



STATE OF NEW YORK  
DEPARTMENT OF LAW  
120 BROADWAY  
NEW YORK, NY 10271

ROBERT ABRAMS  
Attorney General

GARY R. CONNOR  
Assistant Attorney General in Charge  
Real Estate Financing Bureau

(212) 416-8148

Cannon Land Corp.  
c/o Harter, Secrest & Emery  
Attn: William N. La Forte, Esq.  
700 Midtown Tower  
Rochester, NY 14604

RE: Park Square South Homeowners  
File Number: H870204  
Date Amendment Filed: 08/16/93  
Receipt Number: 774618453

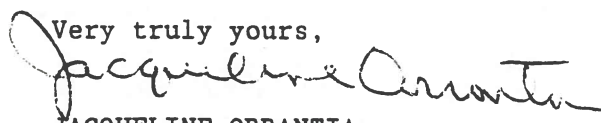
Amendment No: 7  
Filing Fee: \$ 150.00

Dear Sponsor:

The referenced amendment to the offering plan for the subject premises is hereby accepted and filed. Since this amendment is submitted after the post closing amendment has been filed, this filing is effective for twelve months from the date of filing of this amendment. However, any material change of fact or circumstance affecting the property or offering requires an immediate amendment, including amending the plan to disclose the most recent certified financial statement and budget, which should be done as soon as either of these documents is available.

Any misstatement or concealment of material fact in the material submitted as part of this amendment renders this filing void ab initio. This office has relied on the truth of the certifications of sponsor, sponsor's principals, and sponsor's experts, as well as the transmittal letter of sponsor's attorney.

Filing this amendment shall not be construed as approval of the contents or terms thereof by the Attorney General of the State of New York, or any waiver of or limitation on the Attorney General's authority to take enforcement action for violation of Article 23-A of the General Business Law or other applicable law. The issuance of this letter is conditioned upon the collection of all fees imposed by law. This letter is your receipt for the filing fee.

Very truly yours,  
  
JACQUELINE ORRANTIA  
ASSISTANT ATTORNEY GENERAL y.H.



10. ESCROW AGENT'S COMPENSATION.

10.1 SPONSOR agrees that ESCROW AGENT'S compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to ESCROW AGENT, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance.

11. SEVERABILITY.

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

12. ENTIRE AGREEMENT.

12.1 This Agreement, read together with GBL Section 352-3(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

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

**ESCROW AGENT:**

HARTER, SECRET & EMERY

BY: W. J. Hart

**SPONSOR:**

Cannon Land Corporation

BY: Gilbert J. Veconi / JES

Gilbert J. Veconi,  
President

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## **SEVENTH AMENDMENT TO OFFERING PLAN**

**PARK SQUARE SOUTH HOMEOWNERS ASSOCIATION, INC.  
Jefferson Road, Town of Pittsford  
Monroe County, New York**

**Amount of Offering - \$2,000.00**

---

The cost of membership in the Park Square South Homeowners Association, Inc. is included in the purchase price of the homes. The number of homes being offered in this development is thirty-two (32).

Name and Address of Sponsor:

Cannon Land Corporation  
4 Chattingham Circle  
Pittsford, NY 14534

Name and Address of Selling Agent:

Cannon Development, Inc.  
4 Chattingham Circle  
Pittsford, NY 14534

Date of Amendment No. 7

July 15, 1993

This Plan may not be used after **August 15, 1994** unless extended by Amendment.

**THIS OFFERING PLAN IS THE SPONSOR'S ENTIRE OFFER TO SELL MEMBERSHIP INTERESTS IN THE PARK SQUARE SOUTH 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 HAS APPROVED THIS OFFERING.**

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MEMORANDUM FOR THE RECORD

Subject: [Illegible]

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This Seventh Amendment to the Offering Plan for the Park Square South Homeowners Association, Inc. is submitted for the purpose of extending the time period of the Offering Plan for an additional twelve (12) months.

As of the date of this Seventh Amendment, eighteen (18) units have closed and title transferred, and two (2) units have been sold pursuant to Contract but which have not yet closed. Twelve (12) units remain to be developed, sold or transferred.

Attached hereto as Exhibit "A" is the current Budget for the fiscal year of operation in the Park Square South Homeowners Association, Inc. commencing May 1, 1992 through April 30, 1993.

Attached hereto as Exhibit "B" is the Letter of Adequacy as prepared by The Cabot Group.

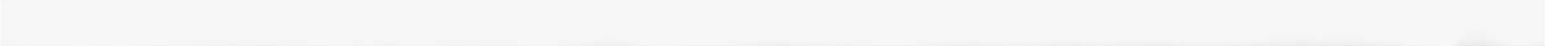
Attached hereto as Exhibit "C" are the financial statements for the budget years May 1, 1991 through April 30, 1992 and May 1, 1992 through April 30, 1993.

The Sponsor is no longer in control of the Board of Directors. The Board now consists of the following: VINCENT DiSTEFANO, PRESIDENT; ROBERT ADAMS, VICE-PRESIDENT; PHYLLIS BACHMAN, SECRETARY; WILLIAM SOPP, TREASURER; AND EUGENE SALESIN, BOARD MEMBER.

All material changes of facts or circumstances affecting the Association are included in the Offering Plan, the First, Second, Third, Fourth, Fifth and Sixth Amendments and this Seventh Amendment.

DATED: July 15, 1993

**CANNON LAND CORPORATION**



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Park Square South  
 Homeowners Association, Inc.  
 Annual Budget  
 Fiscal Year Ending April 30, 1994

Second Draft

	First Quarter 18	Second Quarter 19	Third Quarter 20	Fourth Quarter 21	Annual Budget 20
*****					
Number of Homes	18	19	20	21	20
*****					
<b>REVENUE:</b>					
Assessment	\$6,642.00	\$7,011.00	\$7,380.00	\$7,749.00	\$28,782.00
Insurance	\$0.00	\$0.00	\$4,100.00	\$0.00	\$4,100.00
Reserve	\$2,592.00	\$2,736.00	\$2,880.00	\$3,024.00	\$11,232.00
Interest	\$205.00	\$205.00	\$205.00	\$205.00	\$820.00
Cap Contrbtin	\$0.00	\$342.00	\$342.00	\$342.00	\$1,026.00
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
*****					
Total Revenue	\$9,439.00	\$10,294.00	\$14,907.00	\$11,320.00	\$45,960.00
*****					
<b>EXPENSES:</b>					
<b>Administrative</b>					
Office Supply	\$50.00	\$50.00	\$50.00	\$50.00	\$200.00
Management	\$540.00	\$570.00	\$600.00	\$630.00	\$2,340.00
Audit	\$800.00	\$0.00	\$0.00	\$0.00	\$800.00
Legal	\$50.00	\$50.00	\$50.00	\$50.00	\$200.00
HO Insurance	\$1,025.00	\$1,025.00	\$1,025.00	\$1,025.00	\$4,100.00
Insurance	\$225.00	\$225.00	\$225.00	\$225.00	\$900.00
Property Tax	\$0.00	\$40.00	\$26.00	\$0.00	\$66.00
NYS Tax	\$374.00	\$0.00	\$0.00	\$0.00	\$374.00
Bank Charges	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Refuse	\$583.00	\$616.00	\$648.00	\$680.00	\$2,527.00
*****					
Total Administrative	\$3,647.00	\$2,576.00	\$2,624.00	\$2,660.00	\$11,507.00
*****					
<b>Irrigation System</b>					
Installation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Maintainence	\$100.00	\$100.00	\$0.00	\$0.00	\$200.00
Electric	\$26.00	\$26.00	\$26.00	\$26.00	\$104.00
Water	\$0.00	\$1,200.00	\$800.00	\$0.00	\$2,000.00
Shut Down	\$0.00	\$0.00	\$250.00	\$0.00	\$250.00
Start Up	\$250.00	\$0.00	\$0.00	\$0.00	\$250.00
*****					
Total Irrigation	\$376.00	\$1,326.00	\$1,076.00	\$26.00	\$2,804.00
*****					
<b>Lawn Maintainence</b>					
Mow/Trim/Weed	\$3,564.00	\$3,564.00	\$800.00	\$0.00	\$7,928.00
Weeding/Berms	\$275.00	\$275.00	\$0.00	\$0.00	\$550.00
SCU/FCU	\$100.00	\$0.00	\$100.00	\$0.00	\$200.00
Lawn Treatment	\$281.00	\$281.00	\$281.00	\$281.00	\$1,124.00
Edging/Berms	\$300.00	\$300.00	\$0.00	\$0.00	\$600.00
Pruning	\$290.00	\$0.00	\$0.00	\$0.00	\$290.00
Mulch	\$1,275.00	\$0.00	\$0.00	\$0.00	\$1,275.00
IPM Trees/Shrubs	\$150.00	\$150.00	\$0.00	\$0.00	\$300.00
Plant Replacement	\$100.00	\$0.00	\$0.00	\$0.00	\$100.00



*****					
Total Lawn Care	\$6,335.00	\$4,570.00	\$1,181.00	\$281.00	\$12,367.00
*****					
Exterminating	\$1,284.00	\$0.00	\$0.00	\$0.00	\$1,284.00
*****					
Snow Removal					
Plowing	\$0.00	\$0.00	\$2,090.00	\$2,090.00	\$4,180.00
Salt	\$0.00	\$0.00	\$300.00	\$300.00	\$600.00
*****					
Total Snow Removal	\$0.00	\$0.00	\$2,390.00	\$2,390.00	\$4,780.00
*****					
Building Repairs	\$225.00	\$225.00	\$225.00	\$225.00	\$900.00
Road Sealing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
*****					
Total Bldg Repair	\$225.00	\$225.00	\$225.00	\$225.00	\$900.00
*****					
Total Expenses	\$11,867.00	\$8,697.00	\$7,496.00	\$5,582.00	\$33,642.00
*****					
Trans. to Reserve	\$2,592.00	\$2,736.00	\$2,880.00	\$3,024.00	\$11,232.00
*****					
Net Profit/Loss	(\$5,020.00)	(\$1,139.00)	\$4,531.00	\$2,714.00	\$1,086.00



## THE CABOT GROUP

July 19, 1993

Real Estate Financing Bureau  
New York State Department of Law  
Bureau of Real Estate Law  
120 Broadway, 23rd Floor  
New York, New York 10271

RE: Park Square South Homeowners Association

Ladies and Gentlemen:

The sponsor of the owners association offering plan for the captioned property retained our firm to review schedule A containing projections of income and expenses for the homeowner association operation from May 1, 1993 to April 30, 1994. Our experience includes 23 years in the management field including a current portfolio of 850 condominiums, 340 rental apartments and 800,000 square feet of commercial space in the Western New York area.

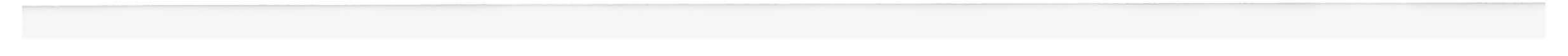
We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in this part insofar as it is applicable to this schedule.

We have reviewed the schedule and investigated the facts set forth in the schedule and the facts underlying it with due diligence in order to form a basis for this certification.

We certify that the projections in the schedule appear reasonable and adequate based on present prices (adjusted to reflect continued inflation and present levels of consumption for comparable units similarly situated).

- (I) set forth in detail the terms of the transaction as it relates to the schedule to be complete, current and accurate.
- (II) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (III) not omit any material fact;
- (IV) not contain any untrue statement of a material fact;
- (V) not contain any fraud, deception, concealment or suppression;

Exhibit "B"



(VI) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances and;

(VII) not contain any representation or statement which is false, where we (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the Sponsor and that our compensation for preparing this Certification is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. We understand that a copy of the Certification is intended to be incorporated into the offering plan so that prospective purchasers may rely on it.

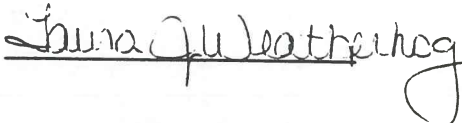
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very Truly Yours,

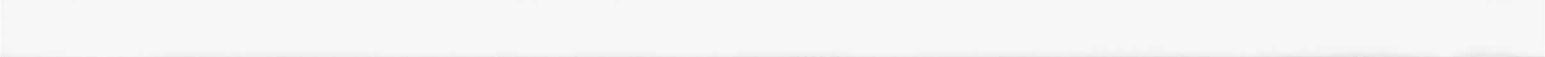
  
Theodore J. Welter, CPM, AMS  
Senior Property Manager

TJW/mmf

Sworn to before me this  
20<sup>th</sup> day of July, 1993



LAURA J. WEATHERHOG  
Notary Public, State of New York  
Qualified in Monroe County  
Commission Expires Aug. 17, 1994





PARK SQUARE SOUTH HOMEOWNERS' ASSOCIATION, INC.  
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED APRIL 30, 1992

Exhibit "C"

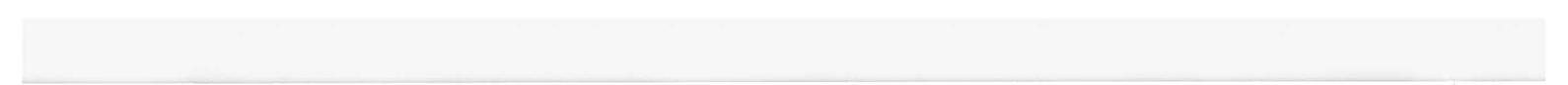
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# Bailey & Co.

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CERTIFIED PUBLIC ACCOUNTANTS

Christopher M. Bailey, CPA

Paul T. O'Keefe, CPA

May 18, 1992

Jack M. Carr, CPA

Board of Directors and Members  
Park Square South Homeowners' Association, Inc.

We have audited the accompanying balance sheet of Park Square South Homeowners' Association, Inc. as of April 30, 1992, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Park Square South Homeowners' Association, Inc. as of April 30, 1992, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

The supplementary information on future major repairs and replacements on page 7 is not a required part of the basic financial statements, but is supplementary information required by the American Institute of Certified Public Accountants. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully submitted,

*Bailey & Co.*

Bailey & Co.

Certified Public Accountants



# Park Square South

PARK SQUARE SOUTH HOMEOWNERS' ASSOCIATION, INC.  
BALANCE SHEET  
APRIL 30, 1992

## ASSETS

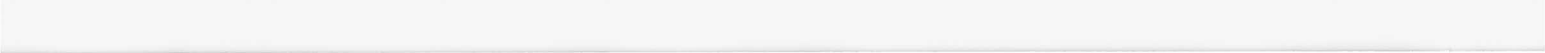
<u>CURRENT ASSETS</u>	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total</u>
Cash Including			
Certificates of Deposit	\$ 1,219	\$ 23,601	\$ 24,820
Accounts Receivable	1,513	-0-	1,513
Prepaid Insurance	<u>1,766</u>	<u>-0-</u>	<u>1,766</u>
<u>TOTAL CURRENT ASSETS</u>	<u>\$ 4,498</u>	<u>\$ 23,601</u>	<u>\$ 28,099</u>

## LIABILITIES AND FUND BALANCES

### LIABILITIES

Accounts Payable	\$ 1,064	\$ -0-	\$ 1,064
Loan Payable - Cannon Development, Inc.	3,850	-0-	3,850
Income Taxes Payable	<u>374</u>	<u>25</u>	<u>399</u>
<u>TOTAL LIABILITIES</u>	5,288	25	5,313
<u>FUND BALANCES</u>	<u>(790)</u>	<u>23,576</u>	<u>22,786</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 4,498</u>	<u>\$ 23,601</u>	<u>\$ 28,099</u>

See Accompanying Notes to Financial Statements.



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## Park Square South

**PARK SQUARE SOUTH HOMEOWNERS' ASSOCIATION, INC.  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND BALANCE  
YEAR ENDED APRIL 30, 1992**

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total</u>
<b><u>REVENUES</u></b>			
Regular Assessments	\$ 22,483	\$ 8,640	\$ 31,123
Insurance Assessments	3,584	-0-	3,584
Irrigation	24,950	-0-	24,950
Interest Income	-0-	750	750
Capital Contributions	<u>470</u>	<u>471</u>	<u>941</u>
<b><u>TOTAL REVENUES</u></b>	<b>51,487</b>	<b>9,861</b>	<b>61,348</b>
<b><u>EXPENSES</u></b>			
Office	\$ 407	\$ -0-	\$ 407
Management	1,641	-0-	1,641
Accounting	400	-0-	400
Legal	333	-0-	333
Insurance	3,110	-0-	3,110
Property Tax	58	-0-	58
NYS Franchise Tax	374	-0-	374
Federal Income Tax	-0-	25	25
Bank Charges	18	-0-	18
Refuse	1,666	-0-	1,666
Irrigation	33,608	-0-	33,608
Lawn Maintenance	10,388	-0-	10,388
Snow Removal	3,757	-0-	3,757
Building Repairs	742	-0-	742
Road Sealing	<u>-0-</u>	<u>1,860</u>	<u>1,860</u>
<b><u>TOTAL EXPENSES</u></b>	<b><u>56,502</u></b>	<b><u>1,885</u></b>	<b><u>58,387</u></b>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</u></b>	<b>(5,015)</b>	<b>7,976</b>	<b>2,961</b>
<b><u>BEGINNING FUND BALANCES</u></b>	<b><u>4,225</u></b>	<b><u>15,600</u></b>	<b><u>19,825</u></b>
<b><u>ENDING FUND BALANCES</u></b>	<b>\$ <u>(790)</u></b>	<b>\$ <u>23,576</u></b>	<b>\$ <u>22,786</u></b>

See Accompanying Notes to Financial Statements.



## Park Square South

PARK SQUARE SOUTH HOMEOWNERS' ASSOCIATION, INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED APRIL 30, 1992

<u>CASH FLOWS FROM OPERATING AND RESERVE ACTIVITIES</u>	
Excess (deficiency) of revenues over expenses	\$ 2,961
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:	
(Increase) Decrease In:	
Accounts Receivable	5,326
Prepaid Expenses	(681)
Increase (Decrease) in:	
Accounts Payable	695
Income Taxes Payable	25
<u>NET CASH PROVIDED (USED) BY OPERATING AND RESERVE ACTIVITIES</u>	<u>8,326</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>	
Net Borrowings	<u>3,850</u>
<u>NET INCREASE (DECREASE) IN CASH</u>	<u>12,176</u>
<u>CASH AT BEGINNING OF YEAR</u>	<u>12,644</u>
<u>CASH AT END OF YEAR</u>	<u>\$ 24,820</u>

See Accompanying Notes to Financial Statements.

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# Park Square South

PARK SQUARE SOUTH HOMEOWNERS' ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 1992

NOTE A: NATURE OF ORGANIZATION

Park Square South Homeowners' Association, Inc. was incorporated on December 24, 1986 in the State of New York. The Association is responsible for the operation and maintenance of the common property within the development.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund: This fund is used to account for financial resources available for the general operations of the Association.

Reserve Fund: This fund is used to accumulate financial resources designated for future major repairs and replacements.

Member Assessments

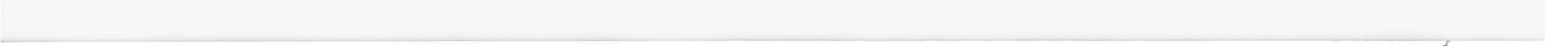
Association members are subject to monthly assessments to provide funds for the Association's operating expenses, and major repairs and replacements.

Interest Income

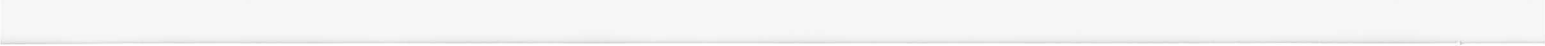
Interest income is allocated to the reserve fund.

Income Taxes

For the year ended April 30, 1992, the Association elected to be taxed as a homeowners' association. Under that election, the Association is taxed on its non-exempt function income, such as interest earnings, at a flat rate of 30%. Exempt function income which consists primarily of member assessments, is not taxable.



**SUPPLEMENTARY INFORMATION**





## Park Square South

PARK SQUARE SOUTH HOMEOWNERS' ASSOCIATION, INC.  
 SUPPLEMENTARY INFORMATION OF FUTURE  
 MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)  
APRIL 30, 1992

The Association's board of directors conducted a study in February, 1988 to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. Estimated current replacement costs have not been revised since that date, and do not take into account the effects of inflation between the date of the study and the date that the components will require repair or replacement.

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

<u>Component</u>	<u>Estimated Remaining Useful Life (Years)</u>	<u>Estimated Current Replacement Cost</u>	<u>Designated Repairs/ Replacements April 30, 1992</u>
Roofs	16 - 20	\$ 41,000	\$ 5,000
Street Asphalts Sealing	4	5,000	-0-
Exterior Staining of Siding	1 - 5	22,000	12,000
Asphalt Resurfacing	16	35,000	5,000
Miscellaneous (Sidewalks)	--	<u>-0-</u>	<u>-0-</u>
Totals		\$ <u>103,000</u>	\$ <u>22,000</u>

MEMORANDUM

TO : [Illegible]

FROM : [Illegible]

SUBJECT : [Illegible]

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## *Park Square South*

January 8, 1993

Dear Homeowner,

Phyllis Bachman, Joe Luppino and I met with Barbara and Gil Veconi on December 10, 1992 to discuss the matter of Hogan Court; Bob Roberts of the Benchmark Group was also in attendance.

All matters pertaining to the development of Hogan Court, as it affects the homeowners of the Park Square South Association, were discussed. More specifically we concentrated on matters that were the responsibility of Cannon Land Corporation before 75% of the homes on Dartmouth Court were sold - 75% of the homes on Linden Cove have been sold, as of this writing.

The Veconis' agreed to the following:

Cannon Land Corporation assumes the obligation to pay for the following expenses associated with opening of Hogan Court for the sale of homes before selling 75% of the homes on Dartmouth Court.

- 1) Installing mailboxes on Dartmouth and Hogan.
- 2) Top driveways on Dartmouth and Hogan.
- 3) Cut weeds on unbuilt lots at least once during the summer.
- 4) Bear the cost of sealing private drives and driveways on Hogan and Dartmouth on a prorated basis until 75% of the homes are sold, ie; if one home is sold on Hogan and it is time to seal the drive, Cannon Land would pay 87.5% (7/8) of the sealing cost. After six homes were sold on Hogan and five on Dartmouth, the Association would pick up the entire cost of sealing. Sealing is done approximately one to two years after a driveway is topped.
- 5) Pay the cost of maintaining the berms on Hogan until 75% of the homes are sold on Dartmouth Court.

Regarding the legality of Cannon Land Corporation building on Hogan Court before 75% of the homes have been sold on Dartmouth, we have been advised that this obligation is not part of the Bylaws of the Park Square South Homeowners Association, but is covered in Part One of the offering plan entitled "Obligation of Sponsor" and can be amended by the Sponsor (Cannon Land Corporation) annually with the consent of the Secretary of State. This opinion was rendered by William LaForte, Esq; Cannon Land Development will ammend this obligation in Febuary 1993.

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PARK SQUARE SOUTH HOMEOWNERS' ASSOCIATION, INC.  
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
YEAR ENDED APRIL 30, 1993



**Bailey & Co.**

CERTIFIED PUBLIC ACCOUNTANTS

Christopher M. Bailey, CPA

Paul T. O'Keefe, CPA

June 9, 1993

Jack M. Carr, CPA

Homeowners and Board of Directors  
Park Square South Homeowners' Association, Inc.

We have compiled the accompanying balance sheet of Park Square South Homeowners' Association, Inc. as of April 30, 1993, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended in accordance with standards established by the American Institute of Certified Public Accountants.

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

The Homeowners' Association has elected to omit substantially all disclosures ordinarily included in financial statements. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's balance sheet, revenues, expenses, and changes in fund balance and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The supplementary information on future major repairs and replacements on page 7 is not a required part of the basic financial statements, but is supplementary information required by the American Institute of Certified Public Accountants. We have compiled the supplementary information from information that is the representation of management of Park Square South Homeowners' Association, Inc., without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Respectfully submitted,

*Bailey & Co.*

Bailey &amp; Co.

Certified Public Accountants

OFFICIAL  
RECORDS SECTION

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TIME: 10:00 AM

TO: [Illegible]

FROM: [Illegible]

SUBJECT: [Illegible]

RE: [Illegible]



**BALANCE SHEET**  
**APRIL 30, 1993**

ASSETS

<u>CURRENT ASSETS</u>	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total</u>
Cash Including			
Certificates of Deposit	\$ 3,053	\$ 25,148	\$ 28,201
Accounts Receivable	4,617	-0-	4,617
Due from Operating Fund	-0-	8,018	8,018
Prepaid Insurance	<u>3,317</u>	<u>-0-</u>	<u>3,317</u>
<u>TOTAL CURRENT ASSETS</u>	<u>\$ 10,987</u>	<u>\$ 33,166</u>	<u>\$ 44,153</u>

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts Payable	\$ 1,103	\$ -0-	\$ 1,103
Due to Reserve Fund	8,018	-0-	8,018
Loan Payable - Cannon Development, Inc.	3,575	-0-	3,575
Income Taxes Payable	<u>374</u>	<u>-0-</u>	<u>374</u>
<u>TOTAL LIABILITIES</u>	13,070	-0-	13,070
<u>FUND BALANCES</u>	<u>(2,083)</u>	<u>33,166</u>	<u>31,083</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 10,987</u>	<u>\$ 33,166</u>	<u>\$ 44,153</u>

Unaudited - See Accountants' Compilation Report.

**Bailey & Co.**

CERTIFIED PUBLIC ACCOUNTANTS

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STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND BALANCE  
YEAR ENDED APRIL 30, 1993

	<u>Operating</u> <u>Fund</u>	<u>Reserve</u> <u>Fund</u>	<u>Total</u>
<b><u>REVENUES</u></b>			
Regular Assessments	\$ 25,224	\$ 9,600	\$ 34,824
Insurance Assessments	4,104	-0-	4,104
Interest Income	-0-	919	919
Capital Contributions	-0-	171	171
Miscellaneous	<u>31</u>	<u>-0-</u>	<u>31</u>
<b><u>TOTAL REVENUES</u></b>	<b>29,359</b>	<b>10,690</b>	<b>40,049</b>
<b><u>EXPENSES</u></b>			
Office Management	441	-0-	441
Accounting	2,424	-0-	2,424
Legal	1,650	-0-	1,650
Insurance	113	-0-	113
Property Tax	3,597	-0-	3,597
NYS Franchise Tax	33	-0-	33
Bank Charges	374	-0-	374
Refuse	94	-0-	94
Irrigation	2,188	-0-	2,188
Lawn Maintenance	1,817	-0-	1,817
Snow Removal	12,194	-0-	12,194
Building Repairs	3,975	-0-	3,975
Road Sealing	468	-0-	468
Exterminating	-0-	1,100	1,100
	<u>1,284</u>	<u>-0-</u>	<u>1,284</u>
<b><u>TOTAL EXPENSES</u></b>	<b><u>30,652</u></b>	<b><u>1,100</u></b>	<b><u>31,752</u></b>
<b><u>EXCESS (DEFICIENCY) OF</u></b> <b><u>REVENUES OVER EXPENSES</u></b>	<b>(1,293)</b>	<b>9,590</b>	<b>8,297</b>
<b><u>BEGINNING FUND BALANCES</u></b>	<b><u>(790)</u></b>	<b><u>23,576</u></b>	<b><u>22,786</u></b>
<b><u>ENDING FUND BALANCES</u></b>	<b>\$ <u>(2,083)</u></b>	<b>\$ <u>33,166</u></b>	<b>\$ <u>31,083</u></b>

Unaudited - See Accountants' Compilation Report.

**Bailey & Co.**  
CERTIFIED PUBLIC ACCOUNTANTS

STATE OF TEXAS  
COUNTY OF [illegible]  
[illegible]

[illegible]



**STATEMENT OF CASH FLOWS**  
**YEAR ENDED APRIL 30, 1993**

CASH FLOWS FROM OPERATING AND RESERVE ACTIVITIES

Excess (deficiency) of revenues over expenses	\$ 8,297	
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
(Increase) Decrease in:		
Accounts Receivable	(3,104)	
Prepaid Expenses	(1,551)	
Increase (Decrease) in:		
Accounts Payable	39	
Income Taxes Payable	<u>(25)</u>	
<b>NET CASH PROVIDED (USED) BY OPERATING AND RESERVE ACTIVITIES</b>	<b>3,656</b>	
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payment on Loan	<u>(275)</u>	
<u>NET INCREASE (DECREASE) IN CASH</u>		3,381
<u>CASH AT BEGINNING OF YEAR</u>		<u>24,820</u>
<u>CASH AT END OF YEAR</u>		<b>\$ <u>28,201</u></b>

Unaudited - See Accountants' Compilation Report.

**Bailey & Co.**

CERTIFIED PUBLIC ACCOUNTANTS

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NOTE A: NATURE OF ORGANIZATION

Park Square South Homeowners' Association, Inc. was incorporated on December 24, 1986 in the State of New York. The Association is responsible for the operation and maintenance of the common property within the development.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund: This fund is used to account for financial resources available for the general operation of the Association.

Reserve Fund: This fund is used to accumulate financial resources designated for future major repair and replacements.

Member Assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, and major repairs and replacements.

Interest Income

Interest income is allocated to the reserve fund.

Unaudited - See Accountants' Compilation Report.

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**Bailey & Co.**

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CERTIFIED PUBLIC ACCOUNTANTS

THE UNIVERSITY OF CHICAGO  
DIVISION OF THE PHYSICAL SCIENCES  
DEPARTMENT OF CHEMISTRY

RECEIVED

PROFESSOR [Name] [Address] [City] [State] [Zip]

Dear Professor [Name]:

I am pleased to inform you that your application for a [Position] has been reviewed and we are pleased to offer you the position. The position is a full-time position with a salary of \$[Amount] per year. The position is located in the Department of Chemistry, University of Chicago, Chicago, Illinois. The position is expected to start on [Date].

The position is a research position and you will be expected to conduct research in the area of [Field]. You will be expected to publish your research results in the field. You will also be expected to teach and supervise graduate students.

The position is a research position and you will be expected to conduct research in the area of [Field]. You will be expected to publish your research results in the field. You will also be expected to teach and supervise graduate students.

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**Danly & Co.**

**CERTIFIED PUBLIC ACCOUNTANTS**

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**SUPPLEMENTARY INFORMATION**

ANNEXURE

CHAPTER 10

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 SUPPLEMENTARY INFORMATION OF FUTURE  
 MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)  
APRIL 30, 1993

The Association's board of directors conducted a study in February, 1988 to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. Estimated current replacement costs have not been revised since that date, and do not take into account the effects of inflation between the date of the study and the date that the components will require repair or replacement.

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

<u>Component</u>	<u>Estimated Remaining Useful Life (Years)</u>	<u>Estimated Current Replacement Cost</u>	<u>Designated Repairs/ Replacement April 30, 19</u>
Roofs	16 - 20	\$ 41,000	\$ 7,500
Street Asphalts Sealing	4	5,000	-0-
Exterior Staining of Siding	1 - 5	22,000	18,000
Asphalt Resurfacing	16	35,000	7,500
Miscellaneous (Sidewalks)	--	-0-	-0-
Totals		<u>\$ 103,000</u>	<u>\$ 33,000</u>

Unaudited - See Accountants' Compilation Report.

**Bailey & Co.**

CERTIFIED PUBLIC ACCOUNTANTS

THE UNIVERSITY OF CHICAGO  
DEPARTMENT OF CHEMISTRY  
5708 SOUTH CAMPUS DRIVE  
CHICAGO, ILLINOIS 60637

Dear Mr. [Name]:

I have received your letter of [Date] regarding [Topic]. The information you provided is being reviewed by the appropriate departments. We will contact you again once a decision has been reached.

Sincerely,  
[Name]

[Name]  
[Title]  
[Department]  
[Address]

[Text]

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[Text]

[Text]



STATE OF NEW YORK  
DEPARTMENT OF LAW  
120 BROADWAY  
NEW YORK, N.Y. 10271

G. OLIVER KOPPELL  
Attorney General

GARY R. CONNOR  
Assistant Attorney General in Charge  
Real Estate Financing Bureau

(212) 416-8148

Cannon Land Corp.  
c/o Harter, Secrest & Emery  
Attn: William N. La Forte, Esq.  
700 Midtown Tower  
Rochester, NY 14604

RE: Park Square South Homeowners  
File Number: H870204  
Date Amendment Filed: 12/21/94  
Receipt Number: 335322564

Amendment No: 8  
Filing Fee: \$ 150.00

Dear Sponsor:

The referenced amendment to the offering plan for the subject premises is hereby accepted and filed. Since this amendment is submitted after the post closing amendment has been filed, this filing is effective for twelve months from the date of filing of this amendment. However, any material change of fact or circumstance affecting the property or offering requires an immediate amendment, including amending the plan to disclose the most recent certified financial statement and budget, which should be done as soon as either of these documents is available.

Any misstatement or concealment of material fact in the material submitted as part of this amendment renders this filing void ab initio. This office has relied on the truth of the certifications of sponsor, sponsor's principals, and sponsor's experts, as well as the transmittal letter of sponsor's attorney.

Filing this amendment shall not be construed as approval of the contents or terms thereof by the Attorney General of the State of New York, or any waiver of or limitation on the Attorney General's authority to take enforcement action for violation of Article 23-A of the General Business Law or other applicable law. The issuance of this letter is conditioned upon the collection of all fees imposed by law. This letter is your receipt for the filing fee.

Very truly yours,

*Jacqueline Purdy*  
JACQUELINE PURDY  
ASSISTANT ATTORNEY GENERAL  
y.H.

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## **EIGHTH AMENDMENT TO OFFERING PLAN**

**PARK SQUARE SOUTH HOMEOWNERS ASSOCIATION, INC.**  
Jefferson Road, Town of Pittsford  
Monroe County, New York

**Amount of Offering - \$2,000.00**

---

The cost of membership in the Park Square South Homeowners Association, Inc. is included in the purchase price of the homes. The number of homes being offered in this development is thirty-two (32).

Name and Address of Sponsor:

Cannon Land Corporation  
6 Wessex Court  
Pittsford, NY 14534

Name and Address of Selling Agent:

Cannon Development, Inc.  
6 Wessex Court  
Pittsford, NY 14534

Date of Amendment No. 8

August 6, 1994

This Plan may not be used after **December 20, 1995** unless extended by Amendment.

**THIS OFFERING PLAN IS THE SPONSOR'S ENTIRE OFFER TO SELL MEMBERSHIP INTERESTS IN THE PARK SQUARE SOUTH 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 HAS APPROVED THIS OFFERING.**

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This Eighth Amendment to the Offering Plan for the Park Square South Homeowners Association, Inc. is submitted for the purpose of extending the time period of the Offering Plan for an additional twelve (12) months.

As of the date of this Eighth Amendment, twenty-two (22) units have closed and title transferred, and one (1) unit has been sold pursuant to Contract but which has not yet closed. Nine (9) units remain to be developed, sold or transferred.

Attached hereto as Exhibit "A" is the current Budget for the fiscal year of operation in the Park Square South Homeowners Association, Inc. commencing May 1, 1994 through April 30, 1995.

Attached hereto as Exhibit "B" is the Letter of Adequacy as prepared by The Cabot Group.

Attached hereto as Exhibit "C" are the financial statements for the budget year May 1, 1993 through April 30, 1994.

The Sponsor is no longer in control of the Board of Directors. The Board now consists of the following: VINCENT DiSTEFANO, PRESIDENT; ROBERT ADAMS, VICE-PRESIDENT; SID FAGENSON, SECRETARY; WILLIAM SOPP, TREASURER; AND EUGENE SALESIN AND SALLY SILKETT, BOARD MEMBERS.

All material changes of facts or circumstances affecting the Association are included in the Offering Plan, the First, Second, Third, Fourth, Fifth, Sixth, Seventh and this Eighth Amendment.

DATED: August 6, 1994

**CANNON LAND CORPORATION**

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PARK SQUARE SOUTH HOMEOWNERS ASSOCIATION  
 BUDGET  
 5/1/94 - 4/30/95

AUG 2

	BUDGET 5/93-4/94 (\$171/MO)	ANTICIPATED ACTUAL 5/93-4/94	BUDGET 5/94-4/95 (\$180/MO)
<b>INCOME</b>			
Maintenance Fees	\$40,014.00	\$43,711.00	\$47,520.00
Insurance	\$4,100.00	\$7,660.00	\$4,500.00
Interest/Cap. Cont.	\$1,846.00	\$1,513.00	\$1,415.00
<b>TOTAL INCOME</b>	<u>\$45,960.00</u>	<u>\$52,884.00</u>	<u>\$53,435.00</u>
<b>EXPENSES</b>			
Office Expense	\$200.00	\$540.00	\$300.00
Management	\$2,340.00	\$4,800.00	\$4,800.00
Audit & Legal	\$1,000.00	\$800.00	\$1,000.00
Insurance	\$5,000.00	\$5,816.00	\$5,900.00
Property Tax	\$66.00	\$87.00	\$90.00
Income Tax	\$374.00	\$374.00	\$400.00
Refuse	\$2,527.00	\$2,581.00	\$3,000.00
Irrigation	\$2,804.00	\$4,840.00	\$3,800.00
Summer	\$12,367.00	\$12,382.00	\$17,000.00
Exterminating	\$1,284.00	\$1,296.00	\$1,560.00
Snow	\$4,780.00	\$6,347.00	\$6,000.00
Building Repairs	\$900.00	\$1,000.00	\$1,000.00
<b>TOTAL OPERATING EXPENSES</b>	<u>\$33,642.00</u>	<u>\$40,863.00</u>	<u>\$44,850.00</u>
<b>TRANSFER TO RESERVE</b>	<u>\$11,232.00</u>	<u>\$11,232.00</u>	<u>\$8,585.00</u>
<b>TOTAL EXPENSES</b>	<u>\$44,874.00</u>	<u>\$52,095.00</u>	<u>\$53,435.00</u>

EXHIBIT "A"

1972

STATE OF CALIFORNIA  
DEPARTMENT OF REVENUE  
SAN FRANCISCO



September 9, 1994

**THE CABOT GROUP**

Real Estate Financing Bureau  
New York State Department of Law  
Bureau of Real Estate Law  
120 Broadway, 23rd Floor  
New York, New York 10271

RE: Park Square South Homeowners Association

Ladies and Gentlemen:

The sponsor of the owners association offering plan for the captioned property retained our firm to review the Schedule A containing projections of income and expenses for the association operation from May 1, 1994 through April 30, 1995. Our experience includes 24 years in the management field including a current portfolio of 1,050 community association units, 430 rental apartments and 850,000 square feet of commercial space in the Western New York area.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in this part insofar as it is applicable to this schedule.

We have reviewed the schedule and investigated the facts set forth in the schedule and the facts underlying it with due diligence in order to form a basis for this certification.

We certify that the projections in the schedule appear reasonable and adequate based on present prices (adjusted to reflect continued inflation and present levels of consumption for comparable units similarly situated).

- (I) set forth in detail the terms of the transaction as it relates to the schedule to be complete, current and accurate.
- (II) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (III) not omit any material fact;
- (IV) not contain any untrue statement of a material fact;
- (V) not contain any fraud, deception, concealment or suppression;

**EXHIBIT "B"**

ENTW@NYS-TAX.MEN

PARK CENTRAL AT LINDEN OAKS  
130 LINDEN OAKS DRIVE SUITE A ROCHESTER, NEW YORK 14625 (716) 381-1500 FAX (716) 381-1895

1978



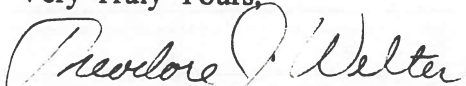
(VI) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances and;

(VII) not contain any representation or statement which is false, where we (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the Sponsor and that our compensation for preparing this Certification is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. We understand that a copy of the Certification is intended to be incorporated into the offering plan so that prospective purchasers may rely on it.

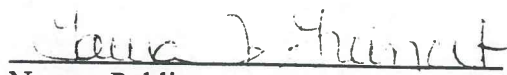
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very Truly Yours,

  
Theodore J. Welter, CPM, AMS  
Vice President/Operations

TJW/cah

Sworn to before me this  
9<sup>th</sup> day of September, 1994

  
Notary Public

**LAURA J. GREBERT**  
Notary Public, State of New York  
No. 500597  
Qualified in Monroe County  
Commission Expires August 17, 1996

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# Boychuk & Co., Certified Public Accountant

Michael S. Boychuk  
John F. Kosmicki

33 West Main Street  
Victor, New York 14564

(716) 924-8300  
FAX (716) 924-8302

To the Board of Directors and Homeowners  
Park Square South Homeowners Association, Inc.

We have audited the accompanying balance sheet of Park Square South Homeowners Association, Inc. as of April 30, 1994, and the related statements of revenues, expenses and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Park Square South Homeowners Association, Inc. at April 30, 1994, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

*Boychuk & Co.*

EXHIBIT "C"

May 19, 1994

WORLD BANK GROUP

John H. ...

...

...



PARK SQUARE SOUTH HOMEOWNERS ASSOCIATION, INC.

Balance Sheet  
March 31, 1994

Assets

Cash:	
Checking	
Savings	\$ 441
	<u>37,052</u>
	37,493
Prepaid expenses	
	<u>2,608</u>
	<u>\$40,101</u>

Liabilities and Fund Balances

Liabilities:	
Accounts payable	\$ 3,493
Due to sponsor	2,475
Prepaid homeowner assessments	2,502
Accrued income taxes (note 3)	<u>433</u>
	<u>8,903</u>
Fund balances:	
Operating	(13,872)
Major maintenance (note 5)	<u>45,070</u>
	<u>31,198</u>
	<u>\$40,101</u>

See accompanying notes to financial statements.

THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

PHYSICS 435

PROFESSOR JOHN H. COOPER



**PARK SQUARE SOUTH HOMEOWNERS ASSOCIATION, INC.**

**Statement of Revenues, Expenses and Changes in Fund Balances  
For the Year Ended April 30, 1994**

	Operating Fund	Major Maintenance Fund	Total
<b>Revenues:</b>			
Common charges (note 2)	\$ 41,751	-	41,751
Insurance assessments	1,634	-	1,634
Interest	-	672	672
Working capital	1,368	-	1,368
Other	<u>20</u>	<u>672</u>	<u>692</u>
	<u>44,773</u>	<u>672</u>	<u>45,445</u>
<b>Expenses:</b>			
Landscape care and grounds maintenance	17,736	-	17,736
Repairs and maintenance	3,568	-	3,568
Snow removal	8,221	-	8,221
Refuse removal	2,581	-	2,581
Administrative	579	-	579
Professional fees (note 4)	5,600	-	5,600
Insurance	6,525	-	6,525
Property taxes	87	-	87
Income taxes (note 3)	<u>433</u>	<u>672</u>	<u>1,105</u>
	<u>45,330</u>	<u>672</u>	<u>46,002</u>
<b>Excess of revenues over (under) expenses</b>	(557)	-	(557)
<b>Transfers</b>			
	(11,232)	-	(11,232)
Fund balance - beginning of year	-	-	-
Fund balance - end of year	<u>(2,083)</u>	<u>33,166</u>	<u>31,083</u>
	<u>\$(13,872)</u>	<u>45,070</u>	<u>31,198</u>

See accompanying notes to financial statements.

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PARK SQUARE SOUTH HOMEOWNERS ASSOCIATION, INC.

Statement of Cash Flows  
For the Year Ended April 30, 1994

	<u>1994</u>
Cash flows from operating activities:	
Excess of revenues over expenses	\$ 115
Net (increase) decrease in receivables, prepaid expenses, payables, prepaid assessments and accrued expenses	<u>9,177</u>
Net increase in cash	9,292
Cash balance - beginning of year	<u>28,201</u>
Cash balance - end of year	<u>\$37,493</u>
Supplemental disclosure:	
Taxes paid	\$ 374

See accompanying notes to financial statements.

PLATE 10. THE INTERIOR OF THE TEMPLE OF KARNAK, THEATRE OF THE MASKS.

View of the interior of the temple, showing the columns and the ceiling.

101

View of the interior of the temple, showing the columns and the ceiling.

View of the interior of the temple, showing the columns and the ceiling.

View of the interior of the temple, showing the columns and the ceiling.

View of the interior of the temple, showing the columns and the ceiling.

View of the interior of the temple, showing the columns and the ceiling.

PLATE 11. THE INTERIOR OF THE TEMPLE OF KARNAK, THEATRE OF THE MASKS.





PARK SQUARE SOUTH HOMEOWNERS ASSOCIATION, INC.

Notes to Financial Statements  
April 30, 1994

1. Summary of Operations and Significant Accounting Policies

The Association was incorporated under Section 402 of the New York State Not-For-Profit Corporation Law on December 24, 1986, for the purpose of maintaining the common areas of the Park Square South development, consisting of 24 homes, of which 22 are sold. The homeowners elect a board of directors who hire an independent property management firm to manage the Association. In connection with these operations, the following significant accounting policies have been adopted:

*Fund accounting.* The Association uses fund accounting, which requires that funds, such as operating funds and funds designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the board of directors and property manager. Disbursements from the major maintenance fund generally may be made only for designated purposes.

*Interest earned.* The board's policy is to allocate to the major maintenance fund interest earned on cash accounts.

*Working capital.* Homeowners pay two months common charges at time of closing of their unit.

2. Owners' Assessments

Monthly assessments to owners are \$171, of which a portion is transferred to the major maintenance fund. The annual budget and assessments of owners are determined by the board of directors. The Association normally retains excess operating funds at the end of the operating year, if any, for use in future operating periods. Monthly assessments were increased to \$180 effective May 1, 1994.

The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are significantly in arrears.

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PARK SQUARE SOUTH HOMEOWNERS ASSOCIATION, INC.

Notes to Financial Statements  
April 30, 1994

3. Income Taxes

Pursuant to the Tax Reform Act of 1976, homeowner associations are permitted to make an annual election to be treated as a regular corporation or a tax exempt organization. Each year the Association will file its tax return under the election which is most beneficial to the organization. Under Section 528 of the Internal Revenue Code, taxes are paid on non-exempt function income (principally interest net of expenses).

4. Commitments

The Association has entered into an agreement with Croft Associates, Inc. for management of its operations. The agreement provides for a monthly fee of \$400 to April 30, 1995.

5. Future Major Repairs and Replacements

The Association has elected to accumulate funds for future major repairs and replacements. Accumulated funds are accounted for separately and generally are not available for expenditures for normal operations.

The board of directors and management company determine amounts to be allocated to the major maintenance fund. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the major maintenance fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

The Association's board of directors conducted a study in February, 1988 to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. Estimated current replacement costs have not been revised since that date, and do not take into account the effects of inflation between the date of the study and the date that the components will require repair or replacement.

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THE UNIVERSITY OF CHICAGO  
DIVISION OF THE PHYSICAL SCIENCES  
DEPARTMENT OF CHEMISTRY

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PARK SQUARE SOUTH HOMEOWNERS ASSOCIATION, INC.

Notes to Financial Statements  
April 30, 1994

The following unaudited information is based on the study and presents significant information about the components of common property.

<u>Component</u>	<u>Estimated Remaining Useful Life (Years)</u>	<u>Estimated Current Replacement Cost</u>
Roofs	16 - 20	\$ 41,000
Asphalt sealing	4	5,000
Staining	1 - 5	22,000
Asphalt resurfacing	16	<u>35,000</u>
		<u>\$103,000</u>

THE UNITED STATES DEPARTMENT OF JUSTICE

OFFICE OF THE ATTORNEY GENERAL  
WASHINGTON, D. C. 20530

MEMORANDUM FOR THE ATTORNEY GENERAL  
SUBJECT: [Illegible]

[Illegible text]

