlement Corp., a corporation with offices at 271 North Avenue, Suite 520, New Rochelle, New York 10801.

There are 8 built units as set forth in Schedule C. There are 16 unbuilt units in the X and Y buildings. Those 24 built and unbuilt units constitute the remaining interest of Yolo Equities in the Condominium.

7. ADDITIONAL HOLDINGS. There are not other cooperatives or condominium in which the holder or principal thereof owns more than ten (10%) percent of the shares or units.

8. MANAGING AGENT AND BOARD OF MANAGERS. The managing agent of the Condominium is Robert Geisman with offices at P. O. Box 322, Hunter, New York 12442. The managing agent is not affiliated with the Holder. The Holder is not in control of the Board of Managers. The Sponsor gave up control of the Board of Managers in November, 1988.

9. ATTORNEY FOR HOLDER OF UNSOLD AND/OR UNBUILT UNITS. Goldstick, Weinberger, Feldman & Grossman, P.C. with offices at

261 Madison Avenue, 16th Floor, New York, New York 10016-2389  
will be the attorney for the Holder of Unsold and/or Unbuilt  
Units.

10. NO OTHER MATERIAL CHANGES. Except as set forth herein,  
there have been no material changes in the terms and conditions  
of this offering.

Dated: Hunter, New York  
June 26, 1995

YOLO EQUITIES CORP.  
Holder of Unsold and/or Unbuilt Units.

Hunter Highlands II Condominium

Homeowners Association

Financial Statements

May 31, 1994

EXHIBIT A

EXHIBIT C

HUNTER HIGHLANDS CONDOMINIUMS - PHASE II

BUILT UNITS

UNIT NO.	% OF COMMON INTEREST	CURRENT MONTHLY COMMON CHARGES	1992/1993 MONTHLY REAL ESTATE TAXES	1993/1994 MONTHLY REAL ESTATE TAXES	1994/95 MONTHLY REAL ESTATE TAXES
V2	.62782	118.00	91.46	96.39	101.88
V3	1.01707	192.00	148.00	155.99	164.83
V4	.61526	117.00	98.33	113.05	100.00
V5	1.01707	192.00	148.00	155.99	164.83
V6	.61526	117.00	98.33	94.63	100.00
V8	.62782	118.00	91.46	96.39	101.88
W5	.90406	170.00	133.42	140.68	148.65
W6	.87895	166.00	129.85	136.86	144.62

UNBUILT UNITS

UNIT NO.	% OF COMMON INTEREST	1994/1995 MONTHLY COMMON CHARGES	UNIT NO.	% OF COMMON INTEREST	1994/1995 MONTHLY COMMON CHARGES
X1	.62782	118.00	Y1	.62782	118.00
X2	.62782	118.00	Y2	.62782	118.00
X3	1.01707	192.00	Y3	1.01707	192.00
X4	1.01707	192.00	Y4	1.01707	192.00
X5	.90406	170.00	Y5	.90406	170.00
X6	.90406	170.00	Y6	.90406	170.00
X7	.90406	170.00	Y7	.90406	170.00
X8	1.01707	192.00	Y8	1.01707	192.00

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ACCOUNTANTS' COMPILATION REPORT	1
FINANCIAL STATEMENTS:	
Statement of Assets and Liabilities Arising From Cash Transactions	2
Statement of Revenue, Expenses and Changes in Fund Balance	3
Notes to the Financial Statements	4
Supplementary Information	5



SPERRY, CUONO, HOLGATE & CHURCHILL, C.P.A.'s, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

DONALD T. SPERRY, C.P.A.  
CERG V. CUONO, C.P.A.  
GARY L. HOLGATE, C.P.A.  
LINOLEY H. CHURCHILL, C.P.A.  
VICTOR V. CHURCHILL, C.P.A.  
ROBERT J. ALLEN, C.P.A.

Route 23A, PO Box 297  
Hunter, New York 12442-0297  
(518) 263-5400

MEMBERS:  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

To The Board Of Directors  
Hunter Highlands II Condominium  
Homeowners Association  
Hunter, New York 12442

We have compiled the accompanying statement of assets and liabilities arising from cash transactions of Hunter Highlands II Condominium, a Homeowners Association, as of May 31, 1994, and the related statement of revenue, expenses and changes in fund balance - cash basis for the twelve months then ended, and the accompanying supplementary information contained on page 5, which are presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

*Sperry, Cuono, Holgate & Churchill, CPAs, PC*

July 1, 1994

Hunter Highlands II Condominium  
 Homeowners Association  
 Statement of Assets and Liabilities  
 Arising From Cash Transactions  
May 31, 1994

Assets

Current Assets:			
Cash in checking	\$	31,211.81	
Cash in money market		553.02	
Escrow account		<u>2,515.71</u>	
Total Current Assets			14,280.54
Other Assets:			<u>200.00</u>
Deposits receivable			<u>\$ 34,480.54</u>

Liabilities and Fund Balance

Fund Balance		<u>34,480.54</u>	
			<u>34,480.54</u>
			<u>\$ 34,480.54</u>

See accountants' compilation report and  
 notes to the financial statements.

Hunter Highlands II Condominium  
Homeowners Association  
Statement of Revenue, Expenses and  
Changes in Fund Balance - Cash Basis  
Twelve Months Ended May 31, 1994

	<u>Current</u>	<u>Pct</u>	<u>Year to Date</u>	<u>Pct</u>
Revenue:				
Common, service & misc\$	17,107.97	99.99%	\$ 203,183.58	99.99%
Interest income	1.21	0.01%	13.66	0.01%
Total Revenue	17,109.20	100.00%	203,197.24	100.00%
Expenditures:				
Accounting	375.00	2.19%	4,500.00	2.21%
Bank charges	12.48	0.07%	66.25	0.03%
Electric	184.13	1.08%	3,107.83	1.53%
Insurance	0.00	0.00%	14,661.30	7.22%
Landscaping	1,000.00	5.84%	6,500.00	3.20%
Legal	822.00	4.80%	77,657.60	38.22%
Managing agent	667.00	3.90%	9,171.00	4.51%
Office supplies	249.63	1.46%	1,114.49	0.55%
Operating supplies	0.00	0.00%	50.68	0.02%
Professional fees	0.00	0.00%	3,944.50	1.94%
Repairs & maintenance	2,241.00	13.10%	19,571.20	9.63%
Sanitation	440.00	2.57%	6,184.00	3.04%
Snow removal	0.00	0.00%	13,450.00	6.62%
Sewage charges	4,000.00	23.38%	53,230.55	26.20%
Taxes - Franchise	0.00	0.00%	972.00	0.48%
Telephone	93.98	0.55%	1,384.85	0.68%
Water charges	658.23	3.85%	10,432.95	5.13%
Total Expenditures	10,743.45	62.79%	225,999.20	111.22%
Excess (Deficit)	6,365.75	37.21%	(22,801.96)	(11.22%)
Fund Balance, Beginning			57,282.50	
Fund Balance, Ending			\$ 34,480.54	

Hunter Highlands II Condominium  
Homeowners Association  
Notes to the Financial Statements  
May 31, 1994

NOTE 1 - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Organization - The Hunter Highlands II Condominium is a homeowners association incorporated in the State of New York. The Association is responsible for the operation and maintenance of common property within the development.

(b) Financial Statements - The Association prepares its financial statements and maintains its records on the cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when cash is disbursed rather than when the obligation is incurred.

(c) Federal Income Taxes - The Association elects on an annual basis to file its tax return as a homeowners association under Section 528 of the Internal Revenue Code. Accordingly, no provision for income taxes have been provided for in the accompanying financial statements.

(d) Donated Services - The Association's Board of Directors and its officers serve without compensation. These services are not recorded in the accompanying financial statements.

(e) Budget - The annual budget and owners' assessments are determined by the Board of Directors. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods.

Hunter Highlands II Condominium  
 Homeowners Association  
 Supplementary Information  
 Statement of Revenue and Expenditures - Cash Basis  
 Twelve Months Ended May 31, 1994 and 1993

	<u>1994</u>	<u>Pct</u>	<u>1993</u>	<u>Pct</u>
Revenue:				
Common, service & misc charges	\$ 203,183.58	(99.99)	\$ 164,298.70	(99.99)
Interest income	13.66	(0.01)	15.15	(0.01)
<b>Total Revenue</b>	<u>203,197.24</u>	<u>(100.00)</u>	<u>164,313.85</u>	<u>(100.00)</u>
Expenditures:				
Accounting	4,500.00	(2.21)	5,575.00	(3.39)
Bank charges	66.25	(0.03)	162.05	(0.10)
Electric	3,107.83	(1.53)	3,007.51	(1.83)
Insurance	14,661.30	(7.22)	14,277.32	(8.69)
Landscaping	6,500.00	(3.20)	8,078.12	(4.92)
Legal	77,657.60	(38.22)	37,753.34	(22.98)
Managing agent	9,171.00	(4.51)	9,540.46	(5.81)
Office supplies	1,114.49	(0.55)	1,700.40	(1.03)
Operating supplies	50.68	(0.02)	208.00	(0.13)
Professional fees	3,944.50	(1.94)	0.00	0.00
Repairs & maintenance	19,571.20	(9.63)	11,480.63	(6.99)
Sanitation	6,184.00	(3.04)	5,403.00	(3.29)
Snow removal	13,450.00	(6.62)	8,284.00	(5.04)
Sewage charges	53,230.55	(26.20)	52,268.50	(31.81)
Taxes - Franchise	972.00	(0.48)	0.00	0.00
Telephone	1,384.85	(0.68)	1,039.43	(0.63)
Water charges	10,432.95	(5.11)	6,946.53	(4.23)
<b>Total Expenditures</b>	<u>225,999.20</u>	<u>(111.22)</u>	<u>165,724.29</u>	<u>(100.86)</u>
<b>Surplus (Deficit)</b>	<u>\$ (22,801.96)</u>	<u>11.22</u>	<u>\$ (1,410.44)</u>	<u>0.86</u>

Hunter Highlands II Condominium  
Homeowners Association  
Financial Statements  
May 31, 1991

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SPERRY, CUONO, HOLTGATE & CHURCHILL, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERS:  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

To The Board Of Directors  
Hunter Highlands II Condominium  
Homeowners Association  
Hunter, New York 12442

We have compiled the accompanying statement of assets and liabilities arising from cash transactions of Hunter Highlands II Condominium, a Homeowners Association, as of May 31, 1993, and the related statement of revenue, expenses and changes in fund balance - cash basis for the twelve months then ended, and the accompanying supplementary information contained on page 5, which are presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them. However, as discussed in the following paragraph we did become aware of certain contingencies.

As discussed in Note 2 of the financial statements, the organization is in dispute with the project sponsor over back common charges receivable and accounts payable due. The ultimate outcome of this dispute cannot be presently determined. Accordingly, no provision for any receivable or any liability that may result upon settlement has been made in the accompanying financial statements.

*Sperry, Cuono, Holtgate & Churchill, CPAs PC*

June 29, 1993



Hunter Highlands II Condominium  
Homeowners Association  
Statement of Revenue, Expenses and  
Changes in Fund Balance - Cash Basis  
Twelve Months Ended May 31, 1993

	<u>Current</u>	<u>Pct</u>	<u>Year to Date</u>	<u>Pct</u>
<b>Revenue:</b>				
Common, service & misc char\$	15,114.56	99.99	\$ 164,298.70	99.9
Interest income	<u>1.07</u>	<u>0.01</u>	<u>15.15</u>	<u>0.0</u>
Total Revenue	<u>15,115.63</u>	<u>100.00</u>	<u>164,313.85</u>	<u>100.0</u>
<b>Expenditures:</b>				
Accounting	375.00	2.48	5,575.00	3.3
Bank charges	87.05	0.58	162.05	0.1
Electric	516.76	3.42	3,007.51	1.9
Insurance	0.00	0.00	14,277.32	8.6
Landscaping	1,000.00	6.62	8,078.12	4.9
Legal	1,000.00	6.62	37,753.34	22.9
Managing agent	917.00	6.07	9,540.46	5.8
Office supplies	134.01	0.89	1,700.40	1.0
Operating supplies	0.00	0.00	208.00	0.1
Repairs & maintenance	1,057.60	7.00	11,480.63	6.9
Sanitation	546.00	3.61	5,403.00	3.2
Snow removal	1,700.00	11.25	8,284.00	5.0
Sewage charges	5,226.85	34.58	52,268.50	31.8
Telephone	78.17	0.52	1,039.43	0.6
Water charges	<u>0.00</u>	<u>0.00</u>	<u>6,946.53</u>	<u>4.2</u>
Total Expenditures	<u>12,638.44</u>	<u>83.61</u>	<u>165,724.29</u>	<u>100.8</u>
Excess (Deficit)	<u>2,477.19</u>	<u>16.39</u>	(1,410.44)	(0.8)
Fund Balance, Beginning			<u>58,692.94</u>	
Fund Balance, Ending			<u>\$ 57,282.50</u>	

See accountants' compilation report and  
notes to the financial statements.

Hunter Highlands II Condominium  
 Homeowners Association  
 Statement of Assets and Liabilities  
 Arising From Cash Transactions  
May 31, 1993

Assets

Current Assets:		
Cash in checking	\$ 33,961.18	
Cash in money market	539.36	
Escrow account	<u>22,581.96</u>	
Total Current Assets		57,082.50
Contingencies		-
Other Assets:		
Deposits receivable		<u>200.00</u>
		<u>\$ 57,282.50</u>

Liabilities and Fund Balance

Contingencies		
Fund Balance	<u>57,282.50</u>	
		<u>57,282.50</u>
		<u>\$ 57,282.50</u>

See accountants' compilation report and  
 notes to the financial statement.

Hunter Highlands II Condominium  
Homeowners Association  
Notes to the Financial Statements  
May 31, 1993

NOTE 1 - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Organization - The Hunter Highlands II Condominium is a homeowners association incorporated in the State of New York. The Association is responsible for the operation and maintenance of common property within the development.

(b) Financial Statements - The Association prepares its financial statements and maintains its records on the cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when cash is disbursed rather than when the obligation is incurred. The Association files its tax returns on the accrual basis of accounting.

(c) Federal Income Taxes - The Association elects on an annual basis to file its tax return as a homeowners association under Section 528 of the Internal Revenue Code. Accordingly, no provision for income taxes have been provided for in the accompanying financial statements.

(d) Donated Services - The Association's Board of Directors and its officers serve without compensation. These services are not recorded in the accompanying financial statements.

(e) Budget - The annual budget and owners' assessment are determined by the Board of Directors. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods.

NOTE 2 - CONTINGENCIES

The Association is presently in dispute with the project sponsor over back common charges receivable and accounts payable due. The Association claims the sponsor owes it approximately \$520,000 in back common charges and approximately another \$200,000 in accrued interest. While the sponsor claims the Association owes it approximately \$155,000 for prior operating expenses paid in behalf of the Association. Since the ultimate outcome of this dispute cannot be presently determined, no provision for any receivable or any liability that may result upon settlement has been provided for in the accompanying financial statements.

Hunter Highlands II Condominium  
Homeowners Association  
Statement of Revenue and Expenditures - Cash Basis  
Twelve Months Ended May 31, 1993 and 1992

	12 Months Ended May 31, 1993		12 Months Ended May 31, 1992	
		Pct		Pct
Revenue:				
Common, service & misc charges	164,298.70	99.99	\$ 157,295.95	99.99
Interest income	15.15	0.01	21.99	0.01
<b>Total Revenue</b>	<b>164,313.85</b>	<b>100.00</b>	<b>157,317.94</b>	<b>100.00</b>
Expenditures:				
Accounting	5,575.00	3.39	4,500.00	2.86
Bank charges	162.05	0.10	66.63	0.04
Electric	3,007.51	1.83	1,309.17	0.83
Insurance	14,277.32	8.69	16,225.68	10.31
Interest	0.00	0.00	559.62	0.35
Landscaping	8,078.12	4.92	9,503.04	6.04
Legal	37,753.34	22.98	22,390.75	14.23
Managing agent	9,540.46	5.81	9,791.83	6.22
Office supplies	1,700.40	1.03	1,503.56	0.95
Operating supplies	208.00	0.13	0.00	0.00
Repairs & maintenance	11,480.63	6.99	17,014.98	10.82
Sanitation	5,403.00	3.29	3,402.68	2.16
Snow removal	8,284.00	5.04	11,150.00	7.09
Sewage charges	52,268.50	31.81	0.00	0.00
Telephone	1,039.43	0.63	1,269.10	0.80
Water charges	6,946.53	4.23	7,420.51	4.71
Utilities	0.00	0.00	576.03	0.36
<b>Total Expenditures</b>	<b>165,724.29</b>	<b>100.86</b>	<b>106,683.58</b>	<b>67.42</b>
Excess Revenue over Expenditures	\$ (1,410.44)	(0.86)	\$ 50,634.36	32.58

See accountants' compilation report and  
notes to the financial statements.

HUNTER HIGHLANDS CONDOMINIUMS PHASE II  
 Estimated Budget 6/1/94 through 5/31/95

9  
0  
0  
9  
0  
8  
3  
3  
0  
2  
2  
3  
0  
3  
1  
1  
1

	Actual Expense 6/1/93 - 5/31/94	Projected Expense 6/1/94 - 5/31/95
Accounting	\$ 4,500	\$ 5,000
Bank Charges	66	100
Electric	3,107	3,300
Insurance	14,661	15,100
Landscaping	6,500	8,500
Legal & Professional Fees	81,603	10,000
Managing Agent	9,171	10,000
Office Supplies	1,114	1,500
Repairs & Maintenance	19,571	25,000
Operating Supplies	51	200
Sanitation	6,184	7,000
Snow Removal	13,450	15,000
Sewer Charge	53,231	48,000
Taxes - Franchise	972	1,000
Telephone	1,384	1,500
Water	<u>10,432</u>	<u>12,000</u>
Subtotal	\$ 225,999	\$ 163,200
Contingency for Reserves		18,000
Total Budget		\$ 181,200

No change in Common Charges are anticipated for this Fiscal Year.

**- TWENTY-EIGHTH AMENDMENT TO OFFERING PLAN -  
A PLAN TO CONVERT TO CONDOMINIUM OWNERSHIP  
PREMISES KNOWN AS HUNTER HIGHLANDS II CONDOMINIUM,  
TOWN OF HUNTER, COUNTY OF GREENE, NEW YORK**

The Offering Plan - A Plan to convert to condominium ownership premises known as Hunter Highlands II Condominium, Town of Hunter, County of Greene, New York dated December 1, 1979 as heretofore amended (the "Plan") is hereby further amended as follows:

1. OFFICERS AND MANAGERS OF THE CONDOMINIUM. The following are the members of the Board of Managers of the Condominium:

<u>NAMES</u>	<u>OFFICE</u>
Marilyn Stefans	President
Thomas Furth	Vice President
Fred Stein	Treasurer
Charles Cohen	Secretary
Lawrence Rosen	Manager
Patricia Rosen	Manager
Ethel Slutzky	Manager
Harold Cohen	Manager
George Futterknecht	Manager

The Board of Managers is not controlled by the Sponsor or the Holder of Unsold Units.

2. FINANCIAL STATEMENT. Annexed hereto as Exhibit A are statements of income and expense for the fiscal years ending May 31, 1995 through May 31, 1998.

3. BUDGET FOR 1998-1999. Annexed hereto as Exhibit B is a budget for the period June 1, 1998 - May 31, 1999.

4. LAWSUIT CONCLUDED. Pursuant to a lawsuit commenced on February 10, 1995 by Yolo Equities Corp. to recover

damages from Powder Run Associates, Inc., Robert Kallman and ski Bowl Resorts, Ltd. (together the "Kallman Defendants"), a Judgment for \$200,000.00 was granted by Justice W. Denis Donoyan on August 26, 1998 in Supreme Court of the State of New York, Westchester County against the Kallman Defendants and the Lis Pendens filed by the Kallman Defendants against the eight built units and other real estate of Yolo Equities Corp. has been vacated. On September 29, 1998 these Court Orders became final, not subject to appeal, and any right of the Kallman Defendants in the eight built units and other property of Yolo Equities Corp. has been finally resolved and extinguished. Yolo Equities Corp. now plans to sell the 8 built units and to build and sell the 16 unbuilt units in 1999 and/or 2000.

5. HOLDER OF BUILT AND UNBUILT UNITS. The Holder of Unsold Units is Yolo Equities Corp. ("Holder"), whose sole shareholder presently is FRM Nexus, Inc., a Delaware corporation ("Nexus"). Both Yolo Equities Corp. and Nexus have their offices at 271 North Avenue, New Rochelle, New York 10801. Seth Grossman is the chief executive officer of Yolo Equities Corp. and Nexus. The Holder and Nexus have not made other prior offerings of interest in realty from or within the State of New York.

6. ADDITIONAL HOLDINGS. There are no other cooperatives or condominiums in which the Holder or a principal thereof owns more than ten (10%) percent of the shares or units.

6a. The price of the Unsold Built Units has been reduced. Please see Exhibit D.

7. MANAGING AGENT AND BOARD OF MANAGERS. The managing agent of the Condominium is Robert Geisman with offices at 42 Quads Way, Windham, New York 12496. The managing agent is not affiliated with the Holder. The Holder is not in control of the Board of Managers. The Sponsor gave up control of the Board of Managers in November, 1988.

8. ATTORNEY FOR HOLDER OF UNSOLD UNBUILT UNITS. Tanner Propp, LLP, at 99 Park Avenue, New York, New York 10016 will be the attorney for the Holder of Unsold Units.

9. (a) FINANCIAL DISCLOSURE. Yolo is not current in its obligations to the Condominium with respect to common charges due for the 8 built and 16 unbuilt units. As of February 15, 1999, a total of \$42,186.49 is outstanding. Pursuant to an agreement dated February 24, 1999, Yolo has commenced an arrears payment program whereby the outstanding amount will be paid in conjunction with current monthly common charge payments. Each month, until the arrears are paid in full, Yolo will make a payment of \$8,168.00 to the Condominium. One half will be for current common charges (\$4,084.00) and one-half of will be for arrears reduction. If all payments are timely made, all arrears will be paid in approximately 10 months.



Yolo is current in its obligations for payment of real estate taxes due for the built units. It is anticipated that the funds necessary to pay the amounts set forth above will come from Yolo's liquid assets and the sales of the units.

(b) Yolo and the Condominium have each made claims against the other as to which one is responsible for the payment of repairs which have been made to the roadway in 1998. If the parties do not resolve the issue amicably the determination will be made in a court proceeding. Such action, if any, will be disclosed in a subsequent amendment.

10. AMENDMENT TO GENERAL BUSINESS LAW. Chapter 422 of the Laws of 1998 repealed General Business Law ("GBL") Section 352-e(2-d) and added GBL Section 352-l (affecting cooperatives) and Real Property Law ("RPL") Section 339-kk (affecting condominiums) and was signed into law on July 22, 1998. A copy of the new law is annexed hereto as Exhibit I. It applies to all cooperative and condominium conversion plans in existence on or after such date. The law is intended to provide financial protection for a cooperative corporation or condominium association if a non-occupying owner fails to make monthly payments for its units.

(a) In the event payment of maintenance charges, assessments or late fees by the non occupying owner is more than sixty (60) days late, rental payments from the rental tenant occupying such

unit shall become directly payable to the cooperative corporation. When the non-occupying owner resumes payment of maintenance charges on a current basis, the non-occupying owner and the rental tenant will be notified within three (3) business days of such payments becoming current and the rental payment will once again be payable to the non-occupying owner.

- (b) The cooperative corporation will provide the non-occupying owner and the rental tenant with notice of the provisions contained in the statute.
- (c) Any rights existing under any other laws are not limited by this statutory requirement.
- (d) Payment by the rental tenant to the cooperative corporation done pursuant to the statute relieves the rental tenant from the obligation to pay that rent to the non-occupying owner.

11. A sponsor certification by Yolo Equities Corp. is annexed hereto as Exhibit "E".

12. NO OTHER MATERIAL CHANGES. Except as set forth herein, there have been no material changes in the terms and conditions of this offering.

Dated: Hunter, New York  
May 7, 1999

YOLO EQUITIES CORP.  
Holder of Unsold and/or Unbuilt Units

SPERRY, CUONO, HOLGATE & CHURCHILL, C.P.A.'s, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

DONALD T. SPERRY, C.P.A.  
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(518) 263-5400

MEMBERS:  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

To The Board Of Directors  
Hunter Highlands II Condominium  
Homeowners Association  
Hunter, New York 12442

We have compiled the accompanying statement of assets and liabilities arising from cash transactions of Hunter Highlands II Condominium, a Homeowners Association, as of May 31, 1995, and the related statement of revenue, expenses and changes in fund balance - cash basis for the twelve months then ended, and the accompanying supplementary information, which is presented only for supplementary analysis purpose, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

*Sperry, Cuono, Holgate & Churchill, C.P.A.'s, P.C.*

July 21, 1995

EXHIBIT "A"

Hunter Highlands II Condominium  
Homeowners Association  
Statement of Assets and Liabilities  
Arising From Cash Transactions  
May 31, 1995

Assets

Current Assets:

Cash in checking	\$	19,592.20
Cash in money market		576.91
Escrow account		<u>2,367.76</u>

Total Current Assets

22,536.87

Other Assets:

Deposits receivable

200.00

\$ 22,736.87

Liabilities and Fund Balance

Fund Balance

22,736.87

22,736.87

\$ 22,736.87

See accountants' compilation report and  
notes to the financial statement.

Hunter Highlands II Condominium  
Homeowners Association  
Statement of Revenue, Expenses and  
Changes in Fund Balance - Cash Basis  
Twelve Months Ended May 31, 1995

	<u>Current</u>	<u>Pct</u>	<u>Year to Date</u>	<u>Pct</u>
<b>Revenue:</b>				
Common, service & misc char\$	15,449.50	99.95	\$ 199,026.81	99.
Interest income	<u>8.14</u>	<u>0.05</u>	<u>29.60</u>	<u>0.</u>
<b>Total Revenue</b>	<u>15,457.64</u>	<u>100.00</u>	<u>199,056.41</u>	<u>100.</u>
<b>Expenditures:</b>				
Accounting	375.00	2.43	4,505.63	2.
Bank charges	41.40	0.27	217.87	0.
Electric	199.89	1.29	1,419.38	0.
Insurance	0.00	0.00	12,387.84	6.
Landscaping	3,728.00	24.12	17,912.00	9.
Legal	582.95	3.77	33,890.83	17.
Managing agent	1,062.00	6.87	9,399.00	4.
Office supplies	282.86	1.83	2,237.41	1.
Repairs & maintenance	847.00	5.48	50,112.74	25.
Sanitation	528.00	3.42	6,957.22	3.
Security services	0.00	0.00	2,544.00	1.
Snow removal	0.00	0.00	6,300.00	3.
Sewage charges	4,000.00	25.88	48,000.00	24.
Taxes - franchise	0.00	0.00	312.00	0.1
Telephone	101.20	0.65	1,425.08	0.7
Water charges	<u>658.23</u>	<u>4.26</u>	<u>13,179.08</u>	<u>6.6</u>
<b>Total Expenditures</b>	<u>12,406.53</u>	<u>80.26</u>	<u>210,800.08</u>	<u>105.9</u>
<b>Excess (Deficit)</b>	<u>3,051.11</u>	<u>19.74</u>	<u>(11,743.67)</u>	<u>(5.9)</u>
<b>Fund Balance, Beginning</b>			<u>34,480.54</u>	
<b>Fund Balance, Ending</b>			<u>\$ 22,736.87</u>	

See accountants' compilation report and  
notes to the financial statements.

Hunter Highlands II Condominium  
Homeowners Association  
Notes to the Financial Statements  
May 31, 1995

- NOTE 1 - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
- (a) Organization - The Hunter Highlands II Condominium is a homeowners association incorporated in the State of New York. The Association is responsible for the operation and maintenance of common property within the development.
  - (b) Financial Statements - The Association prepares its financial statements and maintains its records on the cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when cash is disbursed rather than when the obligation is incurred.
  - (c) Federal Income Taxes - The Association elects on an annual basis to file its tax return as a homeowners association under Section 528 of the Internal Revenue Code. Accordingly, no provision for income taxes have been provided for in the accompanying financial statements.
  - (d) Donated Services - The Association's Board of Directors and its officers serve without compensation. These services are not recorded in the accompanying financial statements.
  - (e) Budget - The annual budget and owners' assessments are determined by the Board of Directors. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods.

See accountants' compilation report.

Hunter Highlands II Condominium  
Homeowners Association  
Supplementary Information  
Statement of Revenue and Expenses - Cash Basis  
Twelve Months Ended May 31, 1995 and 1994

	<u>1995</u>	<u>Pct</u>	<u>1994</u>	<u>Pct</u>
<b>Revenue:</b>				
Common, service & misc charge\$	199,026.81	99.99	\$ 203,183.58	99.99
Interest income	<u>29.60</u>	<u>0.01</u>	<u>13.66</u>	<u>0.01</u>
<b>Total Revenue</b>	<u>199,056.41</u>	<u>100.00</u>	<u>203,197.24</u>	<u>100.00</u>
<b>Expenditures:</b>				
Accounting	4,505.63	2.26	4,500.00	2.21
Bank charges	217.87	0.11	66.25	0.03
Electric	1,419.38	0.71	3,107.83	1.53
Insurance	12,387.84	6.22	14,661.30	7.22
Landscaping	17,912.00	9.00	6,500.00	3.20
Legal	33,890.83	17.03	77,657.60	38.22
Managing agent	9,399.00	4.72	9,171.00	4.51
Office supplies	2,237.41	1.12	1,114.49	0.55
Operating supplies	0.00	0.00	50.68	0.02
Professional fees	0.00	0.00	3,944.50	1.94
Repairs & maintenance	50,112.74	25.18	19,571.20	9.63
Sanitation	6,957.22	3.50	6,184.00	3.04
Security services	2,544.00	1.28	0.00	0.00
Snow removal	6,300.00	3.16	13,450.00	6.62
Sewage charges	48,000.00	24.11	53,230.55	26.20
Taxes - franchise	312.00	0.16	972.00	0.48
Telephone	1,425.08	0.72	1,384.85	0.68
Water charges	<u>13,179.08</u>	<u>6.62</u>	<u>10,432.95</u>	<u>5.13</u>
<b>Total Expenditures</b>	<u>210,800.08</u>	<u>105.90</u>	<u>225,999.20</u>	<u>111.22</u>
<b>Excess (Deficit)</b>	<u>\$ (11,743.67)</u>	<u>(5.90)</u>	<u>\$ (22,801.96)</u>	<u>(11.22)</u>

See accountants' compilation report and

Hunter Highlands Phase II  
Budget 1996

Revenue	Actual 94/95	Projected 95/96
Common Charges	\$ 199,026.81	\$ 196,584.00
Interest income	29.60	
<b>Total Revenue</b>	<b>\$ 199,056.41</b>	<b>\$ 196,584.00</b>
<b>Expenditures</b>		
Accounting	\$ 4,505.63	\$ 4,500.00
Bank Charges	217.87	200.00
Electric	1,419.38	2,000.00
Insurance	12,387.84	12,000.00
Landscaping	17,912.00	8,000.00
Legal	33,890.83	8,000.00
Managing Agent	9,399.00	10,000.00
Office supplies	2,237.41	2,000.00
Repairs & Maintenance	50,112.74	30,000.00
Sanitation	6,957.22	7,000.00
Security Service	2,544.00	3,000.00
Snow Removal	6,300.00	13,000.00
Sewer Charges	48,000.00	48,000.00
Taxes - franchise	312.00	400.00
Telephone	1,425.08	1,500.00
Water charges	13,179.08	13,500.00
<b>Total Expenditures</b>	<b>\$ 210,800.08</b>	<b>\$ 163,100.00</b>
<b>Reserve</b>	<b>\$ (11,743.67)</b>	<b>\$ 33,484.00</b>
<b>TOTAL BUDGET</b>	<b>\$ 199,056.41</b>	<b>\$ 196,584.00</b>



Hunter Highlands II Condominium

Homeowners Association

Financial Statements

May 31, 1996

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SPERRY, CUONO, HOLGATE & CHURCHILL, C.P.A.'s, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

DONALD T. SPERRY, C.P.A.  
CIRIO V. CUONO, C.P.A.  
DARY L. HOLGATE, C.P.A.  
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MEMBERS:  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

To The Board Of Directors  
Hunter Highlands II Condominium  
Homeowners Association  
Hunter, New York 12442

We have compiled the accompanying statement of assets and liabilities arising from cash transactions of Hunter Highlands II Condominium, a Homeowners Association, as of May 31, 1996, and the related statement of revenue, expenses and changes in fund balance - cash basis for the twelve months then ended, and the accompanying supplementary information contained on page 5, which are presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

*Sperry, Cuono, Holgate & Churchill, CPA's, PC*

July 3, 1996

Homeowners Association  
Statement of Assets and Liabilities  
Arising From Cash Transactions  
May 31, 1996

Assets

Current Assets:

Cash in Key Bank checking	\$	49,289.59
Cash in Key Bank savings		2,244.80
Cash in Alliance account		<u>31,503.24</u>

Total Current Assets 83,037.63

Other Assets:

Deposits receivable		<u>200.00</u>
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\$ 83,237.63

Liabilities and Fund Balance

Current Liabilities:

Due to homeowners	\$	<u>20,469.06</u>
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Total Current Liabilities 20,469.06

Fund Balance		<u>62,768.57</u>
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62,768.57

\$ 83,237.63

See accountants' compilation report and  
notes to the financial statement.

Hunter Highlands II Condominium  
Homeowners Association  
Statement of Revenue, Expenses and  
Changes in Fund Balance - Cash Basis  
Twelve Months Ended May 31, 1996

	<u>Current</u>	<u>Pct</u>	<u>Year to Date</u>	<u>Pct</u>
Revenue:				
Common, service & misc char\$	9,215.63	98.03	\$ 210,321.75	99.53
Interest income	<u>185.36</u>	<u>1.97</u>	<u>992.48</u>	<u>0.47</u>
Total Revenue	<u>9,400.99</u>	<u>100.00</u>	<u>211,314.23</u>	<u>100.00</u>
Expenditures:				
Accounting fees	375.00	3.99	5,724.65	2.71
Bank charges	47.66	0.51	513.39	0.24
Electric	260.06	2.77	1,745.86	0.83
Insurance	0.00	0.00	10,101.86	4.78
Landscaping	1,000.00	10.64	7,000.00	3.31
Legal fees	173.25	1.84	12,237.16	5.79
Managing agent	667.00	7.09	8,004.00	3.79
Office supplies	333.48	3.55	1,219.07	0.58
Permits & inspections	0.00	0.00	195.50	0.09
Repairs & maintenance	3,000.00	31.91	38,200.58	18.08
Sanitation	1,000.00	10.54	9,188.00	4.35
Security services	0.00	0.00	2,688.00	1.27
Snow removal	0.00	0.00	12,000.00	5.68
Sewage charges	4,000.00	42.55	48,000.00	22.71
Taxes - franchise	0.00	0.00	366.00	0.17
Telephone	96.10	1.02	921.55	0.44
Water charges	<u>658.23</u>	<u>7.00</u>	<u>13,176.91</u>	<u>6.24</u>
Total Expenditures	<u>11,610.78</u>	<u>123.51</u>	<u>171,282.53</u>	<u>81.06</u>
Excess (Deficit)	(2,209.79)	(23.51)	40,031.70	18.94
Fund Balance, Beginning			<u>22,736.87</u>	
Fund Balance, Ending			<u>\$ 62,768.57</u>	

See accountants' compilation report and  
notes to the financial statements.

Hunter Highlands II Condominium  
Homeowners Association  
Notes to the Financial Statements  
May 31, 1996

NOTE 1 - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Organization - The Hunter Highlands II Condominium is a homeowners association incorporated in the State of New York. The Association is responsible for the operation and maintenance of common property within the development.

(b) Financial Statements - The Association prepares its financial statements and maintains its records on the cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when cash is disbursed rather than when the obligation is incurred.

(c) Federal Income Taxes - The Association elects on an annual basis to file its tax return as a homeowners association under Section 528 of the Internal Revenue Code. Accordingly, no provision for income taxes have been provided for in the accompanying financial statements.

(d) Donated Services - The Association's Board of Directors and its officers serve without compensation. These services are not recorded in the accompanying financial statements.

(e) Budget - The annual budget and owners' assessments are determined by the Board of Directors. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods.

See accountants' compilation report.

Hunter Highlands II Condominium  
Homeowners Association  
Supplementary Information  
Statement of Revenue and Expenses - Cash Basis  
Twelve Months Ended May 31, 1996 and 1995

	<u>1996</u>	<u>Pct</u>	<u>1995</u>	<u>Pct</u>
<b>Revenue:</b>				
Common, service & misc charges	210,321.75	99.53	\$ 199,026.81	99.99
Interest income	<u>992.48</u>	<u>0.47</u>	<u>29.60</u>	<u>0.01</u>
<b>Total Revenue</b>	<u>211,314.23</u>	<u>100.00</u>	<u>199,056.41</u>	<u>100.00</u>
<b>Expenditures:</b>				
Accounting fees	5,724.65	2.71	4,505.63	2.26
Bank charges	513.39	0.24	217.87	0.11
Electric	1,745.86	0.83	1,419.38	0.71
Insurance	10,101.86	4.78	12,387.84	6.22
Landscaping	7,000.00	3.31	17,912.00	9.00
Legal fees	12,237.16	5.79	33,890.83	17.03
Managing agent	8,004.00	3.79	9,399.00	4.72
Office supplies	1,219.07	0.58	2,237.41	1.12
Permits & inspections	195.50	0.09	0.00	0.00
Repairs & maintenance	38,200.58	18.08	50,112.74	25.18
Sanitation	9,188.00	4.35	6,957.22	3.50
Security services	2,688.00	1.27	2,544.00	1.28
Snow removal	12,000.00	5.68	6,300.00	3.16
Sewage charges	48,000.00	22.71	48,000.00	24.11
Taxes - franchise	366.00	0.17	312.00	0.16
Telephone	921.55	0.44	1,425.08	0.72
Water charges	<u>13,176.91</u>	<u>6.24</u>	<u>13,179.08</u>	<u>6.62</u>
<b>Total Expenditures</b>	<u>171,282.53</u>	<u>81.06</u>	<u>210,800.08</u>	<u>105.90</u>
<b>Excess (Deficit)</b>	<u>\$ 40,031.70</u>	<u>18.94</u>	<u>\$ (11,743.67)</u>	<u>(5.90)</u>

See accountants' compilation report and  
notes to the financial statements.

Hunter Highlands Phase II  
Budget 1996

Revenue	Actual 95/96	Projection 96/97
Common Charges	\$ 210,321.75	\$ 196,584.00
Interest income	\$ 992.48	\$ 500.00
<b>Total Revenue</b>	<b>\$ 211,314.23</b>	<b>\$ 197,084.00</b>
<b>Expenditures</b>		
Accounting	\$ 5,724.55	\$ 6,000.00
Bank Charges	\$ 513.39	\$ 500.00
Electric	\$ 1,745.36	\$ 2,000.00
Insurance	\$ 10,101.56	\$ 19,000.00
Landscaping	\$ 7,000.00	\$ 8,000.00
Legal	\$ 12,237.16	\$ 12,000.00
Managing Agent	\$ 8,004.00	\$ 10,000.00
Office supplies	\$ 1,219.07	\$ 1,500.00
Repairs & Maintenance	\$ 38,200.58	\$ 40,000.00
Sanitation	\$ 9,188.00	\$ 9,000.00
Security Service	\$ 2,588.00	\$ 3,000.00
Snow Removal	\$ 12,000.00	\$ 13,000.00
Sewer Charges	\$ 48,000.00	\$ 48,000.00
Taxes - franchise	\$ 366.00	\$ 400.00
Telephone	\$ 921.55	\$ 1,200.00
Water charges	\$ 13,176.91	\$ 13,176.91
<b>Total Expenditures</b>	<b>\$ 171,087.03</b>	<b>\$ 186,776.91</b>
<b>Reserve</b>	<b>\$ 39,234.72</b>	<b>\$ 9,807.09</b>
<b>TOTAL BUDGET</b>	<b>\$ 211,314.23</b>	<b>\$ 197,084.00</b>



Hunter Highlands II Condominium

Homeowners Association

Financial Statements

May 31, 1997

SPERRY, CUONO, HOLGATE & CHURCHILL, C.P.A.'S, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

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SPERRY, CUONO, HOLGATE & CHURCHILL, C.P.A.'s, P.C.

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CRAG R. SICKLER, C.P.A.  
MICHAEL A. TORCHIA, JR., C.P.A.

To The Board Of Directors  
Hunter Highlands II Condominium  
P.O. Box 322  
Hunter, New York 12442

We have compiled the accompanying statement of assets, liabilities, and fund balance - cash basis of Hunter Highlands II Condominium, a Homeowners Association, as of May 31, 1997, and the related statement of revenues, expenses and fund balance - cash basis for the year then ended, and the accompanying supplementary information - cash basis contained in page 5, which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

As described in Note 2 in Notes to the Financial Statements, Hunter Highlands II Condominium has not estimated the remaining lives and replacement costs of the common property and, therefore, has not presented supplementary information on future major repairs and replacements that the American Institute of Certified Public Accountants has determined is required to supplement, although not required to be a part of, the basic financial statements.

*Sperry, Cuono, Holgate & Churchill, C.P.A.'s, P.C.*

August 5, 1997

Hunter Highlands II Condominium  
Homeowners Association  
Statement of Assets and Liabilities  
Arising From Cash Transactions  
May 31, 1997

Assets

Current Assets:

Cash in Key Bank checking	\$ 34,016.34	
Alliance Mutual Fund, at cost	<u>91,502.10</u>	

Total Current Assets		125,518.44
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Other Assets:

Telephone deposit receivable		<u>200.00</u>
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		<u>\$ 125,718.44</u>
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Liabilities and Fund Balance

Current Liabilities:

Due to homeowners	\$ <u>13,471.00</u>	
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Total Current Liabilities		13,471.00
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Fund Balance	<u>112,247.44</u>	
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		<u>112,247.44</u>
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		<u>\$ 125,718.44</u>
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Hunter Highlands II Condominium  
Homeowners Association  
Statement of Revenue, Expenses and  
Changes in Fund Balance - Cash Basis  
Twelve Months Ended May 31, 1997

	<u>Current</u>	<u>Pct</u>	<u>Year To Date</u>	<u>Pct</u>
Revenue:				
Common, service & misc ch\$	27,813.82	98.62	\$ 218,636.29	89.68
Interest income	390.13	1.38	3,682.14	1.51
Refund of road escrow ex	0.00	0.00	21,487.70	8.81
Total Revenue	<u>28,203.95</u>	<u>100.00</u>	<u>243,806.13</u>	<u>100.00</u>
Expenditures:				
Accounting fees	925.00	3.28	5,514.00	2.26
Bank charges	49.32	0.17	552.51	0.23
Electric	256.00	0.91	1,748.58	0.72
Insurance	1,522.65	5.40	23,584.28	9.67
Landscaping	1,000.00	3.55	21,000.00	8.61
Legal fees	0.00	0.00	3,405.80	1.40
Managing agent	750.00	2.66	8,834.00	3.62
Meeting expense	0.00	0.00	315.00	0.13
Office supplies	628.04	2.23	1,776.99	0.73
Operating supplies	0.00	0.00	88.84	0.04
Professional fees	0.00	0.00	1,585.50	0.65
Repairs & maintenance	671.70	2.38	40,655.48	16.68
Sanitation	704.00	2.50	6,948.00	2.85
Security services	0.00	0.00	2,742.00	1.12
Snow removal	360.00	1.28	13,360.00	5.48
Sewage charges	4,000.00	14.18	48,000.00	19.69
Taxes - franchise	0.00	0.00	349.00	0.14
Telephone	73.83	0.26	811.46	0.33
Water charges	658.23	2.33	13,055.82	5.36
Total Expenditures	<u>11,598.77</u>	<u>41.12</u>	<u>194,327.26</u>	<u>79.71</u>
Excess (Deficit)	<u>16,605.18</u>	<u>58.88</u>	<u>49,478.87</u>	<u>20.29</u>
Fund Balance, Beginning			<u>62,768.57</u>	
Fund Balance, Ending			<u>\$ 112,247.44</u>	



# SPERRY, CUONO, HOLGATE & CHURCHILL, C.P.A.'s, P.C.

Route 23A P.O. Box 207 Hunter, New York 12442-0297 (518) 363-5400

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ROBERT E. ALLEN, C.P.A.

CRUG R. SICKLER, C.P.A.  
MICHAELA A. TORCINA, JR., C.P.A.

To The Board Of Directors  
Hunter Highlands II Condominium  
P.O. Box 322  
Hunter, New York 12442

We have compiled the accompanying statement of assets, liabilities, and fund balance - cash basis of Hunter Highlands II Condominium, a Homeowners Association, as of May 31, 1998, and the related statement of revenues, expenses and fund balance - cash basis for the twelve months then ended, and the accompanying supplementary information - cash basis contained in page 5, which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

As described in Note 2 in Notes to the Financial Statements, Hunter Highlands II Condominium has not estimated the remaining lives and replacement costs of the common property and, therefore, has not presented supplementary information on future major repairs and replacements that the American Institute of Certified Public Accountants has determined is required to supplement, although not required to be a part of, the basic financial statements.

*Sperry, Cuono, Holgate & Churchill, CPA's, PC*

June 24, 1998

Hunter Highlands II Condominium  
Homeowners Association  
Notes to the Financial Statements  
May 31, 1997

- NOTE-1 - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
- (a) Organization - The Hunter Highlands II Condominium is a homeowners association incorporated in the State of New York. The Association is responsible for the operation and maintenance of common property within the development.
  - (b) Financial Statements - The Association prepares its financial statements and maintains its records on the cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when cash is disbursed rather than when the obligation is incurred.
  - (c) Federal Income Taxes - The Association elects on an annual basis to file its tax return as a homeowners association under Section 528 of the Internal Revenue Code. Accordingly, no provision for income taxes have been provided for in the accompanying financial statements.
  - (d) Donated Services - The Association's Board of Directors and its officers serve without compensation. These services are not recorded in the accompanying financial statements.
  - (e) Budget - The annual budget and owners' assessments are determined by the Board of Directors. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods.
  - (f) Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

- NOTE 2 - COSTS OF FUTURE MAJOR REPAIRS AND REPLACEMENTS
- The Association has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of costs of major repairs and replacements that may be required in the future. The board has also not developed a plan to fund those needs. When replacement funds are needed to meet future needs for major repairs and replacements, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available. The effect on future assessments has not been determined at this time.

Hunter Highlands II Condominium  
Homeowners Association  
Supplementary Information  
Statement of Revenue and Expenses - Cash Basis  
Twelve Months Ended May 31, 1997 and 1996

	<u>1997</u>	<u>Pct</u>	<u>1996</u>	<u>Pct</u>
<b>Revenue:</b>				
Common, service & misc charge\$	218,636.29	89.68	\$ 210,321.75	99.53
Interest income	3,682.14	1.51	992.48	0.47
Refund of road escrow expens	<u>21,487.70</u>	<u>8.81</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Revenue</b>	<u>243,806.13</u>	<u>100.00</u>	<u>211,314.23</u>	<u>100.00</u>
<b>Expenditures:</b>				
Accounting fees	5,514.00	2.26	5,724.65	2.71
Bank charges	552.51	0.23	513.39	0.24
Electric	1,748.58	0.72	1,745.86	0.83
Insurance	23,584.28	9.67	10,101.86	4.78
Landscaping	21,000.00	8.61	7,000.00	3.31
Legal fees	3,405.80	1.40	12,237.16	5.79
Managing agent	8,834.00	3.62	8,004.00	3.79
Meeting expense	315.00	0.13	0.00	0.00
Office supplies	1,776.99	0.73	1,219.07	0.58
Operating supplies	88.84	0.04	0.00	0.00
Permits & inspections	0.00	0.00	195.50	0.09
Professional fees	1,585.50	0.65	0.00	0.00
Repairs & maintenance	40,655.48	16.68	38,200.58	18.03
Sanitation	6,948.00	2.85	9,188.00	4.35
Security services	2,742.00	1.12	2,688.00	1.27
Snow removal	13,360.00	5.48	12,000.00	5.68
Sewage charges	48,000.00	19.69	48,000.00	22.71
Taxes - franchise	349.00	0.14	366.00	0.17
Telephone	811.46	0.33	921.55	0.44
Water charges	<u>13,055.82</u>	<u>5.36</u>	<u>13,176.91</u>	<u>6.24</u>
<b>Total Expenditures</b>	<u>194,327.26</u>	<u>79.71</u>	<u>171,282.53</u>	<u>81.06</u>
<b>Excess (Deficit)</b>	<u>\$ 49,478.87</u>	<u>20.29</u>	<u>\$ 40,031.70</u>	<u>18.94</u>



Hunter Highlands II Condominium

Homeowners Association

Financial Statements  
and Supplemental Information

May 31, 1993

Hunter Highlands II Condominium  
Homeowners Association  
Statement of Assets and Liabilities  
Arising From Cash Transactions  
May 31, 1998

Assets

Current Assets:

Cash in Key Bank checking	\$	50,819.02
Alliance Mutual Fund, at cost		<u>88,417.88</u>

Total Current Assets 139,236.90

Other Assets:

Telephone deposit receivable		<u>200.00</u>
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\$ 139,436.90

Liabilities and Fund Balance

Current Liabilities:

Due to homeowners	\$	<u>13,471.03</u>
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Total Current Liabilities 13,471.03

Fund Balance		<u>125,965.87</u>
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\$ 139,436.90

See accountants' compilation report and

Hunter Highlands II Condominium  
Homeowners Association  
Statement of Revenue, Expenses and  
Changes in Fund Balance - Cash Basis  
Twelve Months Ended May 31, 1998

	<u>Current</u>	<u>Pct</u>	<u>Year To Date</u>	<u>Pct</u>
<b>Revenue:</b>				
Common, service & misc ch\$	28,617.27	98.60	\$ 212,233.14	97.65
Interest income	407.02	1.40	5,027.67	2.31
<b>Total Revenue</b>	<b>29,024.29</b>	<b>100.00</b>	<b>217,260.81</b>	<b>100.00</b>
<b>Expenditures:</b>				
Accounting fees	306.77	1.06	5,480.00	2.52
Bank charges	42.61	0.15	364.47	0.17
Electric	252.15	0.87	1,740.63	0.80
Insurance	5,753.10	19.82	25,080.98	11.54
Landscaping	1,000.00	3.45	22,725.00	10.46
Legal fees	0.00	0.00	1,837.89	0.85
Managing agent	750.00	2.58	9,000.00	4.14
Meeting expense	0.00	0.00	193.80	0.09
Office supplies	0.00	0.00	2,154.75	0.99
Repairs & maintenance	3,462.28	11.91	50,827.39	23.39
Sanitation	416.00	1.43	6,655.20	3.06
Security services	0.00	0.00	3,300.00	1.52
Snow removal	0.00	0.00	10,500.00	4.83
Sewage charges	4,000.00	13.78	48,000.00	22.09
Taxes - Federal	210.00	0.72	1,648.00	0.76
Taxes - franchise	0.00	0.00	333.00	0.15
Telephone	73.00	0.25	751.71	0.35
Water charges	1,316.46	4.54	12,949.56	5.96
<b>Total Expenditures</b>	<b>17,582.37</b>	<b>50.58</b>	<b>203,542.38</b>	<b>93.69</b>
<b>Excess of Revenues Over Expenses</b>	<b>11,441.92</b>	<b>39.42</b>	<b>13,718.43</b>	<b>6.31</b>
<b>Fund Balance, Beginning</b>			<b>112,247.44</b>	
<b>Fund Balance, Ending</b>			<b>\$ 125,965.87</b>	

See accountants' compilation report and  
notes to the financial statements

Hunter Highlands II Condominium  
Homeowners Association  
Notes to the Financial Statements  
May 31, 1998

NOTE 1 - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Organization - The Hunter Highlands II Condominium is a homeowners association incorporated in the State of New York. The Association is responsible for the operation and maintenance of common property within the development.

(b) Financial Statements - The Association prepares its financial statements and maintains its records on the cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when cash is disbursed rather than when the obligation is incurred.

(c) Federal Income Taxes - Condominium associations may be taxed either as homeowners' associations or as regular corporations. For the year ended May 31, 1998 the Association elected to file as a homeowners' association in accordance with Internal Revenue Code Section 528. Under this section, the Association is not taxed on uniform assessments to members or other income received from Association members solely as a function of their membership in the Association. The Association is taxed on its nonexempt function income, including interest and revenue received from nonmembers, at a rate of 30%.

(d) Donated Services - The Association's Board of Directors and its officers serve without compensation. These services are not recorded in the accompanying financial statements.

(e) Budget - The annual budget and owners' assessments are determined by the Board of Directors. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods.

(f) Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - COSTS OF FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of costs of major repairs and replacements that may be required in the future. The board has also not developed a plan to fund those needs. When replacement funds are needed to meet future needs for major repairs and replacements, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available. The effect on future assessments has not been determined at this time.

Hunter Highlands II Condominium  
Homeowners Association  
Supplementary Information  
Statement of Revenue and Expenses - Cash Basis  
Twelve Months Ended May 31, 1998 and 1997

	<u>1998</u>	<u>Pct.</u>	<u>1997</u>	<u>Pct.</u>
<b>Revenue:</b>				
Common, service & misc charges	\$ 212,233.14	97.69	\$ 218,636.29	89.68
Interest income	5,027.67	2.31	3,682.14	1.51
Refund of road escrow expense	0.00	0.00	21,487.70	8.81
<b>Total Revenue</b>	<u>217,260.81</u>	<u>100.00</u>	<u>243,806.13</u>	<u>100.00</u>
<b>Expenditures:</b>				
Accounting fees	5,480.00	2.52	5,514.00	2.26
Bank charges	364.47	0.17	552.51	0.23
Electric	1,740.63	0.80	1,748.58	0.72
Insurance	25,080.98	11.54	23,584.28	9.67
Landscaping	22,725.00	10.46	21,000.00	8.61
Legal fees	1,837.89	0.85	3,405.80	1.40
Managing agent	9,000.00	4.14	8,834.00	3.62
Meeting expense	193.80	0.09	315.00	0.13
Office supplies	2,154.75	0.99	1,776.99	0.73
Operating supplies	0.00	0.00	88.84	0.04
Professional fees	0.00	0.00	1,585.50	0.65
Repairs & maintenance	50,827.39	23.39	40,655.48	16.68
Sanitation	6,655.20	3.06	6,948.00	2.85
Security services	3,300.00	1.52	2,742.00	1.12
Snow removal	10,500.00	4.83	13,360.00	5.48
Sewage charges	48,000.00	22.09	48,000.00	19.69
Taxes - Federal	1,648.00	0.76	0.00	0.00
Taxes - franchise	333.00	0.15	349.00	0.14
Telephone	751.71	0.35	811.46	0.33
Water charges	12,949.56	5.96	13,055.82	5.36
<b>Total Expenditures</b>	<u>203,542.38</u>	<u>93.69</u>	<u>194,327.26</u>	<u>79.71</u>
<b>Excess of Revenues Over Expenses</b>	<u>\$ 13,718.43</u>	<u>6.31</u>	<u>\$ 49,478.87</u>	<u>20.29</u>

See accountants' compilation report and  
financial statements

**EXHIBIT "B"**

**HUNTER HIGHLANDS PHASE II  
BUDGET 1998/1999**

Revenue	Actual 97/98	Projection 98/99
Common Charges	\$212,333.14	\$196,584.00
X & Y Common Charges 8 months		\$18,432.00
Interest Income	\$5,027.67	\$3,520.00
<b>Total Revenue</b>	<b>\$217,360.81</b>	<b>\$218,536.00</b>
Expenditures		
Accounting	\$5,480.00	\$6,000.00
Bank Charges	\$364.47	\$500.00
Electric	\$1,740.63	\$2,000.00
Insurance	\$26,080.98	\$25,500.00
Landscaping	\$22,725.00	\$15,000.00
Legal	\$1,837.89	\$5,000.00
Managing Agent	\$9,000.00	\$10,000.00
Meeting Expenses	\$193.80	\$200.00
Office supplies	\$2,154.75	\$2,000.00
Operating supplies		
Professional fees		
Repairs & Maintenance	\$50,827.39	\$60,000.00
Sanitation	\$6,655.20	\$9,000.00
Security service	\$3,300.00	\$3,500.00
Snow Removal	\$10,500.00	\$15,000.00
Sewer charges	\$48,000.00	\$48,000.00
Taxes -Federal	\$1,648.00	\$1,800.00
Taxes-franchise	\$333.00	\$400.00
Telephone	\$751.71	\$1,000.00
Water charges	\$12,949.56	\$13,055.82
<b>Total Expenditures</b>	<b>\$203,542.38</b>	<b>\$217,955.82</b>
<b>Reserve</b>	<b>\$13,818.43</b>	<b>\$580.18</b>
<b>TOTAL BUDGET</b>	<b>\$217,360.81</b>	<b>\$218,536.00</b>

**EXHIBIT C**  
**UNSOLD BUILT UNITS**

<u>UNIT NO.</u>	<u>% OF COMMON ELEMENTS</u>	<u>MODEL</u>	<u>MONTHLY COMMON CHARGE 1998/*</u>	<u>MONTHLY REAL ESTATE TAX 1998/*</u>
V2	0.62782	S	\$117.31	\$ 70.04
V3	1.01707	D/3	190.05	113.88
V4	0.61526	S	114.97	70.04
V5	1.01707	D/3	190.05	113.88
V6	0.61526	S	114.97	70.04
V8	0.62782	S	117.31	70.04
W5	0.90406	D/L	168.93	108.78
W6	0.87895	D	164.24	102.64

\* Real Estate Taxes includes the General Tax (County and Town), the Village Tax and the School Tax. The total annual real estate taxes is divided by 12 to show the monthly real estate tax in 1998. The monthly common charge is for the Condominium's fiscal year from June 1, 1998 to May 3

1, 1999 and is based on a total common charge of \$224,232, taking the X and Y buildings on a full year basis. See the budget herein.

**EXHIBIT D**

**NEW PRICES FOR UNSOLD BUILT UNITS**

<u>UNIT NO.</u>	<u>MODEL</u>	<u>OLD PRICE</u>	<u>NEW PRICE</u>
V2	S	\$99,000	\$ 70,000
V3	D/3	189,000	132,000
V4	S	95,000	66,000
V5	D/3	189,000	132,000
V6	S	95,000	66,000
V8	S	99,000	70,000
W5	D/L	155,000	108,000
W6	D	<u>137,000</u>	<u>96,000</u>
TOTALS		<u>\$1,058,000</u>	<u>\$740,000</u>



EXHIBIT E

**Yolo Equities Corp.**

271 North Avenue, New Rochelle, New York 10801

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April 29, 1999

New York State Department of Law  
120 Broadway  
New York, New York 10271

Attention: Real Estate Financing Bureau

Re: Hunter Highland II Condominium  
Town of Hunter, County of Greene, New York 10128

The undersigned certifies as follows:

Yolo Equities Corp. is the sponsor and I am the principal and an officer of the sponsor of the condominium offering plan for the units on the attached schedule (collectively, the "Units") at the captioned property from and after the date on which the sponsor acquired the Units.

I understand that I have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable with respect to the Units from and after such date of acquisition. I certify that documents submitted hereafter by me which amend or supplement the offering plan will:

- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and

(vii) not contain any representation or statement which is false, where we:

- (1) knew the truth;
- (2) with reasonable effort could have known the truth;
- (3) made no reasonable effort to ascertain the truth; or
- (4) did not have knowledge concerning the representation or statement

made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Yolo Equines Corp.

By:

Seth Grossman, President

Seth Grossman

Sworn to before me this 29<sup>th</sup>  
day of APRIL, 1999.

Notary Public

TIMOTHY P. MCCOLGAN  
Notary Public, State of New York  
Albany County, No. 01MC5035418  
Commission Expires October 31

AN ACT to amend the general business law and the real property law, in relation to cooperatives and condominiums where non-occupying owners default on payments due; and to repeal subdivision 2-d of section 352-e of the general business law, relating thereto

Became a law July 22, 1998, with the approval of the Governor.

Passed by a majority vote, three-fifths being present.

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Subdivision 2-d of section 352-e of the general business law is REPEALED.

§ 2. The general business law is amended by adding a new section 352-1 to read as follows:

§ 352-L. COOPERATIVE CORPORATIONS. 1. FOR THE PURPOSES OF THIS SECTION, "NON-OCCUPYING OWNER" SHALL MEAN THE OWNER OF SHARES IN A COOPERATIVE CORPORATION WHO DOES NOT OCCUPY THE DWELLING UNITS TO WHICH HIS OR HER SHARES ARE ALLOCATED.

2. IF A NON-OCCUPYING OWNER RENTS ANY DWELLING UNIT TO A TENANT AND THEN FAILS TO MAKE PAYMENTS DUE FOR MAINTENANCE, ASSESSMENTS OR LATE FEES FOR SUCH UNIT WITHIN SIXTY DAYS OF THE EXPIRATION OF ANY GRACE PERIOD AFTER THEY ARE DUE, UPON NOTICE IN ACCORDANCE WITH SUBDIVISION THREE OF THIS SECTION, ALL RENTAL PAYMENTS FROM THE TENANT SHALL BE DIRECTLY PAYABLE TO THE COOPERATIVE CORPORATION.

3. IF THE MAINTENANCE, ASSESSMENTS OR LATE FEES DUE FOR ANY UNIT HAVE NOT BEEN PAID IN FULL WITHIN SIXTY DAYS AFTER THE EXPIRATION OF ANY GRACE PERIOD OF THE EARLIEST DUE DATE, THE BOARD OF DIRECTORS SHALL PROVIDE WRITTEN NOTICE TO THE RENTAL TENANT AND THE NON-OCCUPYING OWNER PROVIDING THAT, COMMENCING IMMEDIATELY AND UNTIL SUCH TIME AS ALL PAYMENTS FOR MAINTENANCE, ASSESSMENTS OR LATE FEES ARE MADE CURRENT, ALL RENTAL PAYMENTS DUE SUBSEQUENT TO THE ISSUANCE OF SUCH NOTICE ARE TO BE MADE PAYABLE TO THE COOPERATIVE CORPORATION AT THE ADDRESS LISTED ON THE NOTICE. WHERE A MAJORITY OF THE BOARD OF DIRECTORS HAS BEEN ELECTED BY AND FROM AMONG THE OWNERS WHO ARE IN OCCUPANCY, THE BOARD MAY ELECT NOT TO REQUIRE THAT RENTAL PAYMENTS BE MADE PAYABLE TO THE COOPERATIVE CORPORATION. AT SUCH TIME AS PAYMENTS FOR MAINTENANCE, ASSESSMENTS AND LATE FEES FROM THE NON-OCCUPYING OWNER ARE ONCE AGAIN CURRENT, NOTICE OF SUCH FACT SHALL BE GIVEN WITHIN THREE BUSINESS DAYS TO THE RENTAL TENANT AND NON-OCCUPYING OWNER. THEREAFTER ALL RENTAL PAYMENTS FOR SUCH UNIT SHALL BE MADE PAYABLE TO THE NON-OCCUPYING OWNER OR TO A DESIGNATED AGENT. A NON-OCCUPYING OWNER WHO DISPUTES THE COOPERATIVE CORPORATION'S CLAIM TO RENTAL PAYMENTS PURSUANT TO THIS SECTION SHALL BE ENTITLED TO PRESENT FACTS SUPPORTING SUCH OWNER'S POSITION AT THE NEXT SCHEDULED MEETING OF THE BOARD OF DIRECTORS, WHICH MUST BE HELD WITHIN THIRTY DAYS

EXPLANATION--Matter in ITALICS is new; matter in brackets [-] is old law to be omitted.

OF THE DATE THAT SUCH BOARD RECEIVES NOTICE THAT SUCH OWNER SEEKS TO DISPUTE SUCH CLAIM.

4. NOTHING IN THIS SECTION SHALL LIMIT ANY RIGHTS OF SHAREHOLDERS OR OF THE BOARD OF DIRECTORS EXISTING UNDER ANY OTHER LAW OR AGREEMENT.

5. PAYMENT BY A RENTAL TENANT TO THE COOPERATIVE CORPORATION MADE IN CONNECTION WITH THIS SECTION SHALL RELIEVE THAT RENTAL TENANT FROM THE OBLIGATION TO PAY SUCH RENT TO THE NON-OCCUPYING OWNER AND SHALL BE AN ABSOLUTE DEFENSE IN ANY NON-PAYMENT PROCEEDING COMMENCED BY SUCH NON-OCCUPYING OWNER AGAINST SUCH TENANT FOR SUCH RENT.

§ 3. The real property law is amended by adding a new section 339-kk to read as follows:

§ 339-KK. RENTS. (A) FOR THE PURPOSES OF THIS SECTION, "NON-OCCUPYING OWNER" SHALL MEAN A UNIT OWNER IN A CONDOMINIUM ASSOCIATION WHO DOES NOT OCCUPY THE DWELLING UNIT.

(B) IF A NON-OCCUPYING OWNER RENTS ANY DWELLING UNIT TO A RENTAL TENANT AND THEN FAILS TO MAKE PAYMENTS DUE FOR COMMON CHARGES, ASSESSMENTS OR LATE FEES FOR SUCH UNIT WITHIN SIXTY DAYS OF THE EXPIRATION OF ANY GRACE PERIOD AFTER THEY ARE DUE, UPON NOTICE IN ACCORDANCE WITH SUBDIVISION (C) OF THIS SECTION, ALL RENTAL PAYMENTS FROM THE TENANT SHALL BE DIRECTLY PAYABLE TO THE CONDOMINIUM ASSOCIATION.

(C) IF THE COMMON CHARGES, ASSESSMENTS OR LATE FEES DUE FOR ANY UNIT HAVE NOT BEEN PAID IN FULL, WITHIN SIXTY DAYS AFTER THE EXPIRATION OF ANY GRACE PERIOD OF THE EARLIEST DUE DATE, THE BOARD OF MANAGERS SHALL PROVIDE WRITTEN NOTICE TO THE TENANT AND THE NON-OCCUPYING OWNER PROVIDING THAT, COMMENCING IMMEDIATELY AND UNTIL SUCH TIME AS ALL PAYMENTS FOR COMMON CHARGES, ASSESSMENTS OR LATE FEES ARE MADE CURRENT, ALL RENTAL PAYMENTS DUE SUBSEQUENT TO THE ISSUANCE OF SUCH NOTICE ARE TO BE MADE PAYABLE TO THE CONDOMINIUM ASSOCIATION AT THE ADDRESS LISTED ON THE NOTICE. WHERE A MAJORITY OF THE BOARD OF MANAGERS HAS BEEN ELECTED BY AND FROM AMONG THE UNIT OWNERS WHO ARE IN OCCUPANCY, THE BOARD MAY ELECT NOT TO REQUIRE THAT RENTAL PAYMENTS BE MADE PAYABLE TO THE CONDOMINIUM ASSOCIATION. AT SUCH TIME AS PAYMENTS FOR COMMON CHARGES, ASSESSMENTS AND LATE FEES FROM THE NON-OCCUPYING OWNER ARE ONCE AGAIN CURRENT, NOTICE OF SUCH FACT SHALL BE GIVEN WITHIN THREE BUSINESS DAYS TO THE RENTAL TENANT AND NON-OCCUPYING OWNER. THEREAFTER ALL RENTAL PAYMENTS SHALL BE MADE PAYABLE TO THE NON-OCCUPYING OWNER OR A DESIGNATED AGENT. A NON-OCCUPYING OWNER WHO DISPUTES THE ASSOCIATION'S CLAIM TO RENTAL PAYMENTS PURSUANT TO THIS SECTION SHALL BE ENTITLED TO PRESENT FACTS SUPPORTING SUCH OWNER'S POSITION AT THE NEXT SCHEDULED MEETING OF THE BOARD OF MANAGERS, WHICH MUST BE HELD WITHIN THIRTY DAYS OF THE DATE THAT SUCH BOARD RECEIVES NOTICE THAT SUCH OWNER SEEKS TO DISPUTE SUCH CLAIM.

(D) NOTHING IN THIS SECTION SHALL LIMIT ANY RIGHTS OF UNIT OWNERS OR OF THE BOARD OF MANAGERS EXISTING UNDER ANY OTHER LAW OR AGREEMENT.

(E) PAYMENT BY A RENTAL TENANT TO THE CONDOMINIUM ASSOCIATION MADE IN CONNECTION WITH THIS SECTION SHALL RELIEVE THAT RENTAL TENANT FROM THE OBLIGATION TO PAY SUCH RENT TO THE NON-OCCUPYING OWNER AND SHALL BE AN ABSOLUTE DEFENSE IN ANY NON-PAYMENT PROCEEDING COMMENCED BY SUCH NON-OCCUPYING OWNER AGAINST SUCH TENANT FOR SUCH RENT.

§ 4. This act may be enforced by any party by means of a special proceeding brought pursuant to article 4 of the civil practice law and rules.

§ 5. This act shall take effect immediately, and is applicable to all cooperative corporations and condominiums in existence on or after such date.

Pursuant to the authority vested in us by section 70-b of the Public Officers Law, we hereby jointly certify that this slip copy of this session law was printed under our direction and, in accordance with such section, is entitled to be read into evidence.

JOSEPH L. RUSSO  
TEMPORARY PRESIDENT OF THE SENATE

SHELDON SILVER  
SPEAKER OF THE ASSEMBLY

**DRAFT**

**TWENTY-NINTH AMENDMENT TO OFFERING PLAN  
A PLAN TO CONVERT TO CONDOMINIUM OWNERSHIP  
PREMISES KNOWN AS HUNTER HIGHLANDS II CONDOMINIUM  
TOWN OF HUNTER, COUNTY OF GREENE, NEW YORK**

The Offering Plan - A Plan to convert to condominium ownership premises known as Hunter Highlands II Condominium, Town of Hunter, County of Greene, New York dated December 1, 1979 as heretofore amended (the "Plan") is hereby further amended as follows:

**1. OFFICERS AND MANAGERS OF THE CONDOMINIUM.** The following are

the members of the Board of Managers of the Condominium:

<u>Names</u>	<u>Office</u>
Marilyn Stefans	President
Thomas Furth	Vice President <i>Manager</i>
Fred Stein	Treasurer
<i>Jean Blumenthal</i> <del>Charles Cohen</del>	Secretary
Lawrence Rosen	<i>Manager</i> <del>Vice President</del>
Patricia Rosen	<del>Manager</del> <i>Vice President</i>
Ethel Slutzky	Manager
Harold Cohen	Manager
<del>George Harnisher</del>	Manager
<i>FRANK HARNISHER</i>	

The Board of Managers is not controlled by the Sponsor or the Holder of Unsold Units.

**2. FINANCIAL STATEMENTS.** Annexed hereto as Exhibit A are statements of

income and expense for the fiscal year ended May 31, 1999.

**3. BUDGET FOR 1999-2000.** Annexed hereto as Exhibit B is a budget for the period

June 1, 1999 - May 31, 2000.

**DRAFT**

**TWENTY-NINTH AMENDMENT TO OFFERING PLAN  
A PLAN TO CONVERT TO CONDOMINIUM OWNERSHIP  
PREMISES KNOWN AS HUNTER HIGHLANDS II CONDOMINIUM  
TOWN OF HUNTER, COUNTY OF GREENE, NEW YORK**

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1. **OFFICERS AND MANAGERS OF THE CONDOMINIUM** The following are the members of the Board of Managers of the Condominium:

<u>Names</u>	<u>Office</u>
Marilyn Stefans	President
Thomas Furth	Vice President <i>Manager</i>
Fred Stein	Treasurer
<i>Jean Blumenthal</i> <del>Charles Cohen</del>	Secretary
Lawrence Rosen	<i>Manager</i> <del>Manager</del> <del>Vice President</del>
Patricia Rosen	<del>Manager</del> <del>Vice President</del>
Ethel Slutzky	Manager
Harold Cohen	Manager
<del>George Hutter</del> <i>FRANK HARNISHER</i>	Manager

The Board of Managers is not controlled by the Sponsor or the Holder of Unsold Units.

2. **FINANCIAL STATEMENTS**. Annexed hereto as Exhibit A are statements of income and expense for the fiscal year ended May 31, 1999.

3. **BUDGET FOR 1999-2000**. Annexed hereto as Exhibit B is a budget for the period June 1, 1999 - May 31, 2000.

4. **HOLDER OF BUILT UNITS.** The Holder of sixteen unbuilt units in the X and Y Buildings is Yolo Equities Corp., ("Holder"), whose sole shareholder presently is FRM Nexus, Inc., A Delaware corporation ("Nexus"). Both Yolo Equities Corp. and Nexus have their offices at 271 North Avenue, New Rochelle, NY 10801. Seth Grossman is the chief executive officer of Yolo Equities Corp. and Nexus. The Holder and Nexus have not made other prior offerings of interest in realty from or within the State of New York. Yolo Equities Corp. is planning to build and sell the eight units in Y Building in 2000 and/or 2001. It intends to sell the X Building site for build-out also in 2000 and/or 2001.

5. **ADDITIONAL HOLDINGS.** There are no other cooperatives or condominiums in which the Holder or a principal thereof owns more than ten (10%) percent of the shares or units.

~~10/~~ The prices for the Units to be built in the X and Y Buildings are set forth in Exhibit C.

6. **MANAGING AGENT AND BOARD OF MANAGERS.** The managing agent of the Condominium is John Mallon with offices at The Club House, Hunter Drive and Highlands Lane, Hunter, New York 12496. The managing agent is not affiliated with the Holder. The Holder is not in control of the Board of Managers. The Sponsor gave up control of the Board of Managers in November, 1988.

7. **ATTORNEY FOR HOLDER OF UNSOLD BUILT UNITS.** Tanner Propp, LLP, at 99 Park Avenue, New York, New York 10016 will be the attorney for the Holder of Unsold Units.



8 (a) **FINANCIAL DISCLOSURE.** Yolo is current in its obligations to the Condominium with respect to common charges due for the 16 unbuilt units. Yolo is also current in its obligations for payment of real estate taxes due for the unbuilt units.

(b) Yolo and the Condominium have each made claims against the other as to which one is responsible for the payment of repairs which have been made to the roadway in 1998. If the parties do not resolve the issue amicably by May 2001 the determination will be made in a court proceeding. Such resolution, if any, will be disclosed in a subsequent amendment.

9. **AMENDMENT TO GENERAL BUSINESS LAW.** Chapter 422 of the Laws of 1998 repealed General Business Law ("GBL") Section 352-e (2-d) and added GBL Section 352-1 (affecting cooperatives) and Real Property Law ("RPL") Section 339-kk (affecting condominiums) and was signed into law on July 22, 1998. A copy of the new law is annexed hereto as Exhibit D. It applies to all cooperative and condominium conversion plans in existence on or after such date. The law is intended to provide financial protection for a cooperative corporation or condominium association if a non-occupying owner fails to make monthly payment for its units.

(a) In the event payment of maintenance charges, assessments or late fees by the non occupying owner is more than sixty (60) days late, rental payments from the rental tenant occupying such unit shall become directly payable to the cooperative corporation. When the non-occupying owner resumes payment of maintenance charges on a current basis, the non-occupying owner and the rental tenant will be notified within three (3) business days of such payments becoming current and the

**EXHIBIT C**

**UNSOLD UNITS TO BE BUILT IN X AND Y BUILDINGS.**

<u>UNIT NO.</u>	<u>% OF COMMON ELEMENTS</u>	<u>MODEL</u>	<u>MONTHLY COMMON CHARGE *</u>	<u>MONTHLY REAL ESTATE TAX *</u>	<u>SELLING PRICE</u>
X1	1.04218	D/3	198.00	113.88	\$ 216,000
X2	.62782	S	118.00	70.04	130,000
X3	1.01707	D/3	192.00	113.88	211,000
X4	.61526	S	117.00	70.04	127,000
X5	1.01707	D/3	192.00	113.88	211,000
X6	.61526	S	117.00	70.04	127,000
X7	1.04218	D/3	198.00	113.88	216,000
X8	.62782	S	118.00	70.04	130,000
Y1	.92918	D/L	175.00	108.78	193,000
Y2	.90406	D	170.00	108.78	187,500
Y3	.90406	D/L	176.00	108.78	188,000
Y4	.87895	D	166.00	108.78	183,000
Y5	.90406	D/L	166.00	108.78	188,000
Y6	.87895	D	175.00	108.78	183,000
Y7	.92918	D/L	175.00	108.78	193,000
Y8	.90406	D	170.00	108.78	187,500

\* Real Estate Taxes include the General Tax (county and Town), the Village Tax and the School Tax. The total annual real estate taxes is divided by 12 to show the monthly real estate tax in 2000. The monthly common charge is for the fiscal year ending May 31, 2000.

rental payment will once again be payable to the non-occupying owner.

- (b) The cooperative corporation will provide the non-occupying owner and the rental tenant with notice of the provisions contained in the statute.
- (c) Any rights existing under any other laws are not limited by this statutory requirement.
- (d) Payment by the rental tenant to the cooperative corporation done pursuant to the statute relieves the rental tenant from the obligation to pay that rent to the non-occupying owner.

10. A sponsor certification by Yolo Equities Corp. is annexed hereto as Exhibit E.

11. **NO OTHER MATERIAL CHANGES.** Except as set forth herein, there have been no material changes in the terms and conditions of this offering.

Dated: Hunter, New York  
March 1, 2000

YOLO EQUITIES CORP.  
Holder of Unsold and/or Unbuilt Units.