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# AMENDED AND CONSOLIDATED PUBLIC OFFERING STATEMENT

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*filed by*

**LEISURE + TECHNOLOGY, INC.**

150 Airport Road  
Lakewood, New Jersey 08701

*for*

## **LEISURE VILLAGE WEST CONDOMINIUMS 60, 68 thru 73, 75, 76 and 78 thru 86**

BEING A PORTION OF LOT 10, BLOCK 38 ON THE TAX MAP OF THE TOWNSHIP OF MANCHESTER CONTAINING CONDOMINIUM UNITS AS SHOWN ON THE MAPS ENTITLED FINAL MAPS OF CONDOMINIUMS IN LEISURE VILLAGE WEST, MANCHESTER TOWNSHIP, OCEAN COUNTY, N.J. MADE BY DONALD W. SMITH ASSOCIATES, RECORDED IN THE OFFICE OF THE CLERK OF OCEAN COUNTY.

*Designated as*

## **LEISURE VILLAGE WEST NOTICE TO PURCHASERS**

THIS PUBLIC OFFERING STATEMENT IS FOR INFORMATIONAL PURPOSES ONLY. PURCHASERS SHOULD ASCERTAIN FOR THEMSELVES THAT THE PROPERTY OFFERED MEETS THEIR PERSONAL REQUIREMENTS. THE NEW JERSEY DIVISION OF HOUSING AND DEVELOPMENT HAS NEITHER APPROVED NOR DISAPPROVED THE MERITS OF THIS OFFERING.

BE SURE TO READ CAREFULLY ALL DOCUMENTS BEFORE YOU SIGN THEM.

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Effective date of Statement: February 23, 1983, as amended, as amended, February 21, 1984, as amended March 26, 1984, as amended March 22, 1985, as amended June 14, 1985, as amended October 3, 1985, as amended on March 6, 1986, as amended April 17, 1986, as amended August 1, 1986, and as amended August 7, 1986.

Prepared By  
Giordano, Halleran & Ciesla  
A Professional Corporation  
270 State Highway 35  
Middletown, New Jersey 07748

## FORWARD

The purchase of a condominium or, for that matter, any real estate involving a common interest, involves not only the acquisition of an interest in real estate but also a commitment on the part of the purchaser to accept those conditions as outlined in the Master Deed (the instrument by which the condominium is established) and the Declaration of Restrictive and Protective Covenants and to abide by the Bylaws (the rules covering the rights of the individual unit-owners). These instruments are interrelated and are just as important as the physical unit. The contents of these instruments vary with each community.

All multiple dwellings, even if they are under a condominium or cooperative form of ownership, are subject to the Hotel and Multiple Dwelling Law (N.J.S.A. 55:13A-1 et. seq.). The condominium association or cooperative corporation is considered as the owner for purposes of the Hotel and Multiple Dwelling Law and is held responsible for the abatement of all violations which it has the power to abate and for the payment of registration and inspection fees. Unit owners may be required to abate violations within their units.

The Contract of Sale represents the Agreement arrived at between the buyer and seller and is an important document since it includes the provisions included in the Master Deeds and Bylaws.

It is urged that each prospective buyer thoroughly understand these documents as well as this Public Offering Statement before he undertakes the purchase of a unit. It is recommended that the purchaser enlist the services of his own attorney to safeguard his interests.

The Purchaser has the right to cancel any contract or agreement for the purchase of a condominium unit in Leisure Village West, without cause, by sending or delivering written notice of cancellation to Leisure + Technology, Inc., New Jersey Division, Five Airport Road, Lakewood, New Jersey, 08701, Attention: Vice President of Sales, by midnight on the seventh calendar day following the date of execution of such contract or agreement, and all monies theretofore paid by the Purchaser will be returned.

The original developer of Leisure Village West was Leisure Technology of New Jersey, Inc., formerly known as Leisure Technology-North east, Inc., a wholly owned subsidiary of Leisure + Technology, Inc. On April 1, 1978, Leisure Technology of New Jersey, Inc. was merged with and into Leisure + Technology, Inc. (formerly known as Leisure Technology corp.) by virtue of a Certificate of Merger filed with the Secretary of State of New Jersey on March 31, 1978. By operation of Law, N.J.S.A. 14A:10-6, and the terms and provisions of the Plan of Merger annexed to and forming a part of the Certificate of Merger, title to all property owned by Leisure Technology of New Jersey, Inc. vested without further act or deed in Leisure + Technology, Inc. Concomitantly, Leisure + Technology, Inc. assumed all contractual

and other liabilities of Leisure Technology of New Jersey, Inc. Leisure + Technology, Inc. has therefore undertaken all responsibilities as developer of Leisure Village West. Leisure + Technology, Inc. is referred to as the "Developer" throughout this Public Offering Statement.

AMENDED AND CONSOLIDATED  
PUBLIC OFFERING STATEMENT

LEISURE VILLAGE WEST CONDOMINIUMS  
60, 68 thru 73, 75, 76 and 78 thru 86

TABLE OF CONTENTS

	<u>Page</u>
PART I	
Property.....	1
Encumbrances.....	6
Access.....	12
Land Use.....	13
PART II	
Area Facilities.....	16
Improvements.....	24
PART III	
Public Utilities.....	26
Public Transportation.....	29
Present Development and Occupancy.....	31
Governmental Control.....	31
Method of Sale.....	32
Type of Sales Program.....	36
PART IV	
Monthly Maintenance Charges.....	37

PART V

Developer's Warranty..... 40

PART VI

Additional Information..... 43

PART VII

Appendix..... 46

A. Current Budget of Leisure Village West Association

## PART I

### PROPERTY

The Leisure Village West Condominium units being offered by this registration are located on a portion of a tract of approximately 852 acres owned by the Developer and located in Manchester Township, Ocean County, New Jersey. The 852 acre tract is located on New Jersey State Highway Route 70. The main entrance to the property is located on State Highway Route 70 and approximately two miles east of its intersection with New Jersey Route 37. There is a secondary entrance to the property located on Colonial Drive, which is approximately one tenth of a mile south of its intersection with State Highway 70 and approximately 3 tenths of a mile north of its intersection with New Jersey Route 37.

Manchester Township is a residential community of approximately 35,000 residents and abuts Dover Township with a population of approximately 70,000 and which contains Toms River, the county seat of Ocean County. The main shopping area of Dover Township is located at the intersection of Routes 37 and 166, approximately seven miles from Leisure Village West and can be reached by proceeding west on Route 70 and directly southeast on Route 37. There is on Hooper Avenue in Toms River a shopping center, the Ocean County Mall, which contains three major

department stores, Bambergers, Sears and J.C. Penney, plus numerous small specialty shops. It can be reached by taking the jughandle turn on Route 37 onto Hooper Avenue.

Brick Township, with approximately 54,000 residents is located to the northeast of the property and the main business district is approximately seven miles east of Leisure Village West on Route 70.

New York City is approximately sixty-five miles north of the property and can be reached by the Garden State Parkway and New Jersey Turnpike. The City of Philadelphia is fifty-five miles west and is reached by Route 70, traveling through the City of Camden, New Jersey and by toll bridge across the Delaware River. Newark, New Jersey is fifty-five miles north on the Garden State Parkway.

The Developer of Leisure Village West has previously registered and offered for sale Leisure Village West Condominiums Nos. 1 to 76, and 78 to 84, inclusive, which consist of 397.682 acres, containing a total of 2,294 condominium units. Leisure Village Condominium Nos. 85 and 86, which are subject to the present offering consist of 3.880 and 3.948 acres respectively and contain 42 condominium units. Condominium Nos. 60, 68-73, 75, 76, and 78 through 84, the lands and dwelling units which are also the subject of the present offering, consist of 67.721 acres and contain 358 units. The remainder of the 852 acre tract, not presently being offered for sale, will either be the site of model homes, sales building, maintenance facilities, utilities,



parking areas, recreational facilities or be reserved for future development and sale. The size of the units being offered in this registration varies pending upon the particular model chosen by the Purchaser. The size of the condominium sections subject to the present offering are as follows:

<u>CONDOMINIUM</u>	<u>ACRES</u>	<u>NO. OF UNITS</u>
60	5.292	24
68	5.168	30
69	4.454	26
70	3.741	22
71	4.643	26
72	4.487	26
73	3.678	20
75	1.946	08
76	2.153	12
78	5.620	28
79	5.696	28
80	3.944	20
81	3.603	18
82	4.572	26
83	3.991	18
84	4.733	26
85	3.880	20
86	3.948	22

AS OF THE DATE OF THIS REGISTRATION, ALL NECESSARY MUNICIPAL APPROVALS HAVE NOT BEEN OBTAINED FOR CONDOMINIUM 60. ACCORDINGLY, THOSE CONDOMINIUMS ARE NOT YET REGISTERED WITH THE DEPARTMENT OF COMMUNITY AFFAIRS OF THE STATE OF NEW JERSEY AND NO UNIT OF CONDOMINIUM 60 MAY BE THE SUBJECT OF A CONTRACT OF SALE. AS AND WHEN THESE APPROVALS ARE OBTAINED, THE NECESSARY DOCUMENTATION AND APPROVED MAPS FOR CONDOMINIUM 60 WILL BE SUBMITTED TO THE DEPARTMENT OF COMMUNITY AFFAIRS FOR APPROVAL AND REGISTRATION WHEREUPON THE UNITS OF CONDOMINIUM 60 SHALL BE AVAILABLE FOR CONTRACT.

The Purchaser should examine the model unit which he is interested in purchasing and the map of the area available in the Sales Office to determine the dimensions of his unit and its location within the particular condominium.

The Developer has reserved the right to add an additional ± .706 acres to Condominium 75 in which all but two of the units have closed title, consisting of one building containing 5 condominium units and related open areas. This building is presently constructed and the units are currently utilized as physicians offices, administrative offices for the Association and sales and administrative offices by the Developer. Upon the cessation of use for nonresidential purposes, the Developer may recondition the units and offer them for sale to the general public. The Developer will not do so while any portion of the building is utilized for nonresidential purposes. The Developer's right to so amend the Condominium expires 84 months from the date of the recordation of the Restated Master Deed for Condominium No. 75. At such time as the Developer desires to offer these units, the Developer will amend this Public Offering Statement with the Department of Community Affairs of the State of New Jersey to include these Units in the offering.

As of August 30, 1985, the Developer has offered new models in and all Condominiums, including Condominiums 85 and 86, known and advertised as the Encore Series and consisting of the following model types.

<u>MODEL</u>	<u>UNIT TYPE AS REFERRED TO IN MASTER DEED</u>
The Roxy	10
The Savoy	20
The Ritz	30
The Pickford	40
The Waldorf	50
The Victoria	60

Those models previously offered by the Developer in the Leisure Village West community will no longer be constructed by Developer. Condominiums 60, 71, 75 and 76 will continue to be developed with the old models until all of the Condominium Units in those Condominiums have been sold.

Under the condominium concept of real property ownership authorized by the Condominium Act of the State of New Jersey (N.J.S.A. 46:8B-1 et. seq.) a purchaser is conveyed an absolute fee simple ownership to his particular unit. As a part of, and inseparable from the title to the unit, there is also conveyed to the Purchaser an undivided interest in the common elements of the particular condominium in which his unit is located. Therefore, although the Purchaser is the absolute and sole owner of his particular unit, he is an owner in common with all other owners in his condominium, of the common elements of that condominium.

The "common elements" of the condominium are, briefly, the land within the condominium (for example, the 3.880 acres in Condominium No. 85); all of the buildings situate on that land, and any and all other improvements and natural features such as streets, access ways, building foundations, sidewalks, trees, etc.

As provided in the Condominium Act of the State of New Jersey, each unit is assessed and taxed separately from all other units in the condominium; mortgages and other liens attach only to the particular units and to no others within the condominium.

## ENCUMBRANCES

The lands offered in this registration are subject to the following construction mortgages:

- (a) Construction Loan in the amount of \$13,000,000.00 by United Jersey Bank, dated November 22, 1985 and recorded in the Clerk's Office of Ocean County, N.J.

The Developer will be entitled to releases from the lien of the above referenced construction loan upon the payment of a stipulated release price per Unit. The Developer will obtain a release for each Unit prior to the time of closing.

The units offered by this registration and the buildings to be constructed upon the aforesaid lands are all in compliance with the zoning and building ordinances of the Township of Manchester.

The Developer has recorded the Master Deeds creating the condominiums, and a Declaration of Restrictive and Protective Covenants which applies to all of the units being offered and will obligate all Purchasers. The Declaration of Restrictive and Protective Covenants has been recorded in the Ocean County Clerk's office. Briefly, the purpose of this Declaration is to insure the continuance of a quality residential retirement community and to implement the provisions of the Condominium Act of the State of New Jersey. The Declaration restricts the lands

to use as a residence only. It prohibits the erection or alteration of any structures on any properties without the approval of the Board of Trustees of Leisure Village West Association, the unit owners' association authorized by the Condominium Act of New Jersey. The Purchaser may be provided with a copy of the Master Deed and Declaration of Restrictive and Protective Covenants, as recorded, at the time of receipt of this Public Offering Statement.

The Declaration further grants various companies (sewer, water, telephone, gas and electric) certain easements and rights-of-way for the installation, operation, maintenance, renewal and repair of the described utilities. It restricts occupancy of all units to persons of the age of 52 years and over except that a spouse may be under the age of 52 years and a child may reside with his parent if the child is at least 19 years old.

The Declaration also provides that every Purchaser shall be a member of Leisure Village West Association which will own, maintain and operate the recreational facilities in the community as well as maintain and repair the common elements as Managing Agent of all of the condominiums contained in the Leisure Village West development, including those covered by this registration. Each owner is bound to contribute to the common expenses of operating Leisure Village West Association and its real personal property and of maintenance and repair of the common elements.

This obligation is satisfied by the payment of the monthly maintenance charge established by the Board of Trustees of the Association. (See Part IV, Monthly Maintenance Charges).

The Board of Trustees of Leisure Village West Association is required by the Declaration to insure all of the common elements against loss by fire or other casualty and to apply the proceeds received from any such loss to the restoration of the damaged or destroyed property, unless the loss is so extensive the owners agree to receive the proceeds and terminate the condominium. The Declaration and the Bylaws of Leisure Village West Association further provide that in the event of fire or other disaster or casualty resulting in damage to the buildings and common elements of any one or more of the condominiums amounting to less than two-thirds of the value of the condominium or condominiums, the net proceeds of any insurance collected shall be made available for the purpose of restoration or replacement. Where the insurance indemnity is insufficient to cover the cost of reconstruction or replacement, the new building costs shall be paid by all the co-owners, in proportion to the value of their respective units. If any of the co-owners shall refuse to make such payments, the Board of Trustees shall levy an assessment in an amount proportionate to the value of the units in the condominium, the proceeds of such assessment being paid with the insurance indemnity to the Association for the purpose of

covering the costs of repair and replacement. (Please refer to Part VI, Additional Information, for further discussion of insurance.)

The Declaration and the Bylaws of Leisure Village West Condominium 1-58 provide that the Developer (as successor to Leisure Technology of New Jersey, Inc.) had the exclusive right to nominate and elect the members of the Board of Trustees, or any number thereof, for a period of fifteen years from the date of recording the first Master Deed for a condominium in Leisure Village West (October 26, 1972) or until the completion of the sale of units in Leisure Village West in Manchester Township, New Jersey, whichever is the shorter period of time. This provision was consistent with the Condominium Act, N.J.S.A. 46:8B-1 et. seq. as the statute was written at the inception of the construction of Leisure Village West. Since that time, the Condominium Act has been amended by N.J.S.A. 46:8B-12.1 to provide for the transfer of control of a Condominium Association based upon the number of Condominium units which have been sold by the Developer. At the request of the State of New Jersey Department of Community Affairs, Division of Housing and Development, the Developer has agreed to incorporate the new provisions of the Condominium Act into the Declaration for Condominium 59 and 60 of Leisure Village West by way of amendment and to include same in all future Declarations. Accordingly, the Developer has the exclusive right to nominate and elect all of the members of the Board of Trustees of Leisure Village West

Association until 783 Condominium units in Leisure Village West have been sold and conveyed. Thereafter, the Developer has the exclusive right to nominate and elect 75% of the Board of Trustees (5 members) until 1,565 units are sold and conveyed and 60% of the Board of Trustees (4 members) until 2,347 units are sold and conveyed. Thereafter, the Developer shall have the exclusive right to elect at least one member until the last unit in Leisure Village West has been sold.

At the present time, the Developer nominates and elects 4 of the 7 members of the Board of Trustees of Leisure Village West Association or 57%. The Developer has represented to the Division of Housing and Development of the Department of Community Affairs of the State of New Jersey that while it maintains a majority of the Board of Trustees of the Association, the Association will not make any substantial additions, alterations, improvements, or purchases not contemplated in this public offering which could necessitate a special assessment or a substantial increase in the monthly assessment unless required by a government agency, title insurance company, mortgage lender, the advent of an emergency or authorized by a majority of those residents voting on or for such addition, alteration or improvement. The Developer has also represented that during this period, it shall not seek to exercise its power to remove a Trustee unless there is cause. Further, the Developer has represented that notwithstanding the Bylaws, nothing contained



therein to the contrary shall serve to exculpate members of the Board of Trustees appointed by the Developer from their fiduciary responsibilities.

With the inception of Condominiums 23A, 23B, 23C and 24A and all condominiums developed thereafter through Condominium 49, a different Declaration of Restrictive and Protective Covenants is utilized from that filed for Condominiums 1 through 22.

Condominiums subject to this registration are subject to the same Declaration as Condominiums 1 through 22, which has been filed with the Clerk of Ocean County and all Purchasers will receive a copy of the same.

All of the condominiums in Leisure Village West are subject to an easement given by Leisure Technology-Northeast, Inc. (now the Developer) to the Township of Manchester (but not to the public in general) to permit the public officials and agents of the Township to enter the premises for emergency purposes such as fire and police protection. Since all electric and telephone wiring and gas lines are underground, various portions of the common elements are subject to easements granted to these utilities for the installation, maintenance and repair of the wiring and equipment required.

## ACCESS

Physical (the manner in which) and legal (the right to) access to the lands being registered is by way of the main entrance to the community, Buckingham Drive, which connects directly with the south side (eastbound lane) of New Jersey State Highway Route 70, a two lane concrete paved highway, and by way of the secondary entrance to the community, Huntington Drive, which connects directly with the east side (northbound lane) of Colonial Drive, a two lane paved road.

Buckingham Drive and Huntington Drive with paved roadways of forty feet, are the major subdivision arteries. The interior of the several condominiums is reached by Yorkshire Court, Sterling Street, Edinburgh Lane, Cambridge Circle, Sheffield Drive, Mayfair Road, Pulham Court, Farrington Court, Devonshire Lane, Sherwood Court, Finchley Court, Stamford Court, Bosworth Court, Burtons Court, Friar Court, Thornbury Lane, Wooton Court, Dartmoor Way, Chatham Lane, New Castle Court, Ingham Court, Kevin Court, Malvern Court, Norwich Court, Warwick Court, Cheshire Court, Tiffany Lane, Buxton Lane, Coventry Court, Winfield Court, Chelsea Court, Heather Court, Andover Court, Chesterfield Court, Gramercy Lane, Liverpool Circle, Winchester Court, Westminster Court and Stratford Court. There is no legal or physical impediment to the use of the above mentioned roads and streets as access to the units offered for sale.

## LAND USE

The entire tract of approximately 852 acres owned by the Developer and of which the condominiums and units offered for sale herein are a part is in a Rural Agricultural Zone of the Township of Manchester. A "planned retirement community" is a permissible use within such zone. The density requirements of this ordinance would permit the construction of approximately 5,000 condominium units on this tract of land, the total number depending upon the number of units of each model which might be constructed. Based upon a development approval obtained pursuant to the Coastal Area Facilities Review Act and the land development plan submitted therewith, the total number of units to be constructed is to be 3,130.

The easterly portion of that tract ("Phase III") consisting of approximately 130 acres is separated from the balance of the tract by the Ridgeway Branch of the Toms River. By reason of topography and environmental conditions as well as the need for the construction and installation of substantial infrastructure as a pre-condition to the development of Phase III, Developer is presently unable to project the number or type of dwelling units which may ultimately be constructed in Phase III. Accordingly, the Developer has stipulated with the Planning Board of the Township of Manchester (the "Planning Board") that any final development plans for Phase III which may be submitted by Developer for approval by the Planning Board shall contain

provisions for separate recreational facilities designed to service the dwelling units constructed in Phase III (See discussion of Second Recreation Facility in Part II).

A portion of this 852 acres has been, or will be allocated by the Developer for lakes, ponds, roads, sidewalks, recreational facilities, green areas, etc.

All of the approximately 852 acres are presently unimproved and undeveloped virgin land with the exception of the construction of the present improvements consisting of access roads, parking areas, recreational facilities and units in the Condominiums 1 through 76, and 78 through 84, inclusive, and those offered in this registration. The soil is generally sandy and the entire acreage is heavily wooded with some natural and manmade water courses and lakes. The latter will be improved and expanded by the Developer for the scenic benefit and recreational use of the residents.

None of the units or condominiums offered for sale are subject to any flooding and the elevation of the land ranges from approximately forty feet to one hundred feet above sea level. All residential dwellings will be constructed upon virgin ground, excavated or filled as necessary to meet required building elevations.

Through Leisure Village West there exists a Jersey Central Power & Light Company right-of-way easement which runs across New Jersey Highway Route 37 North through Leisure Village West to New Jersey State Highway Route 70. This easement was in existence at

the time of purchase of property by the developer. Presently the 350 foot wide easement has not been developed or utilized by Jersey Central Power & Light Company. At hearings before the Board of Public Utilities of the State of New Jersey, Jersey Central Power & Light Company disclosed plans to utilize this easement for the erection of a series of single-circuit supporting structures, at intervals of approximately 560 feet, with average heights of 100 feet, which will support two overhead aluminum alloy conductors of 1.821 inches in diameter and two overhead lightening protection steel wires of .572 inches in diameter to be used as a portion of a 230 KV transmission line spanning 32 miles from Forked River to Smithburg. The structures will be located 50 feet from the edge of the right of way, with the actual cable resting approximately 30 feet above ground at mid-span. The construction of this facility is projected to be commenced during the fall of 1986 with an anticipated 2 year completion date. The easement is designed to serve a second similar facility in the future.

Jersey Central Power & Light Company has represented that it will seek to minimize the visual impact of the facility through natural screening and topography and that all efforts will be undertaken to reduce or eliminate adverse environmental effects of the construction thereof. Certain condominiums within Leisure Village West will border this easement as the said easement bisects the community. The location of the easement as well as the identity of the condominiums within the proximity of or

abutting the easement (which includes Condominium 70, 72, 73, 80 81, 85 and 86 which are subject to this offering) can be ascertained by an examination of the maps in the Sales Office.

The lands lying to the South of Condominium No. 68, 69 and 70 consist of undeveloped lands within the H-D zone (Highway Development). Permitted uses within the H-D zone include retail business establishments including but not limited to drugstores, hardware and dry goods stores, package liquor stores, tobacco and newspaper stores, personal service establishments, restaurants, public and governmental buildings, private schools, funeral homes, trade shops, auto supply and service stores and food stores.

## PART II

### AREA FACILITIES

The Leisure Village West retirement community will be provided with municipal police protection from the Manchester Township Police Department with headquarters located directly adjacent to the tract of 852 acres owned by the Developer which is the site of the Leisure Village West development. This police force consists of forty-nine officers equipped with twenty-nine vehicles.

Since the subdivision roads are privately owned and maintained by Leisure Village West Association, the general public is excluded from the community except by express permission, and then only by passing through gates guarded by private security personnel. The main gate located at the entrance at Buckingham Drive is open and guarded 24 hours a day. The secondary gate located at Huntington Drive is presently open and guarded during day-light hours only. The grounds are patrolled during hours of darkness by watchmen equipped with voice radios. The Developer intends to erect a six (6) foot high cyclone fence around the perimeter of the tract so that, upon completion of the development of Leisure Village West, a fence will completely surround the community. Portions of the perimeter fence have been constructed and the developer intends to construct additional portions of the fence as development takes place along the perimeter of the Tract.

Fire protection is provided to the community by the Manchester Township Fire Department consisting of ninety one volunteers and eighteen fire vehicles located in three separate firehouse stations. The closest fire station is located approximately one-half mile from the entrance to Leisure Village West on Route 571.

The Manchester First Aid squad, which has forty-four volunteers and three ambulances located directly adjacent to the tract of 852 acres owned by the Developer will respond at any hour of the day or night and provide emergency treatment and

transportation. This squad is presently housed in a three bay one-story facility for which the land and basic structure were donated by the Developer. This building includes storage and training facilities and was designed specifically for this purpose with future expansion preparation and capability included.

The main business and shopping areas servicing Leisure Village West are located in Dover Township approximately seven miles away, and in Brick Township, six miles northeast of Leisure Village West. The Dover Township and Brick Township shopping plazas, the Ocean County Mall in Toms River and businesses in the immediate vicinity of the plazas offer complete shopping facilities. Public schools servicing the area are all within the public school system of the Township of Manchester as follows:

1. Ridgeway Elementary School, Route 571, one and one-half miles;
2. Whiting Elementary School, Manchester Blvd., seven miles;
3. Manchester Township High School, Colonial Drive, two miles.
4. Manchester Township Middle School, one-half mile.

The Manchester Township Board of Education ("Board") has indicated to the Developer that it requires a portion of the Phase III tract for school purposes. Negotiations have been held and are continuing regarding a possible exchange of lands between the Board and Developer. If such an agreement is not reached it



is possible the Board may condemn and acquire some portion possibly containing approximately 20 acres, of the phase III tract.

Complete hospital facilities are available at the Kimball Medical Center, River Avenue, Lakewood, a Class A hospital presently consisting of one hundred fifty rooms and three hundred fifty-four beds. This hospital is located approximately ten miles from Leisure Village West. Community Memorial Hospital, Point Pleasant Hospital, and Brick Hospital approximately seven, fifteen, and ten miles distant, respectively, from Leisure Village West contain four hundred sixty, four hundred forty-five and one hundred twenty beds respectively, also offer complete hospital facilities.

Places of worship available to residents of Leisure Village West and ranging from a distance of three to ten miles from the community are: Assembly of God Church, 800 Bay Avenue, Toms River; First Baptist Church, 702 Main Street, Toms River; Lakehurst Baptist Church, Brown Avenue, Lakehurst; Christian Science First Church, 1134 Lakewood Road, Toms River; Church of Christ, 1126 Hooper Avenue, Toms River; Christ Episcopal Church, 405 Washington Street, Toms River; Holy Cross Lutheran Church, 1500 Hooper Avenue, Toms River; Lakehurst Methodist Church, 204 Elm Street, Lakehurst; The First Presbyterian Church, Hooper Avenue, Toms River; The Presbyterian Church, Union Avenue and Orchard Street, Lakehurst; St. Joseph's Roman Catholic Church,

Hooper Avenue, Toms River; St. John's Roman Catholic Church, 619 Chestnut Street, Lakehurst; and Congregation B'nai Israel, Old Freehold Road, Toms River.

Extensive recreational facilities are available for the exclusive use of the residents of Leisure Village West and their guests on the Leisure Village West property. An activities building of 16,100 square feet, containing auditorium, kitchen, lounge and billiard rooms, various arts, crafts and hobby facilities, twelve shuffleboard courts, swimming pool and patio, lake, volleyball court, and one putting green, two nine-hole "pitch and putt" par-three golf courses, greenhouse, two bocce courts and various green and park areas are available in Leisure Village West (the "Existing Recreation Facilities").

The Developer has constructed additional recreational facilities to service the units subject to this offering, as well as the remainder of Phase II of the Leisure Village West community. Upon application of the Developer, the Planning Board of the Township of Manchester granted final site plan approval for a Second Recreational Facility on August 7, 1979, which was designed to service all dwelling units remaining to be constructed in Leisure Village West as well as the Leisure Village West community in general, based upon the projection that 3,500 dwelling units would have been built when the community was completed. Since that time, the developer has revised its projections based upon additional land planning studies and has agreed to treat Phase III of the community separately for

purposes of designing additional recreation facilities.

Accordingly, the Developer redesigned the Second Recreation Facility to accommodate approximately 1,000 additional dwelling units (2700 units taking into consideration those serviced by the Original Recreational Facilities) including those covered by this Public Offering Statement. The Second Recreational Facility as redesigned was granted final site plan approval by the Planning Board on November 5, 1981. As redesigned, the Second Recreational Facility includes a second recreational building of approximately 13,000 square feet, 2 tennis courts, 2 bocce courts, 2 shuffleboard courts, a swimming pool of approximately 3,000 square feet, and a patio barbecue area, (the "Second Recreation Facility"), all of which has been constructed by the Developer without cost to Leisure Village West Association or unit owners. The Second Recreation Facility has been constructed on a tract on Buckingham Drive, south of the Union Branch of the Toms River, approximately 600 feet from Condominium 59 and 4500 feet from Condominium 60 and has been completely furnished and decorated so as to be suitable for use by the residents, there being no exact inventory of furnishings presently available.

A master antenna television tower has been constructed to provide television reception to the condominiums covered by this offering and other lands owned by the Developer. The master antenna tower is owned by the Developer, is erected on lands subject to a long term ground lease with Leisure Village West Association, and is subject to the terms of an Agreement between the Developer and

Leisure Village West Association. This Agreement, which runs from year to year, permits Leisure Village West residents non-exclusive use in common with residents of other communities developed by the Developer of broadcast signals received by the tower. The Agreement further provides that Leisure Village West Association will share in the cost of maintenance and repair of the tower, which are paid by Leisure Village West residents through their monthly maintenance charges or special assessments. To date, no maintenance or repair has been necessary and correspondingly, no fee on such basis has been charged to Leisure Village West Association. A closed circuit CATV system is also available to provide entertainment and instructional programs originating from Leisure Village West for the exclusive enjoyment of the residents.

All of these recreational facilities have been completed and with the exception of the second golf course and second recreation facility, have been deeded over to Leisure Village West Association without charge. Similarly, all personal property, including but not limited to furniture, accessories and equipment within the Existing Recreation Facilities and pool patio furniture, provided by the Developer to be used in conjunction with these Existing Recreation Facilities, including a forty-four passenger bus, have been purchased by the Developer and have been turned over to Leisure Village West Association without charge. Additionally, Leisure Village West Association has a second forty-four passenger bus, which is the bus used for

primary operation in the community. The original bus donated by the Developer is currently utilized as a backup for the newer bus owned by the Association.

The cost of operation and maintenance of the existing facilities is included in the monthly maintenance charge payable by residents.

In addition to the foregoing private facilities, there are a number of public facilities including golf courses, and parks as well as water bodies such as the Atlantic Ocean and Barnegat Bay nearby for recreational purposes. Ocean County Park, with swimming and picnic facilities is distant approximately ten miles. The Metedeconk River which connects to Barnegat Bay and the Atlantic Ocean is seven and three-quarter miles distant. The Atlantic Ocean at Seaside Heights is fourteen miles away. The Toms River, which also connects to Barnegat Bay, is eight miles away. Golf courses open to the public are Lakewood Country Club and Bey Lea, both within a distance of thirteen miles from Leisure Village West. There are also two public lake areas located within Manchester Township; Pine Lake Park, with public beach, is two miles distant, and Harry Wright Lake, with two public beaches and forty acres of picnic area, is located eleven miles from Leisure Village West.

## IMPROVEMENTS

The subdivision streets servicing the units in the condominiums offered by this registration are Buckingham Drive and Huntington Drive which have a paved way of 40 feet, Pulham Court, Liverpool Circle, Westminster Court, Thornbury Lane, Wooton Court, Sheffield Drive, Devonshire Lane, Mayfair Road, Cambridge Circle, Stamford Court, Bosworth Court, Burtons Court, Edinburg Lane, Sterling Street, Winchester Court and Yorkshire Court, all of which have a paved way of 28 feet; Friar Court, New Castle Court, Farrington Court, Ingham Court, Sherwood Court, Finchley Court, Norwich Court, Warwick Court, Cheshire Court, Tiffany Lane, Buxton Lane, Coventry Court, Winfield Court, Chelsea Court, Heather Court, Andover Court, Chesterfield Court, Gramercy Lane and Stratford Court all of which have a paved way of 24 feet. All will have curbs and sidewalks.

Some of the streets, curbs and sidewalks, servicing Leisure Village West are presently completed. However, all will be completed at or prior to the closing of title to the unit or units serviced by such improvements to enable such access to such units with the possible exception of final street pavement topping which in all events will be done before the streets are turned over to Leisure Village West Association and in no event later than 180 days following conveyance of title to the last unit to be constructed within the condominium.

All streets, curbs, sidewalks and other improvements are being constructed in accordance with the subdivision and building ordinances of the Township of Manchester.

Storm water drainage facilities adequate to carry off surface waters will be constructed by the Developer and will service the units in all condominiums. The drainage system will discharge into existing natural and manmade watercourses. The storm water drainage system will be complete as to each unit in each condominium prior to the closing of title. All electrical and telephone wiring and gas lines will be underground. Each unit will have complete and operating electrical and gas service, where applicable, at or prior to closing of title. All subdivision roads and streets will be provided with lighting with the power therefor to be supplied by the Jersey Central Power and Light Company. The cost of street lighting will be borne by Leisure Village West Association, being included in the monthly maintenance charge payable by each unit owner to the Association.

All proposed facilities have been approved, where required, by the appropriate municipal, county or state agency. The responsibility for maintenance of all sewer, water, electric, gas and telephone utilities lies with the respective utility company without any cost to a Purchaser. The cost of maintaining the storm drainage system and the streets, curbs and sidewalks will be the responsibility of Leisure Village West Association.

The maintenance of the Leisure Village West recreational facilities will be the responsibility of Leisure Village West Association and will be paid for out of the monthly maintenance charge paid to the Association by the residents of Leisure Village West.

### PART III

#### PUBLIC UTILITIES

None of the cost of installation of any utility system outside of the unit purchased will be assessed to any Purchaser. The only cost to the Purchaser in connection therewith will be for the actual services of such utilities made use of by the Purchaser.

Electrical service will be supplied by the Jersey Central Power and Light Company, gas service will be supplied by N.J. Natural Gas Company, and telephone service by the New Jersey Bell Telephone Company. All three utilities are subject to supervisory and regulatory powers of the New Jersey Board of Public Utilities.

Leisure Village West will receive water and sewer service from the Manchester Township Municipal Utilities Authority ("MTMUA"). All of the lands sought to be registered hereunder



lie within the service area of the MTMUA which is a local governmental agency authorized by law to provide sewer and water service within the Township of Manchester.

The MTMUA has an operating water supply and distribution system and maintains a sewage collection system which services all of Leisure Village West and is connected into the Ocean County Utilities Authority sewage, treatment and disposal system located at Bayville, New Jersey which is approximately 10 miles from the community; both have sufficient capacity to provide water and sewer service to all of the units sought to be registered hereunder. As a result, therefore, no Certificate of Occupancy as to any building will be issued and no closing of title can be accomplished to any unit unless and until each residence is connected to operating water and sewer mains. Installation of the necessary water and sewer mains will take place simultaneously with the completion of the buildings and will be completed prior to the closing of title to the units to be sold. Following the completion of the installation of water and sewer mains, the cost of maintenance, repair and replacement will be the responsibility of the MTMUA.

Each home is separately metered to determine the quantity of electric power, gas, and water consumed. The cost to the Purchaser of electricity, gas, and water will vary with the specific requirements of each Purchaser.

Each Purchaser shall be responsible for payment of his monthly telephone charges to the New Jersey Bell Telephone Company. It is not possible to estimate the cost of such service by reason of the varying requirements of individual Purchasers.

Beginning with Condominium No. 50 and for each of the condominiums which are the subject of this registration, the Developer intends to install a system of underground wells for the sole purpose of providing irrigation for the common elements within each condominium. The water supplied by these wells will be used solely for irrigation and not for consumption by or private use of the residents, nor will same be used for irrigation of the common areas which are not identified with a particular condominium, except the second recreational facility. In the past for Condominium Nos. 1-49, water for irrigation has been obtained through the MTMUA which cost is borne by the Association and spread equally amongst all residents. With the installation of the wells commencing in Condominium 50 and including the Condominium which are the subject of this registration there will be no additional cost to the Association for such water usage and the cost for irrigation of Condominiums 1 thru 49 for water usage from the MTMUA will be borne by the Association and spread equally amongst all condominium owners including 1 thru 59, 61 thru 67, 74, and those subject to this registration.

In the Fall of 1984, the Association commenced a program to install irrigation wells in Condominiums 1 through 49, as well as both 9 hole pitch and put Par 3 golf courses, which is anticipated to be complete in five years in the Fall of 1989. All costs for the installation of these wells will be borne by the resident members of the Association. The assessments for the installation of the wells are included in the monthly maintenance fees in the amount of \$0.85 per unit per month. The amount may change from year to year depending upon the number of wells to be installed in a given fiscal year.

The Residents, may subscribe for cable television programming services. The Purchaser may obtain the name of the service providing the cable television service from the Sponsor at the time of closing.

#### PUBLIC TRANSPORTATION

There is no public bus or train service directly to the Leisure Village West community. However, Leisure Village West Association owns and maintains two forty-four passenger buses which provide private bus transportation for the residents of Leisure Village West to the major shopping and business areas of Dover Township and Brick Township. The costs of operating the buses are borne by Leisure Village West Association, being included in the monthly maintenance charge to be paid by each unit owner to the Association. Transport of New Jersey is

available at terminals in Toms River and Lakewood, New Jersey, to Newark - New York City and continuing to Philadelphia - Camden metropolitan centers, and from thence connecting to all points. The same public transportation company also operates buses south to Atlantic City and to other local areas. Train service to Newark - New York City and from there to all points is available at Point Pleasant, N.J., approximately thirteen miles distant from Leisure Village West.

The nearest public air transportation is provided by Monmouth Airlines at Monmouth Airport, approximately twenty-five miles north of Leisure Village West. Newark Airport, approximately sixty-five miles north of Leisure Village West, can be reached directly by public buses from Lakewood and Toms River. Local airports capable of accommodating light aircraft are located on Cedarbridge Road in Lakewood (eight miles) and Ocean County Air Park (ten miles).

There is a private taxicab company in Manchester Township.

School bus service is provided within the Township to the Manchester Township public schools. Leisure Village West would, therefore, be entitled to receive school bus service. It should be noted, however, that children under age of nineteen years are not permissible full-time occupants of units in Leisure Village West.

## PRESENT DEVELOPMENT AND OCCUPANCY

As of July 1, 1986, there were 1,989 closed and completed units in Condominiums No. 1 through 76 and 78 through 84. As of the date above, there were approximately 3,592 residents in all of the condominiums covered by this statement.

## GOVERNMENTAL CONTROL

Leisure Village West is located in the municipality of Manchester Township, Ocean County, New Jersey. This municipality is governed by a five-man Township Committee.

The applicable provisions of the Township of Manchester zoning ordinance governing the use and construction of Leisure Village West were adopted by the Manchester Township Committee in 1971 and subsequently amended in 1979.

The zoning ordinance defines the areas of the Township in which a planned retirement community may be located and establishes certain minimum requirements for construction and use and occupancy of such a community. The construction of Leisure Village West is also governed by the building code and the subdivision ordinance of the Township of Manchester and no title to any unit may be closed with any Purchaser unless all construction and improvements are certified by the Building Inspector of the Township as being in compliance with these ordinances.

The real estate tax rate per \$100.00 of assessed valuation for the past five years in Manchester Township has been as follows: 1982 - \$2.518; 1983 - \$2.846; 1984 - \$2.955; 1985 - \$2.923; 1986 - \$3.22. Manchester Township presently uses a 100% valuation for purposes of determining the applicable taxes. There have been no municipal improvements or other assessments levied against any of the lands involved in this offering within the past five years. Upon the closing of title to the condominium unit, the Developer will pay any municipal real estate assessments that are due and payable prior to the closing of title. Thereafter, any such real estate assessments will be the sole responsibility of the Purchaser.

#### METHOD OF SALE

Those persons desirous of purchasing a unit in Leisure Village West will enter into an Application to Purchase with the Developer. This application will briefly outline the terms of the sale including the purchase price, the model and the location of the unit being purchased. Purchaser may make additional or substituted selections of items such as carpeting, draperies and various appliances at additional cost through Leisure Fair, a division of the Developer. Thereafter, the Developer will prepare the Contract or Agreement of Sale between the Seller and the Purchaser setting forth in greater detail the contractual obligations of the parties. The Developer is required by law to

provide every Purchaser with a copy of the Public Offering Statement covering the units being sold not later than the time at which the Contract or Agreement of Sale is executed by the Purchaser.

After receipt of the Public Offering Statement and following the signing of the Agreement of Sale by the parties and the payment of the deposit monies, the Purchaser is given seven (7) calendar days to rescind the contract before a binding obligation is thereupon imposed compelling the Seller to complete construction of the improvements and to deliver good title in fee simple to the Purchaser at the time agreed upon for closing. Purchaser is free to engage legal counsel of his own choosing and at his sole expense relating to the purchase of the unit. All deposits, downpayments or other funds paid by the Purchaser to the Developer in advance of closing shall be held in escrow by United Development Corp., a licensed corporate real estate broker of the State of New Jersey, with its offices located at 4 Buckingham Drive, Lakehurst, New Jersey in a broker's trust account maintained at First National Bank of Toms River, Hooper Avenue, Toms River, New Jersey for at least the seven day period during which the Purchaser may rescind the contract of sale. United Development Corp. is a wholly owned subsidiary of the Developer. The escrow of such monies shall continue until termination of such contract, or closing, unless a bond or other guarantee acceptable to the Division of Housing and Development of the State Department of Community Affairs has been provided by

the Developer in which case the monies may be released to the Developer upon the expiration of the seven day rescission period. Within 30 days of the execution of the Agreement of Sale additional payments shall be made by the Purchaser to the Seller. The Purchaser is obligated to pay the balance of the purchase price in the amount and manner agreed upon by the parties and to take title to the property at the time fixed for closing. The Purchaser is free, if he chooses, to obtain a mortgage on his unit in such amount and upon such terms and conditions as are mutually agreeable to himself and to the lending institution. If the Seller defaults, it must return all deposit monies to the Purchaser and in the event title is found to be unmarketable, the Seller will reimburse search fees and the costs of survey actually incurred by the Purchaser. If the Purchaser defaults, he may lose so much of the deposit money equal to ten percent (10%) of the purchase price plus the cost of extras installed.

At the closing, the Seller will execute and deliver to the Purchaser a warranty deed conveying title to the property to the Purchaser in fee simple. The Purchaser's title to the property may be insured by New Jersey Realty Title Insurance Company as evidenced by an owner's title insurance policy that will be delivered to the Purchaser subsequent to closing.

In addition to the purchase price the Purchaser will be required to pay all closing costs incurred by Purchaser including mortgage application fees, mortgage processing fees, credit report, appraisal fees, commitment and other fees relating to the



obtaining of a mortgage; real estate tax, interest and insurance escrows, fire and hazard insurance policies, private mortgage insurance premiums and escrows, if applicable and any other fees and escrows required by the mortgage lending institution; fee owner and mortgagee title insurance premiums with related examination of title fees, recording fees and the cost of a survey or a survey certificate. At Closing, Purchaser shall have available the original of a fire insurance policy with extended coverage, in form and amount and with an insurance company acceptable to the mortgage lending institution. Purchaser shall, prior to or at the time of closing, have paid the premium for twelve (12) months next following the date of Closing. At the Closing, the Purchaser must also present such additional documents as may be required by their mortgage lending institution, if any.

In addition to the foregoing; at the time of closing of title, the Purchaser will be required to pay to the Developer two-twelfths of the annual monthly maintenance fee assessed by the Association which shall be delivered to the Association.

Each unit will be delivered to Purchaser at closing of title in a finished condition ready for occupancy.

The Seller does not provide any of the purchase money in the form of a mortgage; however, the Purchaser is at liberty to obtain a mortgage loan to permit the purchase of the property with such lending institutions and upon such terms and conditions, including interest rates, as are mutually agreeable

to the Purchaser and the lending institution. At the time of the filing of the application for registration of these units the New Jersey law prohibiting mortgages in excess of a stated rate had been preempted by Federal Statute and there presently exists no ceiling for mortgages between Federal lending institutions and individuals. Most lending institutions, however, are presently charging approximately eleven (11%) percent to thirteen (13%) percent per annum. It is not feasible to project interest rates for mortgage loans by reason of the frequent fluctuations in such rates and the availability of mortgage money. The Purchaser is advised to inquire of several lending institutions in order to obtain the most favorable mortgage terms.

#### TYPE OF SALES PROGRAM

The Developer will offer units for sale in the retirement community through most advertising media including newspapers, magazines, radio and television, billboards, direct mail solicitation and word of mouth.

PART IV

MONTHLY MAINTENANCE CHARGES

Each Purchaser in Leisure Village West will become a member of Leisure Village West Association, which will own, operate and maintain the recreational facilities and the common elements. Purchasers will be obligated to pay a monthly maintenance charge to Leisure Village West Association in accordance with the following schedule:

Unit Model	<u>Number of Occupants on Full-Time Basis</u>		
	1	2	3
Cambridge	\$86.25	\$90.25	\$94.25
Wheaton	\$89.50	\$93.50	\$97.50
Oxford	\$97.50	\$101.50	\$105.50
Stratford	\$108.00	\$112.00	\$116.00
Blair	\$112.50	\$116.50	\$120.50
St. Tropez	\$118.50	\$122.50	\$126.50
Hastings	\$128.25	\$132.25	\$136.25
Roxy	\$102.00	\$106.00	\$110.00
Savoy	\$112.50	\$116.50	\$120.50
Ritz	\$118.25	\$122.25	\$126.25
Pickford	\$121.00	\$125.00	\$129.00
Waldorf	\$134.75	\$138.75	\$142.75
Victoria	\$142.75	\$146.75	\$150.75

THESE CHARGES SHALL BE SUBJECT TO AMENDMENT FROM TIME-TO-TIME AS PROVIDED IN THE BYLAWS.

These monthly maintenance charges were set as of October 1, 1985. The monthly maintenance charges are established by the Board of Trustees of Leisure Village West Association based upon the budget required to maintain and operate the community and recreational facilities and the common elements in all of the condominiums comprising Leisure Village West. These charges are subject to amendment from time-to-time as provided in the Bylaws.

These monthly maintenance charges were established based upon an estimated annual budget of all operating and maintenance expenses of Leisure Village West Association, and utilizing the projected number of total dwelling units to be built and occupied, during the present fiscal year of the Association pursuant to the development plan.

It is to be noted that the budget for Leisure Village West Association contains reserves for replacement of common elements and facilities. The budget for Leisure Village West Association for the fiscal year ending September 30, 1986, provides for a monthly charge for reserves ranging from \$8.75 to \$18.50 per unit, as indicated in the budget adopted by the Board of Trustees of Leisure Village West Association appearing in Appendix A. The monthly maintenance fees set forth on page 37 include this charge. For so long as the developer controls the Board of Trustees of Leisure Village West Association, reserves for replacement of common elements and facilities will form a part of

Association budgets. Maintenance fee assessments in future years as established by the Board of Trustees will be based upon then known reserve requirements as and when future budgets are adopted.

The Developer acknowledges that the costs of maintaining the individual condominium may be excessive if such costs were to be borne by unit owners in condominiums with less than full occupancy. Accordingly, the Developer will share, pro rata, costs which do not vary directly with the number of units constructed or sold, i.e., security, and street lighting. The Developer will also share, pro rata, expenses which increase as additional buildings are completed, whether or not sold, i.e., landscaping and related costs and walkway lighting.

No portion, however, of expenses which result solely from the occupancy of units will be shared by the Developer, i.e., fire insurance, extended insurance coverage, sanitation and building maintenance and repair.

As of March 1, 1986, the Association incurred a 400% increase in it's insurance policy premiums. Further, as of April 1, 1986, the Manchester Township Municipal Utility Authority increased the cost of water and sewer service to Leisure Village West. As a result of the foregoing, existing residents have been assessed the sums of \$58.00 to 133.00, per Unit, depending upon model type, by way of a special assessment to absorb a portion of the increased costs. Prospective purchasers will be expected to absorb a portion of the special assessment depending upon when

they close title, provided they close title before September 30, 1986. Further, effective October 1, 1986, all maintenance fees will be increased by a minimum average of \$10.50 per month per unit, due to the insurance, water and sewer increases.

#### PART V

#### DEVELOPER'S WARRANTY

The Developer shall provide the purchaser of a unit subject to this registration with a written limited warranty, and evidence that the dwelling has been enrolled in an insured warranty program. Currently, the dwellings are enrolled in the Home Owners Warranty program ("HOW") established by the National Association of Homebuilders. The HOW program, administered by the Home Owners Warranty Corporation of New Jersey, provides a dispute settlement procedure in the event of a dispute over warranty performance, and provides insurance, underwritten by INA Underwriters Insurance Company, that the written warranty will be performed according to its terms in the event the Developer cannot or will not perform its warranty obligations. The cost of enrollment in HOW is included in the purchase price of the dwelling. In the event the Purchaser sells a dwelling covered by HOW, the remaining protection is automatically transferred to the buyer.

Under the terms of the HOW program, at the time of closing, the Developer will provide the purchaser with a written limited warranty with the following coverage:

- (a) Manufacturer's warranties on items included in the dwelling are assigned to the Purchaser;
- (b) The Developer warrants for a period of one year from the date of closing or initial occupancy of the dwelling (whichever is earlier) that the dwelling will be free from defects due to noncompliance with HOW's Approved Standards (a copy of which forms a part of the written warranty);
- (c) Appliances, fixtures and equipment are warranted to be free from defects due to noncompliance with the Approved Standards for one year or the length of the manufacturer's written warranty (if assigned to the Purchaser), whichever is less;
- (d) The Developer warrants for a period of two years from the date of closing or initial occupancy (whichever is earlier) that the dwelling will be free from major construction defects, and that the plumbing, electrical, heating and cooling systems will perform in accordance with HOW's Approved Standards; and

- (e) Direct insurance coverage is provided against major construction defects for the third through tenth years of ownership.

There are exclusions from coverage, as set forth in the written warranty, which also creates certain obligations on the part of the Purchaser, such as the form of notice of a warranty or insurance claim, and the submission of a disputed claim to non-binding arbitration prior to institution of suit.

A copy of the written Home Warranty Agreement which is executed by the Developer and the Purchaser at the time of closing is available for inspection at the Leisure Village West Sales Office.

Additionally, the Developer warrants the following:

- (a) That outbuildings, driveways, patios, retaining walls and fences constructed under the terms of the contract or agreement of sale with the Purchaser shall be free of defects in materials and workmanship for a period of one (1) year from the date of initial occupancy or closing, whichever shall first occur;
- (b) That drainage from the lot and dwelling unit acquired by the Purchaser is proper and adequate and that off site improvements, if any, will be free from defects for a period of one (1) year from the date of construction of such improvements;



- (c) That the dwelling unit acquired by the Purchaser shall be fit for its intended use;
- (d) That common facilities are fit for their intended use, will be free of construction defects for a period of two (2) years from the date of completion of each common facility, and all defects in construction material or workmanship discovered during such two (2) year period will be repaired or corrected within a reasonable time after notification of the defect;
- (e) That the dwelling unit acquired by the Purchaser will substantially conform to the model, description or plans used to induce the Purchaser to enter into a contract or agreement of sale, unless otherwise noted in the contract or agreement of sale.

#### PART VI

#### ADDITIONAL INFORMATION

The Developer, contractor and developer, has actively engaged in the construction of retirement communities in the New York/New Jersey area. Within one hundred miles of Leisure Village West, the Developer has developed, or is in the process of developing the following during the past five years:

- (a) Leisure Village-Long Island, Brookhaven, Suffolk County, New York
- (b) Leisure Knoll-Long Island, Brookhaven, Suffolk County, New York
- (c) Leisure Glen, Brookhaven, Suffolk County, New York
- (d) LeisureTowne, Southampton Township, Burlington County, New Jersey
- (e) Leisure Knoll at Manchester, Manchester Township, Ocean County, New Jersey
- (f) Woodlake Manor Townhome Condominium, Lakewood Township, Ocean County, New Jersey.

Leisure Village West Association maintains on its own behalf both casualty and liability insurance. To protect the property which is owned by the Association, fire insurance with extended coverage, vandalism and malicious mischief endorsements is carried, insuring the structures, equipment and personal property owned by the Association and which comprise the Common Elements. Structures and their contents are insured for full replacement value, while equipment is insured at actual cash value. All property losses are subject to a \$1,000.00 deductible per occurrence. Comprehensive, general liability insurance is carried by the Association in the amounts of \$1 million primary and 5 million excess liability limits, covering all claims for bodily injury, property damage (other than to the Common Element)

or personal injury arising out of any one occurrence involving the Common Elements. Although, as discussed in Part I, Encumbrances, the Association is required by the Declaration of Restrictive and Protective Covenants to provide insurance to restore or replace the buildings and common elements comprising the condominiums subject to this registration, such insurance does not protect the unit owners' personal property (which includes appliances and fixtures) from casualty. The responsibility for insuring such property rests with the individual units' owners. It is suggested that Purchasers consult their insurance brokers or agents to obtain advice as to the nature and policy limits of insurance which will best serve their individual requirements and needs. Purchasers should be sure to emphasize that the unit being purchased is an interest in a condominium so that the proper endorsements may be selected or recommended by the broker or agent.

A copy of the Bylaws of Leisure Village West Association (of which every Purchaser is required to be a member) and a copy of the Declaration of Restrictive and Protective Covenants is provided to each Purchaser at or prior to the time the Purchaser executes a Contract of Sale. The latest yearly financial report of Leisure + Technology, Inc. is available at the sales office for examination by the prospective Purchaser.

LEISURE VILLAGE WEST ASSOCIATION

AND CONDOMINIUMS

COMBINED OPERATING BUDGET

STATEMENT OF REVENUES AND OPERATING EXPENSES  
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1986

(NOTE A)

REVENUES:

Monthly Maintenance Fees (Note B) \$2,272,200

Other Income:

Operating Expenses Allocable to Sponsor (Note A)	\$ 5,500	
Registration Fees, Guest Badge	56,100	
Income & Miscellaneous Income	117,000	<u>178,600</u>
Deferred Revenue		<u>\$2,450,800</u>

OPERATING EXPENSES (Exhibit I)

Salaries & Wages, including related benefits \$1,193,000

Expenses other than salaries 1,257,800

\$2,450,800

EXCESS OF REVENUES OVER OPERATING EXPENSES

\$ -0-

NOTE A - The combined operating budget is estimated and predicated on an effective level of 2000 occupied units for the year in Leisure Village West, including all prior condominiums from #1 through present. The costs allocable to the Sponsor will reduce the total operating costs to be paid by the residents.

NOTE B - Monthly maintenance fee revenues reflect the revised rates, effective October 1, 1985 as shown on the attached Monthly Maintenance Rate Schedule (Exhibit II), but do not include monies to be collected for Reserves and Assessments. See the Monthly Maintenance Rate Schedule for Reserves and Assessments reference (Exhibit III).

LEISURE VILLAGE WEST ASSOCIATION

AND CONDOMINIUMS

BUDGETED OPERATING EXPENSES

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1986

SALARIES AND WAGES, including related benefits:

Lawn, Road Care and Snow Removal	\$ 404,900
Administrative	151,600
Instructors	6,000
Clerical	63,500
Janitorial	60,100
Building Maintenance and Repairs	193,200
Bus Drivers	27,000
Mechanics	78,900
Lifeguards	18,000
Payroll Taxes & Fringe Benefits	189,800
	<u>\$1,193,000</u>

EXPENSES OTHER THAN SALARIES

Heat, Light & Power -	
Outdoor Lighting	\$ 96,000
Buildings	102,500
Security Services	142,100
Sanitation	191,100
Insurance	96,500
Real Estate Taxes	34,400
Lawn Care	247,200
Building & Appliance Maintenance	129,500
Professional Fees - Accounting	8,500
Professional Fees - Legal	10,000
Bookkeeping & Computer Services	21,900
Office Expense	33,800
Recreational Expense	9,000
Community Bldgs Operations & Maint	30,100
Bus Expense	14,800
Auto & Truck Expense	48,900
Depreciation Expense	500
Road Maintenance	33,000
Provision for Income Taxes	8,000
	<u>\$1,257,800</u>

TOTAL OPERATING EXPENSES

\$2,450,800

EFFECTIVE OCTOBER 1, 1985

LEISURE VILLAGE WEST ASSOCIATION  
MONTHLY MAINTENANCE RATE & ASSESSMENT SCHEDULE  
O C C U P A N T S P E R U N I T

EXHIBIT II

	ONE			TWO			THREE		
	MONTHLY MAINTENANCE RATE	RESERVES & ASSESSMENTS	TOTAL MONTHLY FEES	MONTHLY MAINTENANCE RATE	RESERVES & ASSESSMENTS	TOTAL MONTHLY FEES	MONTHLY MAINTENANCE RATE	RESERVES & ASSESSMENTS	TOTAL MONTHLY FEES
BARONET	88.50	11.25	99.75	92.50	11.25	103.75	96.50	11.25	107.75
BLAIR	96.75	15.75	112.50	100.75	15.75	116.50	104.75	15.75	120.50
CAMBRIDGE	75.75	10.50	86.25	79.75	10.50	90.25	83.75	10.50	94.25
CONCORD	53.50	9.50	63.00	57.50	9.50	67.00	61.50	9.50	71.00
ETON	57.50	8.75	66.25	61.50	8.75	70.25	65.50	8.75	74.25
FALMOUTH	60.00	9.75	69.75	64.00	9.75	73.75	68.00	9.75	77.75
GREENBRIAR	66.50	9.50	76.00	70.50	9.50	80.00	74.50	9.50	84.00
HASTINGS	112.75	15.50	128.25	116.75	15.50	132.25	120.75	15.50	136.25
NANTUCKET	64.25	10.50	74.75	68.25	10.50	78.75	72.25	10.50	82.75
OXFORD	85.25	12.25	97.50	89.25	12.25	101.50	93.25	12.25	105.50
PICKFORD	102.50	18.50	121.00	106.50	18.50	125.00	110.50	18.50	129.00
REGENCY	115.00	13.50	128.50	119.00	13.50	132.50	123.00	13.50	136.50
RITZ	100.25	18.00	118.25	104.25	18.00	122.25	108.25	18.00	126.25
ROXY	85.50	16.50	102.00	89.50	16.50	106.00	93.50	16.50	110.00
ST TROPEZ	104.25	14.25	118.50	108.25	14.25	122.50	112.25	14.25	126.50
SAVOY	95.25	17.25	112.50	99.25	17.25	116.50	103.25	17.25	120.50
STRATFORD	93.00	15.00	108.00	97.00	15.00	112.00	101.00	15.00	116.00
VICTORIA	124.50	18.25	142.75	128.50	18.25	146.75	132.50	18.25	150.75
WALDORF	116.50	18.25	134.75	120.50	18.25	138.75	124.50	18.25	142.75
WHEATON	77.00	12.50	89.50	81.00	12.50	93.50	85.00	12.50	97.50
WINFIELD	102.00	12.25	114.25	106.00	12.25	118.25	110.00	12.25	122.25

There is no increase in the \$4.00 charge for additional occupant. The above rates as indicated include a monthly charge for Reserves and Assessments. The composition of these Reserves and Assessments are: \$0.90 per unit per month for the repaving of roads and parking areas; \$2.75 to \$7.25 per unit per month for the replacement of roofs; \$1.60 per unit per month for the replacement of maintenance equipment; \$0.15 per unit per month for the replacement of recreational equipment; from \$0.50 to \$7.00 per unit per month for the repainting of units; \$0.90 per unit per month for the replacement of heating and air conditioning units at the Recreation Building; \$0.85 per unit per month for the installation of irrigation wells and \$1.10 per unit per month for addition of new maintenance equipment; (See EXHIBIT III). THE RATES ARE EFFECTIVE COMMENCING WITH YOUR OCTOBER MAINTENANCE PAYMENT. YOUR PAYMENT IS DUE THE FIRST DAY OF EVERY MONTH. REMITTANCE OF THE ABOVE INDICATED MONTHLY MAINTENANCE FEE ON A TIMELY BASIS WOULD BE GREATLY APPRECIATED BY THE BOARD OF TRUSTEES. DELAY WILL ONLY CAUSE ADDITIONAL EXPENSE TO THE ASSOCIATION AND CREATE INEFFICIENCIES WITHIN THE PROCESSING OPERATION.

EFFECTIVE OCTOBER 1, 1985

LEISURE VILLAGE WEST ASSOCIATION  
MONTHLY RESERVES & ASSESSMENT RATE SCHEDULE

EXHIBIT III

	RESERVES				ASSESSMENTS				TOTAL RESERVES & ASSESSMENTS
	REROOFING	REPAINTING	REPAVING OF ROADS	MAINTENANCE EQUIPMENT REPLACEMENT	RECREATION EQUIPMENT REPLACEMENT	HEATING & A/C UNITS REC. BLDG.	IRRIGATION WELLS	EQUIPMENT ADDITIONS	
BARONET	\$ 5.00	\$ .75	\$ .90	\$1.60	\$ .15	\$ .90	\$ .85	\$1.10	\$11.25
BLAIR	6.00	4.25	.90	1.60	.15	.90	.85	1.10	15.75
CAMBRIDGE	4.25	.75	.90	1.60	.15	.90	.85	1.10	10.50
CONCORD	2.75	1.25	.90	1.60	.15	.90	.85	1.10	9.50
ETON	2.75	.50	.90	1.60	.15	.90	.85	1.10	8.75
FALMOUTH	3.00	1.25	.90	1.60	.15	.90	.85	1.10	9.75
GREENBRIAR	3.50	.50	.90	1.60	.15	.90	.85	1.10	9.50
HASTINGS	6.50	3.50	.90	1.60	.15	.90	.85	1.10	15.50
NANTUCKET	3.50	1.50	.90	1.60	.15	.90	.85	1.10	10.50
OXFORD	5.00	1.75	.90	1.60	.15	.90	.85	1.10	12.25
PICKFORD	6.00	7.00	.90	1.60	.15	.90	.85	1.10	18.50
REGENCY	6.90	1.10	.90	1.60	.15	.90	.85	1.10	13.50
RITZ	6.00	6.50	.90	1.60	.15	.90	.85	1.10	18.00
ROXY	5.00	6.00	.90	1.60	.15	.90	.85	1.10	16.50
ST TROPEZ	6.25	2.50	.90	1.60	.15	.90	.85	1.10	14.25
SAVOY	5.75	6.00	.90	1.60	.15	.90	.85	1.10	17.25
STRATFORD	5.50	4.00	.90	1.60	.15	.90	.85	1.10	15.00
VICTORIA	7.25	5.50	.90	1.60	.15	.90	.85	1.10	18.25
WALDORF	6.75	6.00	.90	1.60	.15	.90	.85	1.10	18.25
WHEATON	4.50	2.50	.90	1.60	.15	.90	.85	1.10	12.50
WINFIELD	5.65	1.10	.90	1.60	.15	.90	.85	1.10	12.25

LEISURE VILLAGE WEST ASSOCIATION

REPORT

WITH SUPPLEMENTAL DATA

AS AT SEPTEMBER 30, 1985







GROSSMAN, WEINBERG  
& ASSOCIATES, P.A.  
Certified Public Accountants

1000 Northfield Road  
1141 State Highway 90  
Neptune, NJ 07754  
201-927-1130

Avoca Financial Plaza  
Trenton, NJ 08611  
1600 Easton Ave. 33431  
201-995-1882

To the Board of Trustees of:  
Leisure Village West Association

We have examined the balance sheet of Leisure Village West Association as at September 30, 1985 and 1984, and the related statements of operating revenues and expenses and contributed capital and changes in financial position for the years then ended. Our 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 we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Leisure Village West Association as at September 30, 1985 and 1984 and the results of its operations and the changes in its financial position for the years then ended in conformity with generally accepted accounting principles applied on a consistent basis.

Our examination was made for the purpose of forming an opinion on the basic financial statements as a whole. The schedule of operating expenses for the years ended September 30, 1985 and 1984 is presented for purposes of additional analysis and is not a required part of the basic financial statements. For the years ended September 30, 1985 and 1984, such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Grossman, Weinberg & Associates, P.A.*  
GROSSMAN, WEINBERG & ASSOCIATES, P.A.

Neptune, New Jersey  
December 12, 1985

LEISURE VILLAGE WEST ASSOCIATION

CONTENTS

AS AT SEPTEMBER 30, 1985

- EXHIBIT A - BALANCE SHEET AS AT SEPTEMBER 30, 1985 AND 1984
- EXHIBIT B - STATEMENT OF OPERATING REVENUES AND EXPENSES AND CONTRIBUTED CAPITAL FOR THE YEARS ENDED SEPTEMBER 30, 1985 AND 1984
- EXHIBIT C - STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEARS ENDED SEPTEMBER 30, 1985 AND 1984
- FOLIO I - VI - NOTES TO FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 1985 AND 1984

SUPPLEMENTAL DATA

- Schedule I - Schedule of operating expenses for the years ended September 30, 1985 and 1984



## LEISURE VILLAGE WEST ASSOCIATION

## BALANCE SHEET

AS AT SEPTEMBER 30, 1985 AND 1984ASSETS

	<u>1985</u>	<u>1984</u>
Cash and short-term investments (NOTE 5)	\$ 316,500	\$ 173,017
Investment in treasury bills (NOTE 5)	49,554	222,257
Maintenance fees receivable	10,766	6,905
Prepaid expenses	17,139	17,626
Other receivables	878	1,817
Due from sponsor (NOTE 2)	29,789	21,296
Plant and equipment - net (NOTES 1D AND 3)	905	4,377
Common facilities - at nominal value (NOTE 1B)	1	1
Capital projects fund assets (NOTES 1F AND 4)	<u>1,037,635</u>	<u>874,469</u>
<u>TOTAL ASSETS</u>	<u>\$1,463,167</u>	<u>\$1,321,765</u>

LIABILITIES AND CONTRIBUTED CAPITAL

Accounts payable	\$ 249,341	\$ 261,163
Accrued liabilities	65,249	46,855
Federal income tax payable (NOTE 6)	18,750	15,187
Monthly maintenance fees received in advance	6,937	5,655
Deferred revenue (NOTE 1E)	<u>85,255</u>	<u>118,436</u>
Total Liabilities	425,532	447,296
COMMITMENTS AND CONTINGENCIES (NOTE 7)	-	-
CONTRIBUTED CAPITAL (NOTES 1F AND 4) - EXHIBIT B	<u>1,037,635</u>	<u>874,469</u>
<u>TOTAL LIABILITIES AND CONTRIBUTED CAPITAL</u>	<u>\$1,463,167</u>	<u>\$1,321,765</u>

See notes to financial statements.



LEISURE VILLAGE WEST ASSOCIATION  
STATEMENT OF OPERATING REVENUES AND EXPENSES  
FOR THE YEARS ENDED SEPTEMBER 30, 1985 AND 1984

	<u>1985</u>	<u>1984</u>
<b>REVENUES</b>		
Monthly maintenance fees	\$1,918,114	\$1,746,983
Add: Deferred revenue - prior year (NOTE 1E)	118,436	121,316
	<u>2,036,550</u>	<u>1,868,299</u>
Less: Deferred revenue - current year (NOTE 1E)	<u>(85,255)</u>	<u>(118,436)</u>
	1,951,295	1,749,863
Sponsor's share of allocable expenses (NOTE 2)	8,866	9,169
Interest income	31,944	25,897
Recreational activity income - net of expenses	13,769	11,447
Miscellaneous income	<u>11,897</u>	<u>13,639</u>
Total Revenues - Net	<u>2,017,771</u>	<u>1,810,015</u>
<b>EXPENSES</b>		
Salaries and wages - Schedule I	942,605	806,131
Other operating expenses - Schedule I	<u>1,062,896</u>	<u>999,884</u>
Total Expenses Before Provision for Non-Exempt Function Income Taxes	2,005,501	1,806,015
PROVISION FOR NON-EXEMPT FUNCTION INCOME TAXES (NOTE 6)	<u>12,270</u>	<u>4,000</u>
Total Expenses	<u>2,017,771</u>	<u>1,810,015</u>
<u>EXCESS OF OPERATING REVENUES OVER EXPENSES</u>	<u>\$ -</u>	<u>\$ -</u>

STATEMENT OF CONTRIBUTED CAPITAL  
FOR THE YEARS ENDED SEPTEMBER 30, 1985 AND 1984

	<u>1985</u>	<u>1984</u>
BALANCE, BEGINNING OF YEAR	\$ 874,469	\$565,074
Contributions	264,654	311,695
Interest income	81,373	70,857
Funds expended	<u>(182,861)</u>	<u>(73,157)</u>
<u>BALANCE, END OF YEAR (NOTES 1F AND 4)</u>	<u>\$1,037,635</u>	<u>\$874,469</u>

See notes to financial statements.



LEISURE VILLAGE WEST ASSOCIATION  
 STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE YEARS ENDED SEPTEMBER 30, 1985 AND 1984

	<u>1985</u>	<u>1984</u>
FUNDS WERE PROVIDED BY:		
Operations		
Excess (deficiency) of operating revenues over expenses	\$ -	\$ -
Charges to operations not requiring cash outlay in the current period		
Depreciation	<u>3,472</u>	<u>6,994</u>
Funds Provided by Operations	3,472	6,994
Increase (decrease) in:		
Accrued liabilities	18,394	4,310
Federal income tax payable	3,563	1,187
Monthly maintenance fees received in advance	1,282	(23,900)
Decrease (increase) in:		
Prepaid expenses	487	(9,225)
Other receivables	<u>939</u>	<u>(949)</u>
Total Funds Provided (Applied)	<u>28,137</u>	<u>(21,583)</u>
FUNDS WERE APPLIED TO:		
Increase in:		
Maintenance fees receivable	3,861	4,711
Due from sponsor	8,493	4,805
Decrease (increase) in:		
Accounts payable	11,822	(51,275)
Deferred revenue	<u>33,181</u>	<u>2,880</u>
Total Funds Applied (Provided)	<u>57,357</u>	<u>(38,879)</u>
(DECREASE) INCREASE IN CASH AND TREASURY BILLS	(29,220)	17,296
CASH AND TREASURY BILLS, BEGINNING OF PERIOD	<u>395,274</u>	<u>377,978</u>
<u>CASH AND TREASURY BILLS, END OF PERIOD</u>	<u>\$366,054</u>	<u>\$395,274</u>

See notes to financial statements.



LEISURE VILLAGE WEST ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
AS AT SEPTEMBER 30, 1985 AND 1984

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A Nature of Organization

Leisure Village West Association (the "Association") is a New Jersey corporation, not for profit, organized in July, 1972, to operate and maintain sections of land, dwelling units and recreational facilities at "Leisure Village West", an adult retirement community located in the Township of Manchester, Ocean County, New Jersey. The community is being developed by Leisure Technology, Inc. (the "Sponsor"). The sections developed are described as Condominiums, and the provisions of the Condominium Act of New Jersey are applicable to the Association. As at September 30, 1985 and 1984, there were 1,912 and 1,822 memberships, respectively, in the Association.

B Common Facilities

Community and recreational facilities donated to the Association by the Sponsor and equipment donated by various clubs are carried on the balance sheet at a nominal value of \$1.

C Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. All maintenance fees are recognized as earned when assessed or otherwise declared due by the Association.

D Plant and Equipment

Plant and equipment are carried at cost and include additions or improvements which extend the useful life of the asset. Minor replacements and repairs and maintenance costs are charged to expense as incurred. Depreciation is computed on the straight-line method over estimated useful lives ranging from three to ten years. As assets become fully depreciated, they are retired from the books.

E Deferred Revenue

The Association derives its revenues principally from maintenance fee assessments to its members. When revenues in excess of operating expenses are received, revenues are deferred as they are used to reduce the following year's assessment.

F Contributed Capital

The Association charges its expenditures from the capital projects funds against the capital projects fund balances (contributed capital). Assessments for capital projects funds are recognized to the extent expended for its stated purpose. Any amounts not expended are recorded as contributed capital unexpended.



## LEISURE VILLAGE WEST ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 1985 AND 1984NOTE 2 - RELATED PARTY TRANSACTIONS

In accordance with the Master Deeds, certain expenses of the Association have been allocated between the condominiums and Leisure Technology, Inc., the Sponsor, while other expenses are charged directly to the condominiums. The amount due from/to the Sponsor is the cumulative balance of transactions between the Association and the Sponsor, including the Sponsor's share of operating expenses.

NOTE 3 - PLANT AND EQUIPMENT

Plant and equipment as at September 30, 1985 and 1984 are summarized as follows:

	<u>1985</u>	<u>1984</u>
Buildings and improvements	\$ 3,190	\$ 3,190
Furniture and fixtures	4,489	4,489
Recreational equipment	5,916	6,189
Maintenance equipment	49,394	49,714
Motor vehicles	<u>28,322</u>	<u>35,484</u>
Total	91,311	99,066
Less: Accumulated depreciation	<u>90,406</u>	<u>94,689</u>
<u>PLANT AND EQUIPMENT - NET</u>	<u>\$ 905</u>	<u>\$ 4,377</u>

NOTE 4 - CAPITAL PROJECTS FUNDS - RESERVES

Since December, 1979, the Association has established certain capital projects funds to provide for the future repairs and replacements of specific capital assets. These funds which are collected as part of the monthly assessment paid by the unit owners, may be increased or decreased based upon the Association's estimates each year of the specific repair and replacement requirements. Additional project funds may be established to cover other categories of replacements and repairs in future years. The capital projects fund assets are maintained in separate bank accounts and/or Certificates of Deposit and Treasury Bills.



## LEISURE VILLAGE WEST ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 1985 AND 1984NOTE 4 - CAPITAL PROJECTS FUND - RESERVES (CONT'D)

During fiscal 1980, the Association received a \$10,000 award from the Ocean County Utilities Authority in connection with an easement for a sewer transmission line through the community. The Association has determined to maintain such an amount plus related interest as a capital project fund (condemnation proceeds fund) until the need to make appropriate repairs, if any, in connection with the related installation of such line. Thereafter, any unexpended funds would be used for general purposes of the Association.

An analysis of the capital projects fund by reserve category for fiscal year ended September 30, 1985 is as follows:

	<u>BEGINNING</u>	<u>LESS:</u> <u>EXPENDITURES</u>	<u>ADD:</u> <u>CONTRIBUTIONS</u>	<u>INTEREST</u> <u>INCOME</u>	<u>ENDING</u>
Roof	\$491,886	\$ 1,579	\$103,872	\$49,289	\$ 643,468
Road	162,167	-	23,499	11,180	196,846
Painting	78,912	59,692	42,926	7,411	69,557
Condemnation proceeds fund	15,721	-	-	1,510	17,231
Maintenance equipment	26,439	45,157	26,959	2,461	10,702
Recreation equipment	18,688	7,171	4,493	1,522	17,532
Heating & air con- ditioning	19,573	-	20,220	1,185	40,978
Construction of mainte- nance build- ing	9,934	10,479	-	545	-
Irrigation wells	33,194	43,374	42,685	2,944	35,449
Equipment additions	17,955	15,409	-	3,326	5,872
<u>TOTAL</u>	<u>\$874,469</u>	<u>\$182,861</u>	<u>\$264,654</u>	<u>\$81,373</u>	<u>\$1,037,635</u>



## LEISURE VILLAGE WEST ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 1985 AND 1984NOTE 5 - CASH AND CASH EQUIVALENTS

The Association's investment in U.S. Treasury Bills for the periods ending September 30, 1985 and 1984 consists of the following:

1985			1984		
<u>MATURITY DATE</u>	<u>CARRYING VALUE</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>CARRYING VALUE</u>	<u>INTEREST RATE</u>
11/15/85	\$49,554	7.05%	10/11/84	\$ 49,847	10.10%
-	-	-	10/25/84	74,481	10.03%
-	-	-	12/06/84	49,042	10.63%
-	-	-	12/20/84	48,887	10.33%
<u>TOTAL</u>	<u>\$49,554</u>		<u>TOTAL</u>	<u>\$222,257</u>	

Cash and short term investments are maintained in interest bearing instruments such as money market accounts and certificates of deposit.

NOTE 6 - INCOME TAXES

The Association is a tax exempt corporation, under the provisions of Section 528 of the Internal Revenue Code, relative to the net income derived from normal operations. Non-exempt function income, such as interest earned on reserve and operating cash accounts, is subject to a rate of tax equal to 30%. The Association is not required to file a franchise tax return in New Jersey because it qualifies as a not for profit corporation in that state.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

In September, 1984, the Association entered into an agreement with Creative Management Systems, Inc. for bookkeeping and computer services for a one year period effective October 1, 1984 through September 30, 1985. The Association has exercised an option to renew this agreement for an additional one year term at a total estimated annual fee of \$22,000 plus an increase based upon the Consumer Price Index or 10% of the previous price charges whichever is greater.

In addition, the Association has entered into various other contracts and agreements for lawn maintenance, security services, and its labor union which relate to normal operating expenditures for the fiscal year ended September 30, 1986.

LEISURE VILLAGE WEST ASSOCIATION

SUPPLEMENTAL DATA

## LEISURE VILLAGE WEST ASSOCIATION

## SCHEDULE OF OPERATING EXPENSES

FOR THE YEARS ENDED SEPTEMBER 30, 1985 AND 1984

	<u>1985</u>	<u>1984</u>
<b>SALARIES AND WAGES</b>		
Lawn, road care and snow removal	\$ 260,673	\$ 223,874
Administrative	156,658	148,915
Instructors	5,905	5,739
Clerical	50,168	41,492
Janitorial	30,949	27,866
Building maintenance and repairs	152,935	118,237
Bus drivers	25,183	22,957
Mechanics	74,090	73,613
Lifeguards	6,037	3,309
Payroll taxes and fringe benefits	180,007	140,129
	<u>942,605</u>	<u>806,131</u>
<b>OTHER OPERATING EXPENSES</b>		
Heat, light and power		
Outdoor lighting	86,076	83,733
Buildings	56,815	55,100
Security services	140,980	136,724
Sanitation	152,207	104,348
Insurance	74,282	53,513
Real estate taxes	19,132	18,772
Lawn maintenance	242,026	235,087
Building and appliance maintenance	120,394	139,811
Professional fees	17,422	13,326
Bookkeeping and computer services (NOTE 7)	27,325	24,076
Office expense	26,653	25,688
Recreation expense	9,808	11,105
Community buildings maintenance and repair	29,006	24,931
Bus expense	13,835	10,268
Auto and truck expense	37,161	32,397
Depreciation	3,472	6,994
Road cleaning and maintenance	6,302	24,011
	<u>1,062,896</u>	<u>999,884</u>
<b>Total Other Operating Expenses</b>	<u>1,062,896</u>	<u>999,884</u>
<b><u>TOTAL OPERATING EXPENSES</u></b>	<b><u>\$2,005,501</u></b>	<b><u>\$1,806,015</u></b>

See notes to financial statements.

