

THIRD AMENDMENT

To the Offering Plan of

**BELLEFAIR AT RYE BROOK  
HOME OWNERS ASSOCIATION, INC.**

King Street  
Rye Brook, New York 10573

Dated: February 22, 2000

The Offering Plan accepted for filing on or about June 23, 1998, amended on March 19, 1999 (First Amendment) and July 26, 1999 (Second Amendment), is hereby further amended as follows:

**I. STATUS OF SALES**

As of the date hereof, the Sponsor has closed title to 90 Homes and entered into contracts for 113 additional Homes out of the total of 261 Homes in the Development.

**II. AGGREGATE MONTHLY OBLIGATIONS**

Sponsor's obligations for assessments is limited to the lesser of (i) the sum of the operating deficit for each fiscal year of the Association, provided that the calculation of the deficit shall not include management fees or contributions to the Reserve Fund or other contingency funds or (ii) all assessments levied against the unsold Homes for such fiscal year. If (ii) is greater than (i) for any fiscal year, Sponsor shall be entitled to credit such differences against its obligation to pay assessments in any subsequent fiscal year. To date there has been no deficiency payments required of Sponsor.

**III. FINANCIAL OBLIGATIONS TO ASSOCIATION**

The Sponsor has no financial obligations to the Association which will become due within the next twelve (12) months, other than payment of any deficiency payments (see Paragraph II for the maximum obligation), and has been current on all its obligations since the closing of title to the first Home. In addition, Sponsor is current on all financial obligations under the Offering Plan.

**IV. UNSOLD HOMES OR LOTS SUBJECT TO MORTGAGES OR FINANCING COMMITMENTS**

The untitled Homes or Lots are encumbered by construction mortgages held by Swedbank, 12 East 49<sup>th</sup> Street, New York, New York 10017, in the current aggregate outstanding principal amount of \$31,591,721. The loans mature on August 13, 2003 and require quarterly payments of approximately \$500,000, representing interest only. At each closing, a release consideration in the amount of \$135,542 is repaid to Swedbank for reduction of the principal. The Sponsor is current on its obligations under the mortgages.

**V. MEANS OF SPONSOR'S OBLIGATIONS**

Any monthly obligations required of Sponsor will be paid from continued sales at the Development, construction loan, operating fund and cash flow from other businesses controlled by the Sponsor.

**VI. LIST AND STATUS OF SPONSOR'S OTHER PUBLIC OFFERINGS**

The Sponsor entity has not previously participated in any other prior public offering. However, Mitchell C. Hochberg, a Principal of the Sponsor was also the Principal of the Sponsor of the following projects:

1. The Country Club at Pleasantville  
Pleasantville Country Club Homeowner's Association, Inc.  
Pleasantville, New York 10570  
Original Date: March 29, 1990
2. The Highlands at Riverwoods  
Riverwoods Associates, L.L.C.  
Mt. Kisco, New York 10549  
Original Date: June 8, 1987
3. Hidden Falls at Rye Brook  
Rye Brook, New York 10573  
Original Date: September 12, 1989
4. Legend Yacht and Beach Club  
Red Spring Lane  
Glen Cove, New York  
Date of Restated Offering Plan: June 25, 1999

5. Valimar Homeowners Association, Inc.  
645 Hillside Avenue  
White Plains, New York  
Date of Restates Offering Plan: November 4, 1999

Copies of Offering Plans for the above projects are on file with the New York Department of Law located at 120 Broadway, 23rd Floor, New York, New York 10271 and are available for public inspection.

The Sponsor's of these other projects are current in their financial obligations with respect to such other projects.

**VII. BOARD OF DIRECTORS**

The first meeting of Home Owners was held on December 20, 1999. At such meeting, the Home Owners postponed elections until January 10, 2000 so as to review qualifications of prospective directors. The Sponsor will retain control of the Board of Directors until ninety (90%) percent of all proposed Homes in the Development are closed. The current members of the Board of Directors remain as disclosed in the Offering Plan.

**VIII. FINANCIAL STATEMENT**

The first year of Association operation commenced with the closing of title to the first Home, which took place on June 9, 1999. Therefore, the Financial Statement for the first year of operation of the Association is not yet available.

**IX. BUDGET**

The current year budget and a Certification of the Adequacy of such budget were disclosed in Paragraph IX of the Second Amendment. Such budget has not changed and remains as disclosed.

**X. REAL ESTATE TAXES**

During 1999, the Sponsor paid the aggregate amount of \$378,785.74 for real estate taxes on the then untitled Homes. The Sponsor is current on its payments of real estate taxes.

**XI. NEW FORM OF PURCHASE AGREEMENT**

Annexed hereto as Exhibit "A" is a revised form of Purchase Agreement to be used for the Homes at the Development.

**XII. EXTENSION OF OFFERING PLAN TERMS**

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

Other than as set forth above there are no material changes that require an Amendment to the Plan.

**THE BELLEFAIR HOME & LAND COMPANY**  
Sponsor