INDEX

OFFERING PLAN

THIS OFFERING PLAN RELATES SOLELY TO MEMBERSHIP IN THE

STRATHMORE COURT HOMEOWNERS ASSOCIATION, INC.

AND TO THE DECLARATION OF COVENANTS AND RESTRICTIONS APPLICABLE TO ALL HOMES SOLD AT

The Carriage Homes at Strathmore Court

TOWN OF BROOKHAVEN
SUFFOLK COUNTY, NEW YORK

APPROXIMATE AMOUNT OF OFFERING $747,000
(Cost of Common Properties and Facilities Included in the Purchase Price of the Homes)

SPONSOR AND SELLING AGENT

For 80 Unsold Lots:

Carriage Homes at
Strathmore Court Associates
3680 Route 112
Coram, NY 11727

For 74 Unsold Lots

Carriage Homes at
Strathmore Court Associates II
3680 Route 112
Coram, NY 11727

DATE OF THE OFFERING PLAN: OCTOBER 16, 1973.
DATE OF AMENDMENT NO. 15: JUNE 28, 1985

THIS PLAN MAY NOT BE USED AFTER DECEMBER 28, 1985 UNLESS EXTENDED BY AN AMENDMENT.

THIS OFFERING PLAN IS THE SPONSOR'S ENTIRE OFFER TO SELL MEMBERSHIP INTERESTS IN THE HOMEOWNERS ASSOCIATION. NEW YORK LAW REQUIRES THE SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS PLAN AND TO FILE THIS PLAN WITH THE NEW YORK STATE DEPARTMENT OF LAW PRIOR TO SELLING OR OFFERING TO SELL ANY MEMBERSHIP INTERESTS. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENT AGENCY APPROVED THIS OFFERING.

THIS PLAN HAS BEEN AMENDED. SEE INSIDE FRONT COVER.

AMENDMENT NO. 18

Dated: February 14, 1986

STRATHMORE COURT HOMEOWNERS ASSOCIATION, INC.

This Offering Plan was amended on February 21, 1974 (Amendment No. 1), July 17, 1974 (Amendment No. 2), November 25, 1974 (Amendment No. 3), May 5, 1975 (Amendment No. 4), September 10, 1975 (Amendment No. 5), January 26, 1976 (Amendment No. 6), February 17, 1976 (Amendment No. 7), March 23, 1976 (Amendment No. 8), April 7, 1976 (Amendment No. 9), December 30, 1976 (Amendment No. 10), May 16, 1977 (Amendment No. 11), February 16, 1978 (Amendment No. 12), on June 28, 1978 (Amendment No. 13), on February 8, 1985 (Amendment No. 14), on June 28, 1985 (Amendment No. 15), on July 19, 1985 (Amendment No. 16) and on January 10, 1986 (Amendment No. 16).

I. The Section of the Offering Plan ("Plan") entitled "Trust Funds" is hereby amended to disclose that Sponsor has obtained a bond from the Integrity Insurance Comapny, a New Jersey corporation authorized to do business in the State of New York having an office and place of business at 217 Broadway, Monticello, New York, securing repayment of all monies received directly by Sponsor or through its agents or employees until the closing of title to a particular unit.

The bond will be in the full amount of the down payment and will remain in full force until the closing of title or return of escrow, whichever is sooner. If a purchaser is entitled to a return of the down payment pursuant to the terms of the Purchase Agreement and the Sponsor is unable or otherwise refuses to return such funds, a claim must be filed with the Integrity Insurance Company. The liability of the Integrity Insurance Comapny under the bond does not exceed the amount of the bond. Purchasers who have previously entered into purchase agreements will be given a copy of the bond which will now secure their down payment. Annexed hereto as Exhibit "A" is a sample copy of the bond.

II. This Plan may be used for six (6) months from the date this Amendment is duly accepted for filing and thereafter said date is to be extended in a further Amendment to be filed.

Addendum A

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

CARRIAGE HOMES AT STRATHMORE
COURT ASSOCIATES
Sponsor/Developer of
80 remaining unsold lots.

CARRIAGE HOMES AT STRATHMORE
COURT ASSOCIATES II
Sponsor/Developer of
74 remaining unsold lots.

FULLER DEVELOPMENT CORP. d/b/a
CARRIAGE HOMES AT STRATHMORE
COURT ASSOCIATES III
Sponsor/Developer of
12 remaining unsold lots.

WOFSEY, CERTILMAN, HAFT, LEBOW & BALIN

ATTORNEYS AND COUNSELLORS AT LAW

71 SOUTH CENTRAL AVENUE

VALLEY STREAM, N.Y. 11580

MANHATTAN OFFICES
805 THIRD AVENUE
NEW YORK, N.Y. 10022

(212) 418-5200

TELECOPIER
(212) 418-5218

January 15, 1986

ard A. Fuller
athmore Associates
ute 112
NY 11727

rathmore Court HOA
endment No. 17

ward:

orney General's Office has given oral approval for Amend-
. 17 to the above mentioned Offering Plan, a copy of which
osed. Please have a member of your staff reproduce copies
Amendment and insert it, along with all prior Amendments,
inside front cover of all Offering Plans given to prospec-
rchaser.

Sincerely,

Richard Herzbach

y Krupnick

AMENDMENT NO. 17

Dated: January 10, 1986

STRATHMORE COURT HOMEOWNERS ASSOCIATION, INC.

This Offering Plan was amended on February 21, 1974 (Amendment No. 1), July 17, 1974 (Amendment No. 2), November 25, 1974 (Amendment No. 3), May 5, 1975 (Amendment No. 4), September 10, 1975 (Amendment No. 5), January 26, 1976 (Amendment No. 6), February 17, 1976 (Amendment No. 7), March 23, 1976 (Amendment No. 8), April 7, 1976 (Amendment No. 9), December 30, 1976 (Amendment No. 10), May 16, 1977 (Amendment No. 11), February 16, 1978 (Amendment No. 12), on June 28, 1978 (Amendment No. 13), on February 8, 1985 (Amendment No. 14), on June 28, 1985 (Amendment No. 15) and on July 19, 1985.

I. Benrick Associates (hereinafter referred to as the "Seller") has indicated an intent to sell to Fuller Development Corp., d/b/a The Carriage Homes at Strathmore Court Associates III (herinafter referred to as the "Developer") a New York corporation with an address at 3680 Route 112, Coram, New York undeveloped and unsold lots located at Carriage Homes at Strathmore. Said lots represent the remaining 12 additional undeveloped and unsold lots that Carriage Homes at Strathmore Court Associates has as an option of first refusal to acquire as disclosed in Amendment No. 14 dated February 8, 1985. The Developer herein is a different entity but is comprised of the same principals as Carriage House at Strathmore Associates and Carriage Homes at Strathmore Court Associates II, the entities which acquired 80 and 74 prior undeveloped lots, which acquisitions were disclosed in Amendments No. 14 and 15. The Developer will become the new Sponsor for the lots it acquires.

It is the intention of the Developer to construct attached single family homes on the 12 unsold lots in accordance with the filed subdivision maps and in accordance with the terms and provisions of the Offering Plan and Amendments thereto, insofar as applicable to the 12 unsold lots. Annexed hereto and made a part of this Amendment as Exhibit "A" is a copy of the site plan of Strathmore Court. The shaded areas represent the 12 unsold and undeveloped lots to be acquired by the Developers.

The term "Sponsor" or "Developer" set forth in the Offering Plan will refer to the Developer herein as it pertains solely to the 12 lots it is acquiring at this time.

At such time as the Developer takes title to any of the unsold lots he shall be responsible for the payment of such common area charges and assessments to Strathmore Court HOme Owners Association, Inc. (hereinafter "HOA") for the 12 undeveloped lots it is acquiring.

The Developer shall complete all the engineering work necessary to develop the 12 lots in accordance with the filed subdivision map and shall install all the required improvements and do all other work called for by said map, the Offering Plan and the Declaration, insofar as applicable to the 12 lots.

The Developer shall be required to post any bonds that may be required to be posted by any municipality having jurisdiction over the initial subject premises.

The common areas and facilities have previously been constructed by the Original Sponsor. The Developer shall not be responsible for the common areas not under its control nor shall it be responsible for any of the guarantees and warranties made by the Original Sponsor as to those Homes already sold or to the unsold lots it does not own. The Developer will become the new Sponsor for the lots it acquires and shall be responsible for all rights and obligations contained in the Offering Plan, as amended, as to the 12 lots it is offering for sale.

The Developer will act as Selling Agent for the sale of homes sold on lots owned by it. Fuller Development Corp. d/b/a The Carriage Homes at Stratmore Court Associates III is a New York corporation whose sole principals and stockholders are Alfred Barone, with a business address at 3680 Route 112, Coram, New York and Gary Krupnick, with a business address at 55 Commerce Drive, Hauppauge, New York.

Mr. Barone has been in the construction business for over twenty (20) years and was a principal of the Sponsor of The Villas on the Bay at East Moriches, a 42 unit condominium located in East Moriches, New York; Sag Harbor Villas, Sag Harbor, New York consisting of 31 homes; Stratford at North Hills, a 54 unit condominium located in North Hills, New York; the remaining unsold homes at Strathmore at Coventry located in Middle Island, New York, Rough Riders Landing, a 106 unit condominium located in Montauk, New York; the 80 unsold lots in this development previously disclosed in Amendment No. 14; the 74 unsold lots in this development previously disclosed in Amendment No. 15 and the Villas at Harts Cove Condominium, a 75 unit condominium located in East Moriches, New York

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Mr. Krupnick has been involved in the marketing of residential real estate for the past 15 years and commercial and office building for the last 3 years. Mr. Krupnick is a principal of the Sponsor of the 80 and 74 unsold lots previously disclosed in Amendments No. 14 and 15.

Wofsey, Certilman, Haft, Lebow & Balin, 71 South Central Avenue, Valley Stream, 11580 has been engaged to represent the Developer for the purpose of the preparation of this Amendment and all future Amendments.

II. Annexed hereto and made a part of this Amendment as Exhibit "B" and "C" respectively is a copy of the current budget of the Association and the certified financial statement for the fiscal year ending December 31, 1984. Since the Developer is not in control of the Association, no representation is or can be made as to the adequacy of the budget.

II. The current Board of Directors are as follows:

Al Levine, President
Donald MacNicol, Vice-President
Joan Bartkeowicz, Treasurer
Susan Emert, Secretary
Sidney Dworet, Director
David Blatt, Director
Eugene Dolinger, Director
George Quinn, Director
Charles Collura, Director

All of the members of the Board of Directors are Home Owners.

III. Annexed hereto and made a part of this Amendment as Exhibit "D" is the form of the Purchase Agreement that will be used for new Purchasers of the homes being sold by the Developer. Pursuant to the terms of the Agreement all monies received directly or through its agents or employees will be held in trust by Sponsor until the closing of title or Sponsor will post a surety bond issued by a New York insurance company or obtain a letter of credit from a lending institution securing repayment of such funds in the event the purchaser is entitled to such amount under the terms of the Offering Plan or Purchase Agreement. The Offering Plan will be amended prior to the use of a bond or letter of credit. If no bond or letter of credit is posted, such funds will be held as trust funds pursuant to Section 352-h and Section 352-e(2b) of the General Business Law, in a special segregated account in Extebank, 99 Smithtown Bypass, Hauppauge, New York in the Strathmore Court escrow account. The signature of Jeb A. Niewood, Esq., 3680 Route 112, Coram, New York as attorney

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for the Sponsor, shall be required to withdraw any of such funds. Such funds will be payable to the Seller upon the closing of title to the home conveyed by the Purchase Agreement. In the event of a default by the Purchaser which default is not cured within ten (10) days of notice of the purchase of the default, Seller will retain all of the monies paid on account hereunder to a maximum of 10% of the Purchase Price plus the cost of any custom work ordered as liquidated damages in which event the parties shall be discharged of all further liability hereunder.

IV. This Plan may be used for six (6) months from the date this Amendment is duly accepted for filing and thereafter said date is to be extended in a further Amendment to be filed.

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

CARRIAGE HOMES AT STRATHMORE
COURT ASSOCIATES
Sponsor/Developer of
80 remaining unsold lots.

CARRIAGE HOMES AT STRATHMORE
COURT ASSOCIATES II
Sponsor/Developer of
74 remaining unsold lots.

FULLER DEVELOPMENT CORP. d/b/a
CARRIAGE HOMES AT STRATHMORE
COURT ASSOCIATES III
Sponsor/Developer of
12 remaining unsold lots.

B O N D

KNOW ALL MEN BY THESE PRESENTS, That We, CARRIAGE HOMES AT STRATHMORE COURT ASSOCIATES of 3680 Route 112, Coram, New York as Principal, and the INTEGRITY INSURANCE COMPANY, a New Jersey corporation authorized to do business in the State of New York, having an office and place of business at 217 Broadway, Monticello, New York as Surety, are held and firmly bound unto as Obligee, in the sum of
DOLLARS, lawful money of the United States for which payment well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally firmly by these presents.

WHEREAS, the above bound Principal and Obligee have entered into a contract for the construction of a private residence in the Coram, Suffolk County, New York.

PREMISES KNOWN AS: STRATHMORE COURT

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above named Principal shall well and truly perform or cause to be performed its obligation as set forth in said contract and in each and every respect comply with the coditions therein contained, then this obligation to be void; otherwise to remain in full force and effect.

No judgment shall be rendered against the Surety in excess of the penalty of this instrument. This obligation shall be in full force and effect until passage of title or retun or escrow, whichever is sooner.

SIGNED, SEALED AND DATED THIS:

PROVIDED, that in no event shall the liability of the Surety hereunder exceed the sum of this bond.

No party other than the Obligee shall have any rights hereunder as against the Surety.

CARRIAGE HOMES AT
STRATHMORE ASSOCIATES

INTEGRITY INSURANCE

EXHIBIT "A"

Ad H

AMENDMENT NO. 16

Dated: July 19, 1985

STRATHMORE COURT HOMEOWNERS ASSOCIATION, INC.

This Offering Plan was amended on February 21, 1974 (Amendment No. 1), July 17, 1974 (Amendment No. 2), November 25, 1974 (Amendment No. 3), May 5, 1975 (Amendment No. 4), September 10, 1975 (Amendment No. 5), January 26, 1976 (Amendment No. 6), February 17, 1976 (Amendment No. 7), March 23, 1976 (Amendment No. 8), April 7, 1976 (Amendment No. 9), December 30, 1976 (Amendment No. 10), May 16, 1977 (Amendment No. 11), February 16, 1978 (Amendment No. 12), on June 28, 1978 (Amendment No. 13), on February 8, 1985 (Amendment No. 14) and on June 28, 1985 (Amendment No. 15).

I. The litigation referred to in Amendment No. 15, dated June 28, 1985 has been settled and discontinued as of July 9, 1985. The notice of pendency on said property has been removed. As a result there is no longer any legal impediment for Prenner Associates to consumate the closing of the property disclosed in Amendment No. 14 with Sponsor herein.

II. The Sponsor has changed escrow agents. The new escrow agent is Jeb A. Niewood, Esq., 3680 Route 112, Coram, New York. All trust funds as described in Amendments No. 14 and 15 will be held pursuant to Sections 352-h and 352-e(2b) of the General Business Law, in a special account at Extebank, 99 Smithtown Bypass, Hauppauge, New York.

III. Paragraph 3-A(v) of the Purchase Agreement is revised to read as follows:

(v) $, Loan in that amount, to be procured by the Purchasers from a financial institution selected by the Seller which shall include interest at the prevailing rate of interest charged by such financial institution, the proceeds of which shall be turned over to the Seller.

V. Paragraph 6 of the Purchase Agreement is revised in pertinent part to read as follows:

6. Purchasers Obligations Respecting Mortgage Loan. The mortgage loan applied for by the Purchaser herein, if any, shall be secured by a first mortgage approved by Seller on the Home herein described payable in monthly installments of principal and interest, together with such installments of taxes, water, sewer, insurance and Association Assessments as the lending institution shall require.

AIL

V. Paragraph 23 of the Purchase Agreement is revised to read as follows:

23. Trust Funds. The Sponsor will hold all monies received directly or through its agents or employees in trust until the closing of title or Sponsor will post a surety bond issued by a New York insurance company or obtain a letter of credit from a lending institution securing repayment of such funds in the event the purchaser is entitled to such amount under the terms of the Offering Plan or Purchase Agreement. The Offering Plan will be amended prior to the use of a bond or letter of credit. If no bond is posted, or letter of credit obtained such funds will be held as trust funds pursuant to Section 352-h and Section 352-e2(b) of the General Business Law, in a special account in Extebank, 99 Smithtown Bypass, Hauppauge, New York, in the Strathmore Court escrow account. The signature of Jeb A. Niewood, Esq., 3680 Route 112, Coram, New York, as attorney for the Sponsor, shall be required to withdraw any of such funds. Such funds will be payable to the Seller upon the closing of title to the Home conveyed by the Purchase Agreement. In the event of default by the Purchaser under such Purchase Agreement, which default continues for 10 days after written notice of such default from the Seller to the Purchaser, Seller will retain all of the monies paid on account hereunder to a maximum of 10% of the Purchase Price plus the cost of any custom work ordered, as liquidated damages, in which event the parties shall be discharged of all further liability hereunder.

VI. This Plan may be used for six (6) months from the date this Amendment is duly accepted for filing and thereafter said date is to be extended in a further Amendment to be filed.

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

CARRIAGE HOMES AT STRATHMORE
COURT ASSOCIATES II
Sponsor/Developer of
74 remaining unsold lots.

CARRIAGE HOMES AT STRATHMORE
COURT ASSOCIATES
Sponsor/Developer of
80 remaining unsold lots.

And the grantor covenants that it has not done or suffered anything whereby the said premises have been encumbered in any way whatever, except as aforesaid.

And the grantor, in compliance with Section 13 of the Lien Law, covenants that it will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

IN WITNESS WHEREOF, the grantor has caused these presents to be executed and its corporate seal to be hereto affixed.

LEVITT RESIDENTIAL COMMUNITIES, INC.

By_____
Assistant Vice-President

CORPORATE SEAL

IN THE PRESENCE OF:

_____
Assistant Secretary

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

On the day of , 197 , before me personally came to me known, who, being by me duly sworn did depose and say that he resides at

that he is the Assistant Vice President of LEVITT RESIDENTIAL COMMUNITIES, INC., the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation, and that he signed his name thereto by like order.

_____
Notary

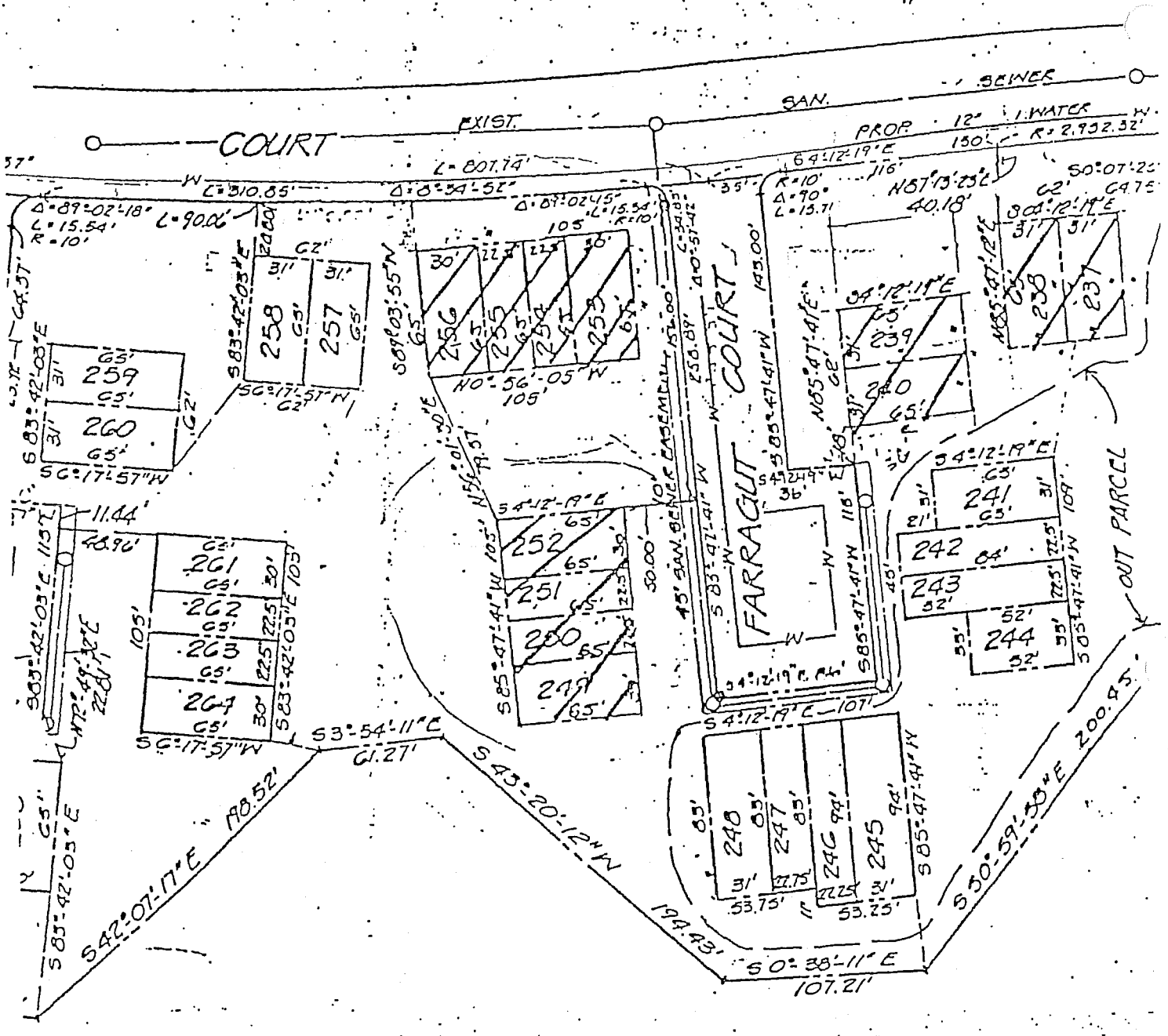
COURT
EXIST.
SAN. SEWER
PROP. 12" WATER
FARRAGUT COURT
OUT PARCEL
TOWN OF BROOKHAVEN
LOTS TO BE ACQUIRED.

EXHIBIT "A"

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AMENDMENT NO. 15

Dated: June 28, 1985

STRATHMORE COURT HOMEOWNERS ASSOCIATION, INC.

This Offering Plan was amended on February 21, 1974 (Amendment No. 1), July 17, 1974 (Amendment No. 2), November 25, 1974 (Amendment No. 3), May 5, 1975 (Amendment No. 4), September 10, 1975 (Amendment No. 5), January 26, 1976 (Amendment No. 6), February 17, 1976 (Amendment No. 7), March 23, 1976 (Amendment No. 8), April 7, 1976 (Amendment No. 9), December 30, 1976 (Amendment No. 10), May 16, 1977 (Amendment No. 11), February 16, 1978 (Amendment No. 12), on June 28, 1978 (Amendment No. 13) and on February 8, 1985.

I. Benrick Associates (hereinafter referred to as the "Seller") has entered into an Agreement dated April 27, 1985 with The Carriage Homes at Strathmore Court II (hereinafter referred to as the "Developer") a New York partnership with an address at 3680 Route 112, Coram, New York to purchase and construct homes on 74 undeveloped and unsold lots. Said lots represent 74 of the remaining 86 additional undeveloped and unsold lots that Carriage Homes at Strathmore Court had an option of first refusal to acquire as disclosed in Amendment No. 14 dated February 8, 1985. The Developer herein is a different entity but is comprised of the same principals as Carriage House at Strathmore, the entity which has a contract to acquire 80 prior undeveloped lots, which acquisition was also disclosed in Amendment No. 14. The Developer will become the new Sponsor for the lots it acquires.

It is the intention of the Developer to construct attached single family homes on the 74 unsold lots in accordance with the filed subdivision maps and in accordance with the terms and provisions of the Offering Plan and Amendments thereto, insofar as applicable to the 74 unsold lots. Annexed hereto and made a part of this Amendment as Exhibit "A" is a copy of the site plan of Strathmore Court. The shaded areas represent the 74 unsold and undeveloped lots to be acquired by the Developers.

The term "Sponsor" or "Developer" set forth in the Offering Plan will refer to the Developer herein as it pertains solely to the 74 lots it is acquiring at this time.

As such time as the Developer takes title to any of the unsold lots he shall be responsible for the payment of such common area charges and assessments to Strathmore Court Home Owners Association, Inc. (hereinafter "HOA") for the 74 undeveloped lots it is acquiring.

The Developer shall complete all the engineering work necessary to develop the 74 lots in accordance with the filed subdivision map and shall install all the required improvements and do all other work called for by said map, the Offering Plan and the Declaration, insofar as applicable to the 74 lots.

The Developer shall be required to post any bonds that may be required to be posted by any municipality having jurisdiction over the initial subject premises.

The common areas and facilities have previously been constructed by the Original Sponsor. The Developer shall not be responsible for the common areas not under its control nor shall it be responsible for any of the representations, guarantees and warranties made by the Original Sponsor in the Offering Plan and contracts as to those Homes already sold or to the unsold lots it does not own.

The Developer will act as Selling Agent for the sale of homes sold on lots owned by it. The Carriage Homes at Strathmore Court II is a New York Partnership consisting of AAA Investors Corp., with a business address at 3680 Route 112, Coram, New York and Lindy Construction Corp., with a business address at 55 Commerce Drive, Hauppauge, New York. The sole principal of AAA Investors Corp. is Alfred Barone, with a business address at 3680 Route 112, Coram, New York. Mr. Barone has been in the construction business for over twenty (20) years and was a principal of the Sponsor of The Villas on the Bay at East Moriches, a 42 unit condominium located in East Moriches, New York; Sag Harbor Villas, Sag Harbor, New York, consisting of 31 homes; Stratford at North Hills, a 54 unit condominium located in North Hills, New York; the remaining unsold homes at Strathmore at Coventry located in Middle Island, New York, Rough Riders Landing, a 106 unit condominium located in Montauk, New York and the 80 unsold lots in this development previously disclosed in Amendment No. 14.

The sole principal of Lindy Construction Corp., is Gary Krupnick with the same business address as Lindy Construction Corp. Mr. Krupnick has been involved in the marketing of residential real estate for the past 15 years and commercial and office building for the last 3 years. Mr. Krupnick is a principal of the Sponsor of the 80 unsold lots previously disclosed in Amendment No. 14.

Wofsey, Certilman, Haft, Lebow & Balin, 71 South Central Avenue, Valley Stream, New York 11580 has been engaged to represent the Developer for the purpose of the preparation of this Amendment and all future Amendments.

II. Annexed hereto and made a part of this Amendment as Exhibit "B" and "C" respectively is a copy of the current budget of the Association and the certified financial statement for the fiscal year ending December 31, 1984. Since the Developer is not in control of the Association, no representation is or can be made as to the adequacy of the budget.

III. The current Board of Directors are as follows:

Al Levine, President
Donald MacNicol, Vice-President
Eugene Dolinger, Treasurer
Susan Emert, Secretary
Sidney Dworet, Director
David Blatt, Director
Ellen Burke, Director
Joann Daube, Director
Charles Collura, Director

All of the members of the Board of Directors are Home Owners.

IV. Annexed hereto and made a part of this Amendment as Exhibit "D" is the form of the Purchase Agreement that will be used for new Purchasers of the homes being sold by the Developer. Pursuant to the terms of the Agreement all monies received directly or through its agents or employees will be held in trust by Sponsor until the closing of title or Sponsor will post a surety bond issued by a New York insurance company or obtain a letter of credit from a lending institution securing repayment of such funds in the event the purchaser is entitled to such amount under the terms of the Offering Plan or Purchase Agreement. The Offering Plan will be amended prior to the use of a bond or letter of credit. If no bond or letter of credit is posted, such funds will be held as trust funds pursuant to Section 352-h and Section 352-e(2b) of the General Business Law, in a special account in National Westminster Bank, 350 Fifth Avenue, New York, New York in the Strathmore Court escrow account. The signature of Mitchell Jelline, Esq., of the law firm of Block, Graff, Danzig, Jelline & Mandell, 350 Fifth Avenue, New York, New York 10118 as attorney for the Sponsor, shall be required to withdraw any of such funds. Such funds will be payable to the Seller upon the closing of title to the home conveyed by the Purchase Agreement. In the event of a default by the Purchaser which default is not cured within ten (10) days of notice of the purchaser of the default, Seller will retain all of the monies paid on account hereunder to a maximum of 10% of the Purchase Price plus the cost of any custom work ordered as liquidated damages in which event the parties shall be discharged of all further liability hereunder.

V. On October 26, 1984, Prenner Associates ("Seller") and Strathmore Villas of East Setauket, Inc. and P.D.K. Building Corp. ("Buyer") entered into a contract (the "Contract") whereby Seller would sell to Buyer certain property (the "Property") owned by Seller identified in the Contract. The Property is located in the Town of Brookhaven, County of Suffolk, State of New York. (See Amendment No. 14).

By mid-February, 1985, the parties were preparing to close the transaction. However, Buyer first discovered, through a title search report, that a third party, Steven A. Klar, had commenced an action against Seller relating to the Property and had filed a notice of pendency on the Property.

The substance of Klar's claims against Seller is as follows:

> Allegedly, in or about September, 1984, a proposed draft of a contract for the sale of the Property by Seller to Klar was forwarded to Seller's attorney, along with a deposit. Seller's attorney allegedly telephoned Klar's attorney and informed him that the contract was "acceptable". Based on the foregoing, Klar has requested specific performance of his alleged "contract" with Seller and/or money damages in excess of $1,000,000.

The filing of this action and the notice of pendency had prevented the closing from occurring and the sale of any Homes contained therein to bona fide purchasers.

Thus, Buyer sought to intervene in the action by motion, which motion was granted by the Supreme Court, Suffolk County, on April 18, 1985. Buyer also joined in Seller's motion for summary judgment against Klar, which is presently before the Court. It is notable that Klar did not respond within the prescribed time period to the motion. Thus, also pending before the Court is a motion for a default judgment as a result thereof. Buyer served its answer on Klar, therein alleging counterclaims for abuse of process and tortious interference with contract. In response, Klar has amended the complaint to assert claims against Buyer.

As the parties await a decision by the Court on the summary judgment motion, Buyer is presently preparing a motion to cancel the notice of pendency upon the posting of an undertaking or, alternatively, to have Klar indemnify Buyer for the damages accruing in the event that the notice of pendency is not cancelled. Buyer will not close on the property until such time as the Court resolves the law suit or at such time as there is no longer a cloud on title. As a result no Homes will be offered for sale until such resolution. Seller will amend the Offering Plan at such time as he can legally obtain title to the property and offer homes for sale. This law suit does not affect the 74 lots to be acquired by Carriage Homes at Strathmore II.

VI. This Plan may be used for six (6) months from the date this Amendment is duly accepted for filing and thereafter said date is to be extended in a further Amendment to be filed.

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

CARRIAGE HOMES AT STRATHMORE
COURT ASSOCIATES II
Sponsor/Developer of
74 remaining unsold lots.

CARRIAGE HOMES AT STRATHMORE
COURT ASSOCIATES
Sponsor/Developer of
80 remaining unsold lots.

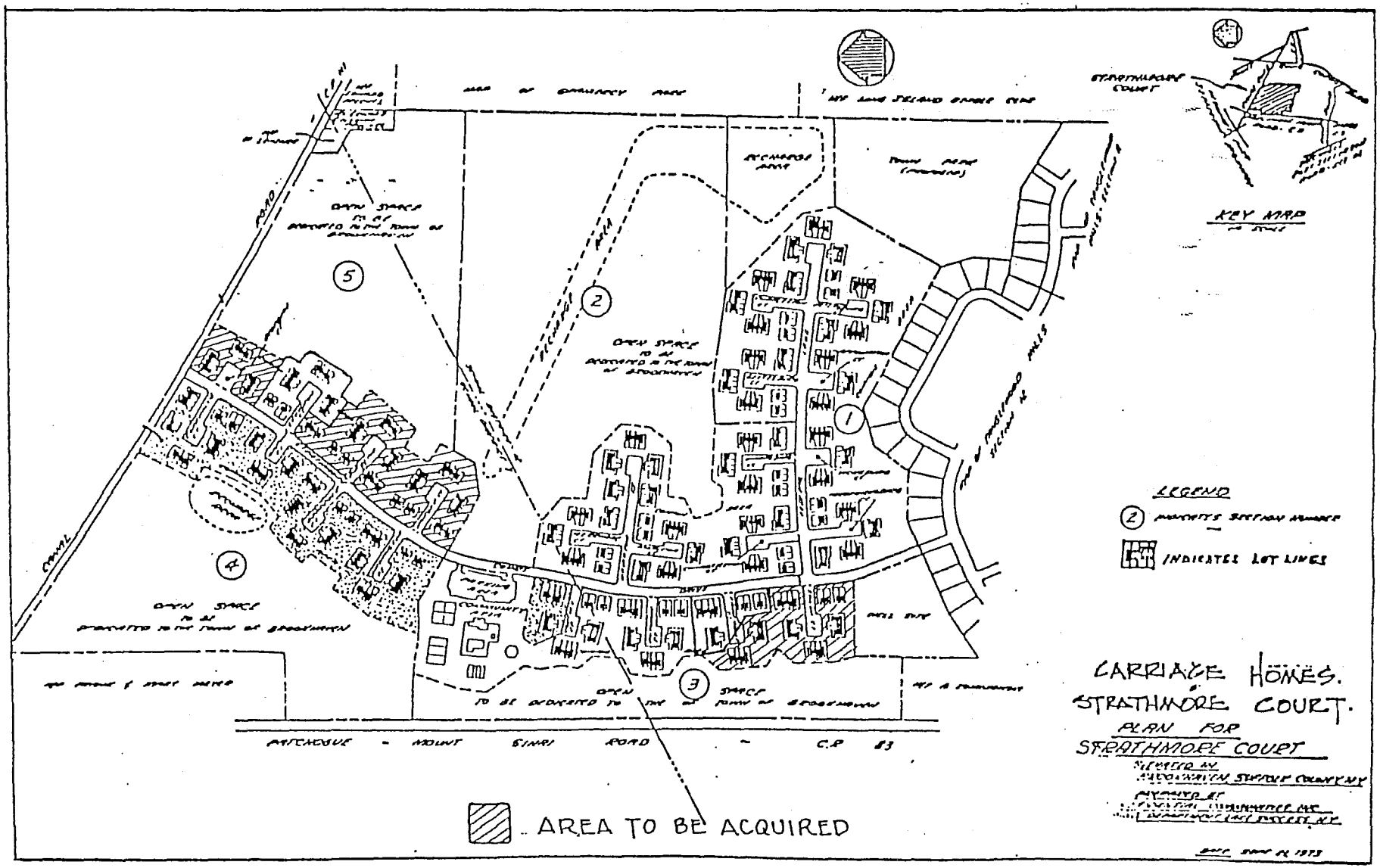
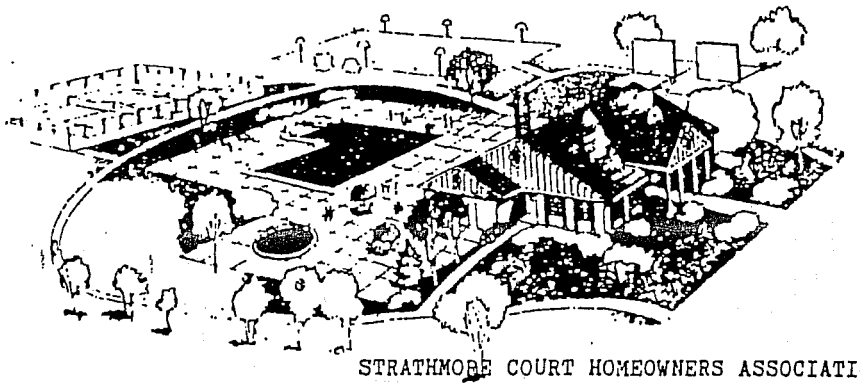

KEY MAP
LEGEND
INDICATES LOT LINES
CARRIAGE HOMES.
STRATHMORE COURT.
PLAN FOR
STRATHMORE COURT
AREA TO BE ACQUIRED

EXHIBIT A

L

MAP OF STRATHMORE COURT SECTION - 3
MAP OF STRATHMORE COURT SECTION - 4
STRATHMORE COURT
SECTION - 3
SECTION 255 BLOCK 6
HANCOCK COURT
ADDISON COURT
STRATHMORE DRIVE
STRATHMORE COURT
SECTION 255 BLOCK 6
BRIDGEWAY
SEWER
STRATHMORE COURT
SECTION - 4
LEXINGTON COURT
GODFREY COURT
SECTION 255 BLOCK 5
CANAL ROAD C.R. N° 111
DRIVE
REVISIONS
TOWN OF BRIDGEWATER
PLANNING BOARD
STRATHMORE COURT
SITE PLAN
CHARLES PETER PE
SCALE (1"=40')
DATE 2-10-84
SHEET NO.



STRATHMORE COURT

HOMEOWNERS ASSOCIATION, INC.
70 Strathmore Court Drive
Centum, New York 11727

FILE COPY

STRATHMORE COURT HOMEOWNERS ASSOCIATION.
BUDGET 1985

Income: (Common Charge)		207,144.00	17,262.00	63.00
Expenses: (General Fund)		Per Year	Per Month	Per Home
1. Management Contract		121,500.00	10,125.00	36:95
2. Water		17,500.00	1,458.33	5.32
3. Electricity	*	7,800.00	650.00	2.37
4 Gas		4,000.00	333.33	1.22
5. Insurance		4,000.00	333.33	1.22
6. Legal and Accounting	**	8,000.00	666.67	2.43
7. Office Expenses		1,500.00	125.00	.46
8. Bad Debt		3,000.00	250.00	.91
Subtotal (Gen. Fund)		167,300.00	13,941.66	50.88
Expenses (Contingency Fund)				
1. Clubhouse and Recreation Facility	***	20,000.00	1,667.67	6.08
2. Sprinkler System		3,500.00	262.67	.96
3. Exterior Repair		5,000.00	416.67	1.52
4. Unanticipated Expenses		11,694.00	974.50	3.56
Subtotal (Cont Fund)		39,844.00	3,320.34	12.12
Totals (Gen Fund)		167,300.00	13,941.66	50.88
Totals (Cont Fund)		39,844.00	3,320.34	12.12
Grand Totals		207,144.00	17,262.00	63.00

* Includes Fire Alarms ** Includes Collection Attorney
*** Possible Builder Contribution of 5,000.00

EXHIBIT "B"

FRANCIS J. BASELICE, P.C.

CERTIFIED PUBLIC ACCOUNTANT

38 SCHOONER ROAD
NORTHPORT, N.Y. 11768
(516) 757-4040

Board of Directors
Strathmore Court Homeowners' Association, Inc.
Coram, New York

I have examined the balance sheet of Strathmore Court Homeowners' Association, Inc. as at December 31, 1984 and 1983 and the related statements of revenue and expenses, fund balance, and changes in financial position for the years then ended. My examination was made in accordance with generally accepted auditing standards and accordingly, included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

In my opinion, the financial statements referred to above present fairly the financial position of Strathmore Court Homeowners' Association, Inc. at December 31, 1984 and 1983 and the results of its operation and changes in financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

February 28, 1985

EXHIBIT "C"

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.
BALANCE SHEET
DECEMBER 31, 1984 AND 1983

ASSETS

	1984		1983	
Cash in bank, operating	$ 5,385		$ 327	
Cash in bank, savings	1,016		1,371	
		$ 6,401		$ 1,698
Homeowners' receivable	39,513		41,469	
Less allowance for bad debts	8,897		9,819	
		30,616		31,650
Prepaid expenses and other		2,784		2,861
Total current assets		39,801		36,209
Security deposits		1,450		2,650
		$ 41,251		$ 38,859

LIABILITIES AND FUND BALANCE

Accounts payable		$ 18,514		$ 41,690
Accrued taxes and expenses		220		7,420
Total current liabilities		18,734		49,110
Fund balance (deficit)		22,517		(10,251)
		$ 41,251		$ 38,859

See notes to financial statements.

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.
CONSOLIDATED STATEMENT OF REVENUE AND EXPENSES
YEARS ENDED DECEMBER 31, 1984 AND 1983

	1984			1983		
	Total	General Fund	Maintenance and Contingency Fund	Total	General Fund	Maintenance and Contingency Fund
Revenue:						
Homeowners' common charges	$201,089	$185,504	$ 15,585	$180,951	$162,933	$ 18,018
Other income	11,101	11,101		7,689	7,689	
	212,190	196,605	15,585	188,640	170,622	18,018
Expenses:						
Contracted general maintenance and management	101,521	101,521		47,507	47,507	
Contingency maintenance	16,598		16,598	42,894		42,894
Clubhouse	14,885	14,885		33,660	33,660	
Pool	2,794	2,794		12,534	12,534	
General and administrative	27,566	27,566		44,894	44,894	
Unallocated expenses, water	16,058	16,058		17,036	17,036	
	179,422	162,824	16,598	198,525	155,631	42,894
Excess revenue over (under) expenses	$ 32,768	$ 33,781	($ 1,013)	($ 9,885)	$ 14,991	($ 24,876)

See notes to financial statements.

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.
STATEMENT OF FUND BALANCE
YEARS ENDED DECEMBER 31, 1984 AND 1983

	Total	General Fund	Maintenance and Contingency Fund	Provision for Debt Retirement
Fund balance (deficit), January 1, 1983	$ 748	$ 14,903	($ 20,655)	$ 6,500
Add: 1983 revenue over (under) expenses	(9,885)	14,991	(24,876)	
1982 income tax payment	(1,114)	(1,114)		
Fund balance (deficit), December 31, 1983	($ 10,251)	$ 28,780	($ 45,531)	$ 6,500
Add: 1984 revenue over (under) expenses	32,768	33,781	(1,013)	
Fund transfers		6,500		(6,500
Fund balance (deficit), December 31, 1984	$ 22,517	$ 69,061	($ 46,544)	$ -0-

See notes to financial statements.

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.
STATEMENT OF CHANGES IN FINANCIAL POSITION
YEARS ENDED DECEMBER 31, 1984 AND 1983

	1984	1983
Working capital was provided (used) by:		
Net income (loss)	$ 32,768	($ 9,885)
Working capital was used for:		
Increase in security deposits	(1,200)	150
Payment of 1982 income taxes		1,114
	(1,200)	1,264
Increase (decrease) in working capital	$ 33,968	($ 11,149)

SUMMARY OF NET CHANGE IN WORKING CAPITAL

Increase (decrease) in current assets:		
Cash	$ 4,703	($ 1,684)
Homeowners' receivables	(1,034)	890
Prepaid expenses	(77)	1,443
	3,592	649
Increase (decrease) in current liabilities:		
Accounts payable	(23,176)	12,813
Accrued taxes and expenses	(7,200)	(1,015)
	(30,376)	11,798
Increase (decrease) in working capital	$ 33,968	($ 11,149)

See notes to financial statements.

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1984 AND 1983

Summary of significant accounting policies:

Accounting method:
The Association maintains its books on the accrual basis of accounting.

Equipment:
The Association follows the practice of charging all purchases of equipment directly to operations in the year purchased.

Revenue recognition:
Revenue is recognized as billed. January 1985 Homeowners' common charges b in December 1984 are included as 1984 revenue in accordance with past poli Both 1984 and 1983 have twelve such billing periods.

Income taxes:
The Association has elected to file a U.S. Income Tax Return for Homeowners Association under Section 528 of the Internal Revenue Code. The Associati is therefore taxed only on net income derived from non-exempt functions.

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FRANCIS J. BASELICE, P.C.

CERTIFIED PUBLIC ACCOUNTANT

38 SCHOONER ROAD
NORTHPORT, N.Y. 11768
(516) 757-4040

Board of Directors
Strathmore Court Homeowners' Association, Inc.
Coram, New York

The primary purpose of my examination for the years ended December 31, 1984 and 1983 was to formulate an opinion on the basic financial statements of Strathmore Court Homeowners' Association, Inc., pages 2 through 7, taken as a whole.

The supplementary data contained in pages 8 through 9, although not considered necessary for a fair presentation of financial position, results of operations and changes in financial position in conformity with generally accepted accounting principles, are presented for supplementary analysis purpose. Such information has been subjected to the audit procedures applied in the examination of the basic financial statements.

In my opinion, such supplementary data are presented fairly in all material respects in relation to the basic financial statements taken as a whole.

February 28, 1985

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.
DEPARTMENTAL EXPENSES
YEARS ENDED DECEMBER 31, 1984 AND 1983

CONTINGENCY MAINTENANCE

	1984	1983
Carpentry and painting	$ 12,573	$ 20,437
Plumbing and sprinklers	2,400	14,817
Electrical and alarm systems		2,147
Roads and grounds	1,625	5,493
	$ 16,598	$ 42,894

CLUBHOUSE EXPENSE

Payroll	$ 1,682	$ 9,650
Utilities:		
Electric	7,449	7,039
Fuel	1,724	6,284
Repairs, maintenance and cleaning	1,576	4,602
Furniture and equipment	2,376	5,999
Other	78	86
	$ 14,885	$ 33,660

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.
DEPARTMENTAL EXPENSES
YEARS ENDED DECEMBER 31, 1984 AND 1983

POOL EXPENSE

	1984	1983
Payroll	$	$ 6,165
Chemical and supplies		1,228
Repairs, maintenance and cleaning	1,435	1,853
Furniture and equipment	1,359	3,208
Other		80
	$ 2,794	$ 12,534

GENERAL AND ADMINISTRATIVE

yroll, manager	$ 4,608	$ 17,617
Payroll taxes and related labor	2,417	5,984
Bank service charges	81	1,223
Bad debts (recovery)	(493)	553
Data processing	1,615	2,944
Insurance	3,403	3,631
Miscellaneous and Board of Directors	1,637	1,030
Office expense	1,219	1,660
Professional fees and collection expense	8,355	7,587
Telephone	1,086	1,990
Fire alarm electricity	1,888	675
Recreation and entertainment	1,750	
	$ 27,566	$ 44,894

PURCHASE AGREEMENT

Agreement made and dated 198 , between The Carriage Homes at Strathmore Court II, a New York partnership having its offices at 3680 Route 112, Coram, New York hereinafter called the "Seller" and
residing at No.
hereinafter called the "Purchaser".

WHEREAS, the Seller desires to offer for sale Homes to be situated on the land owned by it located in Coram in the Town of Brookhaven, New York, together with mandatory memberships in the Strathmore Court Homeowners Association, Inc., hereinafter called the "Association", and the Purchaser is desirous of purchasing a Home therein and obtaining membership in the Association.

NOW, THEREFORE, in consideration of the mutual promises and undertakings hereinafter set forth, the parties hereto mutually agree as follows:

1. Sale of Home. Seller agrees to sell and convey, and Purchaser agrees to purchase: All that certain plot, piece or parcel of land, with the buildings and improvements thereon erected or to be erected, situate, lying and being in the Town of Brookhaven, County of Suffolk and State of New York, known as Lot No. on Map entitled, "Map of Strathmore Court Section " filed in the Office of the Clerk of Suffolk County. The one family attached dwelling referred to shall conform substantially in appearance to Model Type as per plans and/or specifications on Exhibit agreed to by Seller and Purchaser.

2. Homeowners Association. The Seller has exhibited and delivered to the Purchaser and Purchaser has read and agrees to be bound by the recorded Declaration of Covenants, Restrictions, Easements, Charges and Liens, By-Laws and Offering Plan of the Association (and the Exhibits attached thereto), as the same may from time to time be amended, all of which are incorporated by reference and made a part of this agreement with the same force and effect as if set forth in full herein. With the purchase of his Home, the Purchaser acknowledges that he will automatically thereby become a member of the Association, subject to its rules and regulations and liable for its assessments. Pursuant to Regulation, this Agreement is being executed more than 72 hours after the receipt by the Purchaser of a copy of the Offering Plan.

3-A. Purchase Price. The purchase price is $ payable as follows:

(i) $, Total Price;

(ii) , previously received as a non-binding reservation deposit (where applicable);

(iii) $, on the signing of this agreement, the receipt whereof is hereby acknowledged;

(iv) $, certified or bank cashier's check on closing of title;

(v) $, Loan in that amount, to be procured by the Purchasers from a financial institution selected by Purchasers which shall include interest at the prevailing rate of interest charged by such financial institution, the proceeds of which which shall be turned over to the Seller.

Any payment made by check is accepted by Seller subject to collection.

Title to all items of personal property shall be delivered free and clear of all liens and encumbrances, except the lien of the mortgage applied for by Purchasers herein, if any.

All sums paid on account of this contract are hereby made liens upon said premises, but such liens shall not continue after default by the Purchaser under this contract.

3-C. Closing Costs and Adjustments. The Purchaser further agrees to pay to the Seller at the closing of title: the applicable New York State transfer tax (historically this item is customarily paid by Seller), survey fees and the actual fee for recording the deed to the Home. In the event the Purchaser shall obtain a purchase money mortgage, he shall also pay all applicable fees connected therewith such as origination fees (or words of similar import including but not limited to application fee, points, etc.), fees for credit reports, the actual cost of appaisal and inspection fee, mortgage tax, mortgage title insurance, bank attorneys fees for preparation of the documents necessary for the mortgage loan, all recording fees and all other governmental charges assessed on the loan. All applicable real estate taxes and other usual and normal closing charges and any Association Assessments assessed during the month that title closes or established as a reserve, shall be adjusted as of the closing date based upon the last bill rendered for such taxes or charges. The purchaser shall pay the fee of his own attorney and the premium for a fee title insurance policy, if he desires such coverage. In addition thereto, the Purchaser agrees to pay at the closing to the Association the monthly Association charges in advance. Purchaser shall make the required deposits with the lending institution for future payments of taxes and insurance premiums, and, if collected by the lending institution, for Association Assessments.

4. Deed and Subject To. The closing deed shall be a Bar-

gain and Sale Deed with Covenants Against Grantor's Acts, shall be duly executed and acknowledged by the Seller, so as to convey to the Purchaser fee simple title to the said premises, free and clear of all liens and encumbrances, except as herein stated, and shall also contain the covenant required by subdivision 5 of Section 13 of the Lien Law. The Purchaser shall accept a marketable title such as Seller's title company or any other reputable title company will insure and the Purchaser shall pay the applicable New York State transfer tax. Title to the premises is sold and shall be conveyed subject to: (a) Ordinances and regulations of competent municipal or other governmental authorities: (b) Easements for screening and planting and for sewer, water, gas, fuel line, drainage, scenic purposes, electricity, telephone and other similar utilities, if any, granted or to be granted; (c) The Declaration of Covenants, Restrictions, Easements, Charges and Liens and any Amendments thereto referred to in Paragraph 2 of this Agreement which have been recorded in the Suffolk County Clerk's Office; (d) Unpaid taxes and liens, provided the title company shall insure against collection of same from the premises; (e) Covenants and restrictions of record, if any, providing same does not prohibit use of premises as a one family dwelling; (f) State of facts an accurate survey would show provided title is not rendered unmarketable; (g) Usual rights of owners in party walls; (h) Electric easement in Liber 1923 cp 188 and (i) Covenants and Restrictions filed under Article No. 375.

5. Delivery of Deed, Incomplete Home at Time of Closing. The closing of title shall take place at the office to be designated by the Seller or by the lending institution at o'clock on or about , 198 , or at another date and time designated by the Seller upon ten (10) days written notice mailed to the Purchasers at their address hereinabove set forth. The Seller shall be entitled to a reasonable adjournment in the closing of title as set forth in paragraph 20 of this Agreement in the event of delay by reason of weather conditions, strikes or material shortages, or delays in inspections and reports thereon, or other requirements. In the event the dwelling or its environs are not completed on the date set by Seller for closing of title, same shall not constitute an objection to closing title, provided Seller shall, either by letter-agreement to survive title closing, agree to complete any open items within sixty (60) days after closing weather and circumstances permitting.

6. Purchasers Obligations Respecting Mortgage Loan. The mortgage loan applied for by the Purchaser herein, if any, shall be secured by a first mortgage on the Home herein described payable in monthly installments of principal and interest, together with such installments of taxes, water, sewer, insurance and Association Assessments as the lending institution shall require. The Purchaser does hereby agree to furnish, deliver and/or execute all other instruments in connection with the Purchaser's application for such loan, to furnish all informa-

tion required by the lending institution and to render within 10 days a truthful and accurate statement of them, and if the application is approved, to execute at title closing all papers, statements or instruments which may be necessary to consummate the mortgage loan transaction (and if this agreement is executed by one spouse only on behalf of Purchasers such spouse agrees that the other spouse will join in the application for and consummation of the mortgage loan). Failure to comply will be deemed a material breach of this agreement. In the event the mortgage shall be approved in a reduced amount, Purchaser agrees to accept said mortgage on condition that it be reduced by not more than $3,000. If, after compliance with the foregoing by the Purchaser, he is not approved by the lending institution approved by Seller within 45 days of signing this Purchase Agreement then this agreement shall be deemed cancelled. In such case, the monies paid hereunder by the Purchaser shall be refunded to the Purchaser and the parties hereto shall be released from any liability hereunder except that the Seller reserves the right but not the obligation to designate another lending institution or to grant the mortgage loan itself on the same terms and conditions. If such other lending institution or Seller does not approve the Purchaser within an additional 45 days, then this agreement will be deemed cancelled and all monies paid by Purchaser will be refunded with interest, if any. The instruments furnished by the Purchaser are hereby made part of this Agreement.

7. Breach of Purchase Agreement by Purchaser. Should Purchaser violate, repudiate, or fail to perform any of the terms of this agreement, which default remains uncured for 10 days after written notice of such default from Seller, Seller will retain all of the monies paid on account hereunder to a maximum of ten (10%) percent of the purchase price plus the cost of any custom work ordered, as liquidated damages, in which event the parties shall be discharged of all further liability hereunder. This provision shall apply whether or not construction has commenced and regardless of any sale of the property subsequent to Purchaser's default. If such default results in a delay in the closing of title from the date and time fixed pursuant to this Purchase Agreement, the Purchaser will only be permitted to cure the default and close within such 10 day period on condition that all adjustments shall be made as of the date originally fixed for the closing of title. In addition, Purchaser shall reimburse Sponsor for all mortgage or other interest charges incurred by Seller from the date originally fixed for the closing of title.

8. Subordination of Purchase Agreement to Building Loan Mortgage. The Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any building loan mortgage heretofore or hereafter made and any advances heretofore or hereafter made thereon, and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms thereof, to the full

extent thereof without the execution of any further legal docu by the Purchaser. This subordination shall apply whether suc vances are voluntary or involuntary and whether made in accor with the building loan schedule or payments or accelerated the under by virtue of the lender's right to make advances be they become due in accordance with the schedule of payme The Seller shall satisfy all such mortgages or obtain a rel of the Home from the lien of such mortgage at or prior to closing date, except for the individual mortgage covering mortgage loan taken out by the Purchaser, if any, whether same by extension, assumption, consolidation or otherwise.

9. Risk of Loss. The risk of loss or damage to the Hom fire or any other cause until the delivery of the deed is ass by the Seller.

10. Lack of Labor/Materials; Seller's Right to Cancel. parties hereto do hereby agree that the Seller may cancel this ag ment by forwarding its check in the full amount paid by the Purcha together with interest earned, if any, together with a notic writing, addressed to the Purchaser at their address hereina set forth in the event of the occurrence of either of the follow (1) that any governmental bureau, department or sub-division th to shall impose restrictions on the manufacture, sale, dis bution and/or use of materials from its regular suppliers or using same in the construction and/or completion of the Home (2) that the Seller is unable to obtain materials from its u sources due to strikes, lockouts, war, military operations requirements or national emergencies, or the installation of p utilities is restricted or curtailed.

11. Possession by Purchaser Prior to Closing. It is expr ly understood and agreed that the Purchaser shall in no event possession of the premises prior to the time of the deliver the deed and full compliance by the Purchaser with the term this Agreement, nor shall purchaser enter the home or have contractors or agents enter the home to perform work prio closing without the written authorization of Seller, and s the Purchaser violate this provision, the Purchaser consents the Seller shall have the right to remove him from the premis a squatter and intruder by summary proceedings. Upon the Purcha unauthorized possession, the Purchaser shall be deemed in de hereunder at the option of the Seller, and upon such elec the amount paid hereunder shall belong to the Seller as liqui damages and the contract shall be deemed cancelled. I further understood and agreed that the Seller will not be re sible for damage or loss to any property belonging to Purc whether same is delivered to the property on or after the cl of title herein.

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12. Seller's Failure to Convey. The Seller's liability under this agreement for failure to complete and/or deliver title for any reason shall be limited to the return of the money paid hereunder, and upon the return of said money, this agreement shall be null and void and the parties hereto released from any and all liability hereunder. In any event, the Seller shall not be required to bring any action or proceeding or otherwise incur any unreasonable expense to render the title to the premises marketable or to cure any objection to title.

13. Acceptance of Deed - Full Compliance by Seller; Waiver of Jury Trial. Anything to the contrary herein contained notwithstanding, it is specifically understood and agreed by the parties hereto that the acceptance of the delivery of the deed at the time of the closing of title hereunder shall constitute full compliance by the Seller with the terms of this agreement and none of the terms hereof, except as otherwise herein expressly provided, shall survive the delivery and acceptance of the deed. All representations contained in the Offering Plan and any Amendments thereto shall survive delivery of the deed. Purchaser acknowledges that the common areas and facilities are complete and that the Seller shall not be responsible for any of the representations, guarantees and warranties made by the Original Sponsor (as said term is defined in Amendment No. 12 to the Offering Plan) in the Offering Plan. The parties hereto do hereby agree that trial by jury in any action, proceeding or counterclaim arising out of or from this agreement is hereby waived.

14. Municipal Certificates. At the closing of title the Seller will deliver the usual certificates (including those covering electrical installation) and it it further agreed that title will not close without Purchaser's consent until a temporary or permanent certificate of occupancy has been issued covering the building in which the Home is located.

15. Construction of Home by Seller. The Seller agrees, at its own cost and expense to erect and complete the aforementioned Home in accordance with the requirements as to materials and workmanship of the Building Department of the Town of Brookhaven, and further agrees that when completed, same will be in substantial accordance with the plans as filed with the Building Department.

16. Changes in Materials, etc. The Seller reserves the right to: (a) make changes or subsitutions of materials or construction for items as set forth in the models or Building Plans, provided any such changes are of substantially equal value and quality; (b) determine the exterior color and design, location of buildings, grading and design of all plots and dwellings to fit into the general pattern of the Community; (c) determine elevation and location of foundations (including re-

versal of the home layout), walks, driveways and streets to conform with topographical conditions; (d) determine whether trees or shrubs currently on the property are to be removed; (e) alter the elevation and roof details where elevation of adjacent lot warrants such change; (f) alter the exterior materials or placement thereof where alignment of adjacent homes so warrant; (g) determine the type of home to be constructed on a particular lot; (h) to fix the location of a home (including setbacks) within the lot lines; (i) add or remove retaining walls on the lots or common areas where required by grade conditions; (j) determine the ultimate house type mix to be constructed in the development.

The Seller agrees to notify Purchaser of any major changes, specifications, deviations, additions or deletions which may be beyond the scope of the limitations thereon set forth hereinabove. If said major change affects the Common Areas it will be disclosed by a duly filed amendment to the Plan. Such changes shall include but not be limited to the substitution of lots in the event topographical conditions on the lot selected are not conducive to construction of a particular model type on that lot. In the event that Seller notified Purchaser in writing of such changes and modifications, Purchaser shall be deemed to have approved of same, unless Seller receives Purchaser's written disapproval of such modifications and amendments within ten (10) days from date of the aforesaid notice by Seller. In such event, Seller may, at its option elect to withdraw its proposed changes and modifications and shall have thirty (30) days from receipt of Purchaser's notice to do so. Thereupon, the home shall be constructed as provided herein. Or, Seller may elect to effectuate the aforementioned changes and modifications irrespective of Purchaser's notice of disapproval. In such event, Purchaser may declare this Agreement to be null and void and shall be entitled to the return, within thirty (30) days from receipt of Purchaser's notice of disapproval, of all monies deposited hereunder by Purchaser, with interest earned, if any, at which time the parties hereto shall be relieved of all further obligations hereunder.

17. Selection of Colors, Options, etc., by Purchaser. It is further agreed that wherever the Purchaser has the right to make a selection of construction changes, optional extras, colors, fixtures and/or materials, he shall do so within ten (10) days after written demand therefor. The selections are to be made at Sellers sales and display offices or at the display showrooms arranged for by the Seller for this purpose. In the event the Purchaser fails to make such selection within such period, the Seller shall have the right to use its own judgment in the selection of colors, fixtures and materials and the Purchaser shall accept the same. Such written demand shall be by ordinary mail addressed to the Purchaser at the address herein set forth.

18 Extras. Any extras or changes ordered by purchaser

shall be signed by the purchaser and must be paid for in full at the time of the order. If for any reason the Sponsor fails to install said extras in accordance with the work order, the limit of the Sponsor liability is a refund of the amount of the charge and same shall not be deemed an objection to title. All extras must be ordered prior to commencement of construction and must not delay construction.

19. Execution of Required Documents, etc. Purchaser agrees to deliver to Seller all documents and to perform all acts required by the Seller to carry out the provisions of all applicable laws and regulations. This paragraph shall survive delivery of the deed.

✓ 20. Delay in Closing, Purchaser's Option to Cancel. In the event the Seller shall be unable to convey title to the Home on or before six months after the date of delivery of title set forth herein and except for delays due to strikes, acts of God, wars, lockouts, military operations, national emergencies, installation of public utilities, governmental restrictions preventing Sponsor from obtaining necessary supplies and/or materials, in which event the period shall be extended to nine months, except for the Purchaser's default, the Purchaser shall have the option to cancel this agreement and to have the down payment advanced by him returned to the Purchaser with interest, if any.

21. Assignability: Notice. The parties agree that the stipulations and agreements herein contained shall be binding upon them, their respective heirs, executors, administrators and/or assigns. The Purchaser agrees that he will not record or assign this agreement or any of his rights hereunder without the written consent of the Seller. Any notice to be given hereunder shall be in writing and sent by mail to the parties at the address above given or at such address as either party may hereafter designate to the other in writing or to their respective attorneys.

22. Limited one year warranty. Seller warrants to the Purchaser upon the closing of title to his Home and the Board of Directors of the Home Owners Association, all manufacturers' and subcontractors' heating, plumbing, roofing and appliance one (1) year warranties relating to the purchasers' Home or the common areas respectively. If a defect occurs in an item which is covered by any of these warranties, the Sponsor's or manufacturer will (a) repair, or (b) replace the defective item. The choice among repair or replacement is the contractors or manufacturers. Written notice of any defect covered by these warranties must be given to contractor or manufacturer in writing no later than one year from the closing of title to a home. Where failure to give timely notice results in further damage, such further damage will not be covered by these warranties.

Purchasers should note that:

1. No steps taken by Seller to correct a defect shall act to extend the warranty period.

2. Seller, the manufacturer or subcontractor accepts no responsibility for any incidental or consequential damage caused by any defect in the construction of homes, such as, but not limited to, damage to furniture, wall, window or floor coverings and personal property or improvements.

3. This warranty gives you specific legal rights. You may have other rights under State Law.

4. These warranties are extended to you as purchaser and are not extended to any subsequent purchaser and mortgage lender who takes possession of the home.

5. These warranties shall be void if Purchaser misuses, abuses or otherwise interferes with or changes Sellers original construction or installations.

6. These warranties are specifically in lieu of any other guarantee or warranty, express or implied including any warranty of merchantability.

The provision of this paragraph shall survive the delivery of the deed.

23. Trust Funds. The Sponsor will hold all monies received directly or through its agents or employees in trust until the closing of title or Sponsor will post a surety bond issued by a New York insurance company or obtain a letter of credit from a lending institution securing repayment of such funds in the event the purchaser is entitled to such amount under the terms of the Offering Plan or Purchase Agreement. The Offering Plan will be amended prior to the use of a bond or letter of credit. If no bond is posted, or letter of credit obtained such funds will be held as trust funds pursuant to Section 352-h and Section 352e2(b) of the General Business Law, in a special account in National Westminster Bank, 350 Fifth Avenue, New York, New York, in the Strathmore Court escrow account. The signature of Mitchell Jelline, Esq., of the law firm of Block, Graff, Danzig, Jelline and Mandell, 350 Fifth Avenue, New York, New York, as attorney for the Sponsor, shall be required to withdraw any of such funds. Such funds will be payable to the Seller upon the closing of title to the Home conveyed by the Purchase Agreement. In the event of default by the Purchaser under such Purchase Agreement, which default continues for 10 days after written notice of such default from the Seller to the Purchaser, Seller will retain all of the monies paid on account hereunder to a maximum of 10% of the Purchase Price plus the

cost of any custom work ordered, as liquidated damages, in which event the parties shall be discharged of all further liability hereunder.

24. No Broker. The parties agree that no broker brought about this sale and Purchaser agrees to indemnify Seller against any claim brought by anyone else for brokerage fees based upon Purchaser's act.

25. Purchasers-Agents for Each Other. If two or more persons are named as the Purchaser herein, any one of them is hereby made agent for the other in all matters of any and every kind or nature affecting the premises herein or this agreement.

26. Entire Agreement. This agreement states the entire understanding of the parties and the Seller shall not be bound by any oral representations and/or agreements.

CARRIAGE HOMES AT STRATHMORE
COURT II

BY_____

_____
Purchaser

_____
Purchaser

_____
Purchaser

AMENDMENT NO. 14

Dated: February 8, 1985

STRATHMORE COURT HOMEOWNERS ASSOCIATION, INC.

This Offering Plan was amended on February 21, 1974 (Amendment No. 1), July 17, 1974 (Amendment No. 2), November 25, 1974 (Amendment No. 3), May 5, 1975 (Amendment No. 4), September 10, 1975 (Amendment No. 5), January 26, 1976 (Amendment No. 6), February 17, 1976 (Amendment No. 7), March 23, 1976 (Amendment No. 8), April 7, 1976 (Amendment No. 9), December 30, 1976 (Amendment No. 10), May 16, 1977 (Amendment No. 11), February 16, 1978 (Amendment No. 12) and on June 28, 1978 (Amendment No. 13).

I. Prenner Associates (hereinafter referred to as the "Seller") has entered into an Agreement dated October 26, 1984 with The Carriage Homes at Strathmore Court (hereinafter referred to as the "Developer") a New York partnership with an address at 3680 Route 112, Coram, New York to purchase and construct homes on 80 undeveloped and unsold lots with an option of first refusal for an additional 86 undeveloped and unsold lots from the present owner of said additional lots in the event they are offered for sale or divested prior to February 28, 1986. The Developer will become the new Sponsor for the lots it acquires.

It is the intention of the Developer to construct attached single family homes on the 80 unsold lots in accordance with the filed subdivision maps and in accordance with the terms and provisions of the Offering Plan and Amendments thereto, insofar as applicable to the 80 unsold lots. Annexed hereto and made a part of this Amendment as Exhibit "A" is a copy of the site plan of Strathmore Court. The dotted areas represent the 80 unsold and undeveloped lots to be acquired by the Developers.

The term "Sponsor" or "Developer" set forth in the Offering Plan will refer to the Developer herein as it pertains solely to the 80 lots it is acquiring at this time. Should the buyer acquire any of the additional unsold lots as aforesaid, the Developer shall amend the Plan and disclose said fact. Pursuant to the aforesaid Agreement the Developer will have the following obligations:

The Developer will be responsible for the payment of such common area charges and assessments to Strathmore Court Home Owners Association, Inc. (hereinafter "HOA") for the 80 undeveloped lots it is acquiring. The Developer is presently negotiating with the Board of Directors as to the method of paying Association main-

tenance charges for any unsold lots the Buyer acquires. At such time as an Agreement is met the Buyer will amend the Offering Plan to disclose the Agreement. In the event an Agreement is not met the Developer will pay according to the Second Amendment to the Declaration of Covenants and Restrictions dated January 20, 1975 and recorded in the Suffolk County Clerk's Office on April 29, 1975. Said Amendment limits the Developer's obligation for common charges assessments on unsold lots it owns to the difference between the actual operating costs of the Association, including reserves on the common areas and on lots to which title has been conveyed, and the assessments levied on owners who have closed title to their lots. In no event, however, will the Developer be required to make a deficiency contribution in an amount greater than it would otherwise be liable for if it were paying assessments on unsold lots.

The Developer shall complete all the engineering work necessary to develop the 80 lots in accordance with the filed subdivision map and shall install all the required improvements and do all other work called for by said map, the Offering Plan and the Declaration, insofar as applicable to the 80 lots.

The Developer shall be required to post any bonds that may be required to be posted by any municipality having jurisdiction over the initial subject premises.

The common areas and facilities have previously been constructed by the Original Sponsor. The Developer shall not be responsible for the common areas not under its control nor shall it be responsible for any of the representations, guarantees and warranties made by the Original Sponsor in the Offering Plan and contracts as to those Homes already sold or to the unsold lots it does not own.

The Developer will act as Selling Agent for the sale of homes sold on lots owned by it. The Carriage Homes at Strathmore Court Associates is a New York Partnership consisting of Stratmore Villas of East Setauket, Inc., with a business address at 3680 Route 112, Coram, New York and P.D.K. Building Corp., with a business address at 55 Commerce Drive, Hauppauge, New York. The principal of Strathmore Villas of East Setauket is Alfred Barone, with a business address at 3680 Route 112, Coram, New York. Mr. Barone has been in the construction business for over twenty (20) years and was a principal of the Sponsor of The Villas on the Bay at East Moriches, a 42 unit condominium located in East Moriches, New York; Sag Harbor Villas, Sag Harbor, New York, consisting

of 31 homes; Stratford at North Hills, a 54 unit condominium located in North Hills, New York; the remaining unsold homes at Strathmore at Coventy located in Middle Island, New York and Rough Riders Landing, a 106 unit condominium located in Montauk, New York.

The principal of P.D.K. Building Corp., is Gary Krupnick with the same business address as P.D.K. Mr. Krupnick has been involved in the marketing of residential real estate for over 15 years and the building equipment business for the last 3 years. Mr. Krupnick has not been involved in any prior public offerings.

Wofsey, Certilman, Haft, Lebow & Balin, 71 South Central Avenue, Valley Stream, New York 11580 has been engaged to represent the Developer for the purpose of the preparation of this Amendment and all future Amendments.

II. Annexed hereto and made a part of this Amendment as Exhibit "B" and "C" respectively is a copy of the current budget of the Association and the certified financial statement for the fiscal years ending December 31, 1982 and 1983. Since the Developer is not in control of the Association, no representation is or can be made as to the adequacy of the budget.

III. The current Board of Directors are as follows:

Al Levine, President
Donald MacNicol, Vice-President
Eugene Dolinger, Treasurer
Susan Emert, Secretary
Sidney Dworet, Director
David Blatt, Director
Ellen Burke, Director
Joann Daube, Director
Charles Collura, Director

All of the members of the Board of Directors are Home Owners.

IV. Annexed hereto and made a part of this Amendment as Exhibit "D" is form of the Purchase Agreement that will be used for new Purchasers of the homes being sold by the Developer. Pursuant to the terms of the Agreement all monies received directly or through its agents or employees will be held in trust by Sponsor until the closing of title or Sponsor will post a surety bond issued by a New York insurance company or obtain a letter of credit from a lending institution securing repayment of such funds in the event the purchaser is entitled to such amount under the terms of the Offering Plan or Purchase Agreement. The Offering Plan will be

amended prior to the use of a bond or letter of credit. If no bond or letter of credit is posted, such funds will be held as trust funds pursuant to Section 352-h and Section 352-e(2b) of the General Business Law, in a special account in National Westminster Bank, 350 Fifth Avenue, New York, New York in the Strathmore Court escrow account. The signature of Mitchell Jelline, Esq., of the law firm of Block, Graff, Danzig, Jelline & Mandell, 350 Fifth Avenue, New York, New York 10118 as attorney for the Sponsor, shall be required to withdraw any of such funds. Such funds will be payable to the Seller upon the closing of title to the home conveyed by the Purchase Agreement. In the event of a default by the Purchaser which default is not cured within ten (10) days of notice of the purchaser of the default, Seller will retain all of the monies paid on account hereunder to a maximum of 10% of the Purchase Price plus the cost of any custom work ordered as liquidated damages in which event the parties shall be discharged of all further liability hereunder.

V. Based upon the best information that the proposed Sponsor can obtain the history of the Development from 1978 to the present is as follows:

The Original Sponsor, Levitt Residential Communities, Inc., sold the remaining unsold lots to Ron Roth and Associates in 1978. Ron Roth and Associates defaulted on taxes due on the unsold lots and on a first mortgage that encumbered the unsold lots.

In 1983 the first mortgagee obtained the remaining unsold lots after lengthy foreclosure and tax proceedings that cleared up all encumbrances on the unsold lots. The present owner, Prenner Associates, consists of individuals who were the Holders of the first mortgage. To the best knowledge of the proposed Sponsor no Homes have been sold in the Development subsequent to the time the Original Sponsor sold its interest in the Property.

VI. This Plan may be used for six (6) months from the date this Amendment is duly accepted for filing and thereafter said date is to be extended in a further Amendment to be filed.

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

CARRIAGE HOMES AT STRATHMORE
COURT ASSOCIATES
Sponsor/Developer

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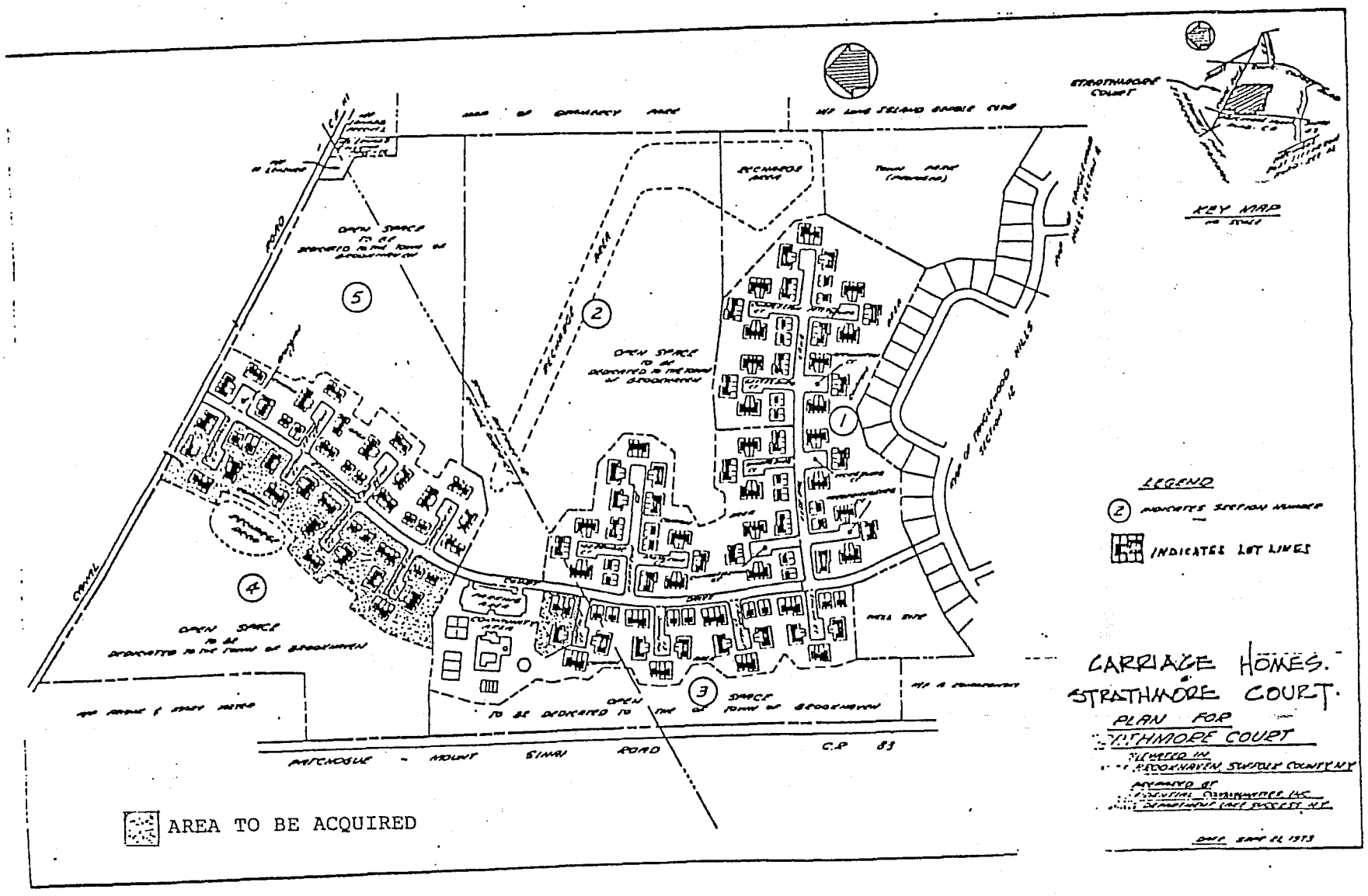
STRATHMORE COURT
KEY MAP
LEGEND
INDICATES LOT LINES
CARRIAGE HOMES
STRATHMORE COURT
PLAN FOR
STRATHMORE COURT
AREA TO BE ACQUIRED

EXHIBIT A

STRATHMORE COURT HOMEOWNERS ASSOCIATION
1984 BUDGET
BASED ON A 9% INCREASE IN COMMON CHARGES

Common Charge Income	$197,280	Monthly Avg. $16,440	Homeowner Annual $720	Homeowner Mntly $60
General Expenses:				
Management Contract	111,900	9,325	408	33
Water	13,000	1.083	47	4
Electricity	7,000	583	26	2
Gas	5,000	417	18	2
Insurance	5,000	417	18	2
Legal & Accounting	7,000	583	26	2
Office Expense	3,000	250	11	1
Bad Debt	3,000	250	11	1
Maintenance Contract	3,150	263	12	1
Salaries (1st 3 mos. 1984)	8,000	667	29	2
General Expense Total	$166,050	$13,838	$606	$50
Contingency Expense:				
Clubhouse/Pool/Replacement	10,000	833	37	3
Sprinkler Parts Inventory	3,000	250	11	1
Exterior Repair Inventory	3,000	250	11	1
Unanticipated Expense	15,230	1,269	55	5
Contingency Expense Total	$31,230	$2,602	$114	$10
GENERAL EXPENSE TOTAL	$166,050	$13,838	$606	$50
CONTINGENCY EXPENSE TOTAL	31,230	2,602	114	10
GRAND TOTAL	$197,280	$16,440	$720	$60

Note: Outside Income deposited to reserve fund.

EXHIBIT B

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.

YEARS ENDED DECEMBER 31, 1983 AND 1982

EXHIBIT C

FRANCIS J. BASELICE, P.C.
Certified Public Accountant

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.

YEARS ENDED DECEMBER 31, 1983 AND 1982

CONTENTS

FRANCIS J. BASELICE, P.C.
CERTIFIED PUBLIC ACCOUNTANT

ONE HUNTINGTON QUANDRANGLE
SUITE 3S03
MELVILLE, N.Y. 11747
(516) 420-1810

Board of Directors
Strathmore Court Homeowners' Association, Inc.
Coram, New York

I have examined the balance sheet of Strathmore Court Homeowners' Association, Inc. as at December 31, 1983 and 1982 and the related statements of revenue and expenses, fund balance, and changes in financial position for the years then ended. My examination was made in accordance with generally accepted auditing standards and accordingly, included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

In my opinion, the financial statements referred to above present fairly the financial position of Strathmore Court Homeowners' Association, Inc. at December 31, 1983 and 1982 and the results of its operation and changes in financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Francis J. Baselice

January 31, 1984

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.

CONSOLIDATED STATEMENT OF REVENUE AND EXPENSES

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1983 AND 1982

	1983			1982		
	Total	General Fund	Maintenance and Contingency Fund	Total	General Fund	Maintenance and Contingency Fund
Revenue:						
Homeowners' common charges	$180,951	$162,933	$ 18,018	$169,000	$153,645	$ 15,355
Other income	7,689	7,689		11,160	11,160	
	188,640	170,622	18,018	180,160	164,805	15,355
Expenses:						
Community maintenance	47,507	47,507		45,962	45,962	
Contingency maintenance	42,894		42,894	33,382		33,382
Clubhouse	33,660	33,660		19,749	19,749	
Pool	12,534	12,534		12,737	12,737	
General and administrative	44,894	44,894		46,948	46,948	
Unallocated expenses - water	17,036	17,036		14,420	14,420	
	198,525	155,631	42,894	173,198	139,816	33,382
Excess revenue over (under) expenses	(9,885)	14,991	(24,876)	6,962	24,989	(18,027)
Less provision for debt retirement				(6,500)	(6,500)	
Excess revenue after provision for debt retirement	($ 9,885)	$ 14,991	($ 24,876)	$ 462	$ 18,489	($ 18,027)

See notes to financial statements.

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.

STATEMENT OF FUND BALANCE

YEARS ENDED DECEMBER 31, 1983 AND 1982

	Total	General Fund	Maintenance and Contingency Fund	Provision For Debt Retirement
Fund balance (deficit) January 1, 1982	($ 6,214)	($ 3,586)	($ 2,628)	$
Add: 1982 revenue over (under) expenses	462	18,489	(18,027)	
1982 provision for debt retirement	6,500			6,500
Fund balance (deficit) December 31, 1982	$ 748	$ 14,903	($ 20,655	$ 6,500
Add: 1983 revenue over (under) expenses	(9,885)	14,991	(24,876)	
Less: 1982 income tax payment	(1,114)	(1,114)		
Fund balance (deficit) December 31, 1983	($ 10,251)	$ 28,780	($ 45,531)	$ 6,500

See notes to financial statements.

STRATHMORE COURT HOMEWONERS' ASSOCIATION, INC.

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31, 1983 AND 1982

	1983	1982
Working capital was provided (used) by:		
Net income (loss)	($ 9,885)	$ 6,962
Working capital was used for:		
Increase in security deposits	150	
Payment of 1982 income taxes	1,114	
	1,264	
Increase (decrease) in working capital	($ 11,149)	$ 6,962

SUMMARY OF NET CHANGE IN WORKING CAPITAL

Increase (decrease) in current assets:		
Cash	($ 1,684)	$ 880
Homeowners' receivables	890	6,321
Prepaid expenses	1,443	421
	649	7,622
Increase (decrease) in current liabilities:		
Accounts payable	12,813	(2,407)
Accrued taxes and expenses	(1,015)	3,067
	11,798	660
Increase (decrease) in working capital	($ 11,149)	$ 6,962

See notes to financial statements.

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1983

1. Summary of significant accounting policies:

Accounting method:

The Association maintains its books on the accrual basis of accounting.

Equipment:

The Association follows the practice of charging all purchases of equipment directly to operations in the year purchased.

Revenue recognition:

Revenue is recognized as billed. January 1984 Homeowners' common charges billed in December 1983 are included as 1983 revenue in accordance with past policy. Both 1983 and 1982 have twelve such billing periods.

Income taxes:

The Association has elected to file a U.S. Income Tax Return for Homeowners' Association under Section 528 of the Internal Revenue Code. The Association is therefore taxed only on net income derived from non-exempt functions.

FRANCIS J. BASELICE, P.C.
CERTIFIED PUBLIC ACCOUNTANT

ONE HUNTINGTON QUANDRANGLE
SUITE 3S03
MELVILLE, N.Y. 11747
(516) 420-1810

Board of Directors
Strathmore Court Homeowners' Association, Inc.
Coram, New York

The primary purpose of my examination for the years ended December 31, 1983 and 1982 was to formulate an opinion on the basic financial statements of Strathmore Court Homeowners' Association, Inc., pages 2 through 7, taken as a whole.

The supplementary data contained in pages 8 through 9, although not considered necessary for a fair presentation of financial position, results of operations and changes in financial position in conformity with generally accepted accounting principles, are presented for supplementary analysis purpose. Such information has been subjected to the audit procedures applied in the examination of the basic financial statements.

In my opinion, such supplementary data are presented fairly in all material respects in relation to the basic financial statements taken as a whole.

Francis J. Baselice

January 31, 1984

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STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.

DEPARTMENTAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 1983 AND 1982

CONTINGENCY MAINTENANCE

	1983	1982
Carpentry and painting	$ 20,437	$ 15,408
Plumbing and sprinklers	14,817	12,950
Electrical and alarm system	2,147	2,916
Roads and grounds	5,493	2,108
	$ 42,894	$ 33,382

CLUBHOUSE EXPENSE

Payroll	$ 9,650	$ 6,891
Utilities:		
Electrical	7,039	6,398
Fuel	6,284	4,748
Repairs, maintenance and cleaning	4,602	1,447
Furniture and equipment	5,999	114
Other	86	151
	$ 33,660	$ 19,749

STRATEMORE COURT HOMEOWNERS' ASSOCIATION, INC.

DEPARTMENTAL EXPENSE

FOR THE YEARS ENDED DECEMBER 31, 1983 AND 1982

POOL EXPENSE

	1983	1982
Payroll	$ 6,165	$ 3,512
Chemical and supplies	1,228	1,837
Repairs, maintenance and cleaning	1,853	5,626
Furniture and equipment	3,208	1,682
Other	80	80
	$ 12,534	$ 12,737

GENERAL AND ADMINISTRATIVE

Manager payroll	$ 17,617	$ 16,847
Payroll taxes and related labor	5,984	4,576
Bank service charges	1,223	952
Bad debts	553	2,822
Data processing	2,944	2,948
Insurance	3,631	4,177
Interest		1,504
Miscellaneous	1,030	717
Office expense	1,660	3,196
Professional fees	7,587	6,183
Repairs and maintenance		295
Telephone	1,990	1,863
Board of Directors	675	868
	$ 44,894	$ 46,948

PURCHASE AGREEMENT

Agreement made and dated 198 , between The Carriage Homes at Strathmore Court Associates, a New York partnership having its offices at 3680 Route 112, Coram, New York hereinafter called the "Seller"
and
residing at No.
hereinafter called the "Purchaser".

WHEREAS, the Seller desires to offer for sale Homes to be situated on the land owned by it located in Coram in the Town of Brookhaven, New York, together with mandatory memberships in the Strathmore Court Homeowners Association, Inc., hereinafter called the "Association", and the Purchaser is desirous of purchasing a Home therein and obtaining membership in the Association.

NOW, THEREFORE, in consideration of the mutual promises and undertakings hereinafter set forth, the parties hereto mutually agree as follows:

1. Sale of Home. Seller agrees to sell and convey, and Purchaser agrees to purchase: All that certain plot, piece or parcel of land, with the buildings and improvements thereon erected or to be erected, situate, lying and being in the Town of Brookhaven, County of Suffolk and State of New York, known as Lot No. on Map entitled, "Map of Strathmore Court Section " filed in the Office of the Clerk of Suffolk County. The one family attached dwelling referred to shall conform substantially in appearance to Model Type as per plans and/or specifications on Exhibit agreed to by Seller and Purchaser.

2. Homeowners Association. The Seller has exhibited and delivered to the Purchaser and Purchaser has read and agrees to be bound by the recorded Declaration of Covenants, Restrictions, Easements, Charges and Liens, By-Laws and Offering Plan of the Association (and the Exhibits attached thereto), as the same may from time to time be amended, all of which are incorporated by reference and made a part of this agreement with the same force and effect as if set forth in full herein. With the purchase of his Home, the Purchaser acknowledges that he will automatically thereby become a member of the Association, subject to its rules and regulations and liable for its assessments. Pursuant to Regulation, this Agreement is being executed more than 72 hours after the receipt by the Purchaser of a copy of the Offering Plan.

3-A. Purchase Price. The purchase price is $ payable as follows:

(i) $, Total Price;

(ii) , previously received as a non-binding reservation deposit (where applicable);

(iii) $, on the signing of this agreement, the receipt whereof is hereby acknowledged;

(iv) $, certified or bank cashier's check on closing of title;

(v) $, Loan in that amount, to be procured by the Purchasers from a financial institution selected by Purchasers which shall include interest at the prevailing rate of interest charged by such financial institution, the proceeds of which which shall be turned over to the Seller.

Any payment made by check is accepted by Seller subject to collection.

Title to all items of personal property shall be delivered free and clear of all liens and encumbrances, except the lien of the mortgage applied for by Purchasers herein, if any.

All sums paid on account of this contract are hereby made liens upon said premises, but such liens shall not continue after default by the Purchaser under this contract.

3-C. Closing Costs and Adjustments. The Purchaser further agrees to pay to the Seller at the closing of title: the applicable New York State transfer tax (historically this item is customarily paid by Seller), survey fees and the actual fee for recording the deed to the Home. In the event the Purchaser shall obtain a purchase money mortgage, he shall also pay all applicable fees connected therewith such as origination fees (or words of similar import including but not limited to application fee, points, etc.), fees for credit reports, the actual cost of apaisal and inspection fee, mortgage tax, mortgage title insurance, bank attorneys fees for preparation of the documents necessary for the mortgage loan, all recording fees and all other governmental charges assessed on the loan. All applicable real estate taxes and other usual and normal closing charges and any Association Assessments assessed during the month that title closes or established as a reserve, shall be adjusted as of the closing date based upon the last bill rendered for such taxes or charges. The purchaser shall pay the fee of his own attorney and the premium for a fee title insurance policy, if he desires such coverage. In addition thereto, the Purchaser agrees to pay at the closing to the Association the monthly Association charges in advance. Purchaser shall make the required deposits with the lending institution for future payments of taxes and insurance premiums, and, if collected by the lending institution, for Association Assessments.

4. Deed and Subject To. The closing deed shall be a Bar-

4.

gain and Sale Deed with Covenants Against Grantor's Acts, shall be duly executed and acknowledged by the Seller, so as to convey to the Purchaser fee simple title to the said premises, free and clear of all liens and encumbrances, except as herein stated, and shall also contain the covenant required by subdivision 5 of Section 13 of the Lien Law. The Purchaser shall accept a marketable title such as Seller's title company or any other reputable title company will insure and the Purchaser shall pay the applicable New York State transfer tax. Title to the premises is sold and shall be conveyed subject to: (a) Ordinances and regulations of competent municipal or other governmental authorities: (b) Easements for screening and planting and for sewer, water, gas, fuel line, drainage, scenic purposes, electricity, telephone and other similar utilities, if any, granted or to be granted; (c) The Declaration of Covenants, Restrictions, Easements, Charges and Liens and any Amendments thereto referred to in Paragraph 2 of this Agreement which have been recorded in the Suffolk County Clerk's Office; (d) Unpaid taxes and liens, provided the title company shall insure against collection of same from the premises; (e) Covenants and restrictions of record, if any, providing same does not prohibit use of premises as a one family dwelling; (f) State of facts an accurate survey would show provided title is not rendered unmarketable; (g) Usual rights of owners in party walls.

5. Delivery of Deed, Incomplete Home at Time of Closing. The closing of title shall take place at the office to be designated by the Seller or by the lending institution at o'clock on or about , 198 , or at another date and time designated by the Seller upon ten (10) days written notice mailed to the Purchasers at their address hereinabove set forth. The Seller shall be entitled to a reasonable adjournment in the closing of title as set forth in paragraph 20 of this Agreement in the event of delay by reason of weather conditions, strikes or material shortages, or delays in inspections and reports thereon, or other requirements. In the event the dwelling or its environs are not completed on the date set by Seller for closing of title, same shall not constitute an objection to closing title, provided Seller shall, either by letter-agreement to survive title closing, agree to complete any open items within sixty (60) days after closing weather and circumstances permitting.

6. Purchasers Obligations Respecting Mortgage Loan. The mortgage loan applied for by the Purchaser herein, if any, shall be secured by a first mortgage on the Home herein described payable in monthly installments of principal and interest, together with such installments of taxes, water, sewer, insurance and Association Assessments as the lending institution shall require. The Purchaser does hereby agree to furnish, deliver and/or execute all other instruments in connection with the Purchaser's application for such loan, to furnish all informa-

tion required by the lending institution and to render within 10 days a truthful and accurate statement of them, and if the application is approved, to execute at title closing all papers, statements or instruments which may be necessary to consummate the mortgage loan transaction (and if this agreement is executed by one spouse only on behalf of Purchasers such spouse agrees that the other spouse will join in the application for and consummation of the mortgage loan). Failure to comply will be deemed a material breach of this agreement. In the event the mortgage shall be approved in a reduced amount, Purchaser agrees to accept said mortgage on condition that it be reduced by not more than $3,000. If, after compliance with the foregoing by the Purchaser, he is not approved by the lending institution approved by Seller within 45 days of signing this Purchase Agreement then this agreement shall be deemed cancelled. In such case, the monies paid hereunder by the Purchaser shall be refunded to the Purchaser and the parties hereto shall be released from any liability hereunder except that the Seller reserves the right but not the obligation to designate another lending institution or to grant the mortgage loan itself on the same terms and conditions. If such other lending institution or Seller does not approve the Purchaser within an additional 45 days, then this agreement will be deemed cancelled and all monies paid by Purchaser will be refunded with interest, if any. The instruments furnished by the Purchaser are hereby made part of this Agreement.

7. Breach of Purchase Agreement by Purchaser. Should Purchaser violate, repudiate, or fail to perform any of the terms of this agreement, which default remains uncured for 10 days after written notice of such default from Seller, Seller will retain all of the monies paid on account hereunder to a maximum of ten (10%) percent of the purchase price plus the cost of any custom work ordered, as liquidated damages, in which event the parties shall be discharged of all further liability hereunder. This provision shall apply whether or not construction has commenced and regardless of any sale of the property subsequent to Purchaser's default. If such default results in a delay in the closing of title from the date and time fixed pursuant to this Purchase Agreement, the Purchaser will only be permitted to cure the default and close within such 10 day period on condition that all adjustments shall be made as of the date originally fixed for the closing of title. In addition, Purchaser shall reimburse Sponsor for all mortgage or other interest charges incurred by Seller from the date originally fixed for the closing of title.

8. Subordination of Purchase Agreement to Building Loan Mortgage. The Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any building loan mortgage heretofore or hereafter made and any advances heretofore or hereafter made thereon, and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms thereof, to the full

extent thereof without the execution of any further legal documents by the Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule or payments or accelerated thereunder by virtue of the lender's right to make advances before they become due in accordance with the schedule of payments. The Seller shall satisfy all such mortgages or obtain a release of the Home from the lien of such mortgage at or prior to the closing date, except for the individual mortgage covering the mortgage loan taken out by the Purchaser, if any, whether same be by extension, assumption, consolidation or otherwise.

9. Risk of Loss. The risk of loss or damage to the Home by fire or any other cause until the delivery of the deed is assumed by the Seller.

10. Lack of Labor/Materials; Seller's Right to Cancel. The parties hereto do hereby agree that the Seller may cancel this agreement by forwarding its check in the full amount paid by the Purchaser, together with interest earned, if any, together with a notice in writing, addressed to the Purchaser at their address hereinabove set forth in the event of the occurrence of either of the following: (1) that any governmental bureau, department or sub-division thereto shall impose restrictions on the manufacture, sale, distribution and/or use of materials from its regular suppliers or from using same in the construction and/or completion of the Home; or (2) that the Seller is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements or national emergencies, or the installation of public utilities is restricted or curtailed.

11. Possession by Purchaser Prior to Closing. It is expressly understood and agreed that the Purchaser shall in no event take possession of the premises prior to the time of the delivery of the deed and full compliance by the Purchaser with the terms of this Agreement, nor shall purchaser enter the home or have his contractors or agents enter the home to perform work prior to closing without the written authorization of Seller, and should the Purchaser violate this provision, the Purchaser consents that the Seller shall have the right to remove him from the premises as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default hereunder at the option of the Seller, and upon such election, the amount paid hereunder shall belong to the Seller as liquidated damages and the contract shall be deemed cancelled. It is further understood and agreed that the Seller will not be responsible for damage or loss to any property belonging to Purchaser whether same is delivered to the property on or after the closing of title herein.

12. Seller's Failure to Convey. The Seller's liability under this agreement for failure to complete and/or deliver title for any reason shall be limited to the return of the money paid hereunder, and upon the return of said money, this agreement shall be null and void and the parties hereto released from any and all liability hereunder. In any event, the Seller shall not be required to bring any action or proceeding or otherwise incur any unreasonable expense to render the title to the premises marketable or to cure any objection to title.

13. Acceptance of Deed - Full Compliance by Seller; Waiver of Jury Trial. Anything to the contrary herein contained notwithstanding, it is specifically understood and agreed by the parties hereto that the acceptance of the delivery of the deed at the time of the closing of title hereunder shall constitute full compliance by the Seller with the terms of this agreement and none of the terms hereof, except as otherwise herein expressly provided, shall survive the delivery and acceptance of the deed. All representations contained in the Offering Plan and any Amendments thereto shall survive delivery of the deed. Purchaser acknowledges that the common areas and facilities are complete and that the Seller shall not be responsible for any of the representations, guarantees and warranties made by the Original Sponsor (as said term is defined in Amendment No. 12 to the Offering Plan) in the Offering Plan. The parties hereto do hereby agree that trial by jury in any action, proceeding or counterclaim arising out of or from this agreement is hereby waived.

14. Municipal Certificates. At the closing of title the Seller will deliver the usual certificates (including those covering electrical installation) and it it further agreed that title will not close without Purchaser's consent until a temporary or permanent certificate of occupancy has been issued covering the building in which the Home is located.

15. Construction of Home by Seller. The Seller agrees, at its own cost and expense to erect and complete the aforementioned Home in accordance with the requirements as to materials and workmanship of the Building Department of the Town of Brookhaven, and further agrees that when completed, same will be in substantial accordance with the plans as filed with the Building Department.

16. Changes in Materials, etc. The Seller reserves the right to: (a) make changes or subsitutions of materials or construction for items as set forth in the models or Building Plans, provided any such changes are of substantially equal value and quality; (b) determine the exterior color and design, location of buildings, grading and design of all plots and dwellings to fit into the general pattern of the Community; (c) determine elevation and location of foundations (including re-

versal of the home layout), walks, driveways and streets to conform with topographical conditions; (d) determine whether trees or shrubs currently on the property are to be removed; (e) alter the elevation and roof details where elevation of adjacent lot warrants such change; (f) alter the exterior materials or placement thereof where alignment of adjacent homes so warrant; (g) determine the type of home to be constructed on a particular lot; (h) to fix the location of a home (including setbacks) within the lot lines; (i) add or remove retaining walls on the lots or common areas where required by grade conditions; (j) determine the ultimate house type mix to be constructed in the development.

The Seller agrees to notify Purchaser of any major changes, specifications, deviations, additions or deletions which may be beyond the scope of the limitations thereon set forth hereinabove. If said major change affects the Common Areas it will be disclosed by a duly filed amendment to the Plan. Such changes shall include but not be limited to the substitution of lots in the event topographical conditions on the lot selected are not conducive to construction of a particular model type on that lot. In the event that Seller notified Purchaser in writing of such changes and modifications, Purchaser shall be deemed to have approved of same, unless Seller receives Purchaser's written disapproval of such modifications and amendments within ten (10) days from date of the aforesaid notice by Seller. In such event, Seller may, at its option elect to withdraw its proposed changes and modifications and shall have thirty (30) days from receipt of Purchaser's notice to do so. Thereupon, the home shall be constructed as provided herein. Or, Seller may elect to effectuate the aforementioned changes and modifications irrespective of Purchaser's notice of disapproval. In such event, Purchaser may declare this Agreement to be null and void and shall be entitled to the return, within thirty (30) days from receipt of Purchaser's notice of disapproval, of all monies deposited hereunder by Purchaser, with interest earned, if any, at which time the parties hereto shall be relieved of all further obligations hereunder.

17. Selection of Colors, Options, etc., by Purchaser. It is further agreed that wherever the Purchaser has the right to make a selection of construction changes, optional extras, colors, fixtures and/or materials, he shall do so within ten (10) days after written demand therefor. The selections are to be made at Sellers sales and display offices or at the display showrooms arranged for by the Seller for this purpose. In the event the Purchaser fails to make such selection within such period, the Seller shall have the right to use its own judgment in the selection of colors, fixtures and materials and the Purchaser shall accept the same. Such written demand shall be by ordinary mail addressed to the Purchaser at the address herein set forth.

18 Extras. Any extras or changes ordered by purchaser

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shall be signed by the purchaser and must be paid for in full at the time of the order. If for any reason the Sponsor fails to install said extras in accordance with the work order, the limit of the Sponsor liability is a refund of the amount of the charge and same shall not be deemed an objection to title. All extras must be ordered prior to commencement of construction and must not delay construction.

19. Execution of Required Documents, etc. Purchaser agrees to deliver to Seller all documents and to perform all acts required by the Seller to carry out the provisions of all applicable laws and regulations. This paragraph shall survive delivery of the deed.

20. Delay in Closing, Purchaser's Option to Cancel. In the event the Seller shall be unable to convey title to the Home on or before six months after the date of delivery of title set forth herein and except for delays due to strikes, acts of God, wars, lockouts, military operations, national emergencies, installation of public utilities, governmental restrictions preventing Sponsor from obtaining necessary supplies and/or materials, in which event the period shall be extended to nine months, except for the Purchaser's default, the Purchaser shall have the option to cancel this agreement and to have the down payment advanced by him returned to the Purchaser with interest, if any.

21. Assignability: Notice. The parties agree that the stipulations and agreements herein contained shall be binding upon them, their respective heirs, executors, administrators and/or assigns. The Purchaser agrees that he will not record or assign this agreement or any of his rights hereunder without the written consent of the Seller. Any notice to be given hereunder shall be in writing and sent by mail to the parties at the address above given or at such address as either party may hereafter designate to the other in writing or to their respective attorneys.

22. Limited one year warranty. Seller warrants to the Purchaser upon the closing of title to his Home and the Board of Directors of the Home Owners Association, all manufacturers' and subcontractors' heating, plumbing, roofing and appliance one (1) year warranties relating to the purchasers' Home or the common areas respectively. If a defect occurs in an item which is covered by any of these warranties, the Sponsor's or manufacturer will (a) repair, or (b) replace the defective item. The choice among repair or replacement is the contractors or manufacturers. Written notice of any defect covered by these warranties must be given to contractor or manufacturer in writing no later than one year from the closing of title to a home. Where failure to give timely notice results in further damage, such further damage will not be covered by these warranties.

Purchasers should note that:

1. No steps taken by Seller to correct a defect shall act to extend the warranty period.

2. Seller, the manufacturer or subcontractor accepts no responsibility for any incidental or consequential damage caused by any defect in the construction of homes, such as, but not limited to, damage to furniture, wall, window or floor coverings and personal property or improvements.

3. This warranty gives you specific legal rights. You may have other rights under State Law.

4. These warranties are extended to you as purchaser and are not extended to any subsequent purchaser and mortgage lender who takes possession of the home.

5. These warranties shall be void if Purchaser misuses, abuses or otherwise interferes with or changes Sellers original construction or installations.

6. These warranties are specifically in lieu of any other guarantee or warranty, express or implied including any warranty of merchantability.

The provision of this paragraph shall survive the delivery of the deed.

23. Trust Funds. The Sponsor will hold all monies received directly or through its agents or employees in trust until the closing of title or Sponsor will post a surety bond issued by a New York insurance company or obtain a letter of credit from a lending institution securing repayment of such funds in the event the purchaser is entitled to such amount under the terms of the Offering Plan or Purchase Agreement. The Offering Plan will be amended prior to the use of a bond or letter of credit. If no bond is posted, or letter of credit obtained such funds will be held as trust funds pursuant to Section 352-h and Section 352e2(b) of the General Business Law, in a special account in National Westminster Bank, 350 Fifth Avenue, New York, New York, in the Strathmore Court escrow account. The signature of Mitchell Jelline, Esq., of the law firm of Block, Graff, Danzig, Jelline and Mandell, 350 Fifth Avenue, New York, New York, as attorney for the Sponsor, shall be required to withdraw any of such funds. Such funds will be payable to the Seller upon the closing of title to the Home conveyed by the Purchase Agreement. In the event of default by the Purchaser under such Purchase Agreement, which default continues for 10 days after written notice of such default from the Seller to the Purchaser, Seller will retain all of the monies paid on account hereunder to a maximum of 10% of the Purchase Price plus the

cost of any custom work ordered, as liquidated damages, in whic event the parties shall be discharged of all further liability hereunder.

24. No Broker. The parties agree that no broker brought about this sale and Purchaser agrees to indemnify Seller against any claim brought by anyone else for brokerage fees based upon Purchaser's act.

25. Purchasers-Agents for Each Other. If two or more persons are named as the Purchaser herein, any one of them is hereby made agent for the other in all matters of any and every kind or nature affecting the premises herein or this agreement.

26. Entire Agreement. This agreement states the entire understanding of the parties and the Seller shall not be bound by any oral representations and/or agreements.

CARRIAGE HOMES AT STRATHMORE
COURT ASSOCIATES

BY _____

_____
Purchaser

_____
Purchaser

_____
Purchaser

AMENDMENT No. 13

Dated June 28, 1978
STRATHMORE COURT HOMEOWNERS ASSOCIATION, INC.

This Offering Plan was amended on February 21, 1974 (Amendment No. 1), July 17, 1974 (Amendment No. 2), November 25, 1974 (Amendment No. 3), May 5, 1975 (Amendment No. 4), September 10, 1975 (Amendment No. 5), January 26, 1976 (Amendment No. 6), February 17, 1976 (Amendment No. 7), March 23, 1976 (Amendment No. 8), April 7, 1976 (Amendment No. 9), December 30, 1976 (Amendment No. 10), May 16, 1977 (Amendment No. 11), and February 16, 1978 (Amendment No. 12). This Amendment No. 13 contains the pertinent materials set forth in Amendments Nos. 1 through 12 as well as additional amended material as set forth herein.

Annexed to this Amendment are copies of three amendments to the Exhibit A Declaration of Covenants, Restrictions, Easements, Charges and Liens. The first amendment, dated December 5, 1974, was recorded in the Suffolk County Clerk's Office on January 7, 1975 and reflects various requirements of the Federal Housing Administration (FHA) and Veterans Administration (VA). Among other changes, this Amendment restricts the Developer's right to vote for the annexation of additional property, the mortgaging or dedication of Common Areas, mergers, consolidations or dissolution of the Association or any amendment to the Declaration. Following the closing of title to the first FHA or VA financed lot, the Developer, as a Class B Member, may only cast its votes in such matters after receiving FHA or VA approval. The amendment also reduces the maximum annual assessment ceiling per lot from $800 to $500, but permits the Board of Directors to increase such assessments for the prior year. The assessment ceiling may be otherwise raised only with the assent of two-thirds of the votes of each class of members present in person or by proxy at a duly called meeting of the Association.

The second amendment, dated January 20, 1975, was recorded in the Suffolk County Clerk's Office on April 29, 1975. The Developer and approximately 90% of the lot Owners, other than the Developer, approved this second amendment, which limits the Developer's obligation for common charge assessments on unsold lots to the difference between the actual operating costs of the Association, including reserves on the Common Areas and on lots to which title has been conveyed, and the assessments levied on owners who have closed title to their lots. In no event, however, will the Developer be required to make a deficiency contribution in an amount greater than it would otherwise be liable for if it were paying assessments on unsold lots.

The Third Amendment dated November 23, 1976 was recorded in the Suffolk County Clerk's Office on November 29, 1976. This Amendment permits the Developer to construct up to 75 two family homes on 150 lots. The Developer has reserved the right to increase the number of two family homes with the consent of the Board of Directors of the Association. Each two family home owner shall be entitled to one vote. Each owner of a two family home will pay monthly assessments equal to twice the amount being paid by owners of one family homes. Although the current monthly assessment is $34.37 for a one family home and $68.74 for a two family home, the Developer has undertaken that the monthly assessment in effect at the time of the adoption of this Third Amendment to the Declaration of $33.86 (or $67.72 for two family homes) would not be increased until July 1, 1979. All expenses in excess of such monthly payments will be paid exclusively by the Developer. No bond or other security has been posted to insure the Developer's obligation to pay any such deficiency and purchasers will be relying upon the financial capability of the Developer at the time it is called upon to perform. In addition, the Developer has agreed to deposit with the Association the sum of $200 for each two family home sold up to a maximum of $15,000. These funds may be used by the Association for capital improvements to the common areas. The Amendment also restricts the types of signs which may be displayed on any lot.

The Developer and certain lot owners have proposed a Fourth Amendment to the Declaration of Covenants, Restrictions, Charges and Liens which would modify Sections 9 and 10 of Article VIII. The last sentence of Section 9 would be amended to read:

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> In no event shall any patio fence be installed or maintained beyond the rear wall of the storage shed without the express written consent of the Board of Directors or its duly designated architectural committee.

Section 10 would be amended to read as follows:

> No patio shall be installed or maintained on any Lot except at the rear of a Lot within the perimeter of the two side Lot lines and, except with the express written consent of the Board of Managers, no nearer than three feet from the rear Lot lines. Any patio installed by an Owner shall be installed in conformance with plans and specifications submitted to and approved by the Board of Directors or its duly designated architectural committee.

This proposed Fourth Amendment will be presented to the lot owners for their approval.

As stated on page 2 of the Offering Statement, the Developer plans to dedicate approximately 139 acres of the parcel on which the Strathmore Court Homeowners Association, Inc. homes are being constructed to the Town of Brookhaven ("Brookhaven") for use as a park or for other municipal purposes. The Proposed Development Map of the project annexed as Exhibit G to the Offering Statement illustrates the acreage to be dedicated to Brookhaven. While the Map indicates that a portion of the parcel is located within School District 12 and a portion within School District 7, the entire Strathmore Court community has recently been placed within School District 12.

Pursuant to discussions with officials of Brookhaven, on May 1, 1974 the Developer commenced a program of reforestation on approximately 125 of the 139 acres, to convert the presently open fields to acres of evergreens and wildlife shrubbery. Participants in the initial planning and design phases of the reforestation project included Gordon Jones, Director of Planting Field Arboretum in Oyster Day, New York and Ed Jacoby, Jr., a land management consultant from Millbrook, New York. The Developer is planting a total of approximately 200,000 evergreen and shrub seedlings in accordance with a Reforestation Plan dated July 9, 1973 approved by officials of Brookhaven. The seedlings which will be two years old and which will range in size from 12 to 18 inches, will consist of the following varieties:

Trees

White Pine	24,591 seedlings
Black Locust	2,255 seedlings
Japanese Black Pine	13,335 seedlings
Larch	15,088 seedlings
Norway Spruce	6,516 seedlings
Douglas Fir	7,344 seedlings

Shrubs

Purple-Osier Willow	54,635 seedlings
Toringo Crabapple	2,125 seedlings
Bush Honeysuckle	29,420 seedlings
Autumn Olive	23,106 seedlings
Multiflora Rose	24,622 seedlings

The New York State Department of Environmental Conservation acknowledged, after a review of the July 9, 1973 Reforestation Plan, that the seedlings would be used for conservation planting and agreed to sell them to the Developer. Initial deliveries of the seedlings were made, and planting commenced, during 1974. The Sponsor is obligated, pursuant to the terms under which it posted the $30,000 surety bond referred to below, to complete such plantings by 1978. The reforestration program is now about 75% complete.

On November 13, 1973 the Brookhaven Town Board adopted two resolutions pertaining to the Strathmore Court project. Copies of the resolutions are attached to this Amendment as Schedule A. The first resolution approved the posting by the Developer of a $32,000 surety bond in connection with the construction of roads in the project. The second resolution approved the posting by the Developer of a $30,000 surety bond in connection with the reforestation program. A copy of the $30,000 surety bond covering the reforestation program is attached hereto as Schedule B. The bond specifies that the evergreen and shrub seedlings must be planted in accordance with the Reforestation Plan of July 9, 1973.

The Developer will bear the entire capital improvement expense of reforestation in accordance with the July 9, 1973 Reforestation Plan. In the unlikely event Brookhaven refuses to accept the approximately 139 acres for dedication, the acreage will belong to the Strathmore Court Homeowners Association, Inc., which will be responsible for any required maintenance. Any such expenditures for maintenance by the Association will result in an increase in the monthly assessments charged to Strathmore Court homeowners.

The reserve funds of the Association are deposited in an interest bearing account in the Nesconset Highway, Port Jefferson, New York branch office of the European-American Bank and Trust Company. The operations of this former branch office of the Franklin National Bank were taken over by European-American on October 9, 1974.

As anticipated (see "Opinion of Counsel" at page 7 of the Offering Statement), the tax assessor has not separately assessed the Common Areas but has instead included a proportionate value for the Common Areas in the assessment on each of the individual homes and lots. The 1977-78 tax rate of $53.096 per $100 of assessed valuation consists of the following individual rates: School $33.038; County $11.957; Special District $2.613 and Town $5.488.

Annexed to this Amendment is a projected schedule of receipts and expenses for the Association's fourth full year of operations. The Association's Board of Directors will collect monthly assessments from each lot owner pursuant to this budget estimate. The new budget has not risen from the 1977 budget. The increase of $5,204 for the new maintenance agreement is exactly offset by the savings realized through a lowering of the exterior maintenance and contingency reserve fund. The monthly charges indicated in the new budget will not be assessed to the Association members, as the Developer, as explained previously, has undertaken that the monthly assessment of $33.86 (or $67.72 for two family homes) in effect at the time of the recording of the Third Amendment to the Declaration would not be increased until July 1, 1979.

The actual disbursements to the Long Island Lighting Company for the calendar year 1977 were $6,132.62. No increase for electric energy has been budgeted for 1978, due to the positive variance posted based on the 1977 budget. The actual disbursements to Conservative Gas for the calendar year 1977 were $2,228.20. Also due to the positive variance, no increase for bottled gas has been budgeted for 1978.

The Homeowners Association is a party to the following Agreements:

A. Management Agreement. The Homeowners Association has hired its own professional managing agent to provide for the management of the Common Areas and facilities thereon, and to insure the performance of the Association's obligations in connection therewith and in connection with the exterior maintenance to be performed by the Association. The Sponsor, SHR Properties Corp. ("SHR") and their respective officers and directors have no direct or indirect interest in or affiliation with Linda Donoto, the new manager. Ms. Donoto was formerly employed by National Leisure Systems, Inc., the prior management company. Ms. Donoto, who is compensated at the rate of $17,000 per year pursuant to an oral agreement, will supervise all of the work, labor, services and purchase of materials required in the operation and maintenance of the Common Areas and facilities thereon to be owned and required to be performed by the Association. The budget for the management of the Association responsibilities is $44,000 per year, figured as follows:

Full time Manager	$17,000
Assistant Manager	7,500
Life Guards	12,000
Pool Equipment	3,000
Bank Billing	3,000
Recreation Equipment	1,500
	$44,000

B. Maintenance Agreement. The Association has also entered into a Maintenance Agreement with Condo - Community Services, Inc. ("CCS") to provide for certain Common Area and exterior lot maintenance, namely, lawn and landscaping maintenance and maintenance of the recreational facilities, including the swimming pool and Community Building. The Agreement does not cover structural maintenance to the roof, siding and facia of the homes, garages and buildings. Such maintenance is, however, a responsibility of the Association and separate provision has been made for the expense of such maintenance in the Association's budget. The term of the Agreement is 27 months, commencing on January 1, 1978 and ending on March 31, 1980. Either party has the right to terminate the Agreement after the first 15 months of the Agreement by a registered letter thirty days prior to March 31, 1979. The Agreement provides for payment to be made in monthly installments for the convenience of the Association. These installment payments are higher during the months when CCS is obliged to perform the bulk of its services (March thru September) and lower during the remaining months. CCS has managed the Strathmore Gate East Homeowners Association project for the past four years.

With respect to the recreational facilities, CCS is obliged to provide the following maintenance services at its own expense unless otherwise noted:

Tennis Courts. CCS will police the tennis, basketball and handball/paddle tennis courts, once a week in spring and summer and once a month in fall and winter.

Swimming Pool. The pool will be open from June 1st to September 15th. CCS is obliged to provide and maintain specified supplies, equipment and chemicals necessary to properly maintain and operate the pool and to regularly police the pool area. CCS will make minor repairs to the pool and equipment not exceeding $25.00 per repair. The Association is responsible for major repairs not necessitated by CCS negligence. CCS will winterize and summerize the pool and filter system in accordance with prescribed specifications and procedures, and will obtain all necessary permits for the pool.

Community Building. CCS is required to provide one person to maintain the Community Building 5 days a week, 3 hours per day, except June, July and August, when such person will be present 5 days a week, 5 hours per day.

CCS is also required to perform certain specified maintenance to the Community Building and furnish all cleaning supplies and equipment in connection therewith. CCS will provide refuse removal for the Community Building, however, the Association will be responsible for refuse disposal. REFUSE REMOVAL FOR THE HOMES WILL BE ARRANGED INDIVIDUALLY BY THE HOMEOWNERS ON A PRIVATE CONTRACT BASIS WITH INDEPENDENT CONTRACTORS PROVIDING SUCH SERVICE.

Lawn and landscape maintenance. CCS is obliged to perform the following lawn and landscape maintenance and furnish all the equipment, chemicals and supplies necessary in connection therewith:

1. Regular maintenance between April 15 and October 15, to include grass cutting, grass to be maintained to a height of 2" and lawn edging around walkways once monthly.

2. Fertilizing - All grass areas will receive two fertilizer treatments during the growing season, within five days of April 15, and September 15.

3. Seeding - Two seedings will be performed during the growing season, within five days of April 15, and September 15.

4. Crabgrass and weeding - A crabgrass pre-emergence treatment will be applied in early spring. Weeding shall be done every four weeks.

5. Snow Removal - Upon the accumulation of two inches of snowfall, CCS will clear walkways and parking spaces in the Community Building area only. Sanding or salting will be done under extreme icing conditions. INDIVIDUAL LOT OWNERS WILL BE RESPONSIBLE FOR CLEARING SNOW FROM THEIR OWN WALKS AND PARKING SPACES.

The aggregate compensation to be paid to CCS by the Association over the entire 27 month term of the Agreement is $108,514.62 based upon the 240 units constructed to date. An additional $18 per month must be paid to CCS under the Agreement for each additional unit constructed and serviced above the existing 240 units. The Association is also obligated to pay the applicable sales tax, currently 7%, for services performed pursuant to the Agreement. Based upon the assumption that it may construct as many as 120 additional units during the coming year, the Developer has included an extra $27,735 in the budget to cover obligations for additional units to CCS under the Agreement.

CCS is required to employ sufficient competent personnel in connection with the performance of its duties under the Agreement. CCS is required to maintain in full force and effect workmen's compensation and public liability and property damage insurance in limits of at least $500,000 for injury to any one person and $1,000,000 for property damage. In addition CCS shall furnish automobile liability insurance of not less than $300,000/500,000 per person and property damage in policy limits of $100,000.

CCS shall bear full sole responsibility for any loss or damage sustained as a result of their work and shall hold the Association harmless by reason of any loss or damage which the Association may incur to any third person in connection with or on account of the performance by CCS of the services covered in this contract.

The statement contained on page 1 of the Offering Statement indicating that the minimum size of any lot will be 1,716 square feet is revised to reflect an actual minimum lot area of 1,228 square feet.

On March 8, 1976 Levitt Residential Communities, Inc. ("LRC") sold the remaining unsold Strathmore Court lots and homes to SHR Properties Corp. ("SHR"), a recently formed New York corporation. The principals of SHR consist of Ronald Roth, who was originally responsible for the development of Strathmore Court as a vice president and general manager of LRC, Shelter Technology, Inc., a real estate development firm active in construction on Long Island, and Joseph Harris, a private investor. Gary Giglio and Ronald Gladnick, who are, respectively, the President and Vice President of Shelter Technology, Inc., are also officers and directors of SHR.

This Offering Statement is hereby amended to substitute SHR for LRC as the Developer of Strathmore Court. SHR is now fully responsible for all of the obligations of LRC pursuant to the terms of the Offering Statement, including all warranties running in favor of the Strathmore Court Homeowners Association, Inc. covering the construction of the recreational, social and other facilities comprising portions of the Common Areas. SHR will also be responsible for the completion of all bonded improvements, such as roads, sewers and the reforestation program in accordance with the requirements of the Town of Brookhaven.

In acquiring the remaining unsold Strathmore Court lots and homes from LRC for a consideration in excess of $1,000,000, SHR paid a portion of the purchase price in cash, assumed an existing first mortgage lien covering these properties and delivered its own notes in payment of the balance of the purchase price. These notes are secured by a purchase money mortgage on the lots and homes included in the sale and by the personal guarantees of the aforementioned principals of SHR. While the payment schedule on these notes was recently restructured by the parties to extend their maturities, as the net worth of the SHR principals is in excess of $2,000,000, both of the parties to the transaction fully anticipate that all notes will be paid as they fall due. Lots and homes conveyed to purchasers by SHR prior to the satisfaction of the purchase money mortgage delivered to LRC will be released from said purchase money mortgage at or prior to the closing of title to the individual lots and homes upon payment of a release consideration by SHR to LRC as provided for by the terms of the purchase money mortgage.

The present officers and directors of the new Developer are: Ronald Roth - Director; Gary Giglio - President and Director; Simon Plosky - Vice President and Director; and, Ronald Gladnick - Secretary-Treasurer and Director.

Effective June 2, 1978, the Board of Directors for the Strathmore Court Homeowners Association is made up as follows:

President:	David Blatt
Vice President:	Deloras Wisloh
Secretary:	Albert Levine
Treasurer:	Robert Greenberg
Director Member:	Linda Donato
Director Member:	Sidney Dworet
Director Member:	Daniel Kohn
Director Member:	Ronald Roth

The Sponsor has turned over control to the new Board of Directors.

The Developer has agreed to guarantee to the Board of Directors of the Association that the Community Building and the Swimming Pool Complex will remain free of any structural defects through July 1, 1979. Despite the language of the January 20, 1975 amendment to the Declaration of Covenants and Restrictions, which in approving the deficiency budget approach excused the Developer from making any contributions towards reserves for unsold homes, the Developer hereby undertakes that it will be responsible for making contributions to the exterior maintenance and contingency reserve fund for each of the remaining unsold homes. This contribution has been decreased in the fourth year's operating budget to $3.25 per month per unit. The Board of Directors will continue to apply these reserve funds for painting and other repairs and maintenance of the exteriors of the homes and Common Area facilities not covered by the Developer's warranties and for other unanticipated expenditures.

As is usual in the building industry, the Developer is a corporation with limited assets, the major portions of which consist of the land and improvements purchased from LRC. No bond or other security has been furnished by the Developer to secure its guarantees that the Community Building and the Swimming Pool Complex will remain free of any structural defects through July 1, 1979 and that the Common Areas will be completed as represented in the Offering Statement. While bonds have been posted with the Town of Brookhaven for the completion of the roads, sewers and reforestation program, the ability of the Developer to complete construction of the Common Areas in accordance with the provisions of the Offering Statement will depend solely on its financial condition during the period of construction.

In adding a new Section 528 to the Internal Revenue Code of 1954 (the "Code"), the recently enacted Tax Reform Act of 1976 affords the Association with the opportunity to elect to be treated as a tax exempt organization for each of its taxable years beginning after December 31, 1973, as substantially all of the homes are used for residential purposes. In order to qualify for any such year, sixty percent or more of the Association's gross income must consist of amounts received as membership dues, fees or assessments from the home owners and 90% percent or more of its expenditures must be for the acquisition, construction, management, maintenance and care of the Association properties, which properties as defined in Section 528 of the Code, include the homes and lots as well as the Common Areas and Facilities. Based upon its examination of the Offering Plan and subject to the Association actually satisfying the minimum percentage income and expenditure criteria set forth above, the Developer's counsel, Messrs. Wofsey, Certilman, Haft & Lebow, is of the opinion that the Association will be eligible to elect to be treated as a tax exempt organization under Section 528 of the Code. Counsel is also of the opinion that the Association may be required to file income tax returns for the years involved pursuant to Section 528 of the Code.

Such an election will exempt from Federal and New York State Income Taxation all amounts received by the Association from the home owners as membership dues, fees and assessments. The Association will be taxed, however, on any excess of income over expenses from unrelated sources. Examples of unrelated

source income include interest earned on reserve and other invested funds, income from concessions and income from dues or fees received from persons other than the home owners. In the event the Association fails to qualify for and elect Section 528 taxation status for any year, it may to the extent it has any income from unrelated sources or from accumulated revenues not expended in any taxable year, including accumulated revenues received by virtue of dues, fees and assessments from home owners, be subject to Federal and New York State Income Taxation (see Revenue Ruling 74-99, 1974-1 C.B. 131).

This Offering Statement may not be used after October 28, 1978.

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

SHR PROPERTIES CORP.
DEVELOPER

The Developer reasonably estimates and represents, but does not warrant or guarantee, that the budget for the fourth full year of operation of the Homeowners Association (January 2, 1978 - December 31, 1978) will be approximately $181,612.00 which sum is broken down as follows:

	Aggregate annual estimate	Aggregate monthly estimate	Estimated monthly amount allocable to each unit Annually	Monthly
RECEIPTS				
Annual Maintenance Charges	$ 181,612.	$ 15,134.31	$ 412.13	$ 34.37
EXPENSES				
1. Electricity - Pool, Community Building & Common Areas	$ 7,000.	$ 583.33	$ 15.90	$ 1.32
2. Fuel for Community Building	3,500.	291.66	7.95	.66
3. Insurance	4,000.	333.33	9.09	.75
4. Maintenance Agreement	85,942.	7,161.83	195.32	16.27
5. Professional Managing Agent & Ops. of Swim. Pool & Community Bldg.	44,000.	3,666.66	100.00	8.33
6. Water for Common Irrigation	15,000.	1,250.00	34.09	2.84
7. Legal & Accounting	5,000.	416.66	11.36	.94
8. Exterior Maintenance and Contingency Reserve Fund	17,170.	1,430.83	39.02	3.25
TOTAL	$ 181,612.	$15,134.31	$412.73	$34.37

AMENDMENT TO DECLARATION OF COVENANTS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS

#1 0f 15

THIS AMENDMENT to Declaration of Covenants, Restrictions, Easements, Charges and Liens, made this 5TH day of December, 1974, by LEVITT RESIDENTIAL COMMUNITIES, INC., a Delaware corporation, hereinafter referred to as "Developer".

WITNESSETH:

WHEREAS, Developer is the owner of the real property referred to in ARTICLE V and described in Exhibit A of a certain Declaration of Covenants, Restrictions, Easements, Charges and Liens made the 4th day of December, 1973 and filed in the Registrar's Office of Suffolk County on December 7, 1973 under Serial #218790, Certificate #80600, Article #375; and TOWN OF BROOKHAVEN COUNTY OF SUFFOLK AND STATE OF NEW YORK CH

WHEREAS, Developer is desirous of amending said Declaration of Covenants, Restrictions, Easements, Charges and Liens as hereinafter set forth.

NOW, THEREFORE, Developer declares that all the real property referred to in ARTICLE V of said Declaration and more particularly described in Exhibit A annexed thereto and forming a part thereof, is and shall be held, transferred, sold, conveyed and occupied subject to the Covenants, Restrictions, Easements, Charges and Liens (sometimes referred to as "Covenants and Restrictions") as heretofore filed and as herein amended, and the same shall be binding upon all the parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

1. ARTICLE I, DEFINITIONS. Section 1 (d) "Common Areas", is hereby amended so as to include therein the following:

"Map of Strathmore Court, Section 1, filed November 16, 1973 as Map No. 6038; Section 2, filed September 9, 1974 as Map No. 6146; Section 3, filed November 18, 1974 as Map No. 6173;"

2. ARTICLE II, PROPERTY RIGHTS IN THE COMMON AREAS. Section 2. Title to Common Areas, be and the same hereby is amended by deleting therefrom the first portion of the Section which reads as follows:

"Developer hereby covenants for itself, its successors and assigns, that on January 2, 1975 it will convey to the Association,".

The following language is hereby inserted in place and stead thereof:

."Developer hereby covenants for itself, its successors and assigns, that on or before the first conveyance of title to a lot purchased all or partially by means of an FHA or VA loan but in any event by January 2, 1975 it will convey to the Association,".

3. ARTICLE II, Section 2. Title to Common Areas This Section is hereby amended so as to include the following paragraph therein. Said paragraph shall appear immediately prior to the very last paragraph in the Section as presently filed:

"At the time of such conveyance, Developer shall deliver to the Association a title policy in the amount of $747,000 issued by a title company licensed to do business in New York State insuring such title in accordance with this Section 2 to the Association."

4. ARTICLE III, MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION. Section 2. Voting Rights. This Section is hereby amended so as to include the following paragraph therein. Said paragraph shall appear immediately prior to the very last paragraph in the Section as presently filed:

"Any vote by the Class B membership made after the closing of title to any Lot purchased all or partially by an FHA or VA loan and pertaining to the annexation of additional properties by the Association, the mortgaging or dedication of Common Areas, mergers, consolidation, or dissolution of the Association or any amendment to this Declaration shall be cast only after, and in accordance with, the approval of the FHA and/or the VA."

5. ARTICLE IV, COMPLETION, MAINTENANCE AND OPERATION OF COMMON AREAS AND FACILITIES AND COVENANT FOR ASSESSMENTS THEREFOR. Section 1. Completion of Common Areas by Developer. Subsection (b) of this Section 1 is hereby amended to become subsection (c) of Section 1, and the following new paragraph is hereby added as subsection (b):

"Prior to the conveyance of title to any Lot purchased all or partially by means of an FHA or VA loan, Developer shall complete the construction of the recreational building, facilities and other Common Area major improvements (but not landscaping which will be completed as the development progresses)."

6. ARTICLE IV, Section 4. Amount and Payment of Annual Assessment. This Section is hereby deleted in its entirety. In place and stead thereof, the following shall appear:

"Section 4. Amount and Payment of Annual Assessment. The Association shall at all times fix the amount of the annual assessment at an amount estimated to be sufficient to pay the costs of maintaining and operating The Properties as if the Common Areas were completed and all 440 homes were built and as contemplated by Sectin 3 (b) of this Article IV. The amount of annual assessment for each Lot shall be 1/440th of aggregate amount assessed for all of The Properties. Each annual installment shall be payable in equal monthly installments in advance on the first day of each calendar month, except that the first monthly installment shall be payable on January 2, 1975. The annual assessment shall be no more

than Five Hundred Dollars ($500.00) per Lot, and the exact amount of each annual assessment shall be fixed by the Board of Directors of the Association within said limitation, provided, however, that the Board of Directors of the Association may increase such assessments annually by an amount no greater than 10% higher than the assessment for the prior year and further provided that the Association may increase the maximum of the assessments above such amounts, so long as any such change shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting, setting forth the purpose of the meeting.

"This Section shall not be amended as provided in Article X, Section 1 to reduce or eliminate the obligation to fix the assessment at an amount sufficient to properly maintain and operate The Properties.

"If at any time Developer shall notify the Association that it has completed construction of at least 400 homes on The Properties and that no further homes will be built on the Lots or if the number of Lots located on The Properties shall be diminished by condemnation or other governmental taking or increased by annexation of additional properties containing residential dwellings, all in accordance with the terms of this Declaration, the denominator of the fraction set forth above (1/440th) shall be changed to such denominator as equals the resulting number of residential dwellings after receipt of such notice from the Developer, or such condemnation or other taking, or annexation.

"Until July 1, 1977 and irrespective of any assessment surplus which may exist during any fiscal year of the Association, no part of any of the assessments shall be used for any purposes other than as set forth in the first Association budget and no other capital improvements or new services shall be supplied by the Association without the prior written consent of the Developer."

7. ARTICLE IV, Section 8. Reserve Fund - Separate Assessment of Owners Therefor. This Section is hereby deleted in its entirety.

8. ARTICLE V, PROPERTY SUBJECT TO THIS DECLARATION: ADDITIONS THEREOF. Sections 1 and 2 of this Article V are hereby deleted in their entirety. In place and stead thereof the following shall appear:

"Section 1. Property Subject to This Declaration. All of the real property described in Exhibit A annexed hereto and made a part hereof is and shall be held, transferred, sold, conveyed and occupied subject to the terms of this Declaration and any amendment thereto.

"Section 2. Additions To The Properties by the Association. Annexation of additional property shall require the assent of two-thirds of the Class A Members and two-thirds of the Class B Members, if any, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty days nor more than sixty days in advance of the meeting, setting forth the purpose of the meeting (except that any such vote by the Class B Members shall not be cast except with the prior consent of the FHA and/or

VA and then only in accordance with such consent.) The presence of Members or of proxies entitled to cast sixty per cent of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at such subsequent meeting shall be one-half of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty days following the preceding meeting. In the event that two-thirds of the Class A membership or two-thirds of the Class B membership are not present in person or by proxy, Members not present may give their written assent to the action taken thereat.

"Section 3. Mergers. Upon a merger or consolidation of the Association with another association (which can be effectuated only upon the affirmative vote of 2/3 of each Class of Members as set forth in Section 1 of this Article V), its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within The Properties, together with covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall affect any revocation, change or addition to the covenants established by this Declaration within The Properties, except as hereinafter provided."

9. ARTICLE VI. ARCHITECTURAL CONTROL. The following sentence is hereby added at the end of this Article VI:

"If the Board of Directors or architectural committee shall not approve, disapprove or otherwise act upon such submission within thirty days of receipt thereof, such submission shall be deemed approved."

In all other respects, the Declaration of Covenants, Restrictions, Easements, Charges and Liens as heretofore filed in the Registrar's Office of Suffolk County on December 7, 1973, except as herein amended, shall remain as filed, without change thereto.

IN WITNESS WHEREOF, the undersigned, being the Developer herein, has caused its seal to be hereunto affixed and these presents to be signed by its officer thereunto duly authorized, the day and year first above written.

LEVITT RESIDENTIAL COMMUNITIES, INC.

By: _____
Vice President

ATTEST:

_____
Assistant Secretary

4

70

AMENDMENT TO DECLARATION OF COVENANTS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS

#2 Pg 55

THIS AMENDMENT to Declaration of Covenants, Restrictions, Easements, Charges and Liens, made this 20TH day of JANUARY, 1975, by LEVITT RESIDENTIAL COMMUNITIES, INC., a Delaware corporation, hereinafter referred to as "Developer", and all of the owners of parcels in Developer's project known as "Strathmore Court", hereinafter referred to as "homeowners".

WITNESSETH:

WHEREAS, Developer is the owner of the real property referred to in ARTICLE V and described in Exhibit A of a certain Declaration of Covenants, Restrictions, Easements, Charges and Liens made the 4th day of December, 1973 and filed in the Registrar's Office of Suffolk County on December 7, 1973 under Serial #218790, Certificate #80600, Article #375, excepting therefrom all those certain lots, pieces and parcels of land in Section 1 thereof as are now in fee ownership of the homeowners; and

WHEREAS, Developer and the homeowners are desirous of amending said Declaration of Covenants, Restrictions, Easements, Charges and Liens as hereinafter set forth.

NOW, THEREFORE, Developer and the homeowners declare that all the real property, including that of the homeowners, referred to in ARTICLE V of said Declaration and more particularly described in Exhibit A annexed thereto and forming a part thereof, is and shall be held, transferred, sold, conveyed and occupied subject to the Covenants, Restrictions, Easements, Charges and Liens (sometimes referred to as "Covenants and Restrictions") as heretofore filed and as herein amended, and the same shall be binding upon all the parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

1. ARTICLE IV, Section 5. Developer's Obligation. The Declaration of Covenants, Restrictions, Easements, Charges and Liens shall be hereby amended so as to include therein a new Section 5 of this ARTICLE IV, entitled "Developer's Obligation", all as set forth herein:

"Notwithstanding anything to the contrary contained in this Declaration or the By-Laws, the Developer's covenant and obligation to pay assessments shall be limited to the lesser of the following sums:

(a) the maximum assessment determined in accordance with Section 4 of this Article IV, or:

(b) (i) the actual costs of operation, maintenance, insurance and repair of the Common Areas for each fiscal year of the Association, including reserves applicable to the Common Areas and Lots to which title has been conveyed and excluding reserves applicable to Lots to which title remains in the Developer and the improvements thereon, less (ii) all

assessments levied against all other Members for such fiscal year. If (ii) is greater than (i) for any fiscal year, the Developer shall be entitled to credit such differences against its obligation to pay assessments in any subsequent fiscal year.

"In supplying services to the Members, the Developer may direct the Association not to supply maintenance or other services to any Lots to which title remains in the Developer or to any portion of the Common Areas (but not major improvements thereon) comprising a part of any Section (as such Section is defined in Section 1 (d) of this Declaration) in which all Lots are owned by the Developer. For purposes of this Section 5 of Article IV only, title to a home constructed on any Lot which has been leased or rented shall not be considered to remain in the Developer."

2. ARTICLE IV, Sections 5, 6 and 7 as the same appear in the Declaration as filed, be and the same are hereby amended so as to read "Sections 6, 7 and 8" thereof.

3. ARTICLE IV. Section 7. Quorum For Any Action Authorized Under Sections 4, 5 and 8. All references in this Section to Sections 4, 5 and 8 are hereby amended to read "Sections 4 and 6 of this Article IV".

In all other respects, the Declaration of Covenants, Restrictions, Easements, Charges and Liens as heretofore filed in the Registrar's Office of Suffolk County on December 7, 1973, except as herein amended, shall remain as filed, without change thereto.

LEVITT RESIDENTIAL COMMUNITIES, INC.

By: _____
Vice President

ATTEST:

_____
Assistant Secretary

AMENDMENT TO DECLARATION OF COVENANTS,
RESTRICTIONS, EASEMENTS, CHARGES AND LIENS

#3 456

THIS AMENDMENT to the Declaration of Covenants, Restrictions, Easements, Charges and Liens, made this 23rd day of November 1976, by the STRATHMORE COURT HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association", S. H. R. Properties Corp., a New York corporation and successor in interest to Levitt Residential Communities, Inc., hereinafter referred to as "Developer", and the owners of lots holding not less than 90% of the voting rights of membership in Developer's project known as "Strathmore Court", hereinafter referred to as "homeowners".

WITNESSETH:

WHEREAS, the Association, the Developer and the homeowners are the owners of the real property situated in the Town of Brookhaven, County of Suffolk and State of New York and described in Exhibit A of a certain Declaration of Covenants, Restrictions, Easements, Charges and Liens made the 4th day of December, 1973 and filed in the Registrar's Office of Suffolk County on December 7, 1973 under Serial #218790, Certificate #80600, Article #375;

WHEREAS, the Declaration of Covenants, Restrictions, Easements, Charges and Liens has been amended by instruments dated December 5, 1974 and January 20, 1975 filed respectively in the Registrar's Office of Suffolk County on January 7, 1975 and April 29, 1975; and

WHEREAS, the Association, the Developer and the homeowners are again desirous of amending said Declaration of Covenants, Restrictions, Easements, Charges and Liens as hereinafter set forth.

NOW, THEREFORE, the Association, the Developer and the homeowners declare that all the real property, including that of the homeowners, referred to in ARTICLE V of said Declaration and more particularly described in Exhibit A annexed thereto and forming a part thereof, is and shall be held, transferred, sold, conveyed and occupied subject to the Covenants, Restrictions, Easements, Charges and Liens (sometimes referred to as "Covenants and Restrictions") as heretofore filed and amended and as herein amended, and the same shall be binding upon all the parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

The Declaration of Covenants, Restrictions, Easements, Charges and Liens is hereby amended as follows:

1. Article I. DEFINITIONS

Section 1. (e) "Lots". The following sentence is added at the end of this subsection:

A single family dwelling may and shall be erected only upon a single "Lot" while a two family dwelling may and shall be erected only upon two "Lots".

2. Article III. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. This Section is hereby deleted in the entirety and the following substituted in its place:

Section 1. Membership. Every person who is a record owner (as defined in Article 1) of one or more Lots which are subjected by this Declaration to assessment by the Association shall be a Member for each single-family or two-family dwelling owned. Every person who is a record owner of one or more of such Lots upon which no dwelling has been constructed shall be a Member for each Lot so owned, provided, however, that in the case of a two-family dwelling, a dwelling shall be considered to have been constructed on both of the requisite two contiguous Lots required for erection of this type of dwelling even if the dwelling is physically located entirely upon a single Lot. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Voting Rights. This Section is hereby deleted in its entirety and the following substituted in its place:

Section 2. Voting Rights. The Association shall have two classes of voting membership.

Class A. Class A Members shall be all Owners excepting Developer and excepting any other person or entity which acquire title to all or a substantial portion of The Properties for the purpose of developing thereon a residential community. Class A Members shall be entitled to one vote for each dwelling or Lot in which they hold the interest required for membership by Section 1 of this Article III.

Class B. The Class B Member shall be the Developer, its successors and assigns. The Class B membership shall be entitled to one (1) vote for each dwelling or Lot in which

it holds the interest required for membership by Section 1 of this Article III, provided that upon the happening of either of the following events, whichever first occurs, the Class B membership shall cease and be converted to Class A membership.

(a) when the total votes outstanding in the Class A membership equal 374 or

(b) on July 1, 1977.

Any vote by the Class B membership made after the closing of title to any Lot purchased all or partially by an FHA or VA loan and pertaining to the annexation of additional properties by the Association, the mortgaging or dedication of Common Areas, mergers, consolidation, or dissolution of the Association or any amendment to this Declaration shall be cast only after, and in accordance with, the approval of the FHA and/or the VA.

When a purchaser of an individual dwelling or Lot takes title thereto from Developer, he becomes a Class A Member and the membership of Developer with respect to such dwelling or Lot shall cease.

3. Article VIII. USE OF PROPERTY

Section 1. Uses and Structures. The second through sixth sentences of this Section are deleted in their entirety and the following substituted in their place:

No building shall be erected, altered, placed or permitted to remain on any Lot other than one attached, single-family dwelling not exceeding two stories in height, except that a two-family dwelling not exceeding two stories in height may be erected on any two contiguous Lots. A garage detached from a single-family dwelling with capacity for a single automobile may also be erected on any Lot, and in the case of a two-family dwelling, a garage detached from the two-family dwelling with capacity for two automobiles may also be erected on the Lots upon which the dwelling is erected, provided said garage is constructed in accordance with the Zoning Ordinances and Codes of the town of Brookhaven. No other garage, carport or accessory building may be erected. No dwelling or any part thereof shall be used for any purpose except as a private dwelling for one family, or in the case of a two-family dwelling, as a private dwelling for two

families, nor shall any business of any kind be conducted therein.

Section 3. Signs. This Section is deleted in its entirety and the following substituted in its place:

> No sign of any kind shall be displayed to the public view or any dwelling or Lot except a one-family name or professional sign of not more than two hundred forty square inches, and in the case of a two-family dwelling, up to two such one-family name or professional signs neither of which shall exceed two hundred forty square inches. One temporary sign of not more than five square feet, advertising the property for sale or rent, may also be used on any Lot. No such sign shall be illuminated except by a non-flashing white light emenating from within or on the sign itself and shielded from direct view.

This Offering Plan is amended as follows:

The Developer, its successor or assignee does hereby covenant to the following agreements with the Strathmore Court Homeowners Association.

1) The Developer guarantees that the present monthly assessment of $33.86 will not be increased until July 1, 1979.

2) The Developer will deposit to the Strathmore Court Homeowners Association the sum of Two Hundred ($200.00) Dollars for each two-family house sold up to a maximum of $15,000. These funds may be used by the Association for capital improvements to the common areas.

3) The Developer hereby restricts the number of two-family homes to be built to 75 houses on 150 lots. However, the Developer reserves the right to increase this amount upon approval of the Board of Trustees of the Association. Said Board being independent of the Developer.

4) Each owner of a two-family house will pay an assessment of $67.72.

In all other respects, the Declaration of Covenants, Restrictions, Easements, Charges and Liens as heretofore filed in the Registrar's Office of Suffolk County on December 7, 1973, except as heretofore amended and amended herein, shall remain as filed, without change thereto.

STRATHMORE COURT HOMEOWNERS ASSOCIATION, INC.

By _____
President

ATTEST:

_____
Secretary

S.H.R. Properties Corp.

By _____
President

ATTEST:

_____
Secretary

Town of Brookhaven

TOWN CLERK'S OFFICE
TOWN HALL — PATCHOGUE, LONG ISLAND, NEW YORK 11772

KURT K. BEHME
TOWN CLERK
475-5500

November 13, 1973

Levitt Residential Communities, Inc.
1919 Middle Country Road
Centereach, NY, 11720

Re: Strathmore Court, Section 1 - Bond Approval

Gentlemen:

Attached please find a copy of a resolution adopted at the November 13, 1973 meeting of the Brookhaven Town Board.

The resolution is self-explanatory, and as indicated, approves the Surety Bonds posted by you in connection with improvements to be made in the above mentioned subdivision.

Very truly yours,

Kurt K. Behme
Town Clerk

kkb/ma/enc.
cc: Supervisor Barraud
Building
Highway
Planning
Purchasing

SCHEDULE A

RESOLVED, that Surety Bond No. 195 54 78 issued by the Firemen's Insurance Company of Newark, New Jersey in the amount of $32,000.00 as to which Levitt Residential Communities, Inc. is the principal and the TOWN OF BROOKHAVEN is the Obligee, issued in connection with the construction of roads and other public improvements in the subdivision known as "Map of Strathmore Court, Section 1" be approved in accordance with the written approving opinion of MARTIN BRADLEY ASHARE, ESQ., dated November 9, 1973 and be it further

RESOLVED, that Surety Bond No. 195'54 81 issued by the Firemen's Insurance Company of Newark, New Jersey in the amount of $30,000.00 as to which Levitt Residential Communities, Inc. is the principal and the TOWN OF BROOKHAVEN is the Obligee, issued in connection with the construction of roads and other public improvements in the subdivision known as "Map of Strathmore Court, Section 1" be approved in accordance with the written approving opinion of MARTIN BRADLEY ASHARE, ESQ., dated November 9, 1973.

The Continental Insurance Companies

Bond BND 195 54 81

KNOW ALL MEN BY THESE PRESENTS, That we, Levitt Residential Communities, Inc. as Principal and Firemen's Insurance Company of Newark, New Jersey, a New Jersey Corporation authorized to do business in the State of New York and having an office and place of business at 80 Maiden Lane, New York, New York as Surety are held and firmly bound unto the TOWN OF BROOKHAVEN, Suffolk County, New York as Obligee, in the sum of THIRTY THOUSAND and 00/100 ($30,000.00) Dollars, lawful money of the United States, for payment whereof to the Obligee, the Principal and Surety bind themselves, their successors and assigns, jointly and severally, firmly by these presents.

SIGNED, SEALED AND DATED THIS 12th day of OCTOBER, 1973.

WHEREAS, the above named Principal has agreed to the Planting of evergreen seedlings and wild life shrub seedlings for Strathmore Court Forestration. Plan situated in Coram, Town of Brookhaven, Suffolk County, New York per agreement prepared by Levitt Residential Communities Inc. Lake Success, New York dated July 9, 1973.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that if the Principal shall comply with all the conditions of the said agreement then this obligation shall be void, otherwise to remain in full force and effect.

Levitt Residential Communities Inc.

BY: _____
Treasurer

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

BY: _____
GEORGE A. SCHMITT, ATTORNEY

SCHEDULE B

AMENDMENT NO. 4

Dated April 18, 1975
To the Offering Plan for

Strathmore Court Homeowners Association, Inc.

This Offering Plan was amended on February 21, 1974 (Amendment No. 1), July 17, 1974 (Amendment No. 2) and November 25, 1974 (Amendment No. 3). This Amendment No. 4 contains the pertinent materials set forth in Amendments No. 1 through 3, as well as additional amended material as set forth herein.

Annexed to this Amendment are copies of two amendments to the Exhibit A Declaration of Covenants, Restrictions, Easements, Charges and Liems. The first amendment, dated December 5, 1974, was filed in the Suffolk County Register's Office on January 7, 1975 and reflects various requirements of the Federal Housing Administration (FHA) and Veterans Administration (VA). Among other changes, this Amendment restricts the Developer's right to vote for the annexation of additional property, the mortgaging or dedication of Common Areas, mergers, consolidations or dissolution of the Association or any amendment to the Declaration. Following the closing of title to the first FHA or VA financed lot, the Developer, as a Class B Member, may only cast its votes in such matters after receiving FHA or VA approval. The amendment also reduces the maximum annual assessment ceiling per lot from $800 to $500, but permits the Board of Directors to increase such assessments annually by an amount no greater than 10% higher than the assessment for the prior year. The assessment ceiling may be otherwise raised only with the assent of two-thirds of the votes of each class of members present in person or by proxy at a duly called meeting of the Association.

The second amendment, dated January 20, 1975, received the requisite approval of lot owners holding 90% of the votes of the Association membership and is in the process of being filed in the Suffolk County Register's Office. The Developer and approximately 90% of the lot Owners, other than the Developer, approved of this Amendment which limits the Developer's obligation for common charge assessments on unsold lots to the difference between the actual operating costs of the Association, including reserves on

OFFERING STATEMENT

THIS OFFERING RELATES SOLELY TO
MEMBERSHIP IN THE

STRATHMORE COURT HOMEOWNERS ASSOCIATION, INC.

AND TO THE DECLARATION OF COVENANTS AND RESTRICTIONS
APPLICABLE TO ALL HOMES SOLD AT
STRATHMORE COURT, TOWN OF BROOKHAVEN,
SUFFOLK COUNTY, NEW YORK

APPROXIMATE AMOUNT OF OFFERING: $747,000
(Cost of Common Areas and Facilities Included in the
Purchase Price of the Homes)

DEVELOPER AND SELLING AGENT
LEVITT RESIDENTIAL COMMUNITIES, INC.
400 Lakeville Road
Lake Success, New York

APPROXIMATE DATE OF OFFERING: OCTOBER 16, 1973

THIS OFFERING STATEMENT MAY NOT BE USED AFTER MAY 16, 1974

THE FILING OF THIS PLAN WITH THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK DOES NOT CONSTITUTE APPROVAL OF THE ISSUE OR THE SALE THEREOF BY THE DEPARTMENT OF LAW OR THE ATTORNEY GENERAL OF THE STATE OF NEW YORK. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

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INTRODUCTION

LEVITT RESIDENTIAL COMMUNITIES, INC., the "Developer", is a Delaware Corporation with its principal office at 400 Lakeville Road, Lake Success, New York. The Developer, through its wholly owned subsidiary, Clanler Corp., a New York corporation, is the fee owner of a parcel of land consisting of approximately two hundred and thirty-nine (239) acres of land located in Coram, Town of Brookhaven, Suffolk County, New York. The Developer in turn is a wholly owned subsidiary of Levitt and Sons, Incorporated.

The Developer intends to erect a housing development on this parcel, which development will consist of 440 single-family attached homes, each on a lot having no less than 1,716 square feet. The total lot area will be approximately 20.2 acres. The project will include certain common facilities (the "Common Areas") comprising approximately 62.8 acres of the parcel which facilities will include lawns, a community building, a swimming pool complex, a tot play area, parking spaces and tennis, basketball and handball/paddle tennis courts. Upon the filing of the Declaration of Covenants and Restrictions attached hereto as Exhibit A, the Common Areas will become subservient to and have only minimal value separate and apart from the lots. The Developer estimates that, absent the effect of the Declaration of Covenants and Restrictions, the Common Areas would have a market value of approximately $747,000, based upon a valuation of approximately $9,500 per acre for raw land and approximately $150,000 for improvements which the Developer is obligated to complete.

On and after January 2, 1975, the Common Areas will be owned by the Strathmore Court Homeowners Association, Inc., a membership corporation incorporated on June 7, 1973 under the Not-for-Profit Corporation Law of the State of New York (the "Homeowners Association" See Exhibit C). The Homeowners Association will have the obligation of operating and maintaining the Common Areas commencing on January 2, 1975. Prior to that, the Developer shall operate and maintain the Common Areas at its sole expense without cost or charge to the homebuyers.

Approximately 139 acres of the parcel will be dedicated by the Developer to the Town of Brookhaven for use as a park or for other municipal purposes, while as explained at page 12, an additional 16.9 acres will be dedicated to the Town as roads and streets. Prior to the conveyance of each unit to a homebuyer, Developer shall complete the construction of the streets, roadways and parking facilities directly serving each such unit. Barring unexpected delays, the Developer will complete the construction of substantially all of the recreational facilities included in the Common Areas by approximately December 31, 1974. Developer's obligation to complete the construction of all of the Common Areas, at its sole cost and expense, shall survive the conveyance of the Common Areas to the Homeowners Association on January 2, 1975. As the Developer is not posting a completion bond, its ability to complete the construction of the Common Areas will depend solely on its financial resources during the period of construction.

The parcel of land upon which the Developer is erecting the homes is at present subject to a purchase money first mortgage. Prior to the conveyance of any unit to a homebuyer, the Developer will arrange for the approximately 62.8 acres of land comprising the Common Areas to be released from the provisions of the mortgage lien. As indicated by the proposed development map annexed as Exhibit G to this Offering Statement, the Developer plans to construct and market the homes in the development in five sections. Prior to the conveyance of a home in any section, the Developer will arrange for the entire acreage comprising the section to be released from the provisions of the aforementioned first mortgage lien so that the Developer will be in a position, after receiving title to the land in the section from its subsidiary, Clanler Corp., to deliver title to the home free and clear of any mortgage, lien or other encumbrance.

In offering homes in this development, the Developer is simultaneously offering mandatory membership in the Homeowners Association, the cost of which is included in the purchase price of the home. Each purchaser of a home will, upon conveyance of the land and home to him, assume the obligations of membership in the Homeowners Association. These obligations include, commencing on January 2, 1975, the payment of a pro rata portion of the expenses of the Homeowners Association arising from the operation and maintenance of the common facilities and lawn care and other expenses

This Offering Plan is amended as follows:

The Developer, its successor or assignee does hereby covenant to the following agreements with the Strathmore Court Homeowners Association.

1) The Developer guarantees that the present monthly assessment of $33.86 will not be increased until July 1, 1979.

2) The Developer will deposit to the Strathmore Court Homeowners Association the sum of Two Hundred ($200.00) Dollars for each two-family house sold up to a maximum of $15,000. These funds may be used by the Association for capital improvements to the common areas.

3) The Developer hereby restricts the number of two-family homes to be built to 75 houses on 150 lots. However, the Developer reserves the right to increase this amount upon approval of the Board of Trustees of the Association. Said Board being independent of the Developer.

4) Each owner of a two-family house will pay an assessment of $67.72.

throughout the development. Propsective purchasers should be aware that if they resell their homes, those who purchase from them will also automatically become members of the Homeowners Association, assuming all rights and obligations. In addition to paying monthly maintenance charges and any special assessments of the Homeowners Association, upon acquiring title to his home from the Developer each member will be required to contribute a sum equal to one-half (1/2) of the annual assessment then in effect (or if no annual assessment has yet been established by the Board of Directors, one-half (1/2) of the annual assessment for 1975 as estimated by the Developer at page 4 of this Offering Statement) to provide the Homeowners Association with an initial reserve fund for the payment of its obligations. Members of the Association will have the right to vote annually for the Board of Directors who will conduct the affairs of the Association and supervise the operation of the Common Areas (see "Homeowners Association", page 10).

This Offering Statement relates solely to the rights and obligations of purchasers as members of the Homeowners Association and as contained in the attached Declaration. This Offering Statement does not relate to the purchase of land or homes other than as set forth above and this Offering Statement should not be relied upon except for the specific purposes set forth herein. This Offering Statement and the accompanying documentation should be carefully studied by prospective purchasers and their attorneys prior to signing any contract for the purchase of a unit.

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PROJECTED SCHEDULE OF RECEIPTS AND EXPENSES
FOR THE FIRST YEAR OF OPERATION

The Developer will be responsible for the operation and maintenance of the Common Areas, at its sole cost and expenses, until the conveyance of the Common Areas to the Homeowners Association on January 2, 1975. The Developer reasonably estimates and represents, but does not warrant or guarantee, that the budget for the first full year of operation of the Homeowners Association (January 2, 1975 - December 31, 1975) will be approximately $178,786 which sum is broken down as follows:

	Aggregate annual estimate	Aggregate monthly estimate	Estimated monthly amount allocable to each unit	
			Annually	Monthly
RECEIPTS				
Annual Maintenance Charges	$178,786	$14,898.83	$406.33	$33.86
EXPENSES				
1. Electricity-Pool, Community Building and Common Areas (1)	$ 3,100	$ 258.33	$ 7.05	$ .59
2. Fuel for Community Building (1)	2,400	200.00	5.45	.45
3. Insurance (2)	2,750	229.17	6.25	.52
4. Maintenance Agreement	134,036	11,169.58	304.63	25.39
5. Professional Managing Agent (4)	8,000	666.67	18.18	1.52

	Aggregate annual estimate	Aggregate monthly estimate	Estimated monthly amount allocable to each unit Annually	Monthly
6. Water for Common Irrigation	$ 10,000	$ 833.33	$ 22.73	$ 1.89
7. Legal & Accounting	1,500	125.00	3.41	.28
8. Exterior Maintenance and Contingency Reserve Fund (5)	17,000 10%	1,416.66	38.64	3.23
TOTAL	$178,786	$14,898.83	$406.33	$33.86

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(1) The estimate is based on Developer's experience in operating comparable facilities. Refuse and snow removal are provided only on the Common Areas. While the Homeowners Association will supply irrigation water for both the Common Areas and the lots, each home will be individually metered for drinking water.

(2) Insurance coverage for the Homeowners Association will consist of : public liability insurance with liability limits of $1,000,000 for bodily injury and $100,000 for property damage, and fire, extended coverage, vandalism and malicious mischief coverage of $100,000 for the Common Area Recreation Building and $25,000 for its contents. The estimated premium charges for the foregoing coverage have been supplied the Sponsor by the Three Village-Bennett Agency, Inc. based on current rates established by the Insurance Services Office for the State of New York. Following the completion of construction of the Recreation Building, the New York Fire Rating Bureau will promulgate specific rates for the building and the estimated premium will be adjusted accordingly.

(3) The Maintenance Agreement between the Homeowners Association and National Leisure Systems, Inc. is summarized on page 19. The Agreement, which runs for a term of fifteen months commencing January 1, 1975, provides for aggregate payments by the Homeowners Association of $156,584, in fifteen monthly installments of $10,438.92. The Association is also responsible for the payment of all applicable sales taxes. At the current rate of 7% this amounts to an additional expense to the Association of $10,961 over the life of the contract. The budgeted figures reflect this tax.

(4) The Management Agreement between the Homeowners Association and National Leisure Systems, Inc. is summarized on page 18. The Agreement, which runs for a term of fifteen months commencing January 1, 1975, provides for aggregate payments by the Homeowners Association of $10,000, in fifteen monthly installments of $666.67.

(5) The Exterior Maintenance and Contingency Reserve Fund provides a yearly accrual for painting and other repairs and maintenance to the exterior of the homes and Common Area facilities. It is also intended to cover any unanticipated expenditures.

The annual maintenance charges will be divided equally among the 440 units and will be paid on a monthly basis. The above Estimated Budget relates to the operation and maintenance of the Common Areas and facilities thereon which will be owned by the Homeowners Association, and lawn care and certain exterior maintenance throughout the development. As expressed in a letter of adequacy annexed as Exhibit E to this Offering Statement, the Developer believes that the foregoing estimates of receipts and expenses is reasonable and adequate. The Developer, however, does not guarantee or warrant that the actual income and expenses of the Association will not vary from the amounts shown. No allowance for real estate taxes on the Common Areas is included in the projection of expenses (see "Opinion of Counsel", page 7).

OPINION OF COUNSEL

The Developer has been advised by its Counsel, Wofsey, Certilman, Haft, Snow & Becker, 55 Broad Street, New York, New York 10004, that under present law members of the Homeowners Association will not be entitled to deduct any portion of their annual assessment payments, as presently constituted, to the Homeowners Association for Federal or New York State income tax purposes. The opinion of counsel is annexed as Exhibit F to this Offering Statement.

Counsel has advised that immediately upon the filing of the Declaration of Covenants and Restrictions annexed hereto as Exhibit A, the Common Areas will become subservient to and have only minimal value separate and apart from the individual lots. Accordingly, it is anticipated that the assessment on each home or lot will reflect an equal proportionate amount for the Common Areas. Should a separate assessment be levied on the Common Areas during their initial years of operation, it is anticipated that such assessment and the resulting tax will be nominal. Under present law, payments made by individual owners for real estate taxes on their lots or homes, inclusive of that portion of such taxes attributable to a proportionate assessment of the value of the Common Areas, are, in the opinion of counsel, tax deductible.

Counsel has also advised the Developer that, in its opinion, the Declaration of Covenants and Restrictions and By-Laws to be recorded in the Suffolk County Clerk's Office are legal and valid and that, based on the Amended Resolution of the Town Board of the Town of Brookhaven, the development appears to conform with local zoning laws, ordinances and regulations.

DECLARATION OF COVENANTS AND RESTRICTIONS

Prior to the closing of title to any home the Developer will record the Declaration of Covenants and Restrictions (the "Declaration") annexed as Exhibit "A" to this Offering Plan in the Suffolk County Clerk's Office. The Declaration provides, in part, that every homeowner, by acceptance of a deed, agrees to pay to the Homeowners Association, commencing on January 2, 1975, (1) Annual Assessments or charges, and (2) Special Assessments for capital improvements. These assessments are charges upon the land and continuing liens on the property against which such assessment is made. They are also a personal obligation of the person who is the owner of such property at the time when the assessment becomes due and payable. Claims of the Association against defaulting homeowners may be enforced by legal action, brought by the Association or the Town of Brookhaven. The Developer cannot and does not represent or guarantee that any homeowners or the Homeowners Association will in fact meet their respective obligations, and the Developer shall not be liable for any failure to meet such obligations. Developer shall, however, pay such assessments for lots owned by Developer so long as Developer continues to hold title to such lots.

The Declaration makes it an affirmative obligation of the Homeowners Association to employ the services of a paid professional manager, unrelated to the Developer or the owner of any lot, to supervise all of the work, labor, services and material required in operating and maintaining the Common Areas.

The Developer is required to provide two parking spaces for each lot, including interior and exterior garage parking.

In addition to maintaining the Common Areas, the Declaration requires the Homeowners Association to provide exterior maintenance to the roof, siding and facia of each home, including the painting of trim exclusive of exterior doors on the home and garage, if any, and to cut the grass on each lot.

The Declaration also provides that every homeowner shall have the right to the use and enjoyment of the Common Areas, including the recreational facilities thereon, which the Developer is obligated to convey to the Homeowners Association on January 2, 1975, and such right shall be appurtenant (attached) to and shall pass with the title to every lot. This right shall inure to all successive owners, legal representatives and heirs. While a homeowner's right to use the Common Areas may be suspended for any period during which any assessment against his lot remains unpaid, and for a period not to exceed thirty days for any infraction of the Association's published rules and regulations, in no event will any such suspension preclude the homeowner's ingress or egress to and from his lot.

The right to use and enjoy the aforementioned facilities in the Homeowners Association shall expire on December 31, 2003, after which there is an automatic extension for successive ten year periods, unless two-thirds of the then owners of lots agree to terminate or modify said covenants and restrictions, in whole or in part.

The Developer retains an easement for ingress and egress for so long as it owns any part of the land described herein, and during the time said Developer will be constructing and marketing homes and completing the Common Areas.

The Declaration also gives the Developer the limited right to amend the Declaration at any time on or before January 2, 1975 in conformity with any requirements imposed by the Federal Housing Administration (FHA) or the Veterans Administration (VA) should the Developer seek to make FHA or VA financing available to purchasers of the homes.

In order to preserve the appearance of the Community, the Declaration prohibits exterior laundry poles, lines and television antennas. As the Community will contain no master antenna system, homeowners dissatisfied with indoor television antenna reception may, at their option, avail themselves of cable television service from Suffolk Cablevision, Brightside Avenue, Central Islip.

The administration of the Homeowners Association will be in accordance with its Certificate of Incorporation, the Declaration and the By-Laws annexed as Exhibit C to this Offering Statement.

HOMEOWNERS ASSOCIATION

The Homeowners Association was formed on June 7, 1973 as a Type "A" corporation, under the Not-for-Profit Corporation Law of the State of New York to own, operate, manage and control the Common Areas which the Developer will convey to it by bargain and sale deed, with covenants against grantor's acts, on January 2, 1975. The Homeowners Association is also required to provide certain exterior maintenance to the lots and all lawn care. The By-Laws require three directors until the first annual meeting of the Homeowners Association at which time the size of the board will be increased to nine. At the first annual meeting, which will be held on the first Tuesday in April of 1974, the members will elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years. At each subsequent annual meeting three directors will be elected for a three year term. The present directors have been designated by and are employees of the Developer. They are:

Ronald A. Roth	516 West Main Street Huntington, New York
Joseph E. Mottola	46 Windmill Lane Levittown, New York
Leonard Gold	3265 Perry Avenue Oceanside, New York

The Declaration provides that each home owner will automatically become a Class A member of Homeowners Association, entitled to cast one vote for each lot owned. The Developer will be the sole Class B member, entitled to cast five votes for each unsold lot. Prior to July 1, 1977 the Developer will maintain control of the Homeowners Association as long as it continues to own at least 17% of the lots. On that date, or at such earlier date as the Developer sells 374 lots, the Developer's Class B membership will cease and be converted to Class A membership.

The Homeowners Association will have a lien on each member's home to secure the payment of special assessments or monthly maintenance charges. The Association is empowered to bring legal action against delinquent members to collect unpaid assessments or charges, together with interest thereon and the cost of collection thereof, as more particularly set forth in the Declaration.

A copy of the Certificate of Incorporation of the Homeowners Association is annexed hereto as Exhibit "B".

DESCRIPTION OF COMMON AREAS AND FACILITIES TO BE OWNED BY THE ASSOCIATION

Site

The site is located on Canal Road in Coram, Town of Brookhaven, Suffolk County, New York. As indicated on the proposed development map annexed as Exhibit D, the Developer plan to construct and market the homes in the development in five sections. The total lot area of the 440 homes will be approximately 20.2 acres, while the Common Areas will consist of approximately 62.8 acres. Approximately 139 acres will be dedicated to the Town of Brookhaven for use as a public park or for other municipal purposes, while an additional 16.9 acres will be dedicated to the Town as roads and streets. Landscaping of the Common Areas will consist of approximately 1,500 trees of various species, including but not limited to Sycamores, Hybrid and Lombardi Poplar, Gray Birch, Sugar Maples and Douglasia, Pine and Spruce evergreens. The Common Areas will be seeded (but in its absolute discretion, the Developer may choose to sod various portions of the Common Areas).

The precise acreage of the lots and Common Areas will vary slightly with the home model mix as finally constructed by the Developer. The mix of home models for Section 1 has been finalized and a subdivision map for this Section will be

filed with the Clerk of Suffolk County at the same time the Declaration is recorded. Prior to the transfer of title to a home in any one of the remaining four Sections, the Developer will file a subdivision map for said Section. Subdivision maps for all five Sections will be filed prior to January 2, 1975.

The Developer anticipates that construction of the recreational facilities will be completed by approximately December 31, 1974.

Roads and Sewers

All roads and storm drainage improvements will conform to the "Standard Specifications and Details" of the Town of Brookhaven Planning Board. The roadway system will comprise approximately 16.9 acres of land (see the Development Map annexed as Exhibit G to this Offering Statement). Upon the completion of the roads and storm drainage improvements, it is the Developer's intention to dedicate them to the Town of Brookhaven, which will thereafter be responsible for their maintenance and repair. The Developer, however, has no control over the timing of the acceptance of these improvements by the Town. Prior to the Town's acceptance of said improvements, the Association shall be responsible for any required maintenance.

The sanitary sewer collection system will be owned and serviced by the Selden Sanitary Corp. The Developer will grant easements to Selden Sanitary Corp. in the right of way of the main collector roads, and in certain portions of the lots and Common Areas to install and service the sewer system. The Homeowners Association, rather than the individual lot owners, will be responsible for maintaining the house connections up to the sewer main. In those few cases where the sewer main

may be located in the right of way of the main collector road, however, the Homeowners Association will maintain the house connection only up to the main collector road. Prior to January 2, 1975, the Developer, rather than the Homeowners Association, will be responsible for maintaining the house connections.

Recreational Facilities

The following facilities will be made available to the homeowners for recreational purposes:

1. Swimming Pool Complex - The community will contain a system of two pools. The main pool, which will be L shaped, will have a rectangular portion eighty-four feet long and forty-two feet wide, with a depth of approximately three feet at one end and five feet at the other end, and a diving area thirty feet long and twenty-five feet wide, with a depth of approximately ten feet. The tot wading pool will be twenty-two feet in diameter and will vary in depth from approximately twelve to eighteen inches. The pools will be constructed of reinforced concrete (gunite process). Filtration and underwater lighting will be in accordance with plans and specifications to be approved by the Suffolk County Department of Health and other local authorities. The pool area will be enclosed by a four foot high chain link fence.

The swimming pool facilities will be open six days per week from the last weekend in June through Labor Day and weekends only for the entire month of June. The pool facilities will be closed on Mondays during the season. Pool hours will be 11:00 a.m. to 7:00 p.m. Health standards promulgated by the Suffolk County Department of Health will be adhered to. The Developer will be responsible for securing an initial operating permit for the swimming pool complex from the Department of Health.

Lifeguards will have up-to-date Red Cross Senior Life Saving Certificates.

2. Community Building - The Community Building will be one story with a slab on grade and no basement, containing approximately 4,740 square feet. The foundation will be poured concrete, and the roof will be conventional wood trusses 24" on center. The entrance doors will be of wood and glass. The exterior walls of the Building will be 8" concrete block with plexitone finish on the inside. All exterior windows will be of insulated glass, and of the wood double hung type. There will be one brick and concrete block fireplace and chimney. The Building will have porticos front and rear constructed of conventional wood members with wood built-up columns. The roof will consist of 235 lbs. roof shingles with a granular finish.

Water will be supplied to the Building by the Suffolk County Authority. Water pipes will be 3/4 inch minimum copper pipes, and the water pressure will be 60 pounds per square inch. Plumbing will conform to local codes. Sewer pipes will be 6" asbestos cement pipe and will connect to the local sewage treatment facility on Old Town Road. The heating system will be forced warm air using propane fuel. The propane gas tank is buried in the lawn area adjacent to the Building and has a 1,000 gallon capacity. All heating controls are automatic. The Building will be centrally air conditioned with three condensers located adjacent to the Building. The electrical system will comply with all local and state codes and will have one meter in the mechanical equipment room. The service will be 400 ampere single phase service. There will be 42 circuits, 40 lighting fixtures and 35 outlets. There will be 70 parking spaces on the east side of the Building.

The Community Building will include the following rooms.

(a) Lounge area with card and eating tables. A section of the lounge area will be a soft seating area containing a wood burning fireplace.

(b) Kitchen with separate pantry. The kitchen will have vinyl asbestos tile flooring, wooden cabinets, an exhaust fan, a stainless steel sink, a refrigerator, a dishwasher and an electric range.

(c) Activities room #1 equipped with pool table and ping pong table.

(d) Activities room #2 for painting and ceramics, with separate storage area. This room will be equipped with easels, a potter's wheel and a 2 foot by 2 foot kiln.

(e) Exercise room.

(f) Men's sauna, shower and locker facilities.

(g) Women's sauna, shower and locker facilities.

(h) Men's toilet facilities.

(i) Women's toilet facilities.

(j) General office.

(k) Vestibule with separate coat storage room.

(l) Mechanical equipment room.

(m) Pool equipment storage room.

(n) Chair storage room.

3. Tot Play Area - The Community will contain a hexagonal tot play area, consisting of a six inch washed sand surface layer approximately seventy feet across, containing one money bar set, one 6 foot high slide, one 10 foot high slide, three spring animals, one 10 foot diameter merry-go-round one standard size 6 swing model swing set and one baby size 4 swing model swing set.

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4. Tennis Courts - Two 36 feet by 78 feet tennis courts will be constructed on the Community grounds. The courts will consist of four inches of asphalt over a six inch stabilized base. The asphalt will be comprised of 2½ inches of hot plant mix bankrum and a 1½ inch surface course. Each court will have one coat of line paint and will be covered with a colored sealer.

5. Handball/Paddle Tennis Courts - There will be four 22 feet by 35 feet handball/paddle tennis courts. The courts will consist of four inches of concrete with 6"x6"x10/10 gauge reinforcing mesh over a six inch stabilized base. The two walls will consist of reinforced concrete one foot thick, 16 feet high and 22 feet in length. Each court will have one coat of line paint.

6. Basketball Courts - The Community will have three 50 feet by 78 feet full court basketball courts. The courts will consist of four inches of asphalt over a six inch stabilized base. The asphalt will be comprised of 2½ inches of hot plant mix bankrum and a 1½ inch surface course. Each court will have one coat of line paint.

TOWN BOARD RESOLUTION OF THE TOWN OF BROOKHAVEN

The Town Board of the Town of Brookhaven authorized the Planning Board to approve the Developer's application to proceed with the development by Amended Resolution dated July 17, 1973, a copy of which resolution is annexed hereto as Exhibit D.

OBLIGATIONS OF SPONSOR

Prior to the conveyance of title to a lot in any one of the five Sections, the Sponsor will arrange for the entire acreage comprising the Section in which the lot is located to be released from the provisions of a purchase money first mortgage lien encumbering the development. The entire Common Areas will be released from this lien prior to their conveyance by the Developer to the Homeowners Association on January 2, 1975. The Developer will complete the construction of all streets, roadways, walkways and parking facilities directly serving a lot before conveying title to the lot. The Developer's obligation to complete the construction of the Common Areas, including the swimming pool and recreational facilities, will survive their conveyance to the Homeowners Association. As the Developer is not posting a completion bond, its ability to complete the construction of the Common Areas will depend solely on its financial resources during the period of construction. The Developer will be responsible for the operation and maintenance of the Common Areas, at its sole cost and expense, until their conveyance to the Homeowners Association. On and after January 2, 1975 the Developer will be responsible for paying monthly maintenance charges assessed by the Homeowners Association on unsold homes.

At the time of the transfer of title to the Common Areas by the Developer to the Homeowners Association on January 2, 1975, the Developer will furnish the Homeowners Association with a fee title policy covering the lands and facilities comprising the Common Areas. This fee policy of title insurance will be issued by City Title Insurance Company, or such other reputable title insurance company licensed to do business in the State of New York, and shall be in the amount of $747,000. Any proceeds of such title policy arising out of a claim of defective title, pertaining to land being conveyed to the Homeowners Association, will be held for the benefit of and delivered to the Homeowners Association.

MANAGEMENT AND OTHER CONTRACTUAL AGREEMENTS

The Homeowners Association is a party to the following Agreements:

A. Management Agreement. The Homeowners Association has entered into a Management Agreement with National Leisure Systems, Inc., ("National") to provide for the management of the Common Areas and facilities thereon, and to insure the performance of the Association's obligations in connection therewith and in connection with the exterior maintenance to be performed by the Association. The Sponsor, Levitt and Sons, Incorporated, and their respective officers and directors have no direct or indirect interest in or affiliation with National. The term of the Agreement is fifteen months, commencing on January 1, 1975 and ending on March 31, 1976. In the event of a default by National, the Association has the right to terminate the Agreement on five days' notice. The Agreement obliges National to supervise all of the work, labor, services and purchase of materials required in the operation and maintenance of the Common Areas and facilities thereon to be owned by the Association and in connection with the other exterior maintenance required to be performed by the Association. The Agreement authorizes National to collect from the members of the Association all special assessments and monthly maintenance charges levied by the Association, including the bringing of any necessary legal proceedings in connection therewith, and to deposit the same in a bank account maintained by and in the name of the Association. The Agreement also authorizes National to make all withdrawals and deposits from such bank account. In that connection, National is obliged to deliver a $50,000.00 Fidelity Bond to the Association and to furnish the Association with a monthly list of all delinquent accounts, and quarterly statements itemizing all expenditures and disbursements made by National on behalf of the Association. National will bear and pay the cost of its Fidelity Bond. The Agreement also obliges National to supervise the keeping and maintenance of all bookkeeping records with respect to its functions under the Agreement. The aggregate compensation to be paid to National by the Association for the entire fifteen month term of the Agreement is $10,000,* payable in

*This consideration was arbitrarily arrived at without reference to recommended rate schedules promulgated by local real estate boards, if any, based on arms length negotiations between Developer and National in consideration of the estimated value of the work to be performed.

advance in equal monthly installments of $666.67, commencing on January 1, 1975. National is required to carry workmen's compensation insurance, automobile liability insurance for vehicles used by its employees and agents with limits of not less than $100,000 per person and $300,00 per accident for bodily injury and $25,000 per accident for property damage, and public liability insurance naming the Association and National as insureds with limits of $500,000 per person and $1,000,000 per occurrence for bodily injury and $100,000 aggregate for property damage. The Association will pay the cost of the public liability insurance. National will indemnify and hold the Association harmless against all claims not covered by insurance which result from the negligence of National, its agents or employees in carrying out its duties under the Agreement.

B. Maintenance Agreement. The Association has also entered into a Maintenance Agreement with National Leisure Systems, Inc., ("National") to provide for certain Common Area and exterior lot maintenance, namely, lawn and landscaping maintenance and maintenance of the recreational facilities, including the swimming pool and Community Building. The Agreement does not cover structural maintenance to the roof, siding and facia of the homes, garages and buildings. Such maintenance is, however, a responsibility of the Association and separate provision has been made for the expense of such maintenance in the Association's budget. The term of the Agreement is fifteen months, commencing on January 1, 1975 and ending on March 31, 1976. The Association has the right to terminate the Agreement on five days' notice in the event of a default by National and on 90 days notice for cause. As the Agreement provides for payment to be made in equal monthly installments for the convenience of the Association, should the Association elect to so terminate the Agreement following the summer months when National is obliged to perform the bulk of its services, the Agreement provides for certain payments to be made to National over the remaining months of the scheduled contract period.

With respect to the recreational facilities, National is obliged to provide the following maintenance services at its own expense unless otherwise noted:

Tennis Courts. National will police the tennis, basketball and handball/paddle tennis courts, once a week between June and September and once a month between October and May. The "tot lots" will be policed by National once a week for the entire year.

Swimming Pool. National will provide two full-time and properly trained and qualified life guards at the swimming pool during the season, which runs for weekends only for the month of June until the last weekend in June and from thence through Labor Day on a six-day a week basis between 11:00 A.M. and 7:00 P.M. National is obliged to provide and maintain specified supplies, equipment and chemicals necessary to properly maintain and operate the pool and to regularly police the pool area. National will make minor repairs to the pool and equipment not exceeding $25.00 per repair. The Association is responsible for major repairs not necessitated by National's negligence. National will winterize and summerize the pool and filter system in accordance with prescribed specifications and procedures, and will, at the cost of the Association, obtain all necessary permits for the pool.

Community Building. National is required to provide supervision and maintenance of the Community Building fifty-six hours per week, in accordance with a time schedule mutually agreed to with the Association. National is also required to perform certain specified maintenance to the Community Building and furnish all cleaning supplies and equipment in connection therewith. National will provide refuse removal for the Community Building. Replacement light bulbs and refuse disposal will be an expense of the Association. REFUSE REMOVAL FOR THE HOMES WILL BE ARRANGED INDIVIDUALLY BY THE HOMEOWNERS ON A PRIVATE CONTRACT BASIS WITH INDEPENDENT CONTRACTORS PROVIDING SUCH SERVICE.

Lawn and landscape maintenance. National is obliged to perform the following lawn and landscape maintenance and furnish all the equipment, chemicals and supplies necessary in connection therewith:

1. Spring clean-up, to include soil testing, fertilizing and liming and removal of debris from lawn areas.

2. Regular maintenance between April 15 and October 15, to include grass cutting every seven days and lawn edging around walkways every four weeks.

3. Fall clean-up, to include fertilizing and liming and the removal of debris from lawn areas.

Snow Removal. Upon the accumulation of two inches of snowfall, National will clear walkways and parking spaces in the Community Building area only. Sanding or salting will be done under extreme icing conditions. INDIVIDUAL LOT OWNERS WILL BE RESPONSIBLE FOR CLEARING SNOW FROM THEIR OWN LOTS AND PARKING SPACES.

The aggregate compensation to be paid to National by the Association over the entire fifteen month term of the Agreement is $156,584 payable in advance in equal monthly installments of $10,438.92, commencing on January 1, 1975. The Association is obligated to pay the applicable sales tax for services performed pursuant to the Agreement. At the current rate of 7% this amounts to an additional expense to the Association of $10,961 over the life of the Agreement (or $731 per month). National is required to employ sufficient competent personnel in connection with the performance of its duties under the Agreement. National is required to carry workmen's compensation insurance, automobile liability insurance for vehicles used by its employees and agents with limits of not less than $100,000 per person and $300,00 per accident for bodily injury and $25,000 per accident for property damage, and public liability insurance naming the Association and National as insureds with limits of $500,000 per person and $1,000,000 per occurrence for bodily injury and $100,000 aggregate for property damage. The Association will pay the cost of public liability insurance. National will indemnify

and hold the Association harmless against all claims not covered by insurance which result from the negligence of National, its agents or employees in carrying out its duties under the Agreement.

DEVELOPER

The Developer and Selling Agent is Levitt Residential Communities, Inc., a Delaware corporation incorporated on January 24, 1972. The Developer is a wholly owned subsidiary of Levitt and Sons, Incorporated. The directors and those executive officers of Levitt Residential Communities most directly concerned with the development are as follows:

Robert Martin Ross	President and Director
Lawrence Munn Soifer	Vice-President and Director
Norman Peterfreund	Vice-President and Director
Peter Francis Taylor	Vice-President
Louis G. Aprea	Vice-President
Ronald A. Roth	Vice-President
Murray Wolfe Putter	Treasurer

For the last five years, all of the above officers and directors have been associated in responsible positions with Levitt Residential Communities, Inc., or Levitt and Sons, Incorporated, except for Mr. Aprea who prior to January, 1969 was Executive Vice-President and chief financial officer of Lehigh Valley Industries, Inc. and prior to January, 1966 was employed by General Foods Corporation in executive capacities.

During the last three years the Developer has constructed the Strathmore Gate, Strathmore Ridge and Strathmore Gate East Homeowners Association projects, all of which are located in Suffolk County, New York.

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REPORTS TO MEMBERS

All members of the Homeowners Association will receive annually, at the expense of the Homeowners Association, copies of a Balance Sheet and a Profit and Loss Statement certified by an independent public accountant, a statement regarding taxable income attributable to the members and a notice of the holding of the annual meeting of the members.

GENERAL

This Offering Statement contains a fair summary of the material facts of this offering and does not knowingly omit any material fact or contain any untrue statement of any material fact. In accordance with Section 352-e(9) of the General Business Law, copies of this Offering Statement and all Exhibits or documents referred to herein shall be available for inspection by prospective purchasers and by any person who has purchased a security offered by this Statement or who has otherwise participated in this offering at the offices of the Developer at the address indicated on the front cover of this Offering Statement.

There are no lawsuits or other proceedings now pending, or any judgment outstanding, either against the Developer or the Homeowners Association or any person or persons which might become a lien against the Property or which materially affect this offering.

In accordance with the provisions of the laws of the State of New York, the Developer represents that it will not discriminate against any person because of his race, creed, color, national origin or ancestry in the sale of homes at Strathmore Court and in the simultaneous offering of memberships in the Homeowners Association under this Offering Statement.

As of the date of first presentation of this Offering Statement, neither the Developer nor any of its agents has raised funds or made any preliminary offering or binding agreement to or with prospective homeowners other than by market testing conducted pursuant to Cooperative Policy Statement #1.

No person has been authorized to make any representation which is not expressly contained herein. This Offering Statement may not be changed or modified orally but only by a duly filed amendment.

Dated: October 16, 1973

LEVITT RESIDENTIAL COMMUNITIES, INC.
DEVELOPER

DECLARATION OF COVENANTS, RESTRICTIONS,
EASEMENTS, CHARGES AND LIENS

THIS DECLARATION, made this day of , 197 by LEVITT RESIDENTIAL COMMUNITIES, INC., a Delaware corporation, hereinafter referred to as "Developer".

WITNESSETH:

WHEREAS, Developer is the owner of the real property referred to in Article V and described in Exhibit "A" of this Declaration, and desires to develop thereon an Attached Home Community, together with common lands and facilities for social, recreational and cultural purposes for the sole use and benefit of such community and their guests; and

WHEREAS, Developer desires to provide for the preservation of the values and amenities in said community and for the maintenance of said common lands and facilities and, to this end, desires to subject the real property referred to in Article V and described in Exhibit "A" to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, Developer has reserved a limited right to amend this Declaration in conformity with any requirements of the Federal Housing Administration (FHA) or the Veterans Administration (VA), as provided in Section 1 of Article X, in order to permit prospective purchasers of Lots located in Sections 1 through 5 to obtain FHA or VA loans, should Developer seek to make FHA or VA financing available to purchasers of Lots in one or more of said Sections.

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an agency to which will be delegated and assigned the powers of maintaining and administering the community facilities, administering and enforcing the covenants and restrictions, and levying, collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer has incorporated under the laws of the State of New York, as a not-for-profit corporation, the Strathmore Court Homeowners Association, Inc., for the purpose of exercising the functions aforesaid;

EXHIBIT A

NOW, THEREFORE, Developer declares that the real property referred to in Article V hereof, and more particularly described in Exhibit "A", attached hereto and forming a part hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth, and the same shall be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. Definitions. The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Association" shall mean and refer to the Strathmore Court Homeowners Association, Inc., its successors and assigns.

(b) "Owner" shall mean and refer to the record owner of fee simple title to any Lot. Every Lot Owner shall be treated for all purposes as a single owner for each Lot held, irrespective of whether such ownership is joint, in common, or tenancy by the entirety. Where such ownership is joint, in common, or tenancy by the entirety, majority vote of such owners shall be necessary to cast any vote to which such owners are entitled.

(c) "The Properties" shall mean and refer to that certain real property, both Lots and Common Areas, as are subject to this Declaration, and which are described in Exhibit "A". Expressly excluded from the provisions of this Declaration, upon acceptance for dedication by the town of Brookhaven, are the approximately 16.9 acres of land comprising roads and streets as shown on the filed subdivision Maps of Strathmore Court.

(d) "Common Areas" shall mean and refer to those areas of land, comprising approximately 62.8 acres, together with the facilities thereon, which the Developer shall convey to the Association on January 2, 1975 as shown on the subdivision maps of The Properties filed in the Office of the Clerk of Suffolk County entitled Maps of Strathmore Court: Section 1, filed on as Map No. ; Section 2, filed on as Map No. ; Section 3, filed on as Map No. ; Section 4, filed on as Map No. ; and Section 5, filed on as Map No. . The Developer shall file the Map for Section 1 simultaneously with the recording of this Declaration. Prior to the conveyance of a Lot in any one of the remaining four Sections, the Developer shall file the Map for said Section. The Developer shall in any event, file the Maps for the remaining four Sections prior to the conveyance

1. ARTICLE I, DEFINITIONS. Section 1 (d) "Common Areas", is hereby amended so as to include therein the following:

"Map of Strathmore Court, Section 1, filed November 16, 1973 as Map No. 6038; Section 2, filed September 9, 1974 as Map No. 6146; Section 3, filed November 18, 1974 as Map No. 6173;"

of the "Common Areas" to the Association on January 2, 1975. The five Maps as individually filed are incorporated as Exhibit "B" to this Declaration. The Common areas are intended to be devoted to the common use and enjoyment of the members of the Association as herein defined, and are not dedicated for use by the general public.

(e) "Lots" shall mean and refer to any plot of land intended and subdivided for residential use, shown upon the filed subdivision Maps of Strathmore Court, but shall not include the Common Areas as herein defined. Developer shall in no event subdivide more than 440 "Lots" on the Properties.

(f) "Developer" shall mean and refer to Levitt Residential Communities, Inc., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Developer for the purpose of development.

(g) "Party Fence" shall mean and refer to a fence situate, or intended to be situate, on the boundary line between adjoining properties.

(h) "Party Wall" shall mean and refer to the entire wall, from front to rear, all or a portion of which is used for support and each adjoining property, situate, or intended to be situate, on the boundary line between adjoining properties.

(i) "Member" shall mean and refer to all those owners who are members of the Association as provided in Article III, Section 1 hereof.

ARTICLE II

PROPERTY RIGHTS IN THE COMMON AREAS

Section 1. Members' Easements of Enjoyment. Subject to the provisions of Section 3 of this Article II every Member shall have a right and easement of enjoyment in and to the Common Areas and such easement shall be appurtenant to and shall pass with the title to every Lot.

Section 2. Title to Common Areas. Developer hereby covenants for itself, its successors and assigns, that on January 2, 1975 it will convey to the Association, by Bargain and Sale Deed, with Covenant Against Grantor's Acts, fee title to the Common Areas as shown on the filed subdivision Maps of Strathmore Court free and clear of all encumbrances and liens, except those created by or pursuant to this Declaration, subject, however, to the following covenant, which shall be deemed to run with the land and shall be binding upon the Developer, the Association, and their successors and assigns:

DELETED

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1. Article I. DEFINITIONS

Section 1. (e) "Lots". The following sentence is added at the end of this subsection:

A single family dwelling may and shall be erected only upon a single "Lot" while a two family dwelling may and shall be erected only upon two "Lots".

Amended #2 8 Oct 74

2. ARTICLE II, PROPERTY RIGHTS IN THE COMMON AREAS. Section 2. Title to Common Areas, be and the same hereby is amended by deleting therefrom the first portion of the Section which reads as follows:

"Developer hereby covenants for itself, its successors and assigns, that on January 2, 1975 it will convey to the Association,".

The following language is hereby inserted in place and stead thereof:

"Developer hereby covenants for itself, its successors and assigns, that on or before the first conveyance of title to a lot purchased all or partially by means of an FHA or VA loan but in any event by January 2, 1975 it will convey to the Association.".

3. ARTICLE II, Section 2. Title to Common Areas This Section is hereby amended so as to include the following paragraph therein. Said paragraph shall appear immediately prior to the very last paragraph in the Section as presently filed:

"At the time of such conveyance, Developer shall deliver to the Association a title policy in the amount of $747,000 issued by a title company licensed to do business in New York State insuring such title in accordance with this Section 2 to the Association."

Amended #1 8 Oct 74

In order to preserve and enhance the property values and amenities of the Community, the Common Areas and all facilities now or hereafter built or installed thereon, shall be operated in accordance with high standards. The maintenance and repair of the Common Areas shall include, but not be limited to, the repair of damage to walkways, buildings, swimming pool, recreational equipment, fences, storm drains, sewer lines, connections and appurtenances. Further, once the construction of the swimming pool and facilities appurtenant thereto is completed, it shall be an express affirmative obligation of the Developer, until such time as it conveys fee title to the Common Areas to the Association as hereinbefore provided, and thereafter of the Association, to keep such pool and facilities open, adequately staffed and operating during those months and during such hours as outdoor swimming pools are normally in operation in the locality.

This Section shall not be amended, as provided for in Article X, Section 1, to reduce or eliminate the obligation for the maintenance and repair of the Common Areas.

Section 3. Extent of Members' Easements. The rights and easements created hereby shall be subject to the following:

(a) The right of the Association, in accordance with its Articles and Bylaws, to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed thirty (30) days for any infraction of its published rules and regulations (but in no event shall any such suspension preclude ingress or egress by the owner to and from his dwelling or Lot);

(b) the right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer, determination as to the purposes or as to the conditions thereof, shall be effective unless an instrument, signed by Members entitled to cast two-thirds of the votes of the Class A membership and two-thirds of the votes of the Class B membership, if any, has been recorded, agreeing to such dedication, transfer, purpose or condition, and unless written notice of the action is sent to every Member at least sixty days in advance of any action taken, and further provided that such areas shall not include the Common Areas as shown within the lot lines on the filed subdivision Maps of Strathmore Court;

(c) the right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Areas and in aid thereof, to mortgage said properties, exclusive of those within lot lines as shown on the map of "Strathmore Court" and the rights of such mortgagee in said properties shall be subordinate to the rights of the Owners hereunder,

(d) the right of the Association to take such steps as are reasonably necessary to protect the above described properties against foreclosure;

(e) the right of individual Members to the exclusive use of parking spaces as provided in Section 4 hereof;

(f) the right of the Developer, and of the Association, to grant and reserve easements and rights-of-way through, under, over and across the Common Areas, for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, fuel oil and other utilities, and the right of the Developer to grant and reserve easements and rights-of-way through, over, upon and across the Common Areas for the completion of Developer's work and for the operation and maintenance of the Common Areas; and

Section 4. Parking Rights. The Developer shall provide two parking spaces for each Lot upon which the Developer does not erect a garage and one parking space for each Lot upon which the Developer does erect a garage. Said parking spaces shall be located upon the Common Areas in front of each Lot (and in the case of a Lot containing a garage shall consist of the apron in front of and leading to said garage) and shall be maintained by the Association, subject to reasonable rules and conditions. The Association shall provide for the structural mantenance of all said parking spaces located on the Common Areas.

Section 5. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Areas and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every person who is a record Owner (as defined in Article I) of any Lot which is subjected by this Declaration to assessment by the Association shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

DELETED

Section 2. Voting Rights. The Association shall have two classes of voting membership.

Class A. Class A Members shall be all Owners excepting Developer and excepting any other person or entity which acquire title to all or a substantial portion of The Properties for the purpose of developing thereon a residential community. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Section 1 of this Article III.

2. Article III. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. This Section is hereby deleted in the entirety and the following substituted in its place:

Section 1. Membership. Every person who is a record owner (as defined in Article 1) of one or more Lots which are subjected by this Declaration to assessment by the Association shall be a Member for each single-family or two-family dwelling owned. Every person who is a record owner of one or more of such Lots upon which no dwelling has been constructed shall be a Member for each Lot so owned, provided, however, that in the case of a two-family dwelling, a dwelling shall be considered to have been constructed on both of the requisite two contiguous Lots required for erection of this type of dwelling even if the dwelling is physically located entirely upon a single Lot. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Voting Rights. This Section is hereby deleted in its entirety and the following substituted in its place:

Section 2. Voting Rights. The Association shall have two classes of voting membership.

Class A. Class A Members shall be all Owners excepting Developer and excepting any other person or entity which acquire title to all or a substantial portion of The Properties for the purpose of developing thereon a residential community. Class A Members shall be entitled to one vote for each dwelling or Lot in which they hold the interest required for membership by Section 1 of this Article III.

Class B. The Class B Member shall be the Developer, its successors and assigns. The Class B membership shall be entitled to one (1) vote for each dwelling or Lot in which

Class B. The Class B Member shall be the Developer, its successo and assigns. The Class B membership shall be entitled t five (5) votes for each Lot in which it holds the intere required for membership by Section 1 of this Article III or 330 votes, whichever is greater, provided that upon the happening of either of the following events, whichever first occurs, the Class B membership shall cease and be converted to Class A membership. DELETED

(a) when the total votes outstanding in the Class A membership equal 374 or

(b) on July 1, 1977.

When a purchaser of an individual Lot takes title thereto from Developer, he becomes a Class A Member and the membership of Developer with respect to such Lot shall cease.

Section 3. Consultation. After the membership of Developer has ceased, Developer shall continue, at the option of the Association, as an unpaid Consultant to the Association. Developer shall make available to the Association, on a once a month basis, a trained employee of Developer, who shall offer advice and guidance to the Association in the conduct of its affairs and the operation and management of The Properties. However, such consulting service shall terminate two years after Developer's Class B membership shall cease and be converted to Class A membership.

ARTICLE IV

COMPLETION, MAINTENANCE AND OPERATION OF COMMON AREAS AND FACILITIES AND COVENANT FOR ASSESSMENTS THEREFOR.

Section 1. Completion of Common Areas by Developer

(a) Prior to the conveyance of title of each Lot, Developer shall complete the construction of the streets, roadways, walkways and parking facilities directly serving said Lot.

(b) Developer's obligation to complete the construction of the Common Areas, including the swimming pool and recreational facilities, at Developer's sole cost and expense, shall survive the conveyance of the Common Areas to the Association pursuant to Section 2 of Article II.

(c) added

Section 2. Voting Rights. This Section is hereby deleted in its entirety and the following substituted in its place: To Pg 111

Section 2. Voting Rights. The Association shall have two classes of voting membership.

Class A. Class A Members shall be all Owners excepting Developer and excepting any other person or entity which acquire title to all or a substantial portion of The Properties for the purpose of developing thereon a residential community. Class A Members shall be entitled to one vote for each dwelling or Lot in which they hold the interest required for membership by Section 1 of this Article III.

Class B. The Class B Member shall be the Developer, its successors and assigns. The Class B membership shall be entitled to one (1) vote for each dwelling or Lot in which it holds the interest required for membership by Section 1 of this Article III, provided that upon the happening of either of the following events, whichever first occurs, the Class B membership shall cease and be converted to Class A membership.

(a) when the total votes outstanding in the Class A membership equal 374 or

(b) on July 1, 1977.

Any vote by the Class B membership made after the closing of title to any Lot purchased all or partially by an FHA or VA loan and pertaining to the annexation of additional properties by the Association, the mortgaging or dedication of Common Areas, mergers, consolidation, or dissolution of the Association or any amendment to this Declaration shall be cast only after, and in accordance with, the approval of the FHA and/or the VA.

When a purchaser of an individual dwelling or Lot takes title thereto from Developer, he becomes a Class A Member and the membership of Developer with respect to such dwelling or Lot shall cease. Pg 75

5. ARTICLE IV, COMPLETION, MAINTENANCE AND OPERATION OF COMMON AREAS AND FACILITIES AND COVENANT FOR ASSESSMENTS THEREFOR. Section 1. Completion of Common Areas by Developer. Subsection (b) of this Section 1 is hereby amended to become subsection (c) of Section 1, and the following new paragraph is hereby added as subsection (b): To Pg 111

"Prior to the conveyance of title to any Lot purchased all or partially by means of an FHA or VA loan, Developer shall complete the construction of the recreational building, facilities and other Common Area major improvements (but not landscaping which will be completed as the development progresses)." Pg 66

6. ARTICLE IV, Section 4. Amount and Payment of Annual Assessment. This Section is hereby deleted in its entirety. In place and stead thereof, the following shall appear: To Pg 11Y

"Section 4. Amount and Payment of Annual Assessment. The Association shall at all times fix the amount of the annual assessment at an amount estimated to be sufficient to pay the costs of maintaining and operating The Properties as if the Common Areas were completed and all 440 homes were built and as contemplated by Sectin 3 (b) of this Article IV. The amount of annual assessment for each Lot shall be 1/440th of aggregate amount assessed for all of The Properties. Each annual installment shall be payable in equal monthly installments in advance on the first day of each calendar month, except that the first monthly installment shall be payable on January 2, 1975. The annual assessment shall be no more than Five Hundred Dollars ($500.00) per Lot, and the exact amount of each annual assessment shall be fixed by the Board of Directors of the Association within said limitation, provided, however, that the Board of Directors of the Association may increase such assessments annually by an amount no greater than 10% higher than the assessment for the prior year and further provided that the Association may increase the maximum of the assessments above such amounts, so long as any such change shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting, setting forth the purpose of the meeting.

"This Section shall not be amended as provided in Article X, Section 1 to reduce or eliminate the obligation to fix the assessment at an amount sufficient to properly maintain and operate The Properties.

"If at any time Developer shall notify the Association that it has completed construction of at least 400 homes on The Properties and that no further homes will be built on the Lots or if the number of Lots located on The Properties shall be diminished by condemnation or other governmental taking or increased by annexation of additional properties containing residential dwellings, all in accordance with the terms of this Declaration, the denominator of the fraction set forth above (1/440th) shall be changed to such denominator as equals the resulting number of residential dwellings after receipt of such notice from the Developer, or such condemnation or other taking, or annexation.

"Until July 1, 1977 and irrespective of any assessment surplus which may exist during any fiscal year of the Association, no part of any of the assessments shall be used for any purposes other than as set forth in the first Association budget and no other capital improvements or new services shall be supplied by the Association without the prior written consent of the Developer." FR 2-49

Amend #1 Dec. 74

Section 2. Operation and Maintenance of Common Areas by Developer Until January 2, 1975. Commencing on the date of conveyance of the first Lot, and terminating on January 1, 1975, Developer shall operate and maintain, at its sole expense, the Common Areas and shall provide, at its sole expense, the requisite services contemplated by Section 3(b) of this Article IV in so far as the foregoing have been completed pursuant to Section 1 of this Article IV.

Section 3. Assessments, Liens and Personal Obligations Therefor, and Operation and Maintenance of Common areas Solely by the Association After January 2, 1975.

(a) Commencing on January 2, 1975, for the calendar year 1975 and each calendar year thereafter, Developer for each Lot owned by it within The Properties, hereby covenants, and each subsequent Owner of any such Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree, to pay to the Association: (i) annual assessments or charges; (ii) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as are hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as are hereinafter provided, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due.

(b) The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in The Properties, and, in particular, for the improvement and maintenance of properties, as a community, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas, including, but not limited to, the payment of taxes and insurance thereon, and repair, replacement and additions thereto, the cost of labor, equipment, materials, management and supervision thereof, and the cost of lawn and landscaping maintenance, all as contemplated by an Offering Statement dated October 16, 1973 of the Association, all of which obligations the Association hereby assumes as of the date of conveyance of title of the Common Areas by Developer. Developer shall have no obligation to operate or maintain the Common Areas after January 2, 1975.

Section 4. Amount and Payment of Annual Assessment. The Association shall at all times fix the amount of the annual assessment at an amount sufficient to pay the costs of maintaining and operating the Common Areas as contemplated by Section 3(b) of this Article VI. The amount of annual assessment for each Lot shall be 1/440th of aggregate amount assessed for all of The Properties. Each annual installment shall be payable in equal monthly installments in advance on the first day of each calendar month, except that the first monthly installment shall be payable on January 2, 1975. The annual assessment shall be not less than Three Hundred

DELETED

Dollars ($300) per Lot, nor more than Eight Hundred Dollars ($800.00 per Lot, and the exact amount of each annual assessment shall be fixed by the Board of Directors of the Association within said limitations, provided, however, that the Association may increase the maximum of the assessments above such amount, so long as any such change shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting, setting forth the purpose of the meeting.

This Section shall not be amended as provided in Article X, Section 1 to reduce or eliminate the obligation to fix the assessment at an amount sufficient to properly maintain and operate the Common Areas.

Section 5. Special Assessments For Capital Improvements. In addition to the annual assessments authorized by Section 4 of this Article VI, the Association may levy, in any assessment year, a special assessment (which must be fixed at a uniform rate for all Lots) applicable to that year only, in an amount no higher than the maximum annual assessment then permitted to be levied hereunder for the purpose of defraying, in whole or in part, the cost of any construction, unexpected repair or replacement of a described capital improvement upon the Common Areas, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting, setting forth the purpose of the meeting. The due date of any specified assessment shall be fixed in the Resolution authorizing such assessment.

Section 6. Paid Professional Manager. It shall be an affirmative obligation of the Association to employ the services of a paid professional manager to supervise all of the work, labor, services and materials required in the operation and maintenance of the land and facilities comprising the Common Areas, including but not limited to, walks other than those leading from parking spaces to a Lot, swimming pool and Community building, and the cutting of grass throughout the planned community. Said managerial firm shall be one which is engaged in furnishing similar services to the general public and no officer, stockholder, partner or employee of said firm shall be an Owner of a Lot in this planned community, or related blood or marriage to such an Owner. The said managerial firm shall receive fees and renumerations which are substantially similar to the usual fees paid in the industry for performing the duties heretofore enumerated.

This Section shall not be amended as provided for in Article X, Section 1 to eliminate the obligation to employ a paid professional manager.

Section 7. Quorum For Any Action Authorized Under Sections 4, 5 and 8. The quorum required for any action of the

Amend #2 20 Jan 75

1. ARTICLE IV, Section 5. Developer's Obligation. The Declaration of Covenants, Restrictions, Easements, Charges and Liens shall be hereby amended so as to include therein a new Section 5 of this ARTICLE IV, entitled "Developer's Obligation", all as set forth herein: To Pg 113

"Notwithstanding anything to the contrary contained in this Declaration or the By-Laws, the Developer's covenant and obligation to pay assessments shall be limited to the lesser of the following sums:

(a) the maximum assessment determined in accordance with Section 4 of this Article IV, or:

(b) (i) the actual costs of operation, maintenance, insurance and repair of the Common Areas for each fiscal year of the Association, including reserves applicable to the Common Areas and Lots to which title has been conveyed and excluding reserves applicable to Lots to which title remains in the Developer and the improvements thereon, less (ii) all assessments levied against all other Members for such fiscal year. If (ii) is greater than (i) for any fiscal year, the Developer shall be entitled to credit such differences against its obligation to pay assessments in any subsequent fiscal year.

"In supplying services to the Members, the Developer may direct the Association not to supply maintenance or other services to any Lots to which title remains in the Developer or to any portion of the Common Areas (but not major improvements thereon) comprising a part of any Section (as such Section is defined in Section 1 (d) of this Declaration) in which all Lots are owned by the Developer. For purposes of this Section 5 of Article IV only, title to a home constructed on any Lot which has been leased or rented shall not be considered to remain in the Developer."

2. ARTICLE IV, Sections 5, 6 and 7 as the same appear in the Declaration as filed, be and the same are hereby amended so as to read "Sections 6, 7 and 8" thereof. Pg 77

3. ARTICLE IV. Section 7. Quorum For Any Action Authorized Under Sections 4, 5 and 8. All references in this Section to Sections 4, 5 and 8 are hereby amended to read "Sections 4 and 6 of this Article IV".

Amend #2 20 Jan 75

7. ARTICLE IV, Section 8. Reserve Fund - Separate Assessment of Owners Therefor. This Section is hereby deleted in its entirety.

Members of the Association, authorized by Sections 4, 5 and 8 of this Article IV shall be as follows:

At the first meeting called, as provided in Sections, 4 5 and 8 of this Article IV, the presence at the meeting of Members or of proxies, entitled to cast sixty (60%) per cent of all the votes of each class of Membership, shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Section 4, 5 and 8, and the required quorum at each subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that such subsequent meeting shall not be held more than sixty (60) days following the preceding meeting.

Section 8. Reserve Fund - Separate Assessment of Owners Therefor. At the time of acquiring title to a Lot from Developer, each Owner acquiring such title shall deposit with the Association a reserve fund payment equal to one-half (1/2) of the annual assessment then in effect to provide for an initial reserve fund for the obligations of the Association. Said reserve fund payment shall not in any way be considered a prepayment of the annual assessment fee.

Developer shall establish a separate, interest bearing account for the benefit of the Association at the Franklin National Bank, Nesconset Highway, Port Jefferson, New York, and shall, at the time of closing of title of each Lot, deposit such reserve fund payments in said account. In the discretion of the Board of Directors, a portion of said funds may be invested in certificates of deposit for periods of up to one year.

DELETED

Said reserve fund payments shall be used solely for such purposes of the Association as the Members of the Association may from time to time elect upon the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for such purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting, setting forth the purpose of the meeting.

Section 9. Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Lot for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the Lots and assessments applicable thereto, which shall be kept in the office of the Association and shall be open to inspection by any Owner.

Written notice of the assessment shall thereupon be sent to every Owner subject thereto.

The Association shall, upon written demand at any time, furnish to any Owner liable for said assessment, or his mortgagee, a

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certificate in writing, signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 10. Effect of Non-Payment of Assessment; The Personal Obligation of the Member; The Lien; Remedies of the Association. If an assessment is not paid on the date when due, as fixed by the Board of Directors, then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the Member's Lot which shall bind such property in the hands of the Member, his heirs, devisees, personal representatives and assigns. Such lien shall be prior to all other liens except: (a) tax or assessment liens on the Lot by the taxing subdivision of any governmental authority, including but not limited to, State, County, Village and School District taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering the Lot. The personal obligation of the Member who was the Owner of the Lot when the assessment fell due to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum and the Association may bring an action at law against the Member or former Member personally obligated to pay the same or to foreclose the lien against the property and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and reasonable attorneys' fees to be fixed by the court together with the costs of the action.

Section 11. Exempt Property. The following properties subject to this Declaration shall be exempted from the assessments, charges and liens created herein: (a) all properties dedicated to and accepted by a governmental body, agency or authority, and devoted to public use; (b) all Common Areas as defined in Article 1, Section 1 hereof. Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.

8. ARTICLE V, PROPERTY SUBJECT TO THIS DECLARATION: ADDITIONS THEREOF. Sections 1 and 2 of this Article V are hereby deleted in their entirety. In place and stead thereof the following shall appear: To Pg 11b

"Section 1. Property Subject to This Declaration. All of the real property described in Exhibit A annexed hereto and made a part hereof is and shall be held, transferred, sold, conveyed and occupied subject to the terms of this Declaration and any amendment thereto.

"Section 2. Additions To The Properties by the Association. Annexation of additional property shall require the assent of two-thirds of the Class A Members and two-thirds of the Class B Members, if any, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty days nor more than sixty days in advance of the meeting, setting forth the purpose of the meeting (except that any such vote by the Class B Members shall not be cast except with the prior consent of the FHA and/or VA and then only in accordance with such consent.) The presence of Members or of proxies entitled to cast sixty per cent of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at such subsequent meeting shall be one-half of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty days following the preceding meeting. In the event that two-thirds of the Class A membership or two-thirds of the Class B membership are not present in person or by proxy, Members not present may give their written assent to the action taken thereat.

"Section 3. Mergers. Upon a merger or consolidation of the Association with another association (which can be effectuated only upon the affirmative vote of 2/3 of each Class of Members as set forth in Section 1 of this Article V), its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within The Properties, together with covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall affect any revocation, change or addition to the covenants established by this Declaration within The Properties, except as hereinafter provided." Fr Pg 12

Amdt #1 5 Dec 74

9. ARTICLE VI. ARCHITECTURAL CONTROL. The following sentence is hereby added at the end of this Article VI:

"If the Board of Directors or architectural committee shall not approve, disapprove or otherwise act upon such submission within thirty days of receipt thereof, such submission shall be deemed approved."

ARTICLE V

PROPERTY SUBJECT TO THIS DECLARATION:
ADDITIONS THERETO

Section 1. Additions to The Properties by the Association. Annexation of additional property shall require the assent of two-thirds of the Class A Members and two-thirds of the Class B Members, if any, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty days nor more than sixty days in advance of the meeting setting forth the purpose of the meeting. The presence of Members or of proxies entitled to cast sixty per cent of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at such subsequent meeting shall be one-half of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty days following the preceding meeting. In the event that two-thirds of the Class A membership or two-thirds of the Class B membership are not present in person or by proxy, Members not present may give their written assent to the action taken thereat.

DELETED

Section 2. Mergers. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within The Properties, together with covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall affect any revocation, change or addition to the covenants established by this Declaration within The Properties, except as hereinafer provided.

ARTICLE VI

ARTITECTURAL CONTROL

No building, fence, wall or other structure, or change in landscaping, shall be commenced, erected or maintained upon The Properties, nor shall any exterior addition or change or alteration thereto be made until the plans and specifications showing the nature, kind, shape, height, materials, color and locations of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three or more representatives appointed by the Board.

ARTICLE VII

PARTY WALLS OR PARTY FENCES

Section 1. General Rules of Law to Apply. To the extent not inconsistent with the provisions of this Article VII, the general rule of law regarding party walls and liability for property damage due to negligence or willful acts or omissions, shall apply to each party wall or party fence wich is built as part of the original construction of the homes upon The Properties and any replacement thereof.

In the event that any portion of any structure, as originally constructed by Developer, including any party wall or fence, shall protrude over an adjoining lot, such structure, party wall or fence shall not be deemed to be an encroachment upon the adjoining lot or lots, and Owners shall neither maintain any action for the removal of a party wall or fence or projection, nor any action for damages. In the event there is a protrusion as described in the immediately preceding sentence, it shall be deemed that said Owners have granted perpetual easements to the ajoining Owner or Owners for continuing maintenance and use of the projection, party will or fence. The foregoing shall also apply to any replacements of any structures, party walls or fences if same are constructed in conformance with the original structure, party wall or fence constructed by Developer. The foregoing conditions shall be perpetual in duration and shall not be subject to amendment of these covenants and restrictions.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall or party fence shall be shared equally by the Owners who make use of the wall or fence in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall or party fence is destroyed or damaged by fire or other casualty, any Owner who has used the wall or fence may restore it, and if the other Owners thereafter make use of the wall or fence, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provisions of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements, shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs and Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

3. Article VIII. USE OF PROPERTY

Section 1. Uses and Structures. The second through sixth sentences of this Section are deleted in their entirety and the following substituted in their place:

> No building shall be erected, altered, placed or permitted to remain on any Lot other than one attached, single-family dwelling not exceeding two stories in height, except that a two-family dwelling not exceeding two stories in height may be erected on any two contiguous Lots. A garage detached from a single-family dwelling with capacity for a single automobile may also be erected on any Lot, and in the case of a two-family dwelling, a garage detached from the two-family dwelling with capacity for two automobiles may also be erected on the Lots upon which the dwelling is erected, provided said garage is constructed in accordance with the Zoning Ordinances and Codes of the town of Brookhaven. No other garage, carport or accessory building may be erected. No dwelling or any part thereof shall be used for any purpose except as a private dwelling for one family, or in the case of a two-family dwelling, as a private dwelling for two families, nor shall any business of any kind be conducted therein.

Section 3. Signs. This Section is deleted in its entirety and the following substituted in its place:

> No sign of any kind shall be displayed to the public view or any dwelling or Lot except a one-family name or professional sign of not more than two hundred forty square inches, and in the case of a two-family dwelling, up to two such one-family name or professional signs neither of which shall exceed two hundred forty square inches. One temporary sign of not more than five square feet, advertising the property for sale or rent, may also be used on any Lot. No such sign shall be illuminated except by a non-flashing white light emenating from within or on the sign itself and shielded from direct view.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall or party fence, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators. The decision of the arbitrators shall not, however, be binding and conclusive upon the parties, and any party to the dispute shall thereafter have the right to institute any action or proceeding, at law or equity, which he deems necessary or desireable.

ARTICLE VIII

USE OF PROPERTY

Section 1. Uses and Structures. No Lot shall be used except for residential purposes. ~~Residential purposes shall be deemed to~~ include professional and medical offices, provided that such use shall not violate the Zoning Ordinances and Codes of the Township of Brookhaven. No building shall be erected, altered, placed or permitted to remain on any Lot other than one attached, single-family dwelling not exceeding two stories in height. A garage detached from the single family dwelling with capacity for a single automobile may also be erected on any lot, provided said garage is constructed in accordance with the Zoning Ordinances and Codes of the Town of Brookhaven. No other garage, carport or accessory building may be erected. No dwelling or any part thereof shall be used for any purpose except as a private dwelling for one family, nor shall any business of any kind be conducted therein. No motor vehicle other than a private passenger type shall be stored on any Lot, parking compound or regularly parked in residential areas. No business or trade of any kind or noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No boat, trailer, tent, shack or other such structure shall be located, erected or used on any Lot, parking area, roadway or driveway on either a temporary or permanent basis.

DELETED

Section 2. Alterations. No alteration or addition to or repainting of the exterior thereof shall be made unless it shall conform in architecture, material and color to the dwelling as originally constructed by Developer, and in accordance with Article VI of this Declaration.

Section 3. Signs. No sign of any kind shall be displayed to the public view on any dwelling or Lot, except a one-family name or professional sign of not more than two hundred forty square inches, or one temporary sign of not more than five square feet, advertising the property for sale or rent. No such sign shall be illuminated except by non-flashing white light emanating from within or on the sign itself and shielded from direct view.

DELETED

Section 4. Drilling and Mining. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designated for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 5. Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept in any dwelling or on any Lot, except that dogs, cats or other domesticated household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose and provided that not more than two pets in the aggregate may be kept upon any Lot.

Section 6. Garbage and Rubbish. Garbage and Rubbish shall not be dumped or allowed to remain on any Lot, except in receptacles placed outside the dwellings for collection in accordance with the regulations of the collecting agency and the Association. All garbage and rubbish shall be sealed in bags before it shall be placed in the garbage receptacles.

Section 7. Laundry Lines. Laundry poles and lines outside of dwellings are prohibited.

Section 8. Antennae. No radio, television or similar towers shall be erected on any Lot or attached to the exterior of any dwelling.

Section 9. Fence. No fence shall be erected on any Lot or attached to the exterior of any dwelling, except for those to be erected by Developer for aesthetic purposes or by an Owner as a patio fence, provided, however, that this paragraph shall not prohibit the erection, repair and maintenance of a perimeter fence around the exterior boundary of the Community. Any patio fence erected by an Owner shall be erected in the rear of the Lot, within the perimeter of the property line, and in conformance with plans and specfications submitted to and approved by the Board of Directors or its duly designated architectural Committee. However in no event shall any patio fence be installed or maintained beyond the rear wall of the storage shed.

AMENDED

Section 10. Patio. No patio shall be erected on any lot except at the rear of a Lot within the perimiter of the two side Lot lines and no nearer than [illegible] feet from the rear Lot lines. Any patio erected by an Owner shall be erected in conformance with plans and specifications submitted to and approved by the Board of Directors or its duly designated architectural committee.

AMENDED

Section 11. No permanent benches, barcecues, beach umbrellas or structures of any kind shall be erected in the front, rear or sides of any Lot.

Section 12. There shall be no obstruction of the Common Areas nor shall anything be stored in the Common Areas without the prior consent of the Board of Directors.

Section 13. Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls or doors of a dwelling and no awning or canopy shall be affixed to or placed upon the exterior walls or doors, roof or any part thereof, or exposed on or at any window, without the prior written consent of the Board of Directors.

The Developer and certain lot owners have proposed a Fourth Amendment to the Declaration of Covenants, Restrictions, Charges and Liens which would modify Sections 9 and 10 of Article VIII. The last sentence of Section 9 would be amended to read:

> In no event shall any patio fence be installed or maintained beyond the rear wall of the storage shed without the express written consent of the Board of Directors or its duly designated architectural committee.

Section 10 would be amended to read as follows:

> No patio shall be installed or maintained on any Lot except at the rear of a Lot within the perimeter of the two side Lot lines and, except with the express written consent of the Board of Managers, no nearer than three feet from the rear Lot lines. Any patio installed by an Owner shall be installed in conformance with plans and specifications submitted to and approved by the Board of Directors or its duly designated architectural committee.

Section 14. No Owner or occupant shall plant or install any trees, bushes, shrubs or other planting, or authorize the same to be done, on any portion of his Lot without written approval of the Board of Directors.

Section 15. Owners shall not cause or permit any unusual or objectionable noise or odors to emanate from their dwellings.

Section 16. No Owner or occupant, or any of his agents, servants, employees, licensees or visitors shall at any time bring into or keep in his unit any inflammable, combustible or explosive fluid, material, chemical or substance.

Section 17. Visibility of Intersections. No hedge or shrub planting which obstructs sight lines at elevations between two and six feet above the roadways shall be placed or permitted to remanin on any corner Lot within the triangular area formed by the street lines and a line connecting them at points thirty feet from the intersection of the street lines. The same sight line limitations shall apply on any Lot within ten feet from the intersection of a street line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances or such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 18. Easements.

(a) Perpectual easements for the installation and maintenance of sewer, water, gas and drainage facilities, for the benefit of the adjoining land owners and/or the municipality and/or municipal or private utility company ultimately operating such facilities, are reserved as shown on the filed subdivision Maps of Strathmore Court; also, easements in general in telephone facilities. No building or structure shall be erected within the easement areas occupied by such facilities.

(b) Perpetual easements for the construction, paving maintenance, repair and replacement of walkways for pedestrian use are hereby reserved in and over each Lot for the exclusive benefit of the Association, its Members, their invitees and licensees. The easements are located as shown on the filed subdivision Maps of Strathmore Court.

The aforesaid perpetual easement area and paving shall be maintained by the Association, and no building, fence or structure shall be erected in or over same.

(c) Owners shall have a right of ingress and egress to the nearest public highway over and through all Common Areas, including, but not limited to, walkways and driveways.

Section 19. The entire article VII shall not be amended as provided for Article X, Section 1.

ARTICLE IX

EXTERIOR MAINTENANCE

Section 1. Exterior Maintenance. In addition to maintenance upon the Common Areas, the Association shall provide exterior maintenance upon each Lot which is subject to assessment under Article IV hereof as follows: structural maintenance of walks, maintaining protective screening areas, front yards, side yards on corner Lots and rear yards and cutting grass. The Association shall provide exterior maintenance of each building and unit contained therein, to its roof, siding and facia and shall paint trim on units and garages exclusive of exterior doors. The Association's obligation for such exterior building manintenance for each unit shall commence one (1) year from the date said unit is conveyed to the Owner thereof by Developer. The Association shall be responsible for cutting grass on the Common Areas.

Section 2. Disrepair of Lots In the event the Owner of any Lot in The Properties shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors of the Association, upon direction of the Board of Directors, it shall have the right, through its agents and employees to enter upon said Lot and to repair, maintain and restore the Lot and the buildings, and any other improvements erected thereon. The cost of such maintenance shall be added to and become part of the assessment to which such Lot is subject.

Section 3. Access at Reasonable Hours. For the purpose solely of performing the exterior maintenance required by this Article, the Association, through its duly authorized agents and employees, shall have the right to enter upon any Lot at reasonable hours, on any day except Sundays and holidays.

Section 4. Failure of Association to Maintain Facilities. In the event that the Association fails to maintain the streets, sidewalks, lawns, buildings, fences and green areas in such a manner as, in the sole opinion of the Town Board of the Town of Brookhaven is reasonably necessary for the health, safety and general welfare of the Members of the Association and the general public, then the Town Board shall have the right to cause such maintenance to be performed on behalf of and at the expense of the Association and its Members. If the Town Board makes an official determination that such a defective condition exists, it shall serve written notice upon the Secretary of the Association, affording the Association a period of thirty days to remedy the said defective condition. If the Association does not remedy the said condition to the satisfaction of the Town Board within said thirty-day period, then and in that event the Town Board shall at any time thereafter have the right to have the defective condition remedied and to assess the cost against the Association and its Members. The Town of Brookhaven, their employees and agents shall have the right to enter upon all of The Properties covered by this Declaration,

whether commons lands or individually owned, in order to do all work necessary to remedy the said condition.

The cost of remedying said defective condition shall be assessed against the Members rateably in accordance with the percentage of common expenses which each is responsible to pay under this Declaration. The assessment shall be payable to the Town Controller of the Town of Brookhaven within thirty days after the defective condition is remedied and said assessment shall constitute a lien against every dwelling unit covered by this Declaration. In the event of non-payment of the assessment, the said lien may be foreclosed by the Town of Brookhaven in the same manner as the foreclosure of a lien for non-payment of taxes.

Section 6. This entire Article IX shall not be amended as provided for in Article X, Section 1.

ARTICLE X

GENERAL PROVISIONS

Section 1. Duration and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any land subject to this Declaration, their respective heir successors and assigns, until December 21, 2003, unless otherwise expressly limited herein, after which time the said covenants and restrictions shall be automatically extended for successive periods of ten years each, unless an instrument signed by the then Owners of two-thirds of the Lots has been recorded, agreeing to terminate or modify said covenants and restrictions, in whole or in part. Provided, however, that no such agreement to terminate or modify shall be effective unless made and recorded two years in advance of the effective date of such termination or modification, and unless written notice of the proposed agreement is sent to every Owner at least ninety days in advance of any action taken. Unless prohibited herein, specifically the provisions of this Declaration may be amended by an instrument signed by Owners holding not less than ninety per cent of the votes of the membership at any time until December 31, 2003, and thereafter by an instrument signed by the Owners holding not less than seventy-five percent (75%) of the votes of the membership. Notwithstanding the foregoing, the Developer shall have the right at any time on or before January 1, 1975 to amend this Declaration to conform to any requirment of the Federal Housing Administration (FHA) or the Veterans Administration (VA), so long as no such amendment has a materially adverse effect on any Lot Owner, in order to permit prospective purchasers of Lots located in Sections 2 through 5 to obtain FHA or VA loans, should the Developer seek to make FHA or VA financing available to purchasers of Lots in one or more of said Sections. Any amendment must be properly recorded to be effective.

Section 2. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as a Member or Owner on the records of the Association at the time of such mailing.

Section 3. Enforcement. The Association, the Town of Brookhaven or any Owner shall have the right to enforce these covenants and restrictions by any proceeding at law or in equity, against any person or persons violating or attempting to violate any covenant or restriction, to restrain violation, to require specific performance and/or to recover damages; and against the land to enforce any lien created by these covenants; and failure by the Association, the Town of Brookhaven or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The expense of enforcement by the Association or the Town of Brookhaven shall be chargeable to the Owner of the Lot violating these covenants and restrictions, and shall constitute a lien on the Lot, collectible in the same manner as assessments hereunder. In the event that the Town of Brookhaven shall bring an action against the Association to enforce these covenants and restrictions, then the cost of enforcement shall be chargeable against the Association.

Section 4. Severability. Invalidation of any one of these covenants and restrictions by judgment or court order shall in no way effect the validity of any other provisions, which shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned, beming the Developer herein, has caused its seal to be hereunto affixed and these presents to be signed by its officer thereunto duly authorized, the day and year first above written.

LEVITT RESIDENTIAL COMMUNITIES, INC.

By_____
Vice President

ATTEST:

_____
Assistant Secretary

STATE OF NEW YORK)
ss.:
COUNTY OF

BE IT REMEMBERED, That on this day of , 197 , before me, the subscriber, a Notary Public of the State of New York, personally appeared a Vice President of Levitt Residential Communities, Inc., a Delaware Corporation who, I am satisfied, is the person who has signed the within instrument; and I having first made known to him the contents thereof he thereupon acknowledged that he signed, sealed with the corporate seal and delivered the said instrument as such officer aforesaid; that the within instrument is the voluntary act and deed of said corporation, made by virtue of authority from the Board of Dirctors.

Notary Public

EXHIBIT A

DESCRIPTION OF LAND TO BE CONVEYED TO STRATHMORE COURT HOMEOWNERS ASSOCIATION, EXCEPTING THEREFROM ALL DRAINAGE EASEMENTS, LANDS TO BE DEDICATED TO THE TOWN OF BROOKHAVEN, LANDS TO BE DEDICATED TO SELDEN SANITARY CORPORATION, ALL TO BE SHOWN ON A PROPOSED SUBDIVISION PLAT OF STRATHMORE COURT, SECTIONS 1 - 5, INCLUSIVE, BEING MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING at a point on the southwesterly side of Canal Road which is C.R. #111, said point of beginning being N 56° 48' 30" W 903.00' from the intersection of said southwesterly side of Canal Road, which is C.R. #111, with the division line between the property now or formerly of Clanler Corporation on the west and the property now or formerly of W. Lenzner, Jr. on the east;

RUNNING THENCE through the property now or formerly of Clanler Corporation the following thirty-eight (38) courses and distances:

1) S 33° 11' 30" W 360.00' to a point;
2) S 00° 10' 33" W 40.94' to a point;
3) S 39° 34' 32" W 114.27' to a point;
4) S 50° 25' 28" E 93.86' to a point;
5) S 00° 10' 33" W 38.82' to a point;
6) S 42° 59' 20" W 137.24' to a point;
7) N 50° 25' 28" W 104.93' to a point;
8) S 46° 27' 51" W 272.59' to a point;
9) S 44° 34' 14" E 121.38' to a point;
10) S 42° 59' 20" W 167.15' to a point;
11) N 44° 34' 14" W 130.99' to a point;
12) S 43° 55' 10" W 211.38' to a point;
13) S 57° 33' 11" E 136.62' to a point;
14) S 42° 59' 20" W 30.52' to a point;
15) S 32° 26' 49" W 107.00' to a point;
16) S 71° 33' 46" W 191.08' to a point;
17) N 57° 33' 11" W 300.00' to a point on curve;

18) Southerly on a curve bearing to the left, having a radius of 1483.78', an arc length of 341.87' to a point;

19) S 63° 37' 17" E 242.21' to a point;

20) S 48° 13' 04" E 152.41' to a point;

21) S 11° 13' 52" W 155.53' to a point;

22) S 78° 46' 08" E 263.50' to a point;

23) S 37° 11' 22" E 198.52' to a point;

24) S 17° 06' 02" W 107.56' to a point;

25) S 53° 55' 00" W 205.76' to a point;

26) N 78° 46' 08" W 255.50' to a point;

27) S 11° 13' 52" W 111.50' to a point;

28) S 51° 26' 59" W 142.09' to a point;

29) S 18° 31' 19" E 79.95' to a point;

30) S 45° 31' 56" E 78.53' to a point;

31) N 86° 04' 31" E 139.04' to a point;

32) N 41° 48' 49" E 142.09' to a point;

33) S 85° 46' 05" E 437.71' to a point;

34) S 79° 51' 21" E 384.04' to a point;

35) S 73° 44' 47" E 107.56' to a point;

36) S 44° 16' 13" E 407.94' to a point;

37) S 38° 02' 11" E 198.52' to a point;

38) S 18° 47' 30" W 133.71' to a point on the division line between the property now or formerly of Clanler Corporation on the northwest and a proposed Town of Brookhaven park site on the southeast;

THENCE along the last mentioned division line S 31° 59' 36" W 601.55' to a point on the northerly section line of a Map entitled "Map of Tanglewood Hills, Section 12", filed April 9, 1973, as Map No. 5891;

RUNNING THENCE along the said northerly section line of said filed Map of Tanglewood Hills, Section 12, the following seven (7) courses and distances:

1) N 58° 05' 31" W 794.59' to a point;

2) S 79° 46' 51" W 200.35' to a point;

3) S 38° 31' 41" W 217.06' to a point;

4) N 87° 39' 46" W 247.51' to a point;

5) S 70° 20' 47" W 191.00' to a point;

6) N 19° 39' 13" W 370.00' to a point;

7) N 86° 09' 14" W 386.52' to a point;

RUNNING THENCE through the property now or formerly of Clanler Corporation the following thirty-one (31) courses and distances:

1) N 22° 44' 26" W 152.76' to a point;

2) N 00° 38' 11" W 107.03' to a point;

3) N 48° 35' 55" E 203.82' to a point;

4) N 50° 59' 53" W 200.46' to a point;

5) N 00° 38' 11" W 107.21' to a point;

6) N 43° 20' 12" E 194.43' to a point;

7) N 03° 54' 11" W 61.27' to a point;

8) N 42° 07' 17" W 198.52' to a point;

9) N 09° 50' 20" E 107.20' to a point;

10) N 53° 55' 39" E 194.75' to a point;

11) N 06° 04' 32" E 75.10' to a point;

12) N 31° 17' 17" W 198.52' to a point;

13) N 23° 00' 07" E 107.56' to a point;

14) N 21° 26' 56" W 327.95' to a point;

15) N 09° 26' 49" E 300.00' to a point;

16) N 79° 26' 49" E 340.00' to a point;

17) N 15° 34' 30" E 230.68' to a point;

18) N 40° 09' 07" E 137.44' to a point;

19) S 54° 24' 42" E 102.34' to a point;

20) N 42° 19' 03" E 261.48' to a point;

21) N 44° 34' 14" W 112.37' to a point;

22) N 40° 09' 07" E 30.13' to a point;

23) N 45° 25' 46" E 107.00' to a point;

24) N 69° 40' 38" E 32.90' to a point;

25) S 44° 34' 14" E 107.69' to a point;

26) N 44° 46' 09" E 233.15' to a point;

27) N 39° 34' 32" E 107.00' to a point;

28) N 32° 34' 30" E 201.63' to a point;

29) N 56° 48' 30" W 102.29' to a point;

30) N 05° 48' 07" E 33.79' to a point;

31) N 33° 11' 30" E 266.25' to a point on the first mentioned southwesterly side of Canal Road, which is C.R. #111;

THENCE along the said southwesterly side of Canal Road, which is C.R. #111, S 56° 48' 30" E 789.00' to the point or place of Beginning. Containing 83.0304 acres, more or less.

BY LAWS

OF

STRATHMORE COURT HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is STRATHMORE COURT HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 400 Lakeville Road, Lake Success, New York, but meetings of members and trustees may be held at such places within the State of New York as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to the STRATHMORE COURT HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 2. "The Properties" shall mean and refer to those lands described in Exhibit "A" attached to and forming a part of a certain Declaration of Covenants, Restrictions, Easements, Charges and Liens (hereinafter referred to as the "Declaration") made by Levitt Residential Communities, Inc., and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Areas" shall mean and refer to those areas of land described in Exhibit "B" attached to and forming a part of the Declaration for the common use and enjoyment of the members of the Association.

Section 4. "Lot" shall mean and refer to any plot of land intended and subdivided for residential use, shown upon the proposed subdivision map of The Properties, but shall not include the Common Areas as herein defined.

EXHIBIT B

Section 5. "Owner" shall mean and refer to the record owner of fee simple title to any Lot. Every Lot Owner shall be treated for all purposes as a single owner for each Lot held, irrespective of whether such ownership is joint, in common, or tenancy by the entirety. Where such ownership is joint, in common, or tenancy by the entirety, majority vote of such Owners shall be necessary to cast any vote to which such Owners are entitled.

Section 6. "Developer" shall mean and refer to Levitt Residential Communities, Inc., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Developer for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens applicable to The Properties, recorded or to be recorded among the land records in the Office of the Clerk of Suffolk County, New York.

Section 8. "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article III, Section 1 of the Declaration.

ARTICLE III

MEMBERSHIP

Section 1. Membership. Membership in the Association shall be governed by Article III, Section 1 of the Declaration.

Section 2. Suspension of Membership. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each owner of land and becomes a lien upon the property against which such assessments are made as provided by Article IV of the Declaration to which The Properties are subject. During any period in which a Member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to the use of the Association's facilities of such Member may be suspended by the Board of trustees until such assessment has been paid. Such rights of a Member may also be suspended, after notice and hearing, for a period not to exceed thirty days, for violation of any rules and regulations established by the Board of Trustees governing the use of the Common Areas and facilities. In no event, however, shall the suspension of a Member's rights preclude the Member's ingress or egress to and from his Lot or dwelling.

ARTICLE IV

PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Section 1. Each Member shall be entitled to the use and enjoyment of the Common Areas and facilities as provided by Article II of the Declaration. Any Member may delegate his rights of enjoyment of the Common Areas and facilities to the members of his family residing in his household. Such Member shall notify the Secretary in writing of the name of any person and of the relationship of the Member to such person. The rights and privileges of such delegee are subject to suspension to the same extent as those of the Member.

ARTICLE V

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The annual meeting of the Members shall be held on the first Tuesday in April of each year at a time and place designated by the Board of Directors. If the day for the annual meeting of Members shall fall upon a holiday, the meeting shall be held on the first day following which is not a holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or the Board of Directors of the Association or upon the written request of the Members who are entitled to vote one-fourth (1/4) of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-half (1/2) of the votes of each class of membership shall constitute a quorum

for any action, except as otherwise provided in the Articles of Incorporation, the Declaration or these By Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Section 6. Waiver and Consent. Wherever the vote of the membership at a meeting is required or permitted by Statute or by any provision of the Declaration, Certificate of Incorporation or of these By Laws to be taken in connection with any action of the Association, the meeting and vote of the membership may be dispensed with if all Members who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 7. Order of Business. The order of business at all meetings shall be as follows:

(a) Roll Call.
(b) Proof of notice of meeting or waiver of notice.
(c) Reading of minutes of preceding meeting.
(d) Report of officers.
(e) Report of committees.
(f) Appointment of inspectors of election (in the event there is an election).
(g) Election of Directors (in the event there is an election).
(h) Unfinished business.
(i) New business.

ARTICLE VI

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors comprised of nine Directors, who need not be Members of the Association. Prior to the first annual meeting, however, the Board may consist of only three Directors.

Section 2. Election. At the first annual meeting, the Members shall elect three Directors for a term of one year, three Directors for a term of two years and three Directors for a term of three years. At each annual meeting thereafter, the Members shall elect three Directors for a term of three years.

Section 3. Removal. Any Director may be removed from the Board of Directors for cause by a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed, at the discretion of the Board, for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Board shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Every nomination for election to the Board of Directors must be made in writing signed by at least five Members or Members holding at least five votes and accepted in writing by the person nominated. Also, such nominations must be received by the Secretary of the Association at least ten days prior to the meeting at which the election is to be held. The Secretary shall prepare and make available for inspection, at least five days before such meeting, a list of the nominees. Nominations may not be made in any manner other than the foregoing, except from the floor at the annual meeting.

Section 2. Election. Election to the Board of Directors shall be by written ballot. At such election, Members or their proxies

may cast, in respect of each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VIII

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly, without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association and shall also be called by the Secretary of the Association upon the written request of any two Directors, after not less than three (3) days notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. In the event a quorum of the Directors is not present, a lesser number may adjourn the meeting to some future time. Every act or decision done or made by a majority of the Directors present at a duly held meeting, at which a quorum is present, shall be regarded as the act of the Board.

ARTICLE IX

POWERS AND DUTIES

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Areas and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) exercise, for the Association, all powers, duties and authority vested in or delegated to this Association and not reserved

to the membership or other provisions of these By Laws, the Articles of Incorporation or the Declaration;

(c) employ independent contractors and such other employees as the Board deems necessary, and to prescribe their duties;

(d) employ a managing agent under a term contract or otherwise at a compensation established by the Board, to perform such duties and services as the Board shall authorize;

(e) suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed thirty (30) days for infraction of published rules and regulations; and

(f) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) decide, in their absolute discretion, whether or not to foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner or former Owner personally obligated to pay the same.

(d) issue, or cause an appropriate officer to issue, upon demand by any Lot Owner or his mortgagee, a certificate setting forth whether or not any assessment on the Owner's Lot has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessments has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Areas to be maintained; and

(h) cause the Lots to be maintained pursuant to Article IX of the Declaration.

ARTICLE X

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board, from time to time, by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve, or until his successor is elected and qualified.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the affirmative vote of two-thirds (2/3) of the Board then in office. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice, or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Compensation. No officer shall receive compensation for any service he may render to the Association. However, any officer may be reimbursed, at discretion of the Board, for his actual expenses incurred in the performance of his duties.

Section 8. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 1 of this Article.

Section 9. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association, together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE XI

COMMITTEES

Section 1. The Association shall appoint an Architectural Control Committee, as permitted by the Declaration, and a Nominating Committee, as provided in these By Laws. In addition, the Board of Directors, shall appoint other committee as deemed appropriate in carrying out its purposes, such as:

(a) A Recreation Committee, which shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association, and shall perform such other functions as the Board, in its discretion, determines;

(b) A Maintenance Committee, which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of The Properties, and shall perform such other functions as the Board, in its discretion, determines;

(c) A Publicity Committee, which shall inform the Members of

all activities and functions of the Association, and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association; and

(d) An Audit Committee, which shall supervise the annual audit of the Association's books, and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting as provided in Article X, Section 9(d) of these By Laws. The Treasurer shall be an ex oficio member of the Committee.

Section 2. It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions, duties and activites within its field of responsibility. It shall dispose of such complaints as it deeps appropriate or refer them to such other committee, Director or officer of the Association as is further concerned with the matter presented.

ARTICLE XII

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the By Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIII

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments, which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 6% percent per annum, and the Association may bring an action at law against the Owner or former Owner personally obligated to pay the same or foreclose the lien against

the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XIV

CORPORATE SEAL

The Association shall have a seal in circular form and inscribed thereon the name of the corporation, year of organization and the words "Corporate Seal" and "New York".

ARTICLE XV

AMENDMENTS

Section 1. These By Laws may be amended at a regular or special meeting of the Members, by a vote of three-fourths (3/4) of a quorum of Members present in person or by proxy, except that any matter stated herein to be or which is in fact governed by the Declaration applicable to the Properties may not be amended except as provided in such Declaration.

Section 2. In the case of any conflict between the Articles of Incorporation and these By Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By Laws, the Declaration shall control.

IN WITNESS WHEREOF, we, being all of the Directors of STRATHMORE COURT HOMEOWNERS ASSOCIATION, INC., have hereunto set our hands this day of , 197 .

STATE OF NEW YORK)
) ss.:
COUNTY OF

On the day of , 197 before me personally came to me known to be the Directors of STRATHMORE COURT HOMEOWNERS ASSOCIATION, INC., and who executed the foregoing By Laws as such Directors, and acknowledged that they executed the same.

CERTIFICATION

I the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of STRATHMORE COURT HOMEOWNERS ASSOCIATION, INC., a New York corporation, and

THAT the foregoing By Laws constitute the original By Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the day of , 197 .

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this day of 1973.

Secretary

CERTIFICATE OF INCORPORATION

OF

STRATHMORE COURT HOMEOWNERS ASSOCIATION, INC.
under section 402 of the Not-for-Profit Corporation Law

IT IS HEREBY CERTIFIED THAT:

ARTICLE I: The name of the corporation is:

STRATHMORE COURT HOMEOWNERS ASSOCIATION, INC.

ARTICLE II: The corporation is a corporation as defined in subparagraph (a) (5) of section 102 (Definitions) of the Not-for-Profit Corporation Law.

ARTICLE III: The purpose or purposes for which the corporation is formed are as follows:

A. To promote the health, safety and welfare of the residents of a residential community proposed to be developed by Levitt Residential Communities, Inc., a Delaware corporation, or its subsidiaries, on lands situated in the Town of Brookhaven, County of Suffolk, State of New York; and for this purpose:

(1) to own, acquire, build, operate and maintain facilities, recreational and athletic facilities, including buildings, structures and personal property incidental thereto, hereinafter referred to as the "Common Areas", and

(2) to enforce any and all covenants, restrictions and agreements applicable to the Common Areas and the residential lots within the above described residential community (the enforcement of which is not specifically and exclusively reserved to others), and particularly the Declaration or Declarations of Covenants, Restrictions, Easements, Charges and Liens (hereinafter referred to as the "Declaration"), which may hereafter be made by Levitt Residential Communities, Inc. and which may hereafter be recorded among the land records of Suffolk County, New York.

B. To make and perform any contracts and do any acts and things, and exercise any powers suitable, convenient, proper or incidental for the accomplishment of any objects enumerated herein.

EXHIBIT C

C. The corporation, in furtherance of its corporate purposes above set forth, shall have the powers enumerated in section 202 of the Not-for-Profit Corporation Law, subject to any limitations provided in the Not-for-Profit Corporation Law or any other statute of the State of New York.

ARTICLE IV: The Corporation shall be a Type A corpration pursuant to section 201 of the Not-for-Profit Corporation Law.

ARTICLE V: The lots intended for residential use on the subdivision plats filed or to be filed for the above properties, together with the aforesaid Common Areas, are referred to herein collectively as "The Properties".

ARTICLE VI: The corporation shall have the power to dispose of its real properties only as authorized under the Declaration applicable to said properties.

ARTICLE VII: The total unpaid debts of the corporation at any given time (including outstanding loans to the corporation) shall not exceed the total of the maximum annual assessments that may be levied for the then current year pursuant to the Declaration.

ARTICLE VIII: The corporation may be dissolved only by the vote of two-thirds (2/3) of the members entitled to vote thereon. Written notice of the proposal to dissolve, setting forth the reasons therefor and the disposition to be made of the assets (which shall be constant with ARTICLE IX hereof), shall be mailed to every member at least sixty (60) days in advance of any action taken.

ARTICLE IX: Upon the dissolution of the corporation, the assets, both real and personal, of the corporation shall be dedicated to an appropriate governmental body or agency to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the corporation. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation,

association, trust or other organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the corporation. No such disposition of the corporation's properties shall be effective to divest or diminish any right or title of any member vested in him under the Declaration and deeds applicable to The Properties, unless made in accordance with the provisions of the Declaration and deeds.

ARTICLE X: These Articles may be amended pursuant to law.

ARTICLE XI: The number of its Trustees shall be no less than three (3). The Board of Trustees shall constitute the Directors of the corporation .

ARTICLE XII: The names and residences of the Trustees until the first annual meeting of the corporation are:

NAME	ADDRESS
RONALD A. ROTH	516 West Main Street Huntington, New York
JOSEPH E. MOTTOLA	46 Windmill Lane Levittown, New York
LENONARD GOLD	3265 Perry Avenue Oceanside, New York

ARTICLE XIII: The meetings of the Board of Trustees shall be held only within the State of New York.

ARTICLE XIV: The office of the corporation is to be located c/o Levitt Residential Communities, Inc., 400 Lakeville Road, Village of Lake Success, County of Nassau, State of New York.

ARTICLE XV: The territory within which the activities of the corporation are principally to be conducted is the State of New York.

ARTICLE XVI: The post office address to which the Secretary of State shall mail a copy of any notice required by law is c/o Levitt Residential Communities, Inc., 400 Lakeville Road, Village

of Lake Success, County of Nassau, State of New York.

ARTICLE XVII: No approvals and consents are required by law.

IN WITNESS WHEREOF, the undersigned incorporators, being at least nineteen years of age, affirm that the statements made herein are true under the penalties of perjury.

DATED: May 23, 1973

/S/ RONALD A. ROTH
516 West Main Street
Huntington, New York

/S/ RONALD A. ROTH
Signature

/S/ JOSEPH E. MOTTOLA
47 Windmill Lane,
Levittown, New York

/S/ JOSEPH E. MOTTOLA
Signature

/S/ LENARD GOLD
3265 Perry Avenue
Oceanside, New York

/S/ LEONARD GOLD
Signature

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

On this 23 day of May , 1973 before me personally came RONALD A. ROTH, JOSEPH E. MOTTOLA and LEONARD GOLD, to me known and known to me to be the same persons described in and who executed the foregoing Certificate of Incorporation, and they thereupon severally dully acknowledged to me that they executed the same.

Joan Marshall
Notary Public

Joan Marshall
NOTARY PUBLIC, State of New York
No. 52-2550891, Suffolk County
Term Expires March 30, 1975

A 76947

CERTIFICATE OF INCORPORATION

OF

STRATHMORE COURT HOMEOWNERS ASSOCIATION, INC.

Pursuant to Section 402 of the Not-for-Profit Corporation Law

State of New York
Department of State
Tax $ None
Filing Fee $50.00
Filed Jun 7-1973
John P. Lomenzo
Secretary of State
By MR
P30 Nassau type A

Levitt Residential Communities, Inc.
400 Lakeville Road
Lake Success, New York 11040

1/6

TOWN BOARD RESOLUTION

WHEREAS, the Town Board duly adopted a resolution pursuant to Section 281 of the Town Law on May 15, 1973 with regard to the proposed subdivision known as Strathmore Court; and

WHEREAS, it appears that paragraph 8 of said resolution may result in a could on title.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF THE TOWN OF BROOKHAVEN THAT SAID RESOLUTION BE AMENDED TO READ AS FOLLOWS:

WHEREAS, Clanler Corporation, located at 1919 Middle Country Road, Centereach, New York is the owner of 253.5 acres of property situate at Coram in the School District Nos. 12 and 7 of the Town of Brookhaven, as shown on a certain map entitled, "Strathmore Court", which is attached hereto and made a part hereof.

WHEREAS, said property is located in the (School District Number 12) "B" Residence Zone and (School District Number 7) in the "B-1" Residence Zone pursuant to Chapter 85 of the Code of the Town of Brookhaven.

WHEREAS, the Planning Board of the Town of Brookhaven has requested authorization to approve the proposed development with regard to such property pursuant to Section 281 of the Town Law;

EXHIBIT D

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF THE TOWN OF BROOKHAVEN:

1. The Planning Board is hereby authorized to approve the development of said property subject to the terms and conditions as set forth herein.

2. The total number of units shall in no case exceed the permitted number of building plots or dwelling units which could be permitted, in the Planning Board's judgment, if the land was developed according to the minimum lot size or density requirement of the zoning ordinance applicable to the district or districts in which such land is situated and conforming to all other applicable requirements such as roads, drainage and recreation areas; etc. Notwithstanding the foregoing the total number of dwelling units shall not exceed a total of 441 units of which 297 units are to be in School District No. 12 and 144 in School District No. 7.

3. The siting and locating of all units shall be fully controlled by the Planning Board of the Town of Brookhaven.

4. The units may be single-family dwellings, detached, attached, semi-attached or multiple family. The proportions of said units shall be within the sole discretion of the Planning Board. The Town Board may require certain sites to be dedicated, in its discretion, for park or other municipal purposes to the Town of Brookhaven, a park or other type of district, or any

other suitable and appropriate municipal entity. Said dedication shall consist of at least 139 acres.

5. All maps or plans approved by the Town, or any of its agencies, shall contain the following legend: "The approval of this plan (or map) is authorized pursuant to a resolution of the Town Board of the Town of Brookhaven adopted on July 17, 1973 pursuant to Section 281 of the Town Law."

6. In the event any property is required to be dedicated to a municipal entity other than the Town of Brookhaven the deed shall contain a clause restricting the use of the property to the appropriate municipal use and prohibiting the use of said property for residential purposes. Said deed shall further provide that in the event such municipal entity decides not to use said property for such use or ceases to use said property for said use, title to said property will automatically pass to the Town of Brookhaven without the necessity of further action by the Town of Brookhaven.

7. The applicant shall defray the necessary and reasonable legal expense attributable to the preparation of this resolution.

8. A total of 62.8 acres shall be held in common ownership through a Home Owners Association. The applicant shall furnish sufficient proof to satisfy the Town Board or

its designated representatives that the Home Owners Association has been properly created and the said 62.8 acres has been dedicated to the Home Owners Association with appropriate restrictions as to its use, including a restriction that the property described in said deed may not be used for the purpose of the construction of homes thereon.

Levitt | RESIDENTIAL COMMUNITIES, INC.
1919 MIDDLE COUNTRY ROAD, CENTEREACH, NEW YORK 11720 TEL. (516) 585 1000

October 5th, 1973

Strathmore Court Homeowners Association, Inc.
Coram, Town of Brookhaven
Suffolk County, New York

Gentlemen:

As the Developer, we have prepared for inclusion in the Offering Statement of Strathmore Court Homeowners Association, Inc., the projected schedule of receipts and expenses of your corporation for the first full year of operation (January 2, 1975 - December 31, 1975).

In our opinion, the estimates are reasonable and adequate, under existing circumstances, and estimated receipts will be sufficient to meet the normal anticipated operating expenses for the first year of operation. However, because of the possibility of changes in the economy, increases in expense of operation, and other factors, these estimates are not intended to be taken as guarantees or warranties of any kind whatsoever, or as any assurance that the actual expenses or income of the Association for any period of operation may not vary from the amounts shown, or that the Association may not incur additional expenses, or that the Board of Directors may not provide for reserves not reflected in such schedule, or that the annual maintenance charges for any period may not vary from the amounts shown herein. Based on current trends, it may be expected that fuel costs, maintenance, repair, labor and other related expenses will increase in future years.

Our estimates are based upon the Management and Maintenance Agreements between the Association and National Leisure Systems, Inc. and upon the operation of projects of similar size and type located in Suffolk County.

Very truly yours,

LEVITT RESIDENTIAL COMMUNITIES, INC.

By _____
Ronald A. Roth

EXHIBIT E

LAW OFFICES

WOFSEY, CERTILMAN, HAFT, SNOW & BECKER

55 BROAD STREET

NEW YORK, N. Y. 10004

212 HA 5-4320

EARL J. WOFSEY
MORTON L. CERTILMAN
JAY M. HAFT
CHARLES SNOW
JACK BECKER
MELVIN L. LEBOW

MARTIN I. MENACK
STEPHEN L. LOVE
DAVID M. DOBIN
JOHN J. PHELAN, III
JONATHAN H. COLMAN
JOHN P. DONOHOE
ROBERT B. LAMM

October 5, 1973

Levitt Residential Communities, Inc.
400 Lakeville Road
Lake Success, New York

Re: Strathmore Court Homeowners Association, Inc.

Gentlemen:

We have examined the Offering Statement and various supporting papers for the above-captioned homeowners association. It is our opinion that the Declaration of Covenants and Restrictions annexed as Exhibit A to the Offering Statement, when recorded in the Suffolk County Clerk's Office, will be legal and valid and that persons purchasing homes at Strathmore Court shall automatically become members of the Strathmore Court Homeowners Association, Inc. (the "Association"), assuming all rights and obligations of membership.

Under present law, it is our opinion that members of the Association will not be entitled to deduct any portion of their annual Association assessment payments, as presently constituted, for Federal or New York State income tax purposes.

EXHIBIT F

Immediately upon the filing of the Declaration of Covenants and Restrictions annexed to the Offering Statement as Exhibit A, the Common Areas will become subservient to and have only minimal value separate and apart from the individual lots. Accordingly, it is anticipated that the assessment on each home or lot will reflect an equal proportionate amount for the Common Areas. Should a separate assessment be levied on the Common Areas during their initial years of operation, it is anticipated that such assessment and the resulting tax will be nominal. Under present law, payments made by individual owners for real estate taxes on their lots or homes, inclusive of that portion of such taxes attributable to a proportionate assessment of the value of the Common Areas, are, in our opinion, tax deductible.

Based on the Amended Resolution of the Town Board of the Town of Brookhaven annexed to the Offering Statement as Exhibit D, it appears that the Development conforms with local zoning laws, ordinances and regulations.

It is our understanding that this letter will be made a part of the Offering Statement of Strathmore Court Homeowners Association, Inc.

Very truly yours,

WOFSEY, CERTILMAN, HAFT,
SNOW & BECKER

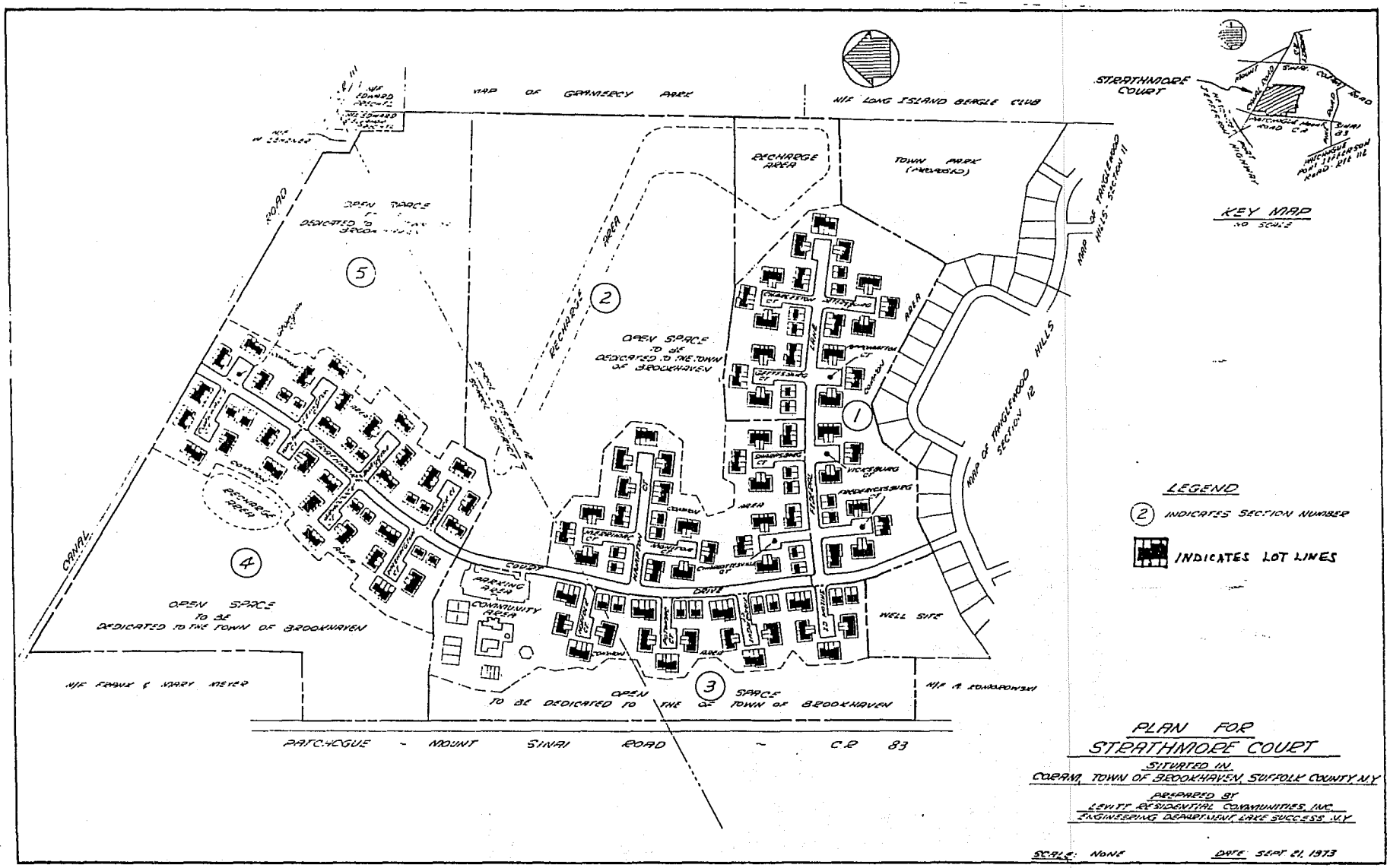

EXHIBIT G

1571

PURCHASE AGREEMENT

AGREEMENT made between LEVITT RESIDENTIAL COMMUNITIES, INC. Seller, and

Purchaser.

Seller agrees to sell and convey, and Purchaser agrees to purchase the lot and unit in the Town of Brookhaven known as Seller's Job Number and known and designated as Lot Number on "Map of Strathmore Court Section ", filed in the Office of the Clerk of Suffolk County, New York. The unit referred to (including the standard appliances therein) shall conform substantially to Seller's 197 model or to such model as it may be modified or improved from time to time in accordance with Seller's design standards, and shall include:

Such unit shall not include any furniture or house furnishings on display in Seller's model or any other items not specifically referred to above.

The price is $
N.Y. State sales tax on personal property in taxable amount of $
Total price including sales tax $_____, payable as follows:

Paid heretofore and upon signing of the agreement	$
Cash, or certified or bank officer's check upon delivery of the Deed	$
Purchase money mortgage authorized by Purchaser to be arranged by Seller payable in years in equal monthly installments, which shall include interest at % per annum, or at the prevailing rate obtained by Seller at time of closing.	$

The Deed shall be a Bargain and Sale Deed with Covenant against Grantor's Acts, shall be in proper statutory form for recording, and shall be duly executed and acknowledged by Seller at Seller's expense, so as to convey to Purchaser the fee simple title of the said premises, free of all encumbrances, except as herein stated, and shall also contain the covenant required by subdivision 5 of Section 13 of the Lien Law.

The premises are sold and are to be conveyed subject to:

1. Ordinances and regulations of competent municipal or other governmental authorities.

2. Easements for screening and planting and for sewer, water, gas, fuel line, drainage, electric, telephone and other similar utilities, if any, granted or to be granted.

3. A certain Declaration made by Levitt Residential Communities, Inc. on and recorded or to be recorded in the Suffolk County Clerk's Office, providing, subject to ordinances and regulations of applicable governmental authorities, for automatic membership in a not for profit corporation known as Strathmore Court Homeowners Association, Inc. formed for the purpose of maintaining and operating certain described lands and facilities for the common use and enjoyment of its members, and further providing for assessments against each lot for the maintenance and operation of such lands and facilities, all as more specifically set forth therein. Also, said Declaration provides for Covenants and Restrictions upon the said premises.

4. Usual rights of owners in party walls.

Seller agrees, at its sole cost and expense, to remedy any substantial defect in workmanship or materials of the structural components of the dwelling that shall be called to its attention by notice in writing from Purchaser on or before the first anniversary of the date of closing of title. Except as expressly herein set forth, Seller shall have no liability or obligation whatsoever with respect to the premises or any occurrence arising by reason of the condition thereof or the construction thereon, and any warranty of completion of construction or similar instrument hereafter executed by Seller shall not give rise to any such liability or obligation, except as expressly set forth therein. This clause shall survive the closing of title and the delivery of the deed.

Title to streets and road widenings is reserved by Seller which may dedicate them for public use and granting of easements for utilities.

Purchaser and the husband or wife of Purchaser, as the case may be, agree to submit to Seller, or its agent, all credit information requested and to join in the execution of all necessary instruments and documents. If Seller obtains a mortgage commitment for Purchaser, Seller's obligation with respect to arranging the purchase money mortgage is fully satisfied whether or not Purchaser's credit is subsequently rejected by the lending institution.

If the completion of the house is prevented or delayed by any circumstances beyond Seller's control, or for any other cause whatsoever, or if Seller is unable to convey title in accordance with the terms of this agreement, Seller shall have the right to postpone the closing of title for not more than three months. If the house is not completed, or if Seller is unable to convey title in accordance with the terms of this agreement by such postponed date, and if Purchaser does not consent to a further postponement of the closing of title, Seller will refund all

money paid on account by Purchaser, and both parties shall thereupon be discharged of all liability under this agreement. If the credit of Purchaser is deemed unsatisfactory by Seller, Seller will likewise refund all such money, with similar discharge of liability.

Should Purchaser violate, repudiate, or fail to perform any of the terms of this agreement, time being of the essence as to Purchaser's obligations hereunder, Seller may, at its option, retain all or any part of the moneys paid on account hereunder as liquidated damages, in which event the parties shall be discharged of all further liability hereunder, or Seller may otherwise avail itself of any legal or equitable rights which it may have under this agreement. This provision shall apply wiether or not construction has commenced and regardless of any sale of the property subsequent to Purchaser's default.

Purchaser agrees to pay a sum not to exceed $ for closing costs, which will include, examinations of title, mortgagee title insurance, recording fees, survey fee, credit report fee, mortgagee legal fees, and any and all other normal and usual closing costs and fees.

Taxes shall be apportioned on the basis of the tax lien year for which assessed and homeowner association fees and/or assessments shall be apportioned from the date of closing to the end of the month in which title is conveyed. Taxes are to be apportioned as of the date of closing.

Purchaser shall pay in advance, at closing of title, 50 percent of the annual assessment of the Strathmore Court Homeowners Association, Inc.

The Deed shall be delivered at the office of Seller or at such other place as Seller may designate, on , 197 .

The risk of loss or damage to said property by fire or other casualty, until the closing of title, is assumed by Seller.

This agreement shall not be assigned nor recorded by Purchaser.

Any notice or demand to be given hereunder by Seller to Purchaser shall be deemed to have been duly given to Purchaser when mailed by Seller to either one or both of the above named purchasers to their address as hereinabove set forth.

The Purchaser acknowledges that they have received, prior to signing this Agreement, a copy of the Offering Statement filed with the Department of Law, State of New York, concerning the common facilities, owned and operated and other activities conducted by the said Strathmore Court Homeowners Association, Inc. Said Offering Statement and all Exhibits attached thereto are incorporated by reference and made a part of this agreement with the same force and effect as if set forth in full herein. With the purchase of his lot and unit, Purchaser acknowledges that he will automatically thereby become a member of the Strathmore Court Homeowners Association, Inc., subject to its rules and regulations and liable for its assessments.

The attorney representing the Seller or any lender represents such parties only and not the Buyer. Therefore, the Buyer may retain independent counsel at his own expense in order to protect his interests.

This agreement contains the final and entire agreement between the parties hereto, and they shall not be bound by any terms, conditions, statements or representation, oral or written, not contained herein.

LEVITT RESIDENTIAL COMMUNITIES, INC.

_____

By_____
Authorized Signature

_____

THIS DEED, made the day of , nineteen hundred and seventy- between LEVITT RESIDENTIAL COMMUNITIES, INC., a Delaware corporation having an office at 400 Lakeville Road, Lake Success, New York, grantor, and

, grantee.

WITNESSETH that in consideration of $ in hand paid, the receipt of which is hereby acknowledged, the grantor does hereby grant and convey to the grantee, his, her or their heirs or successors and assigns forever, ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in Coram, Town of Brookhaven, County of Suffolk, and State of New York, known and designated as Lot No. on a certain map entitled "Map of Strathmore Court, Section

Made by LEVITT RESIDENTIAL COMMUNITIES, INC., Zone North Headquarters Engineering Department, dated 197 , and filed in the Suffolk County Clerk's Office on , 197 , as Map No. _____.

Subject to covenants, restrictions, reservations, agreements and easements of record, including easement areas, if any, shown on the aforesaid map as affecting portions of the premises. Any sewer, water and drainage mains, appurtenances thereto, and meters within such easement areas are not included in this conveyance.

And - Subject to the benefits, rights, privileges, easements and subject to the burdens, covenants, restrictions, by-laws, rules, regulations and easements all as set forth in the Declaration of Covenants, Restrictions, Easements, Charges and Liens made by Levitt Residential Communities, Inc. dated , 1973 and recorded in the Suffolk County Clerk's Office on the day of , 1973 in Liber of Conveyances at Page .

Title to all streets and road widenings is reserved for dedication to the political subdivision having jurisdiction.

The grantee has simultaneously herewith executed and delivered a purchase money mortgage in the sum of $ intended to be recorded simultaneously herewith.

EXHIBIT I

And the grantor covenants that it has not done or suffered anything whereby the said premises have been encumbered in any way whatever, except as aforesaid.

And the grantor, in compliance with Section 13 of the Lien Law, covenants that it will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

IN WITNESS WHEREOF, the grantor has caused these presents to be executed and its corporate seal to be hereto affixed.

LEVITT RESIDENTIAL COMMUNITIES, INC.

By_____
Assistant Vice-President

CORPORATE SEAL

IN THE PRESENCE OF:

_____
Assistant Secretary

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

On the day of , 197 , before me personally came to me known, who, being by me duly sworn did depose and say that he resides at

that he is the Assistant Vice President of LEVITT RESIDENTIAL COMMUNITIES, INC., the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation, and that he signed his name thereto by like order.

_____
Notary