
FORTIETH AMENDMENT

TO

OFFERING PLAN OF

COOPERATIVE OWNERSHIP OF

PREMISES KNOWN AS

1, 2, 3, 4 AND 5 SADORE LANE

YONKERS, NEW YORK 10710

Dated: April 10, 2014

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED SEPTEMBER 28, 1982, AND THE FIRST AMENDMENT DATED NOVEMBER 10, 1982; THE SECOND AMENDMENT DATED AUGUST 17, 1983; THE THIRD AMENDMENT DATED SEPTEMBER 7, 1983; THE FOURTH AMENDMENT DATED NOVEMBER 30, 1983; THE FIFTH AMENDMENT DATED MARCH 2, 1984; THE SIXTH AMENDMENT DATED SEPTEMBER 6, 1984; THE SEVENTH AMENDMENT DATED JULY 9, 1985; THE EIGHTH AMENDMENT DATED MARCH 24, 1987; THE NINTH AMENDMENT DATED APRIL 30, 1987; THE TENTH AMENDMENT DATED JUNE 12, 1987; THE ELEVENTH AMENDMENT DATED SEPTEMBER 8, 1987; THE TWELFTH AMENDMENT DATED JUNE 29, 1988; THE THIRTEENTH AMENDMENT DATED DECEMBER 5, 1989; THE FOURTEENTH AMENDMENT DATED JUNE 27, 1990; THE FIFTEENTH AMENDMENT DATED NOVEMBER 6, 1991; THE SIXTEENTH AMENDMENT DATED APRIL 23, 1992; THE SEVENTEENTH AMENDMENT DATED NOVEMBER 12, 1992; THE EIGHTEENTH AMENDMENT DATED JANUARY 7, 1994; THE NINETEENTH AMENDMENT DATED APRIL 21, 1995; THE TWENTIETH AMENDMENT DATED SEPTEMBER 22, 1995; THE TWENTY FIRST AMENDMENT DATED SEPTEMBER 24, 1996; THE TWENTY SECOND AMENDMENT DATED SEPTEMBER 18, 1997; THE TWENTY THIRD AMENDMENT DATED NOVEMBER 9, 1998; THE TWENTY FOURTH AMENDMENT DATED DECEMBER 22, 1999; THE TWENTY FIFTH AMENDMENT DATED JUNE 6, 2000; THE TWENTY SIXTH AMENDMENT DATED JULY 24, 2001; THE TWENTY SEVENTH AMENDMENT DATED SEPTEMBER 3, 2002; THE TWENTY EIGHTH AMENDMENT DATED JUNE 9, 2003; THE TWENTY NINTH AMENDMENT DATED FEBRUARY 6, 2004; THE THIRTIETH AMENDMENT DATED NOVEMBER 15, 2004; THE THIRTY FIRST AMENDMENT DATED FEBRUARY 9, 2005, THE THIRTY SECOND AMENDMENT DATED FEBRUARY 10, 2006, THE THIRTY THIRD AMENDMENT DATED MARCH 19, 2007, THE THIRTY FOURTH AMENDMENT DATED MAY 29, 2008, THE THIRTY FIFTH AMENDMENT DATED APRIL 2, 2009, THE THIRTY SIXTH AMENDMENT DATED JANUARY 5, 2010; THE THIRTY SEVENTH AMENDMENT DATED JANUARY 28, 2011, AND THE THIRTY EIGHTH AMENDMENT DATED FEBRUARY 17, 2012; THIRTY NINTH AMENDMENT DATED APRIL 4, 2013, AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN.

Apartment Corporation:
SADORE LANE GARDENS, INC.

Sponsor:
GARDEN TOWERS LLC

The Cooperative Offering Plan, a Plan to convert to cooperative ownership premises at 1-5 Sadore Lane, Yonkers, New York, dated September 28, 1982, as heretofore amended (the "Plan") is hereby further amended as follows:

1. **Sale of Unsold Shares.** The Sponsor currently holds Unsold Shares allocated to 119 of the 780 Apartments at the Premises, representing 15.3% of all the Apartments, as set forth in Exhibit "A-1" annexed. Guardian Towers LLC, as a Holder of Unsold Shares, holds the Shares allocated to the Apartments indicated on Exhibit "A-2" annexed hereto.

2. **Sponsor's Obligations.** The Sponsor has no financial obligations to the Apartment Corporation other than for payment of maintenance charges and assessments, other than as follows: the Sponsor is responsible for the payment of reserve fund contributions at the rate of \$7.3972 per Unsold Share sold. The Sponsor is current in all its financial obligations to the Apartment Corporation, and during the previous twelve months the Sponsor has not been in default with respect to any such obligations beyond any applicable grace period.

3. **Sponsor's Unsold Shares.** The Sponsor, as Holder of the remaining Unsold Shares, will hold the Shares allocated to the remaining apartments (the "Remaining Apartments") indicated on Exhibit "A-1" annexed hereto. As of February 1, 2014 the aggregate monthly maintenance charges due in connection with the Unsold Shares allocated to the Remaining Apartments will be \$78,207.36. The aggregate monthly rents received from tenants of the Remaining Apartments are \$88,292.69 as of February 1, 2014. The Sponsor shall pay its obligations to the Apartment Corporation from the rent collected. The Sponsor plans to market the vacant Remaining Apartments to which Unsold Shares are allocated. As those Remaining Apartments are sold the monthly maintenance charges due to the Apartment Corporation from the Sponsor will decrease.

4. **Disclosure for Guardian Towers LLC.** Guardian, as a Holder of Unsold Shares, has no financial obligations to the Apartment Corporation other than for payment of maintenance charges and assessments. Guardian is current in all its financial obligations to the Apartment Corporation, and during the previous twelve months Guardian has not been in default with respect to any such obligations beyond any applicable grace period. Guardian is responsible for the monthly maintenance charges for the Unsold Shares allocated to the Apartments transferred to it; the aggregate monthly maintenance charges to be due in connection with the Unsold Shares allocated to those Apartments are \$7,329.28, and the aggregate monthly rents payable from tenants of

Apartments which were transferred are \$18,269.54. Guardian intends to market or lease the Apartments, depending on market conditions, and shall pay its obligations to the Apartment Corporation from the proceeds of sales and rents as well as its reserves. Guardian or principals of Guardian do not own more than 10% of the shares or units in other cooperative or condominium conversion projects. As disclosed in the Thirty Sixth Amendment to the Offering Plan, Guardian had obtained two loans from Hudson Valley Bank secured by the pledge of the Guardian's Unsold Shares and proprietary leases on all its units except 3 Sadore Lane, Apartment 7D and 4 Sadore Lane, Apt. 3C. Since then, Guardian has repaid one of the loans, leaving the second loan outstanding but reduced to \$394,014.05 as of December 31, 2013; effective January 1, 2014, the monthly payment on the outstanding loan is \$3,215.94 per month; future payments may be reduced due to release payments made in connection with the sales of Unsold Shares. Guardian's loan matures in December 2019 and is prepayable with a penalty computed as a percentage of the principal prepaid; the rate is 1% this year until 2015 when the prepayment penalty resets to 5%, reducing 1% per year until maturity. Guardian is required to maintain insurance on its units in connection with this loan. Guardian has been current in its payments to its lender during the past twelve (12) months.

5. **Sponsor's Other Cooperative Projects.** The Sponsor or principals of the Sponsor do not own more than 10% of the shares or units in other cooperative or condominium conversion projects.

6. **Sponsor's Financing of Unsold Shares.** As disclosed in the Thirty Third and Thirty Eighth Amendments to the Offering Plan, the Sponsor has obtained a loan secured by the pledge of the Sponsor's Unsold Shares and proprietary leases. The monthly payments on this loan vary due to (a) daily interest accrual, (b) prepayments due to sales, and (c) rate fluctuation. The most recent two month's payments were as follows: January 1, 2014: \$10,118.37; February 1, 2014: \$10,239.54. The Sponsor has been current in its payments to its lender during the past twelve (12) months.

7. **Financial Statements.** Annexed hereto as Exhibit "B" are the Apartment Corporation's audited financial statements for the years ended February 29, 2013, and February 28, 2012.

8. **Current Maintenance Charges, Budget.** The current maintenance charges are \$4.48 per share per month. Maintenance charges were last increased as of June 1, 2011; that increase was 1.030% and no additional increase is currently planned. A copy of the Apartment Corporation's budget for March 1, 2013 to February 28, 2014 is annexed as Exhibit "C."

9. **Board of Directors.** The current board of directors of the Corporation was elected at the annual stockholders' meeting which was held on November 12, 2013. The following are the

current officers and directors: Louis Monaco, president, Herbert Goldstein, vice president, Gordon Burrows, secretary, Charles Scheinberg, treasurer, Mike Abelson, James Schoen, and Phyllis Raskin, sponsor representatives. Of the foregoing, James Schoen and Phyllis Raskin are affiliated with the Sponsor. The Sponsor gave up control of the board of directors as of the meeting held on April 26, 1984.

10. **Maximum Price for Unsold Shares.** The purchase price for all Unsold Shares is hereby increased to \$2,000.00 per share.

11. **Elevator Modernization.** As previously disclosed, the Apartment Corporation had been repairing and remodeling the elevators in all of the buildings; this project has now been completed.

12. **Litigation.** The Apartment Corporation is currently a defendant in two lawsuits: one is a small claims matter in Yonkers City Court in which the Apartment Corporation has made a motion to dismiss, and one is a trip and fall matter, Cipriano v. City of Yonkers, Sadore Lane Gardens, Inc. and Sadore Management Corp. (Westchester County Supreme Court Index Number 66763-12) in which the Apartment Corporation is being defended by its insurer. Both matters are anticipated to be resolved without liability to the Apartment Corporation.

13. **Change in Allocation of Shares.** The Apartment Corporation has re-allocated 114 shares from apartment 1-1W to apartment 2-5L, and has allocated an additional 58 shares of its authorized but unissued shares to apartment 2-5L for a total share allocation of 172 shares. As a result of these actions, the total number of shares allocated to apartments has been increased from 103,945 to 104,003. Apartment 2-5L is a two bedroom unit that was previously been used as a superintendent's apartment; apartment 1-1W is a one bedroom unit owned by the Apartment Corporation, which will now be used as a superintendent's apartment. Apartment 2-5L has been sold for \$180,000 and the net proceeds of sale have been added to the Apartment Corporation's reserves.

14. **Revised Mortgage Indebtedness.**

The Mortgage affecting the Premises was refinanced on December 18, 2013. The material terms of the new mortgage include the following:

Mortgagee:	The Dime Savings Bank of Williamsburgh
Original Principal Amount:	\$19,000,000
Maturity Date:	January 1, 2024
Interest Rate:	4.20%
Monthly Installment Payments:	\$66,500.00

Prepayment - The Mortgage may be prepaid in full only on 60 days' notice with a prepayment penalty of 5% in years 1 and 2, 4% in years 3 and 4, 3% in years 5 and 6, 2% in years

7 and 8 and 1% in years 9 and 10; no prepayment penalty shall be due during the last 60 days of the term. Notwithstanding the foregoing, a principal reduction payment of up to 10% of the outstanding loan amount may be made on notice and within seven (7) days of each anniversary of the Mortgage without penalty.

Default Rate - 24% per annum.

Late Charges - \$.05 on each dollar overdue for more than 10 days.

Due-on-Sale - The Apartment Corporation may not sell, transfer, convey or further encumber the Premises or the stock of the Apartment Corporation except in connection with the sale of individual units.

Events of default -

- (a) Failure to make any payment due under the Note for a period of 10 days or more;
- (b) Failure to pay all amounts due at maturity;
- (c) Failure to make payment of any tax due and payable under the Mortgage for a period of 10 days or more;
- (d) Failure to observe or perform the covenants and agreements contained in the Mortgage regarding the warranty of title, the insurance requirements, the prohibition on changing, assigning, or terminating the proprietary leases, and regarding hazardous materials;
- (e) Failure to perform or observe any other covenant or agreement contained in the Mortgage or other loan documents for a period of 30 days;
- (f) Appointment by a court of a trustee, receiver or liquidator of the Premises;
- (g) Filing a petition in bankruptcy;
- (h) Failure to obtain a dismissal or discharge of an involuntary bankruptcy petition within sixty (60) days after filing;
- (i) Filing of a final judgment for payment of money against the Mortgagor which is not discharged, bonded or appealed from within thirty (30) days, or if the financial condition of the Mortgagor undergoes a materially adverse change;
- (j) Commencement of any action to foreclose any lien on the Premises which is not bonded or discharged within thirty (30) days after such action is instituted;
- (k) Failure to discharge any mechanic's lien within sixty (60) days after the lien has been filed;
- (l) Discovery by the Mortgagee of any material misrepresentation made in connection with obtaining the Mortgage;
- (m) Failure to obtain written consent of the Mortgagee for any easement affecting the Premises; and

(n) Any default under the Credit Line Mortgage.

(2) Credit Line Mortgage.

A credit line mortgage of \$2,990,000.00 was also secured from The Dime Savings Bank of Williamsburgh; the credit line mortgage was executed on December 18, 2013 and provides that the Apartment Corporation may obtain advances from time to time, which shall be due no later than January 1, 2024. The Apartment Corporation shall pay interest on the outstanding amount at a floating rate of 1.00% above the Wall Street Journal prime rate.

Payments - Payments of interest only shall commence on the last day of the first month in which a draw is made and shall continue monthly thereafter so long as funds are outstanding.

Default Rate - 24% above the then-applicable interest rate.

Late charges - \$0.05 on each dollar overdue for more than ten (10) days.

Prepayment - The line of credit may be prepaid at any time in whole or in part without penalty.

Events of Default - (a) Any default under the Mortgage is a default under the credit line mortgage as well; (b) Failure to make any payment due under the credit line mortgage.

15. The Offering Plan, as modified, supplemented and extended hereby, is incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment, not otherwise defined herein, shall have the same meanings ascribed to them in the Offering Plan.

16. Except as set forth herein there have been no material changes in the terms of the Offering.

SADORE LANE GARDENS, INC.

Apartment Corporation

GARDEN TOWERS LLC

Sponsor

GUARDIAN TOWERS, LLC

Holder of Unsold Shares

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS
GARDEN TOWERS LLC
As of: January 31, 2013

BUILDING NO. 1

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
1E	130	3B	205	4G	134	7C	110
1L	162	3F	163	5G	136	7G	140
2A	100	3N	102	5L	172	7T	176
2T	166	3T	168	6L	174	7X	176
2U	134	3Z	102	6V	142		
2X	166	4B	207	7B	213		
							3,378

Building Totals: Apartments: 22 Shares: 3,378

BUILDING NO. 2

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
1V	126	3T	157	4T	159	6Y	174
1W	110	3X	163	5B	209	7H	144
2C	95	4F	163	5Y	172	7J	128
2G	134	4H	138	6H	142	7P	105
2M	100	4K	170	6U	138	7R	74
2Y	166	4O	207	6W	122	7Z	110
							3,406

Building Totals: Apartments: 24 Shares: 3,406

BUILDING NO. 3

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
1B	96	2H	134	4U	138	6E	142
1E	130	2V	134	4W	122	6V	142
1S	130	3C	102	5S	140	7C	110
1T	162	3G	136	5V	140	7G	144
1Y	162	4S	138	5X	172	7X	176
1Z	96						
							2,846

Building Totals: Apartments: 21 Shares: 2,846

BUILDING NO. 4

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
1C	91	2S	128	4X	170	6G	142
1N	96	3H	136	5B	209	6L	174
1X	162	3K	166	5F	165	6Y	174
1Y	162	3S	130	5J	122	7B	213

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS
GARDEN TOWERS LLC
As of: January 31, 2013

2B	203	3U	136	5O	209	7H	144
2E	128	4K	168	5T	167	7T	171
2K	164	4V	138	6C	103	7Y	176
							4,347

Building Totals: Apartments: 28 Shares 4,347

BUILDING NO. 5

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
LG	128	2P	132	4L	138	6L	142
LM	94	2R	132	4R	138	6R	142
1E	128	3B	136	5N	169	7B	144
1H	114	3E	205	6C	142	7E	213
1L	132	4C	138	6E	211	7F	144
2K	134	4G	138	6K	142	7G	144
							3,480

Building Totals: Apartments: 24 Shares: 3,480

Project Unsold Share Totals: 17,457

Apartments: 119

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS
GUARDIAN TOWERS, LLC
As of: January 1, 2013

Apartment no.	No. of shares
1-4K	165
1-4M	104
2-4M	104
3-2J	118
3-2S	134
3-4K	170
3-7D	78
4-1J	112
4-2W	118
4-3C	97
4-5D	70
4-6M	108
5-4H	120
5-4P	138
total shares	1,636

14 Apartments

SADORE LANE GARDENS, INC.
FINANCIAL STATEMENTS
YEARS ENDED FEBRUARY 28, 2013
AND FEBRUARY 29, 2012

SADORE LANE GARDENS, INC.
FOR THE YEARS ENDED FEBRUARY 28, 2013 AND FEBRUARY 29, 2012

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Balance sheets	3
Statements of revenues and expenses	4
Statements of shareholders' deficit	5
Statements of cash flows	6
Notes to financial statements	7 - 13



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Sadore Lane Gardens, Inc.

We have audited the accompanying balance sheets of Sadore Lane Gardens, Inc. (the "Corporation") (a cooperative housing corporation) as of February 28, 2013 and February 29, 2012, and the related statements of revenues and expenses, shareholders' deficit and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sadore Lane Gardens, Inc. as of February 28, 2013 and February 29, 2012, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matter

Management has not estimated the remaining lives and replacement costs of the common property and, therefore, has omitted the information about the estimates of future costs of major repairs and replacements and related estimated useful lives of the common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.


CITRIN COOPERMAN & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

August 14, 2013

SADORE LANE GARDENS, INC.
BALANCE SHEETS
FEBRUARY 28, 2013 AND FEBRUARY 29, 2012

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 142,577	\$ 773,601
Real estate tax escrow deposits	1,284,379	899,429
Assessments and other receivables	147,365	107,990
Prepaid real estate taxes and other assets	242,405	250,314
Deferred finance costs, net	23,330	46,659
Property and equipment, net	<u>7,266,572</u>	<u>6,878,802</u>
TOTAL ASSETS	\$ <u>9,106,628</u>	\$ <u>8,956,795</u>
<u>LIABILITIES AND SHAREHOLDERS' DEFICIT</u>		
Liabilities:		
Accounts payable, accrued expenses, and other liabilities	\$ 436,586	\$ 319,684
Line of credit	495,300	496,500
Mortgage note payable	<u>14,722,816</u>	<u>14,897,558</u>
Total liabilities	<u>15,654,702</u>	<u>15,713,742</u>
Commitments and contingencies (Notes 7, 8, and 9)		
Shareholders' deficit:		
Common stock - \$1 par value; authorized 120,000 shares; 104,003 (2013) and 103,945 (2012) shares issued;		
104,003 (2013) and 103,831 (2012) shares outstanding	104,003	103,945
Additional paid-in capital	2,734,939	2,690,082
Accumulated deficit	<u>(9,241,294)</u>	<u>(9,261,697)</u>
	(6,402,352)	(6,467,670)
Less: treasury stock, 114 shares at cost (2012)	-	(125,255)
Less: receivable from Sponsor	<u>(145,722)</u>	<u>(164,022)</u>
Total shareholders' deficit	<u>(6,548,074)</u>	<u>(6,756,947)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	\$ <u>9,106,628</u>	\$ <u>8,956,795</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
 STATEMENTS OF REVENUES AND EXPENSES
 FOR THE YEARS ENDED FEBRUARY 28, 2013 AND FEBRUARY 29, 2012

	<u>2013</u>	<u>2012</u>
Revenues:		
Maintenance assessments	\$ 5,571,571	\$ 5,507,280
Parking fees	285,710	290,382
Interest and dividend income	10,882	13,388
Laundry receipts	50,400	50,400
Storage fees	48,580	37,220
License fee	46,799	44,718
Other	<u>135,082</u>	<u>78,561</u>
Total revenues	<u>6,149,024</u>	<u>6,021,949</u>
Expenses:		
Administrative	661,548	648,017
Utilities	1,261,671	1,331,623
Building operations	79,194	81,854
Payroll and related costs	999,713	933,114
Interest	827,039	834,020
Real estate taxes	1,453,896	1,373,512
Major repairs and replacements	<u>546,261</u>	<u>555,471</u>
Total expenses	<u>5,829,322</u>	<u>5,757,611</u>
Excess of revenues over expenses before depreciation and amortization of deferred finance costs	319,702	264,338
Depreciation	275,969	283,214
Amortization of deferred finance costs	<u>23,330</u>	<u>23,330</u>
Excess (deficiency) of revenues over expenses	\$ <u>20,403</u>	\$ <u>(42,206)</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
STATEMENTS OF SHAREHOLDERS' DEFICIT
FOR THE YEARS ENDED FEBRUARY 28, 2013 AND FEBRUARY 29, 2012

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Treasury Stock</u>		<u>Receivable from Sponsor</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Amount</u>	
Balance, March 1, 2011	103,945	\$ 103,945	\$ 2,690,082	\$ (9,219,491)	-	\$ -	\$ (172,000)	\$ (6,597,464)
Net loss	-	-	-	(42,206)	-	-	-	(42,206)
Purchase of treasury stock	-	-	-	-	114	(125,255)	-	(125,255)
Payments received from the Sponsor	-	-	-	-	-	-	7,978	7,978
Balance, February 29, 2012	103,945	103,945	2,690,082	(9,261,697)	114	(125,255)	(164,022)	(6,756,947)
Net income	-	-	-	20,403	-	-	-	20,403
Allocation and issuance of 58 shares in the Corporation	58	58	(58)	-	-	-	-	-
Reallocate 114 shares from a superintendent's unit	-	-	(125,255)	-	(114)	125,255	-	-
Capital contribution from sale of residential unit	-	-	170,170	-	-	-	-	170,170
Payments received from the Sponsor	-	-	-	-	-	-	18,300	18,300
BALANCE, FEBRUARY 28, 2013	<u>104,003</u>	<u>\$ 104,003</u>	<u>\$ 2,734,939</u>	<u>\$ (9,241,294)</u>	<u>-</u>	<u>\$ -</u>	<u>\$ (145,722)</u>	<u>\$ (6,548,074)</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED FEBRUARY 28, 2013 AND FEBRUARY 29, 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Excess (deficiency) of revenues over expenses	\$ 20,403	\$ (42,206)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	299,299	306,544
Changes in assets and liabilities:		
Real estate tax escrow deposits	(384,950)	(28,303)
Assessments and other receivables	(39,375)	(25,041)
Prepaid real estate taxes and other assets	7,910	(1,728)
Accounts payable, accrued expenses, and other liabilities	<u>116,900</u>	<u>(54,412)</u>
Net cash provided by operating activities	<u>20,187</u>	<u>154,854</u>
Cash used in investing activities:		
Purchases of property and equipment	<u>(663,739)</u>	<u>(131,520)</u>
Cash flows from financing activities:		
Repayments of line of credit	(1,200)	(1,200)
Repayments of mortgage payable	(174,742)	(167,753)
Capital contribution	170,170	-
Purchase of treasury stock	-	(125,255)
Collection of amount due from Sponsor	<u>18,300</u>	<u>7,978</u>
Net cash provided by (used in) financing activities	<u>12,528</u>	<u>(286,230)</u>
Net decrease in cash and cash equivalents	(631,024)	(262,896)
Cash and cash equivalents - beginning	<u>773,601</u>	<u>1,036,497</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 142,577</u>	<u>\$ 773,601</u>
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$ 827,039</u>	<u>\$ 834,020</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2013 AND FEBRUARY 29, 2012

NOTE 1. ORGANIZATION

Sadore Lane Gardens, Inc. (the "Corporation") is a cooperative housing corporation that was incorporated in the state of New York on March 1, 1984. The Corporation owns five buildings known as Sadore Lane Gardens located in Yonkers, New York (the "Property"). The buildings consist of 778 units; as of February 28, 2013, there were 658 units owned by tenant-shareholders and 120 units owned by Garden Towers, Inc. (the "Sponsor").

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Corporation's financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Corporation considers all short-term investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents consist principally of money market funds.

Deferred Finance Costs

Deferred finance costs are amortized over the term of the related mortgage loans using the straight-line method. The weighted-average life of the deferred finance costs at February 28, 2013, is one year. Accumulated amortization amounted to \$209,968 and \$186,638 at February 28, 2013 and February 29, 2012, respectively.

Property and Equipment

Property and equipment are stated at cost. Buildings, building improvements and equipment are depreciated over the estimated useful lives. Building improvements are capitalized, while repairs and maintenance are charged to expense when incurred.

Revenue Recognition

Tenant-shareholders are subject to monthly maintenance assessments to provide funds for the Corporation's operating expenses. Tenant-shareholder receivables at the balance sheet date represent maintenance fees due from tenant-shareholders. The Corporation's policy is to retain legal counsel and place liens on the shares of stock of tenant-shareholders whose assessments are delinquent for 30 days or more. No maintenance fees receivable at February 28, 2013 and February 29, 2012, were considered uncollectible. Any excess assessments at year end are retained by the Corporation for use in the succeeding year.

SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2013 AND FEBRUARY 29, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Corporation is qualified to prepare its tax returns pursuant to the provisions of Subchapter T of the Internal Revenue Code. Subchapter T provides that expenses attributable to the generation of patronage income, i.e., income from business done with or for patrons (tenant cooperators), are deductible only to the extent of patronage income. The Corporation believes that all of its income for the years ended February 28, 2013 and February 29, 2012, is patronage income within the meaning of Subchapter T.

The Corporation accounts for current and deferred income taxes and, when appropriate, deferred tax assets and liabilities are recorded with respect to temporary differences in the accounting treatment of items for financial reporting purposes and for income tax purposes. Where, based on the weight of all available evidence, it is more likely than not that some amount of the recorded deferred tax assets will not be realized, a valuation allowance is established for that amount that, in management's judgment, is sufficient to reduce the deferred tax asset to an amount that is more likely than not to be realized.

Multiemployer pension plan

In September 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2011-09, *Disclosures about an Employer's Participation in a Multiemployer Plan*, which amends FASB Accounting Standards Codification ("ASC") 715-80, *Compensation - Retirement Benefits - Multiemployer Plans*. This guidance requires additional quantitative and qualitative disclosures for employers who participate in multiemployer pension plans. The Corporation adopted this guidance for the year ended December 31, 2012. This guidance is limited to the form and content of disclosures, and its adoption did not have an impact on the Corporation's financial position, results of operations or cash flows.

Subsequent Events

In accordance with FASB ASC 855, *Subsequent Events*, the Corporation has evaluated subsequent events through August 14, 2013, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 3. FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Corporation's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The Corporation has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of the costs of major repairs and replacements that may be required in the future, nor has it developed a plan to fund those needs. When funds are required for future major repairs and replacements, the Corporation plans to either borrow, increase maintenance assessments, or delay repairs and replacements until funds are available. The effect on future assessments has not been determined.

SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2013 AND FEBRUARY 29, 2012

NOTE 4. CONCENTRATION OF CREDIT RISK

At February 28, 2013 and February 29, 2012, and routinely throughout each year, the Corporation maintained cash deposits with financial institutions and a brokerage firm in excess of federally insurable limits. The Corporation has not experienced any losses in these accounts and feels it is not exposed to any significant credit risk with respect to cash.

NOTE 5. RECEIVABLE FROM SPONSOR

Pursuant to the offering plan, as amended, the Corporation was to receive \$1,000,000 from the Sponsor from the proceeds of the sale of the Corporation's shares of common stock held by the Sponsor ("Sponsor Shares"). As of February 28, 2013, the Corporation has received a total of \$854,278 from inception of this arrangement, of which \$18,300 and \$7,978 was received during the years ended February 28, 2013 and February 29, 2012, respectively. Collection of the remaining balance of \$145,722 is subject to the Sponsor's sale of the Sponsor Shares. Amounts due from the Sponsor are noninterest bearing.

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	<u>2013</u>	<u>2012</u>
Land	\$ 1,568,638	\$ 1,568,638
Buildings	8,888,950	8,888,950
Building improvements	8,879,451	8,036,682
Equipment	594,416	562,270
Building improvements in progress	<u>176,435</u>	<u>387,610</u>
	20,107,890	19,444,150
Less: accumulated depreciation	<u>(12,841,318)</u>	<u>(12,565,348)</u>
	<u>\$ 7,266,572</u>	<u>\$ 6,878,802</u>

Depreciation expense amounted to \$275,969 and \$283,214 for the years ended February 28, 2013 and February 29, 2012, respectively.

NOTE 7. LINE OF CREDIT

In February 2004, the Corporation entered into a line of credit agreement with National Cooperative Bank, FSB (the "Bank") that allows the Corporation to borrow up to a maximum of \$3,500,000. The agreement expires in March 2014 and is secured by a second mortgage on the land, building and improvements owned by the Corporation. Monthly payments of principal, in the minimum amount of \$100, and interest, at the Bank's prime rate plus 1.25% (4.50% at February 28, 2013), shall be made on the outstanding balance until maturity. At February 28, 2013, there was an outstanding balance of on the line of credit.

SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2013 AND FEBRUARY 29, 2012

NOTE 8. MORTGAGE PAYABLE

The Corporation has a mortgage with the Bank in the amount of \$16,000,000. The mortgage, which matures in March 2014 and bears interest at the rate of 5.34% per annum, is payable in monthly installments of principal and interest of \$81,591, with a balloon payment of approximately \$14,560,000 due at maturity. The mortgage note is collateralized by the land, building and improvements owned by the Corporation, which has a net book value of \$7,198,436 at February 28, 2013.

Future maturities of the mortgage note are as follows:

<u>Years ending February 28:</u>	<u>Amount</u>
2014	\$ 186,764
2015	<u>14,536,052</u>
	<u>\$ 14,722,816</u>

NOTE 9. COMMITMENTS AND CONTINGENCIES

Agreement for Management Services

The Corporation entered into a managing agent agreement with Prime Locations, Inc. ("Prime"), whereby Prime is responsible for processing all day-to-day bookkeeping transactions and contracting for goods and services (including labor) required in the normal operations of the properties, subject to board approval in certain instances. The agreement expired on December 31, 2010. The management agreement provided that Prime shall receive an annual fee of \$198,000 (increased annually by 3%). As of January 1, 2011, the management agreement was renewed through 2015, and provides that Prime shall receive an annual fee of \$230,000 (increased annually by 3%). During the years ended February 28, 2013 and February 29, 2012, fees of \$238,085 and \$231,150, respectively, were paid to Prime under this agreement.

Agreement for Parking Garage Services

The Corporation entered into a parking management agreement with a managing agent to manage the garages and outside parking. The agreement authorizes the agent to offer these services to the tenant-shareholders for rates specified in the agreement. In consideration, the agent shall remit a monthly fee of \$24,455 to the Corporation, subject to certain adjustments contained in the agreement. The agreement is renewable every five years. For the years ended February 28, 2013 and February 29, 2012, parking fees received from the agent amounted to \$285,710 and \$290,382, respectively.

In June 2012, the Corporation renewed its parking management agreement through October 31, 2015. The agent shall remit a monthly fee of \$23,688 to the Corporation, subject to certain adjustments contained in the agreement.

Agreement for Maintenance of Laundry Facilities

The Corporation entered into an agreement with a maintenance contractor to assume operation and maintenance of the laundry machines. The agreement expires on December 31, 2019. In accordance with the agreement, the Corporation received \$50,400 from the contractor for each of the years ended February 28, 2013 and February 29, 2012.

SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2013 AND FEBRUARY 29, 2012

NOTE 9. COMMITMENTS AND CONTINGENCIES (CONTINUED)

License Fee Agreement

In October 2000, the Corporation signed a license fee agreement with a company to provide 225 square feet of floor space upon the rooftop of a designated building. Under the agreement, the company was authorized to operate a rooftop antenna and associated equipment for telecommunications purposes. The agreement provides that the Corporation is to receive a monthly fee of \$2,500 (increased annually by 4%). In 2010, this agreement was automatically renewed for the second of two additional five-year terms.

Effective December 6, 2012, the company exercised its right to terminate the license fee agreement with the Corporation. However, the Corporation will continue to receive monthly license fees from the company until the equipment is removed from the premises, which is anticipated to occur before the end of the calendar year 2013.

Agreement for Maintenance of Elevators

Effective July 29, 2008, the Corporation exercised a five-year renewal of their agreement with an elevator contractor to assume maintenance of the elevators. Under this agreement, the elevator contractor is entitled to receive \$40,000 per year from the Corporation, subject to annual adjustments as defined in the agreement.

Contract for Modernization of Elevators

In June 2012, the Corporation entered into a contract to modernize the elevators in the Corporation's five buildings for a cost of approximately \$961,510. As of February 28, 2013, costs of \$849,492 have been incurred under this contract.

NOTE 10. INCOME TAXES

Net Operating Loss Carryforwards

The Corporation has federal and state tax loss carryforwards of approximately \$6,195,000, which, if not utilized, will expire as follows:

<u>Years ending February 28/29:</u>	<u>Amount</u>
2014	\$ 353,000
2015	187,000
2016	259,000
2017	782,000
2018-2033	<u>4,614,000</u>
	<u>\$ 6,195,000</u>

The net operating loss carryforwards give rise to a deferred tax asset of approximately \$2,106,000 and \$2,216,000 at February 28, 2013 and February 29, 2012, respectively, which have been fully reserved for due to management's assessment that it is more likely than not that the loss carryforwards will expire before they are utilized.

SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2013 AND FEBRUARY 29, 2012

NOTE 10. INCOME TAXES (CONTINUED)

Uncertain Tax Positions

In accordance with FASB ASC 740, *Income Taxes*, the Corporation has applied the "more likely than not" threshold to the recognition and derecognition of tax positions. The standard also provides guidance on the measurement of tax positions, balance sheet classification, interest and penalties, accounting in interim periods, disclosures and transition. Using this guidance, the Corporation had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements as of February 28, 2013 or February 29, 2012.

The Corporation files income tax returns in the U.S. federal jurisdiction and in New York State. With few exceptions, the Corporation is no longer subject to U.S. federal and state tax examinations by taxing authorities for years before February 28, 2010.

NOTE 11. MULTI-EMPLOYER PLAN

The Corporation contributes to a multiemployer defined benefit pension plan under the terms of a collective-bargaining agreement that covers its union-represented employees. Substantially all of the Corporation's employees are subject to a collective bargaining agreement and are covered under a multiemployer plan. The risks of participating in the multiemployer plan are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, its portion of the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Corporation chooses to stop participating in its multiemployer plan, it may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability. The Corporation currently has no intention of withdrawing from the plan.

The Corporation's participation in the plan for the years ended February 28, 2013 and February 29, 2012, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number ("EIN") and the three-digit plan number, if applicable. The most recent Pension Protection Act ("PPA") zone status available in 2012 and 2011 is for the plan's year end at June 30, 2012 and 2011, respectively. The zone status is based on information that the Corporation received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented. The last column lists the expiration date of the collective-bargaining agreement to which the plan is subject.

SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2013 AND FEBRUARY 29, 2012

NOTE 11. MULTI-EMPLOYER PLAN (CONTINUED)

Pension Fund	EIN/Pension Plan Number	Pension's Protection Act Zone Status		FIP/RP Status Pending or Implemented	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
		2013	2012			
Central Pension Fund of the International Union, Local 32BJ and Participating Employers (a)	13-1879376/001	Red	Red	Yes	No	September 30, 2014

(a) The zone status was certified by the plan's actuary as of July 1, 2012 and 2011.

The Corporation was not listed on the Form 5500 as providing more than 5% of the total contributions to the multiemployer defined benefit pension plan.

The Corporation's portion of the projected benefit obligation, plan assets and unfunded liability of the multiemployer pension plans is not material to the Corporation's financial position. However, the failure of participating employers to remain solvent could affect the Corporation's portion of the plans' unfunded liability. Specific benefit levels provided by union pension plans are not negotiated with or known by the employer contributors.

The Corporation also participates in the Building Service 32BJ Health Fund (the "Health Fund"). The Health Fund provides health and other benefits to eligible participants employed by the Corporation. The Corporation made contributions to the multiemployer defined benefit pension plan and the Health Fund of \$187,030 and \$178,487 for the years ended February 28, 2013 and February 29, 2012, respectively.

NOTE 12. TREASURY STOCK AND COMMON STOCK

In May 2011, the Corporation purchased 114 shares of common stock from a tenant-shareholder for \$125,255. As a tenant-shareholder, the seller of the shares had entered into a proprietary lease with the Corporation, which gave them the right to occupy a defined living area and to access all common areas. Such rights were transferred to the Corporation upon its purchase of the shares. It was the Corporation's intent to assign these transferred rights to its superintendent. The Corporation reflected their purchased shares as "treasury stock" on the February 29, 2012 accompanying balance sheet.

During the year ended February 28, 2013, the board of directors voted to reallocate 114 shares from a superintendent's unit to another unit in order to sell it to a residential shareholder. As a result, the superintendent's unit no longer has shares allocated to it. In addition, the Corporation allocated and issued 58 shares in the Corporation to this other unit, increasing the total number of issued shares for the Corporation from 103,945 to 104,003.

Budget
Property = 029

Period = Mar 2013-Feb 2014

Book = Cash

	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Total
INCOME													
MAINTENANCE	465,162.12	465,162.12	465,162.12	465,162.12	465,162.12	465,162.12	465,162.12	465,162.12	465,162.12	465,162.12	465,162.12	465,162.12	5,581,945.50
STAR CREDITS	-38,641.12	-38,641.12	-38,641.12	-38,641.12	0.00	0.00	0.00	-38,641.12	-38,641.12	-38,641.12	-38,641.12	-38,641.12	-347,770.08
SENIOR CREDIT	-747.35	-747.35	-747.35	-747.35	0.00	0.00	0.00	-747.35	-747.35	-747.35	-747.35	-747.35	-6,726.15
VETERAN CREDIT	-444.30	-444.30	-444.30	-444.30	0.00	0.00	0.00	-444.30	-444.30	-444.30	-444.30	-444.30	-3,998.70
RENT	4,002.57	4,002.57	4,002.57	4,002.57	4,002.57	4,002.57	4,002.57	4,002.57	4,002.57	4,002.57	4,002.57	4,002.57	48,030.84
STORAGE	3,680.00	3,680.00	3,680.00	3,680.00	3,680.00	3,680.00	3,680.00	3,680.00	3,680.00	3,680.00	3,680.00	3,680.00	44,160.00
PARKING	24,455.00	24,455.00	24,455.00	24,455.00	24,455.00	24,455.00	24,455.00	24,455.00	24,455.00	24,455.00	24,455.00	24,455.00	293,460.00
LAUNDRY	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	50,400.00
SERVICE INCOME	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	2,000.00
LATE CHARGES & NSF	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	22,000.00
LEGAL FEE RECOVERY	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	25,000.00
MISCELLANEOUS INCOME	291.67	291.67	291.67	291.67	291.67	291.67	291.67	291.67	291.67	291.67	291.67	291.67	3,500.00
KEY FEES	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	1,300.00
POOL FEES	0.00	0.00	15,000.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,500.00
OFFERING PLAN FEE	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.00
TOTAL INCOME	466,275.25	466,275.25	481,275.25	466,275.25	506,108.02	506,108.02	506,108.02	466,275.25	466,275.25	466,275.25	466,275.25	466,275.25	5,730,301.41
EXPENSES													
FUEL OIL	253,125.00	146,425.00	70,312.50	56,250.00	56,250.00	28,125.00	28,125.00	56,250.00	70,312.50	140,625.00	253,125.00	253,125.00	1,412,050.00
UTILITIES - ELECTRIC	16,750.00	16,750.00	16,750.00	16,750.00	16,750.00	16,750.00	16,750.00	16,750.00	16,750.00	16,750.00	16,750.00	16,750.00	201,000.00
UTILITIES - GAS	3,250.00	3,250.00	3,250.00	3,250.00	3,250.00	3,250.00	3,250.00	3,250.00	3,250.00	3,250.00	3,250.00	3,250.00	39,000.00
SUPPLIES	8,750.00	8,750.00	8,750.00	8,750.00	8,750.00	8,750.00	8,750.00	8,750.00	8,750.00	8,750.00	8,750.00	8,750.00	105,000.00
SUPPLIES POOL	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
SUPPLIES PLUMBING	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.00
SUPPLIES OFFICE	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	2,000.00
SUPPLIES UNIFORMS	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	500.00
SUPPLIES LANDSCAPING	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	6,000.00
REPAIRS & MAINTENANCE	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	200,000.00
CONTRACT SNOW REMOVAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,600.00
CONTRACT ELEVATOR	4,449.42	4,449.42	4,449.42	4,449.42	4,449.42	4,449.42	4,449.42	4,449.42	4,449.42	4,449.42	4,449.42	4,449.42	53,393.00
CONTRACT SPRINKLER	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
CONTRACT ALARM SYSTEM	350.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	350.00
CONTRACT TOWING	0.00	0.00	850.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	850.00
CONTRACT FIRE SAFETY	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	800.00
CONTRACT UNIFORM	708.33	708.33	708.33	708.33	708.33	708.33	708.33	708.33	708.33	708.33	708.33	708.33	8,500.00
CONTRACT COPIER	270.83	270.83	270.83	270.83	270.83	270.83	270.83	270.83	270.83	270.83	270.83	270.83	3,250.00
CONTRACT POSTAGE METER	170.83	170.83	170.83	170.83	170.83	170.83	170.83	170.83	170.83	170.83	170.83	170.83	2,050.00
CONTRACT GARAGE	375.00	375.00	375.00	375.00	375.00	375.00	375.00	375.00	375.00	375.00	375.00	375.00	4,500.00
LICENSE/PERMITS/FEES	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67	6,500.00
MANAGEMENT	20,333.92	20,333.92	20,333.92	20,333.92	20,333.92	20,333.92	20,333.92	20,333.92	20,333.92	20,333.92	20,333.92	20,333.92	245,227.05
LEGAL	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	30,000.00
ACCOUNTING	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	30,000.00
PAYROLL & RELATED COSTS	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	720,000.00
EMPLOYER FICA	4,833.33	4,833.33	4,833.33	4,833.33	4,833.33	4,833.33	4,833.33	4,833.33	4,833.33	4,833.33	4,833.33	4,833.33	58,000.00
EMPLOYER FLTA	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	1,300.00
EMPLOYER NY SUI	916.67	916.67	916.67	916.67	916.67	916.67	916.67	916.67	916.67	916.67	916.67	916.67	11,000.00
UNION PROFIT SHARING	520.00	520.00	520.00	520.00	520.00	520.00	520.00	520.00	520.00	520.00	520.00	520.00	6,240.00
UNION PENSION	2,592.12	2,721.72	2,721.72	2,721.72	2,721.72	2,721.72	2,721.72	2,721.72	2,721.72	2,721.72	2,721.72	2,721.72	32,531.04

Property = 029

Budget

Period = Mar 2013-Feb 2014

Book = Cash

	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Total
UNION LEGAL SERVICES	199.56	199.56	199.56	199.56	199.56	199.56	199.56	199.56	199.56	199.56	199.56	199.56	2,394.72
UNION TRAINING	169.56	169.56	169.56	169.56	169.56	169.56	169.56	169.56	169.56	169.56	169.56	169.56	2,034.72
WORKERS COMPENSATION	12,924.00	12,924.00	12,924.00	12,924.00	12,924.00	12,924.00	12,924.00	12,924.00	12,924.00	12,924.00	12,924.00	12,924.00	157,416.00
DISABILITY INSURANCE	2,135.60	2,135.60	2,135.60	2,135.60	2,135.60	2,135.60	2,135.60	2,135.60	2,135.60	2,135.60	2,135.60	2,135.60	25,627.20
PAYROLL PREPARATION	183.33	183.33	183.33	183.33	183.33	183.33	183.33	183.33	183.33	183.33	183.33	183.33	2,200.00
WATER & SEWER	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	3,600.00
NY STATE CORP TAX	14,583.33	14,583.33	14,583.33	14,583.33	14,583.33	14,583.33	14,583.33	14,583.33	14,583.33	14,583.33	14,583.33	14,583.33	175,000.00
INSURANCE	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	1,300.00
PHONE	21,478.00	21,478.00	21,478.00	21,478.00	21,478.00	21,478.00	21,478.00	21,478.00	21,478.00	21,478.00	21,478.00	21,478.00	257,736.00
PHONE CELLULAR	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	18,000.00
INTERNET CONNECTIVITY	675.00	675.00	675.00	675.00	675.00	675.00	675.00	675.00	675.00	675.00	675.00	675.00	8,100.00
COMPUTER SUPPORT	316.67	316.67	316.67	316.67	316.67	316.67	316.67	316.67	316.67	316.67	316.67	316.67	3,800.00
MISCELLANEOUS	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	1,000.00
COPIES, POSTAGE & FAX	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	4,000.00
GRATUITIES & GIFTS	525.00	525.00	525.00	525.00	525.00	525.00	525.00	525.00	525.00	525.00	525.00	525.00	6,300.00
MEMBERSHIP DUES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,600.00
MTG NCB	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	2,000.00
MTG CREDIT LINE NCB	81,590.88	81,590.88	81,590.88	81,590.88	81,590.88	81,590.88	81,590.88	81,590.88	81,590.88	81,590.88	81,590.88	81,590.88	979,090.56
TAX/STAR ESCROW	2,020.13	2,020.13	2,020.13	2,020.13	2,020.13	2,020.13	2,020.13	2,020.13	2,020.13	2,020.13	2,020.13	2,020.13	24,241.56
MCIS & CONTINGENCY	52,647.50	52,647.50	52,647.50	52,647.50	52,647.50	52,647.50	52,647.50	52,647.50	52,647.50	52,647.50	52,647.50	52,647.50	77,451.18
TOTAL EXPENSES	601,256.61	494,336.21	419,073.71	404,161.21	443,993.88	415,868.98	412,868.98	404,161.21	432,123.71	493,836.21	602,810.22	602,810.38	5,730,301.41
NET INCOME/(LOSS)	-134,981.36	-28,060.96	62,201.54	62,614.04	62,114.04	90,239.04	90,239.04	62,114.04	34,151.54	-27,560.96	-136,534.97	-136,535.03	0.00
CASH FLOW	-134,981.36	-28,060.96	62,201.54	62,614.04	62,114.04	90,239.04	90,239.04	62,114.04	34,151.54	-27,560.96	-136,534.97	-136,535.03	0.00

FORTY- FIRST AMENDMENT

TO

OFFERING PLAN OF

COOPERATIVE OWNERSHIP OF

PREMISES KNOWN AS

1, 2, 3, 4 AND 5 SADORE LANE

YONKERS, NEW YORK 10710

Dated: April 13, 2015

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED SEPTEMBER 28, 1982, AND THE FIRST AMENDMENT DATED NOVEMBER 10, 1982; THE SECOND AMENDMENT DATED AUGUST 17, 1983; THE THIRD AMENDMENT DATED SEPTEMBER 7, 1983; THE FOURTH AMENDMENT DATED NOVEMBER 30, 1983; THE FIFTH AMENDMENT DATED MARCH 2, 1984; THE SIXTH AMENDMENT DATED SEPTEMBER 6, 1984; THE SEVENTH AMENDMENT DATED JULY 9, 1985; THE EIGHTH AMENDMENT DATED MARCH 24, 1987; THE NINTH AMENDMENT DATED APRIL 30, 1987; THE TENTH AMENDMENT DATED JUNE 12, 1987; THE ELEVENTH AMENDMENT DATED SEPTEMBER 8, 1987; THE TWELFTH AMENDMENT DATED JUNE 29, 1988; THE THIRTEENTH AMENDMENT DATED DECEMBER 5, 1989; THE FOURTEENTH AMENDMENT DATED JUNE 27, 1990; THE FIFTEENTH AMENDMENT DATED NOVEMBER 6, 1991; THE SIXTEENTH AMENDMENT DATED APRIL 23, 1992; THE SEVENTEENTH AMENDMENT DATED NOVEMBER 12, 1992; THE EIGHTEENTH AMENDMENT DATED JANUARY 7, 1994; THE NINETEENTH AMENDMENT DATED APRIL 21, 1995; THE TWENTIETH AMENDMENT DATED SEPTEMBER 22, 1995; THE TWENTY FIRST AMENDMENT DATED SEPTEMBER 24, 1996; THE TWENTY SECOND AMENDMENT DATED SEPTEMBER 18, 1997; THE TWENTY THIRD AMENDMENT DATED NOVEMBER 9, 1998; THE TWENTY FOURTH AMENDMENT DATED DECEMBER 22, 1999; THE TWENTY FIFTH AMENDMENT DATED JUNE 6, 2000; THE TWENTY SIXTH AMENDMENT DATED JULY 24, 2001; THE TWENTY SEVENTH AMENDMENT DATED SEPTEMBER 3, 2002; THE TWENTY EIGHTH AMENDMENT DATED JUNE 9, 2003; THE TWENTY NINTH AMENDMENT DATED FEBRUARY 6, 2004; THE THIRTIETH AMENDMENT DATED NOVEMBER 15, 2004; THE THIRTY FIRST AMENDMENT DATED FEBRUARY 9, 2005, THE THIRTY SECOND AMENDMENT DATED FEBRUARY 10, 2006, THE THIRTY THIRD AMENDMENT DATED MARCH 19, 2007, THE THIRTY FOURTH AMENDMENT DATED MAY 29, 2008, THE THIRTY FIFTH AMENDMENT DATED APRIL 2, 2009, THE THIRTY SIXTH AMENDMENT DATED JANUARY 5, 2010; THE THIRTY SEVENTH AMENDMENT DATED JANUARY 28, 2011, AND THE THIRTY EIGHTH AMENDMENT DATED FEBRUARY 17, 2012; THIRTY NINTH AMENDMENT DATED APRIL 4, 2013, FORTIETH AMENDMENT DATED APRIL 10, 2014, AND SHOULD

Holder of Unsold Shares:
GUARDIAN TOWERS, LLC

The Cooperative Offering Plan, a Plan to convert to cooperative ownership premises at 1-5 Sadore Lane, Yonkers, New York, dated September 28, 1982, as heretofore amended (the "Plan") is hereby further amended as follows:

1. **Sale of Unsold Shares.** The Sponsor currently holds Unsold Shares allocated to 114 of the 780 Apartments at the Premises, representing 14.61% of all the Apartments, as set forth in Exhibit "A-1" annexed.

2. **Sponsor's Obligations.** The Sponsor has no financial obligations to the Apartment Corporation other than for payment of maintenance charges and assessments, other than as follows: the Sponsor is responsible for the payment of reserve fund contributions at the rate of \$7.3972 per Unsold Share sold. The Sponsor is current in all its financial obligations to the Apartment Corporation, and during the previous twelve months the Sponsor has not been in default with respect to any such obligations beyond any applicable grace period.

3. **Sponsor's Unsold Shares.** The Sponsor, as Holder of the remaining Unsold Shares, will hold the Shares allocated to the apartments (the "Apartments") indicated on Exhibit "A" annexed hereto. As of March 1, 2015 the aggregate monthly maintenance charges due in connection with the Unsold Shares allocated to the Apartments are \$74,905.60. The aggregate monthly rents received from tenants of the Apartments are \$83,757.94 as of March 1, 2015. The Sponsor shall pay its obligations to the Apartment Corporation from the rent collected. The Sponsor plans to market the vacant Apartments to which Unsold Shares are allocated. As those Apartments are sold the monthly maintenance charges due to the Apartment Corporation from the Sponsor will decrease.

4. **Disclosure for Guardian Towers LLC.** Guardian, as a Holder of Unsold Shares, owns the shares allocated to thirteen apartments; in addition, Guardian has acquired the shares allocated to two additional apartments which had previously been sold. Guardian has no financial obligations to the Apartment Corporation other than for payment of maintenance charges and assessments. Guardian is current in all its financial obligations to the Apartment Corporation, and during the previous twelve months Guardian has not been in default with respect to any such obligations beyond any applicable grace period. Guardian is responsible for the monthly

\$16,280.00. Guardian intends to market or lease the its apartments, depending on market conditions, and shall pay its obligations to the Apartment Corporation from the proceeds of sales and rents as well as its reserves. Guardian or principals of Guardian do not own more than 10% of the shares or units in other cooperative or condominium conversion projects. As disclosed in the Thirty Sixth Amendment to the Offering Plan, Guardian had obtained share loans from Hudson Valley Bank secured by the pledge of the Guardian's Unsold Shares and proprietary leases except 3 Sadore Lane, Apartment 7D and 4 Sadore Lane, Apt. 3C. Since then, Guardian has repaid one of the loans, leaving only one loan outstanding at a reduced amount; as of March 1, 2015, the monthly payment on the outstanding loan is \$4,994.90 per month; future payments may be reduced due to release payments made in connection with the sales of Unsold Shares. Guardian's loan matures in December 2019 and is prepayable with a penalty computed as a percentage of the principal prepaid; the rate is 5% this year, reducing 1% per year until maturity. Guardian is required to maintain insurance on its units in connection with this loan. Guardian has been current in its payments to its lender during the past twelve (12) months.

5. **Sponsor's Other Cooperative Projects.** The Sponsor or principals of the Sponsor do not own more than 10% of the shares or units in other cooperative or condominium conversion projects.

6. **Sponsor's Financing of Unsold Shares.** As disclosed in the Thirty Third and Thirty Eighth Amendments to the Offering Plan, the Sponsor has obtained a loan secured by the pledge of the Sponsor's Unsold Shares and proprietary leases. The monthly payments on this loan vary due to (a) daily interest accrual, (b) prepayments due to sales, and (c) rate fluctuation. The most recent two month's payments were as follows: February 1, 2015: \$9,957.63; March 1, 2015: \$9,393.74. The Sponsor has been current in its payments to its lender during the past twelve (12) months.

7. **Financial Statements.** Annexed hereto as Exhibit "B" are the Apartment Corporation's audited financial statements for the years ended February 28, 2014, and February 28, 2013.

8. **Current Maintenance Charges, Budget.** The current maintenance charges are \$4.48 per share per month. Maintenance charges were last increased as of June 1, 2011; that increase was 1.030% and no additional increase is currently planned. A review of the Apartment Corporation's

secretary, Charles Scheinberg, treasurer, Gordon Burrows, James Schoen, and Phyllis Raskin. Of the foregoing, James Schoen and Phyllis Raskin are affiliated with the Sponsor. The Sponsor gave up control of the board of directors as of the meeting held on April 26, 1984.

10. **Maximum Price for Unsold Shares.** The maximum purchase price for all Unsold Shares is hereby increased to \$2,000.00 per share as set forth in the 40th Amendment.

11. The Offering Plan, as modified, supplemented and extended hereby, is incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment, not otherwise defined herein, shall have the same meanings ascribed to them in the Offering Plan.

12. Except as set forth herein there have been no material changes in the terms of the Offering.

SADORE LANE GARDENS, INC.

Apartment Corporation

GARDEN TOWERS LLC

Sponsor

GUARDIAN TOWERS, LLC

Holder of Unsold Shares

BUILDING NO. 1

APT.#	SHARES	APT.#	SHARES	APT.#	SHARES	APT.#	SHARES
1E	130	3B	205	4G	134	7C	110
1L	162	3N	102	5G	136	7G	140
2A	100	3T	168	5L	172	7T	176
2T	166	3Z	102	6L	174	7X	176
2X	166	4B	207	6V	142		
				7B	213		
							3,081

Building Totals:

Apartments: 20Shares: 3,081**BUILDING NO. 2**

APT.#	SHARES	APT.#	SHARES	APT.#	SHARES	APT.#	SHARES
1V	126	3T	157	4T	159	6Y	174
1W	110	3X	163	5B	209	7H	144
2C	95	4F	163	5Y	172	7J	128
2G	134	4H	138	6H	142	7P	105
2M	100	4K	170	6W	122	7R	74
2Y	166	4O	207			7Z	110
							3,268

Building Totals:

Apartments: 23Shares: 3,268**BUILDING NO. 3**

APT.#	SHARES	APT.#	SHARES	APT.#	SHARES	APT.#	SHARES
1B	96	2H	134	4U	138	6E	142
1E	130	2V	134	4W	122	6V	142
1S	130	3C	102	5S	140	7C	110
1Y	162	3G	136	5X	172	7G	144
1Z	96	4S	138			7X	176
							2,544

Building Totals:

Apartments: 19Shares: 2,544**BUILDING NO. 4**

APT.#	SHARES	APT.#	SHARES	APT.#	SHARES	APT.#	SHARES
1C	91	2S	128	4X	170	6G	142
1N	96	3H	136	5B	209	6L	174
1X	162	3K	166	5F	165	6Y	174

2B	203	3U	136	5O	209	7H	144
2E	128	4K	168	5T	167	7T	171
2K	164	4V	138	6C	103	7Y	176
							4,347

Building Totals:

Apartments: 28

Shares 4,347

BUILDING NO. 5

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
LG	128	2P	132	4L	138	6L	142
LM	94	2R	132	4R	138	6R	142
1E	128	3B	136	5N	169	7B	144
1H	114	3E	205	6C	142	7E	213
1L	132	4C	138	6E	211	7F	144
2K	134	4G	138	6K	142	7G	144
							3,480

Building Totals:

Apartments: 24

Shares: 3,480

Project Unsold Share Totals: 16,720

Apartments: 114

UNSOLD APARTMENTS
GUARDIAN TOWERS, LLC
As of: March 1, 2015

Apartment no.	No. of shares
1-4K	165
1-4M	104
2-4M	104
3-2J	118
3-2S	134
3-4K	170
3-7D	78
4-1J	112
4-3C	97
4-5D	70
4-6M	108
5-4H	120
5-4P	138
total shares	1,518

13 Apartments

Also Owned by Guardian Towers LLC But Not Unsold Shares

3-1D	64
4-5R	70

2 Apartments

SADORE LANE GARDENS, INC.
FINANCIAL STATEMENTS
YEARS ENDED FEBRUARY 28, 2014 AND 2013

Exhibit B

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Balance sheets	3
Statements of revenues and expenses	4
Statements of shareholders' deficit	5
Statements of cash flows	6
Notes to financial statements	7 - 13

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sadore Lane Gardens, Inc.

We have audited the accompanying financial statements of Sadore Lane Gardens, Inc. (the "Corporation") (a cooperative housing corporation), which comprise the balance sheets as of February 28, 2014 and 2013, and the related statements of revenues and expenses, shareholders' deficit and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

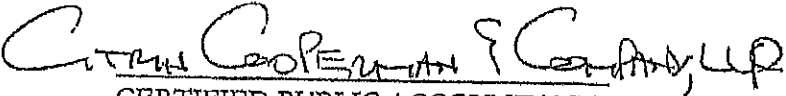
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sadore Lane Gardens, Inc. as of February 28, 2014 and 2013, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matter

Management has not estimated the remaining lives and replacement costs of the common property and, therefore, has omitted the information about the estimates of future costs of major repairs and replacements and related estimated useful lives of the common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.


CITRA COOPERMAN & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

White Plains, New York
September 10, 2014

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 4,131,152	\$ 142,577
Escrow deposits	421,437	1,284,379
Assessments and other receivables	120,219	147,365
Prepaid real estate taxes and other assets	320,768	242,405
Deferred finance costs, net	450,027	23,330
Property and equipment, net	<u>7,168,745</u>	<u>7,266,572</u>
TOTAL ASSETS	<u>\$ 12,612,348</u>	<u>\$ 9,106,628</u>

LIABILITIES AND SHAREHOLDERS' DEFICIT

<u>Liabilities:</u>		
Accounts payable, accrued expenses, and other liabilities	\$ 328,824	\$ 436,586
Line of credit	-	495,300
Mortgage note payable	<u>19,000,000</u>	<u>14,722,816</u>
Total liabilities	<u>19,328,824</u>	<u>15,654,702</u>
Commitments and contingencies (Notes 7, 8, and 9)		
<u>Shareholders' deficit:</u>		
Common stock - \$1 par value; authorized 120,000 shares; 104,003 shares issued and outstanding	104,003	104,003
Additional paid-in capital	2,734,939	2,734,939
Accumulated deficit	<u>(9,409,696)</u>	<u>(9,241,294)</u>
	(6,570,754)	(6,402,352)
Less: receivable from Sponsor	<u>(145,722)</u>	<u>(145,722)</u>
Total shareholders' deficit	<u>(6,716,476)</u>	<u>(6,548,074)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	<u>\$ 12,612,348</u>	<u>\$ 9,106,628</u>

See accompanying notes to financial statements.

	<u>2014</u>	<u>2013</u>
Revenues:		
Maintenance assessments	\$ 5,586,532	\$ 5,571,571
Parking fees	284,646	285,710
Interest and dividend income	15,729	10,882
Laundry receipts	50,400	50,400
Storage fees	49,950	48,580
License fee	35,731	46,799
Other	<u>85,969</u>	<u>135,082</u>
Total revenues	<u>6,108,957</u>	<u>6,149,024</u>
Expenses:		
Administrative	686,668	661,548
Utilities	1,419,271	1,261,671
Building operations	92,005	79,194
Payroll and related costs	994,470	999,713
Interest	842,744	827,039
Real estate taxes	1,339,602	1,453,896
Major repairs and replacements	<u>598,763</u>	<u>546,261</u>
Total expenses	<u>5,973,523</u>	<u>5,829,322</u>
Excess of revenues over expenses before depreciation and amortization of deferred finance costs	135,434	319,702
Depreciation	272,878	275,969
Amortization of deferred finance costs	<u>30,958</u>	<u>23,330</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ <u>(168,402)</u>	\$ <u>20,403</u>

	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Treasury Stock</u>		<u>Receivable from Sponsor</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Amount</u>	<u>Total</u>
Balance, March 1, 2012	103,945	\$ 103,945	\$ 2,690,082	\$ (9,261,697)	114	\$ (125,255)	\$ (164,022)	\$ (6,756,947)
Excess of revenues over expenses	-	-	-	20,403	-	-	-	20,403
Allocation and issuance of 58 shares in the Corporation	58	58	(58)	-	-	-	-	-
Reallocate 114 shares from a superintendent's unit	-	-	(125,255)	-	(114)	125,255	-	-
Capital contribution from sale of residential unit	-	-	170,170	-	-	-	-	170,170
Payments received from the Sponsor	-	-	-	-	-	-	18,300	18,300
Balance, February 28, 2013	104,003	104,003	2,734,939	(9,241,294)	-	-	(145,722)	(6,548,074)
Deficiency of revenues over expenses	-	-	-	(168,402)	-	-	-	(168,402)
BALANCE, FEBRUARY 28, 2014	<u>104,003</u>	<u>\$ 104,003</u>	<u>\$ 2,734,939</u>	<u>\$ (9,409,696)</u>	<u>-</u>	<u>\$ -</u>	<u>\$ (145,722)</u>	<u>\$ (6,716,476)</u>

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Excess (deficiency) of revenues over expenses	\$ (168,402)	\$ 20,403
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	303,836	299,299
Changes in assets and liabilities:		
Escrow deposits	862,942	(384,950)
Assessments and other receivables	27,146	(39,375)
Prepaid real estate taxes and other assets	(78,363)	7,910
Accounts payable, accrued expenses, and other liabilities	<u>(107,762)</u>	<u>116,900</u>
Net cash provided by operating activities	<u>839,397</u>	<u>20,187</u>
Cash used in investing activities:		
Purchases of property and equipment	<u>(175,051)</u>	<u>(663,739)</u>
Cash flows from financing activities:		
Deferred finance costs	(457,655)	-
Repayments of line of credit	(495,300)	(1,200)
Repayments of mortgage payable	(14,722,816)	(174,742)
Proceeds from refinancing mortgage payable	19,000,000	-
Capital contribution	-	170,170
Collection of amount due from Sponsor	<u>-</u>	<u>18,300</u>
Net cash provided by financing activities	<u>3,324,229</u>	<u>12,528</u>
Net increase (decrease) in cash and cash equivalents	3,988,575	(631,024)
Cash and cash equivalents - beginning	<u>142,577</u>	<u>773,601</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 4,131,152</u>	<u>\$ 142,577</u>
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$ 839,734</u>	<u>\$ 827,039</u>

FEBRUARY 28, 2014 AND FEBRUARY 28, 2013

NOTE 1. ORGANIZATION

Sadore Lane Gardens, Inc. (the "Corporation") is a cooperative housing corporation that was incorporated in the state of New York on March 1, 1984. The Corporation owns five buildings known as Sadore Lane Gardens located in Yonkers, New York (the "Property"). The buildings consist of 778 units; as of February 28, 2014, there were 658 units owned by tenant-shareholders and 120 units owned by Garden Towers, Inc. (the "Sponsor").

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Corporation's financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Corporation considers all short-term investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents consist principally of money market funds.

Deferred Finance Costs

Deferred finance costs are amortized over the term of the related mortgage loans using the straight-line method. During the year ended February 28, 2014, the Corporation paid financing costs of \$457,655 in connection with refinancing the Corporation's mortgage and line of credit with The Dime Savings Bank of Williamsburgh (the "Dime Savings Bank") as described in Notes 7 and 8. The balance of the deferred finance costs on the previous loans with National Cooperative Bank, FSB, and the related accumulated amortization have been eliminated accordingly.

Accumulated amortization amounted to \$7,628 and \$209,968 at February 28, 2014 and 2013, respectively. The remaining life of the deferred finance costs at February 28, 2014, is 9 years and 10 months.

Property and Equipment

Property and equipment are stated at cost. Buildings, building improvements and equipment are depreciated over the estimated useful lives. Building improvements are capitalized, while repairs and maintenance are charged to expense when incurred.

FEBRUARY 28, 2014 AND FEBRUARY 28, 2013

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Tenant-shareholders are subject to monthly maintenance assessments to provide funds for the Corporation's operating expenses. Tenant-shareholder receivables at the balance sheet date represent maintenance fees due from tenant-shareholders. The Corporation's policy is to retain legal counsel and place liens on the shares of stock of tenant-shareholders whose assessments are delinquent for 30 days or more. No maintenance fees receivable at February 28, 2014 and 2013, were considered uncollectible. Any excess assessments at year end are retained by the Corporation for use in the succeeding year.

Income Taxes

The Corporation is qualified to prepare its tax returns pursuant to the provisions of Subchapter T of the Internal Revenue Code. Subchapter T provides that expenses attributable to the generation of patronage income, i.e., income from business done with or for patrons (tenant cooperators), are deductible only to the extent of patronage income. The Corporation believes that all of its income for the years ended February 28, 2014 and 2013, is patronage income within the meaning of Subchapter T.

The Corporation accounts for current and deferred income taxes and, when appropriate, deferred tax assets and liabilities are recorded with respect to temporary differences in the accounting treatment of items for financial reporting purposes and for income tax purposes. Where, based on the weight of all available evidence, it is more likely than not that some amount of the recorded deferred tax assets will not be realized, a valuation allowance is established for that amount that, in management's judgment, is sufficient to reduce the deferred tax asset to an amount that is more likely than not to be realized.

Subsequent Events

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 855, *Subsequent Events*, the Corporation has evaluated subsequent events through September 10, 2014, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 3.

FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Corporation's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The Corporation has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of the costs of major repairs and replacements that may be required in the future, nor has it developed a plan to fund those needs. When funds are required for future major repairs and replacements, the Corporation plans to either borrow, increase maintenance assessments, or delay repairs and replacements until funds are available. The effect on future assessments has not been determined.

FEBRUARY 28, 2014 AND FEBRUARY 28, 2013

NOTE 4. CONCENTRATION OF CREDIT RISK

At February 28, 2014 and 2013, and routinely throughout each year, the Corporation maintained cash deposits with financial institutions and a brokerage firm in excess of federally insurable limits. The Corporation has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk with respect to cash.

NOTE 5. RECEIVABLE FROM SPONSOR

Pursuant to the offering plan, as amended, the Corporation was to receive \$1,000,000 from the Sponsor from the proceeds of the sale of the Corporation's shares of common stock held by the Sponsor ("Sponsor Shares"). As of February 28, 2014, the Corporation has received a total of \$854,278 since inception, of which \$18,300 was received during the year ended February 28, 2013. No payments were received during the year ended February 28, 2014. Collection of the remaining balance of \$145,722 is subject to the Sponsor's sale of the Sponsor Shares. Amounts due from the Sponsor are noninterest bearing.

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	2014	2013
Land	\$ 1,568,638	\$ 1,568,638
Buildings	8,888,950	8,888,950
Building improvements	9,200,686	8,879,451
Equipment	600,793	594,416
Building improvements in progress	<u>23,873</u>	<u>176,435</u>
	20,282,940	20,107,890
Less: accumulated depreciation	<u>(13,114,195)</u>	<u>(12,841,318)</u>
	<u>\$ 7,168,745</u>	<u>\$ 7,266,572</u>

Depreciation expense amounted to \$272,878 and \$275,969 for the years ended February 28, 2014 and 2013, respectively.

NOTE 7. REVOLVING LINE OF CREDIT

In February 2004, the Corporation entered into a line of credit agreement with National Cooperative Bank, FSB (the "Bank") that allows the Corporation to borrow up to a maximum of \$3,500,000. The agreement expired in March 2014 and was secured by a second mortgage on the land, building and improvements owned by the Corporation. Monthly payments of principal, in the minimum amount of \$100, and interest, at the Bank's prime rate plus 1.25% (4.50% at February 28, 2013), were made on the outstanding balance until maturity.

On December 18, 2013, the Corporation refinanced the mortgage payable and line of credit with the Dime Savings Bank and obtained a revolving credit line in the principal amount of \$2,990,000. The revolving credit line matures in January 2024 and bears interest at a prime rate plus 1% (not less than 4.25% per annum). At February 28, 2014, there was no outstanding balance on the revolving line of credit.

FEBRUARY 28, 2014 AND FEBRUARY 28, 2013

NOTE 8. MORTGAGE PAYABLE

The Corporation had a mortgage with the Bank in the amount of \$16,000,000. The mortgage, which matured in March 2014 and bore interest at the rate of 5.34% per annum, was payable in monthly installments of principal and interest of \$81,591, with a balloon payment of approximately \$14,560,000 due at maturity. The mortgage was repaid in December 2013.

On December 18, 2013, the Corporation refinanced the previous mortgage with the Dime Savings Bank in the amount of \$19,000,000. The new mortgage, which matures in January 2024 and bears interest at the rate of 4.20% per annum, requires monthly interest and escrow payments. The mortgage note is collateralized by the land, building and improvements owned by the Corporation.

NOTE 9. COMMITMENTS AND CONTINGENCIES

Agreement for Management Services

The Corporation entered into a managing agent agreement with Prime Locations, Inc. ("Prime"), whereby Prime is responsible for processing all day-to-day bookkeeping transactions and contracting for goods and services (including labor) required in the normal operations of the properties, subject to board approval in certain instances. As of January 1, 2011, the management agreement was renewed through 2015, and provides that Prime shall receive an annual fee of \$230,000 (increased annually by 3%). During the years ended February 28, 2014 and 2013, fees of \$245,227 and \$238,085, respectively, were paid to Prime under this agreement.

Agreement for Parking Garage Services

The Corporation entered into a parking management agreement with a managing agent to manage the garages and outside parking. The agreement authorizes the agent to offer these services to the tenant-shareholders for rates specified in the agreement. In consideration, the agent shall remit a monthly fee of \$23,688 to the Corporation, subject to certain adjustments contained in the agreement. The agreement is renewable every five years and the current agreement expires in October 2015. For the years ended February 28, 2014 and 2013, parking fees received from the agent amounted to \$284,646 and \$285,710, respectively.

Agreement for Maintenance of Laundry Facilities

The Corporation entered into an agreement with a maintenance contractor to assume operation and maintenance of the laundry machines. The agreement expires on December 31, 2019. In accordance with the agreement, the Corporation received \$50,400 from the contractor for each of the years ended February 28, 2014 and 2013.

FEBRUARY 28, 2014 AND FEBRUARY 28, 2013

NOTE 9. COMMITMENTS AND CONTINGENCIES (CONTINUED)

License Fee Agreement

In October 2000, the Corporation signed a license fee agreement with a company to provide 225 square feet of floor space upon the rooftop of a designated building. Under the agreement, the company was authorized to operate a rooftop antenna and associated equipment for telecommunications purposes. The agreement provides that the Corporation is to receive a monthly fee of \$2,500 (increased annually by 4%). In 2010, this agreement was automatically renewed for the second of two additional five-year terms.

Effective December 6, 2012, the company exercised its right to terminate the license fee agreement with the Corporation. However, the Corporation continued to receive monthly license fees from the company until October 2013. The equipment was removed from the rooftop of the building in 2014.

Agreement for Lawn Maintenance

Effective March 1, 2014, the Corporation entered into a two year agreement with a landscaping maintenance company to assume the maintenance of the lawns. The agreement expires on February 1, 2016. In accordance with the agreement, the landscaping maintenance company is entitled to receive \$90,000 for each of the years ended February 28, 2015 and February 29, 2016.

Agreement for Maintenance of Elevators

Effective April 1 2014, the Corporation signed a six-year agreement with an elevator contractor to assume maintenance of the elevators. Under this agreement, the elevator contractor is entitled to receive \$39,960 per year from the Corporation, subject to annual adjustments as defined in the agreement. The agreement is renewable every six years.

NOTE 10. INCOME TAXES

Net Operating Loss Carryforwards

The Corporation has federal and state tax loss carryforwards of approximately \$6,367,000, which, if not utilized, will expire as follows:

<u>Years ending February 28/29:</u>	<u>Amount</u>
2015	\$ 187,000
2016	259,000
2017	782,000
2018	326,000
2019-2034	<u>4,813,000</u>
	<u>\$ 6,367,000</u>

The net operating loss carryforwards give rise to a deferred tax asset of approximately \$2,165,000 and \$2,106,000 at February 28, 2014 and 2013, respectively, which have been fully reserved for due to management's assessment that it is more likely than not that the loss carryforwards will expire before they are utilized.

NOTE 10. INCOME TAXES (CONTINUED)

Uncertain Tax Positions

In accordance with FASB ASC 740, *Income Taxes*, the Corporation has applied the "more likely than not" threshold to the recognition and derecognition of tax positions. The standard also provides guidance on the measurement of tax positions, balance sheet classification, interest and penalties, accounting in interim periods, disclosures and transition. Using this guidance, the Corporation had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements as of February 28, 2014 or February 28, 2013.

The Corporation files income tax returns in the U.S. federal jurisdiction and in New York State. With few exceptions, the Corporation is no longer subject to U.S. federal and state tax examinations by taxing authorities for years before February 28, 2011.

NOTE 11. MULTI-EMPLOYER PLAN

The Corporation contributes to a multiemployer defined benefit pension plan under the terms of a collective-bargaining agreement that covers its union-represented employees. Substantially all of the Corporation's employees are subject to a collective bargaining agreement and are covered under a multiemployer plan. The risks of participating in the multiemployer plan are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, its portion of the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Corporation chooses to stop participating in its multiemployer plan, it may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability. The Corporation currently has no intention of withdrawing from the plan.

The Corporation's participation in the plan for the years ended February 28, 2014 and 2013, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number ("EIN") and the three-digit plan number, if applicable. The most recent Pension Protection Act ("PPA") zone status available in 2012 and 2011 is for the plan's year end at June 30, 2012 and 2011, respectively. The zone status is based on information that the Corporation received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented. The last column lists the expiration date of the collective-bargaining agreement to which the plan is subject.

FEBRUARY 28, 2014 AND FEBRUARY 28, 2013

NOTE 11. MULTI-EMPLOYER PLAN (CONTINUED)

Pension Fund	EIN/Pension Plan Number	Pension's Protection Act Zone Status		FIP/RP Status Pending or Implemented	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
		2014	2013			
Central Pension Fund of the International Union, Local 32BJ and Participating Employers (a)	13-1879376/001	Red	Red	Yes	No	April 20, 2018

(a) The zone status was certified by the plan's actuary as of July 1, 2013 and 2012.

The Corporation was not listed on the Form 5500 as providing more than 5% of the total contributions to the multiemployer defined benefit pension plan.

The Corporation's portion of the projected benefit obligation, plan assets and unfunded liability of the multiemployer pension plans is not material to the Corporation's financial position. However, the failure of participating employers to remain solvent could affect the Corporation's portion of the plans' unfunded liability. Specific benefit levels provided by union pension plans are not negotiated with or known by the employer contributors.

The Corporation also participates in the Building Service 32BJ Health Fund (the "Health Fund"). The Health Fund provides health and other benefits to eligible participants employed by the Corporation. For the years ended February 28, 2014 and 2013, the Corporation made contributions to the multiemployer defined benefit pension plan of \$36,049 and \$37,222, respectively, and to the Health Fund of \$142,848 and \$149,808, respectively.

NOTE 12. TREASURY STOCK AND COMMON STOCK

In May 2011, the Corporation purchased 114 shares of common stock from a tenant-shareholder for \$125,255. As a tenant-shareholder, the seller of the shares had entered into a proprietary lease with the Corporation, which gave them the right to occupy a defined living area and to access all common areas. Such rights were transferred to the Corporation upon its purchase of the shares. It was the Corporation's intent to assign these transferred rights to its superintendent. During the year ended February 28, 2013, the board of directors voted to reallocate 114 shares from a superintendent's unit to another unit in order to sell it to a residential shareholder. As a result, the superintendent's unit no longer has shares allocated to it. In addition, the Corporation allocated and issued 58 shares in the Corporation to this other unit, increasing the total number of issued shares for the Corporation from 103,945 to 104,003.

Property = 029 SADORE LANE GARDENS, INC

Budget

Period = Mar 2015-Feb 2016

Book = Cash

	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Total
2	465,933.43	465,933.43	465,933.43	465,933.43	465,933.43	465,933.43	465,933.43	465,933.43	465,933.43	465,933.43	465,933.43	465,933.47	5,591,201.20
	-36,690.99	-36,690.99	-36,690.99	-36,690.99	-36,690.99	-36,690.99	-36,690.99	-36,690.99	-36,690.99	-36,690.99	-36,690.99	-36,690.99	-330,218.91
	-696.48	-696.48	-696.48	-696.48	-696.48	-696.48	-696.48	-696.48	-696.48	-696.48	-696.48	-696.48	-6,268.32
	-421.69	-421.69	-421.69	-421.69	-421.69	-421.69	-421.69	-421.69	-421.69	-421.69	-421.69	-421.69	-3,795.21
	4,014.36	4,014.36	4,014.36	4,014.36	4,014.36	4,014.36	4,014.36	4,014.36	4,014.36	4,014.36	4,014.36	4,014.36	48,172.32
	23,688.00	23,688.00	23,688.00	23,688.00	23,688.00	23,688.00	23,688.00	23,688.00	23,688.00	23,688.00	23,688.00	23,688.00	284,256.00
	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	46,200.00
	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	500.00
JSF	2,362.17	2,362.17	2,362.17	2,362.17	2,362.17	2,362.17	2,362.17	2,362.17	2,362.17	2,362.17	2,362.17	2,362.17	28,346.00
ERY	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.37	1,300.00
ICOME	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.00
	129.17	129.17	129.17	129.17	129.17	129.17	129.17	129.17	129.17	129.17	129.17	129.13	1,550.00
	2,208.33	2,208.33	2,208.33	2,208.33	2,208.33	2,208.33	2,208.33	2,208.33	2,208.33	2,208.33	2,208.33	2,208.37	26,500.00
EE	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.37	1,000.00
	464,734.63	464,734.63	464,734.63	464,734.63	464,734.63	464,734.63	464,734.63	464,734.63	464,734.63	464,734.63	464,734.63	464,734.67	5,690,243.06
IC	180,535.05	100,297.25	50,148.63	40,118.90	40,118.90	20,059.45	20,059.45	40,118.90	50,148.63	100,297.25	180,535.05	180,535.05	1,002,972.51
	16,809.58	16,809.58	16,809.58	16,809.58	16,809.58	16,809.58	16,809.58	16,809.58	16,809.58	16,809.58	16,809.58	16,809.58	201,715.00
	3,056.75	3,056.75	3,056.75	3,056.75	3,056.75	3,056.75	3,056.75	3,056.75	3,056.75	3,056.75	3,056.75	3,056.75	36,681.00
	7,333.33	7,333.33	7,333.33	7,333.33	7,333.33	7,333.33	7,333.33	7,333.33	7,333.33	7,333.33	7,333.33	7,333.37	88,000.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,000.00
G	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	12,000.00
	183.33	183.33	183.33	183.33	183.33	183.33	183.33	183.33	183.33	183.33	183.33	183.37	2,200.00
IS	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	300.00
APING	2,408.33	2,408.33	2,408.33	2,408.33	2,408.33	2,408.33	2,408.33	2,408.33	2,408.33	2,408.33	2,408.33	2,408.37	28,900.00
NANCE	27,916.67	27,916.67	27,916.67	27,916.67	27,916.67	27,916.67	27,916.67	27,916.67	27,916.67	27,916.67	27,916.67	27,916.63	335,000.00
REMOV	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,000.00
TOR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32,480.10
TLER	183.33	183.33	183.33	183.33	183.33	183.33	183.33	183.33	183.33	183.33	183.33	183.37	2,200.00
SYSTE	33.33	33.33	33.33	33.33	33.33	33.33	33.33	33.33	33.33	33.33	33.33	33.37	400.00
3	79.17	79.17	79.17	79.17	79.17	79.17	79.17	79.17	79.17	79.17	79.17	79.13	950.00
R	236.67	236.67	236.67	236.67	236.67	236.67	236.67	236.67	236.67	236.67	236.67	236.63	2,840.00
SE	441.67	441.67	441.67	441.67	441.67	441.67	441.67	441.67	441.67	441.67	441.67	441.63	5,300.00

Exhibit C

[illegible]

FORTY- SECOND AMENDMENT

TO
OFFERING PLAN OF
COOPERATIVE OWNERSHIP OF

PREMISES KNOWN AS
1, 2, 3, 4 AND 5 SADORE LANE
YONKERS, NEW YORK 10710

June 10,
Dated: April ____, 2016

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED SEPTEMBER 28, 1982, AND THE FIRST AMENDMENT DATED NOVEMBER 10, 1982; THE SECOND AMENDMENT DATED AUGUST 17, 1983; THE THIRD AMENDMENT DATED SEPTEMBER 7, 1983; THE FOURTH AMENDMENT DATED NOVEMBER 30, 1983; THE FIFTH AMENDMENT DATED MARCH 2, 1984; THE SIXTH AMENDMENT DATED SEPTEMBER 6, 1984; THE SEVENTH AMENDMENT DATED JULY 9, 1985; THE EIGHTH AMENDMENT DATED MARCH 24, 1987; THE NINTH AMENDMENT DATED APRIL 30, 1987; THE TENTH AMENDMENT DATED JUNE 12, 1987; THE ELEVENTH AMENDMENT DATED SEPTEMBER 8, 1987; THE TWELFTH AMENDMENT DATED JUNE 29, 1988; THE THIRTEENTH AMENDMENT DATED DECEMBER 5, 1989; THE FOURTEENTH AMENDMENT DATED JUNE 27, 1990; THE FIFTEENTH AMENDMENT DATED NOVEMBER 6, 1991; THE SIXTEENTH AMENDMENT DATED APRIL 23, 1992; THE SEVENTEENTH AMENDMENT DATED NOVEMBER 12, 1992; THE EIGHTEENTH AMENDMENT DATED JANUARY 7, 1994; THE NINETEENTH AMENDMENT DATED APRIL 21, 1995; THE TWENTIETH AMENDMENT DATED SEPTEMBER 22, 1995; THE TWENTY FIRST AMENDMENT DATED SEPTEMBER 24, 1996; THE TWENTY SECOND AMENDMENT DATED SEPTEMBER 18, 1997; THE TWENTY THIRD AMENDMENT DATED NOVEMBER 9, 1998; THE TWENTY FOURTH AMENDMENT DATED DECEMBER 22, 1999; THE TWENTY FIFTH AMENDMENT DATED JUNE 6, 2000; THE TWENTY SIXTH AMENDMENT DATED JULY 24, 2001; THE TWENTY SEVENTH AMENDMENT DATED SEPTEMBER 3, 2002; THE TWENTY EIGHTH AMENDMENT DATED JUNE 9, 2003; THE TWENTY NINTH AMENDMENT DATED FEBRUARY 6, 2004; THE THIRTIETH AMENDMENT DATED NOVEMBER 15, 2004; THE THIRTY FIRST AMENDMENT DATED FEBRUARY 9, 2005; THE THIRTY SECOND AMENDMENT DATED FEBRUARY 10, 2006; THE THIRTY THIRD AMENDMENT DATED MARCH 19, 2007; THE THIRTY FOURTH AMENDMENT DATED MAY 29, 2008; THE THIRTY FIFTH AMENDMENT DATED APRIL 2, 2009; THE THIRTY SIXTH AMENDMENT DATED JANUARY 5, 2010; THE THIRTY SEVENTH AMENDMENT DATED JANUARY 28, 2011, AND THE THIRTY EIGHTH AMENDMENT DATED FEBRUARY 17, 2012; THIRTY NINTH AMENDMENT DATED APRIL 4, 2013, FORTIETH AMENDMENT DATED APRIL 10, 2014, THE FORTY-FIRST AMENDMENT DATED APRIL 13, 2015, AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN.

Apartment Corporation:
SADORE LANE GARDENS, INC.

Sponsor:
GARDEN TOWERS LLC

Holder of Unsold Shares:
GUARDIAN TOWERS, LLC

The Cooperative Offering Plan, a Plan to convert to cooperative ownership premises at 1-5 Sadore Lane, Yonkers, New York, dated September 28, 1982, as heretofore amended (the "Plan") is hereby further amended as follows:

1. **Sale of Unsold Shares.** The Sponsor currently holds Unsold Shares allocated to 104 of the 780 Apartments at the Premises, representing 13.333% of all the Apartments, as set forth in Exhibit "A-1" annexed.

2. **Sponsor's Obligations.** The Sponsor has no financial obligations to the Apartment Corporation other than for payment of maintenance charges and assessments, other than as follows: the Sponsor is responsible for the payment of reserve fund contributions at the rate of \$7.3972 per Unsold Share sold. The Sponsor is current in all its financial obligations to the Apartment Corporation, and during the previous twelve months the Sponsor has not been in default with respect to any such obligations beyond any applicable grace period.

3. **Sponsor's Unsold Shares.** The Sponsor, as Holder of the remaining Unsold Shares, will hold the Shares allocated to the apartments (the "Apartments") indicated on Exhibit "A" annexed hereto. As of April 12, 2016 the aggregate monthly maintenance charges due in connection with the Unsold Shares allocated to the Apartments are \$69,018.00. The aggregate monthly rents received from tenants of the Apartments are \$79,798.55 as of April 1, 2016. The Sponsor shall pay its obligations to the Apartment Corporation from the rent collected. The Sponsor plans to market the vacant Apartments to which Unsold Shares are allocated. As those Apartments are sold the monthly maintenance charges due to the Apartment Corporation from the Sponsor will decrease.

4. **Disclosure for Guardian Towers LLC.** Guardian, as a Holder of Unsold Shares, owns the shares allocated to thirteen apartments; in addition, Guardian has acquired the shares allocated to six additional apartments which had previously been sold. Guardian has no financial obligations to the Apartment Corporation other than for payment of maintenance charges and assessments. Guardian is current in all its financial obligations to the Apartment Corporation, and during the previous twelve months Guardian has not been in default with respect to any such

obligations beyond any applicable grace period. Guardian is responsible for the monthly maintenance charges for the Unsold Shares allocated to the apartments it owns; the aggregate monthly maintenance charges to be due in connection with the Unsold Shares allocated to those apartments are \$6,800.64, and the aggregate monthly rents payable from Guardian's tenants are \$15,725.00. Guardian intends to market or lease the its apartments, depending on market conditions, and shall pay its obligations to the Apartment Corporation from the proceeds of sales and rents as well as its reserves. Guardian or principals of Guardian do not own more than 10% of the shares or units in other cooperative or condominium conversion projects. As disclosed in the Thirty Sixth Amendment to the Offering Plan, Guardian had obtained share loans from Sterling National Bank secured by the pledge of the Guardian's Unsold Shares and proprietary leases except 3 Sadore Lane, Apartment 7D and 4 Sadore Lane, Apt. 3C. Since then, Guardian has repaid one of the loans, leaving only one loan outstanding at a reduced amount; as of March 1, 2016, the monthly payment on the outstanding loan is \$4,994.90 per month; future payments may be reduced due to release payments made in connection with the sales of Unsold Shares. Guardian's loan matures in December 2019 and is prepayable with a penalty computed as a percentage of the principal prepaid; the rate is 4% this year, reducing 1% per year until maturity. Guardian is required to maintain insurance on its units in connection with this loan. Guardian has been current in its payments to its lender during the past twelve (12) months.

5. **Sponsor's Other Cooperative Projects.** The Sponsor or principals of the Sponsor do not own more than 10% of the shares or units in other cooperative or condominium conversion projects.

6. **Sponsor's Financing of Unsold Shares.** As disclosed in the Thirty Third and Thirty Eighth Amendments to the Offering Plan, the Sponsor has obtained a loan secured by the pledge of the Sponsor's Unsold Shares and proprietary leases. The monthly payments on this loan vary due to (a) daily interest accrual, (b) prepayments due to sales, and (c) rate fluctuation. The most recent two month's payments were as follows: March 1, 2016: \$9,932.95; April 1, 2016: \$10,359.65. The Sponsor has been current in its payments to its lender during the past twelve (12) months.

7. **Financial Statements.** Annexed hereto as Exhibit "B" are the Apartment Corporation's audited financial statements for the years ended February 28, 2015, and February 28, 2014.

8. **Current Maintenance Charges, Budget.** The current maintenance charges are \$4.48 per share per month. Maintenance charges were last increased as of June 1, 2011; that increase was

1.030%, and no additional increase is currently planned. A copy of the Apartment Corporation's budget for March 1, 2016 to February 28, 2017 is annexed as Exhibit "C."

9. **Board of Directors.** The current board of directors of the Corporation was elected at the annual stockholders' meeting which was held on November 30, 2015. The following are the current officers and directors: Louis Monaco, president, Herbert Goldstein, vice president, Gordon Burrows, secretary, Charles Scheinberg, treasurer, Mike Abelson, James Schoen and Phyllis Raskin. Of the foregoing, James Schoen and Phyllis Raskin are affiliated with the Sponsor. The Sponsor gave up control of the board of directors as of the meeting held on April 26, 1984.

10. **Maximum Price for Unsold Shares.** The maximum purchase price for all Unsold Shares is hereby increased to \$2,000.00 per share as set forth in the 40th Amendment.

11. The Offering Plan, as modified, supplemented and extended hereby, is incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment, not otherwise defined herein, shall have the same meanings ascribed to them in the Offering Plan.

12. Except as set forth herein there have been no material changes in the terms of the Offering.

SADORE LANE GARDENS, INC.

Apartment Corporation

GARDEN TOWERS LLC

Sponsor

GUARDIAN TOWERS, LLC

Holder of Unsold Shares

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS
GARDEN TOWERS LLC
As of: April 12, 2016

BUILDING NO. 1

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
1E	130	3B	205	5G	136	7C	110
1L	162	3N	102	5L	172	7G	140
2A	100	3Z	102	6L	174	7T	176
2T	166	4B	207	6V	142	7X	176
2X	166	4G	134	7B	213		
							2,913

Building Totals: Apartments: 19 Shares: 2,913

BUILDING NO. 2

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
1V	126	4F	163	5B	209	7H	144
2M	100	4H	138	5Y	172	7J	128
2Y	166	4K	170	6H	142	7P	105
3T	157	4O	207	6W	122	7R	74
3X	163	4T	159	6Y	174	7Z	110
							2,929

Building Totals: Apartments: 20 Shares: 2,929

BUILDING NO. 3

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
1B	96	1Z	96	4S	138	5X	172
1E	130	2H	134	4U	138	6V	142
1S	130	2V	134	4W	122	7C	110
1Y	162	3C	102	5S	140	7X	176
							2,122

Building Totals: Apartments: 16 Shares: 2,122

BUILDING NO. 4

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
1N	96	3H	136	5B	209	6G	142
1X	162	3S	130	5F	165	6L	174
1Y	162	3U	136	5J	122	6Y	174
2B	203	4K	168	5O	209	7B	213
2E	128	4V	138	5T	167	7H	144
2K	164	4X	170	6C	103	7T	171

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS
GARDEN TOWERS LLC
As of: April 12, 2016

						7Y	176
							3,962

Building Totals: Apartments: 25 Shares 3,962

BUILDING NO. 5

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
LG	128	2P	132	4L	138	6L	142
LM	94	2R	132	4R	138	6R	142
1E	128	3B	136	5N	169	7B	144
1H	114	3E	205	6C	142	7E	213
1L	132	4C	138	6E	211	7F	144
2K	134	4G	138	6K	142	7G	144
							3,480

Building Totals: Apartments: 24 Shares: 3,480

Project Unsold Share Totals: 15,406

Apartments: 104

1-5 SADORE LANE, YONKERS, NEW YORK

UNSOLD APARTMENTS
GUARDIAN TOWERS, LLC

As of: April 1, 2016

Apartment no.	No. of shares
1-4K	165
1-4M	104
2-4M	104
3-2J	118
3-2S	134
3-4K	170
3-7D	78
4-1J	112
4-3C	97
4-5D	70
4-6M	108
5-4H	120
5-4P	138
total shares	1,518

13 Apartments

Also Owned by Guardian Towers LLC But Not Unsold Shares

1-2P	100
2-1R	60
2-5D	70
2-7C	105
3-1D	64
4-5R	70

6 Apartments

1-5 SADORE LANE, YONKERS, NEW YORK

UNSOLD APARTMENTS
GUARDIAN TOWERS, LLC

As of: April 1, 2016

Apartment no.	No. of shares
1-4K	165
1-4M	104
2-4M	104
3-2J	118
3-2S	134
3-4K	170
3-7D	78
4-1J	112
4-3C	97
4-5D	70
4-6M	108
5-4H	120
5-4P	138
total shares	1,518

13 Apartments

Also Owned by Guardian Towers LLC But Not Unsold Shares

1-2P	100
2-1R	60
2-5D	70
2-7C	105
3-1D	64
4-5R	70

6 Apartments

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2/17/2016 3:55 PM

2/17/2016 3:55 PM

2/17/2016 3:55 PM

Property = 029

Budget

Period = Mar 2016-Feb 2017

Book = Cash

	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Total
CONTRACT SPRINKLER	0.00	0.00	0.00	600.00	800.00	0.00	0.00	0.00	0.00	600.00	0.00	0.00	2,000.00
CONTRACT ALARM SYSTEM	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.63	500.00
CONTRACT TOWING	72.50	72.50	72.50	72.50	72.50	72.50	72.50	72.50	72.50	72.50	72.50	72.50	870.00
CONTRACT COPIER	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
CONTRACT GARAGE	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.63	5,000.00
LICENSE/PERMITS/FEES	358.33	358.33	358.33	358.33	358.33	358.33	358.33	358.33	358.33	358.33	358.33	358.37	4,300.00
MANAGEMENT	23,333.33	23,333.33	23,333.33	23,333.33	23,333.33	23,333.33	23,333.33	23,333.33	23,333.33	23,333.33	23,333.33	23,333.37	280,000.00
LEGAL	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	30,000.00
ACCOUNTING	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	36,000.00
PAYROLL & RELATED COSTS	67,500.00	67,500.00	67,500.00	67,500.00	67,500.00	67,500.00	67,500.00	67,500.00	67,500.00	67,500.00	67,500.00	67,500.00	810,000.00
EMPLOYER FICA	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	64,800.00
EMPLOYER FUTA	375.00	375.00	375.00	375.00	375.00	375.00	375.00	375.00	375.00	375.00	375.00	375.00	4,500.00
EMPLOYER NY SUI	675.00	675.00	675.00	675.00	675.00	675.00	675.00	675.00	675.00	675.00	675.00	675.00	8,100.00
UNION PROFIT SHARING	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.37	6,760.00
UNION PENSION	3,312.66	3,544.58	3,544.58	3,544.58	3,544.58	3,544.58	3,544.58	3,544.58	3,544.58	3,544.58	3,544.58	3,544.58	42,303.00
UNION LEGAL SERVICES	216.19	216.19	216.19	216.19	216.19	216.19	216.19	216.19	216.19	216.19	216.19	216.19	2,594.20
UNION TRAINING	183.69	183.69	183.69	183.69	183.69	183.69	183.69	183.69	183.69	183.69	183.69	183.69	2,204.20
UNION HEALTH	16,393.00	16,393.00	16,393.00	16,393.00	16,393.00	16,393.00	16,393.00	16,393.00	16,393.00	16,393.00	16,393.00	17,576.00	199,082.00
WORKERS COMPENSATION	2,574.17	2,574.17	2,574.17	2,574.17	2,574.17	2,574.17	2,574.17	2,574.17	2,574.17	2,574.17	2,574.17	2,574.17	30,890.00
DISABILITY INSURANCE	37.50	37.50	37.50	37.50	37.50	37.50	37.50	37.50	37.50	37.50	37.50	37.50	450.00
PAYROLL PREPARATION	358.33	358.33	358.33	358.33	358.33	358.33	358.33	358.33	358.33	358.33	358.33	358.37	4,300.00
WATER & SEWER	22,083.33	22,083.33	22,083.33	22,083.33	22,083.33	22,083.33	22,083.33	22,083.33	22,083.33	22,083.33	22,083.33	22,083.37	265,000.00
NY STATE CORP TAX	1,166.67	1,166.67	1,166.67	1,166.67	1,166.67	1,166.67	1,166.67	1,166.67	1,166.67	1,166.67	1,166.67	1,166.63	14,000.00
INSURANCE	23,750.00	23,750.00	23,750.00	23,750.00	23,750.00	23,750.00	23,750.00	23,750.00	23,750.00	23,750.00	23,750.00	23,750.00	285,000.00
PHONE	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	30,000.00
PHONE CELLULAR	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	9,000.00
INTERNET CONNECTIVITY	362.50	362.50	362.50	362.50	362.50	362.50	362.50	362.50	362.50	362.50	362.50	362.50	4,350.00
COMPUTER SUPPORT	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.63	500.00
MISCELLANEOUS	133.33	133.33	133.33	133.33	133.33	133.33	133.33	133.33	133.33	133.33	133.33	133.37	1,600.00
COPIES, POSTAGE & FAX	666.67	666.67	666.67	666.67	666.67	666.67	666.67	666.67	666.67	666.67	666.67	666.63	8,000.00
GRATUITIES & GIFTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,000.00	5,000.00	0.00	0.00	8,000.00

Property = 029

Budget

Period = Mar 2016-Feb 2017

Book = Cash

	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Total
MEMBERSHIP DUES	133.33	133.33	133.33	133.33	133.33	133.33	133.33	133.33	133.33	133.33	133.33	133.37	1,600.0
MTG DIME SAVINGS	66,500.00	66,500.00	66,500.00	66,500.00	66,500.00	66,500.00	66,500.00	66,500.00	66,500.00	66,500.00	66,500.00	66,500.00	798,000.0
MORTGAGE ESCROW	71,481.00	71,481.00	71,481.00	71,481.00	71,481.00	71,481.00	71,481.00	71,481.00	71,481.00	71,481.00	71,481.00	71,481.00	857,772.0
LEASE POSTAGE METER	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.0
TOTAL EXPENSES	457,435.36	457,667.28	457,667.28	458,267.28	458,467.28	457,667.28	457,667.28	464,167.28	460,667.28	463,267.28	465,350.28	458,850.31	5,517,141.4
NET INCOME/(LOSS)	2,326.41	2,094.49	2,094.49	1,494.49	1,294.49	2,094.49	2,094.49	-4,405.51	-905.51	-3,505.51	-5,588.51	911.69	0.0
CASH FLOW	2,326.41	2,094.49	2,094.49	1,494.49	1,294.49	2,094.49	2,094.49	-4,405.51	-905.51	-3,505.51	-5,588.51	911.69	0.0

FORTY-THIRD AMENDMENT

TO

OFFERING PLAN OF

COOPERATIVE OWNERSHIP OF

PREMISES KNOWN AS

1, 2, 3, 4 AND 5 SADORE LANE

YONKERS, NEW YORK 10710

Dated: July 13, 2017

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED SEPTEMBER 28, 1982, AND THE FIRST AMENDMENT DATED NOVEMBER 10, 1982; THE SECOND AMENDMENT DATED AUGUST 17, 1983; THE THIRD AMENDMENT DATED SEPTEMBER 7, 1983; THE FOURTH AMENDMENT DATED NOVEMBER 30, 1983; THE FIFTH AMENDMENT DATED MARCH 2, 1984; THE SIXTH AMENDMENT DATED SEPTEMBER 6, 1984; THE SEVENTH AMENDMENT DATED JULY 9, 1985; THE EIGHTH AMENDMENT DATED MARCH 24, 1987; THE NINTH AMENDMENT DATED APRIL 30, 1987; THE TENTH AMENDMENT DATED JUNE 12, 1987; THE ELEVENTH AMENDMENT DATED SEPTEMBER 8, 1987; THE TWELFTH AMENDMENT DATED JUNE 29, 1988; THE THIRTEENTH AMENDMENT DATED DECEMBER 5, 1989; THE FOURTEENTH AMENDMENT DATED JUNE 27, 1990; THE FIFTEENTH AMENDMENT DATED NOVEMBER 6, 1991; THE SIXTEENTH AMENDMENT DATED APRIL 23, 1992; THE SEVENTEENTH AMENDMENT DATED NOVEMBER 12, 1992; THE EIGHTEENTH AMENDMENT DATED JANUARY 7, 1994; THE NINETEENTH AMENDMENT DATED APRIL 21, 1995; THE TWENTIETH AMENDMENT DATED SEPTEMBER 22, 1995; THE TWENTY FIRST AMENDMENT DATED SEPTEMBER 24, 1996; THE TWENTY SECOND AMENDMENT DATED SEPTEMBER 18, 1997; THE TWENTY THIRD AMENDMENT DATED NOVEMBER 9, 1998; THE TWENTY FOURTH AMENDMENT DATED DECEMBER 22, 1999; THE TWENTY FIFTH AMENDMENT DATED JUNE 6, 2000; THE TWENTY SIXTH AMENDMENT DATED JULY 24, 2001; THE TWENTY SEVENTH AMENDMENT DATED SEPTEMBER 3, 2002; THE TWENTY EIGHTH AMENDMENT DATED JUNE 9, 2003; THE TWENTY NINTH AMENDMENT DATED FEBRUARY 6, 2004; THE THIRTIETH AMENDMENT DATED NOVEMBER 15, 2004; THE THIRTY FIRST AMENDMENT DATED FEBRUARY 9, 2005, THE THIRTY SECOND AMENDMENT DATED FEBRUARY 10, 2006, THE THIRTY THIRD AMENDMENT DATED MARCH 19, 2007, THE THIRTY FOURTH AMENDMENT DATED MAY 29, 2008, THE THIRTY FIFTH AMENDMENT DATED APRIL 2, 2009, THE THIRTY SIXTH AMENDMENT DATED JANUARY 5, 2010; THE THIRTY SEVENTH AMENDMENT DATED JANUARY 28, 2011, THE THIRTY EIGHTH AMENDMENT DATED FEBRUARY 17, 2012; THE THIRTY NINTH AMENDMENT DATED APRIL 4, 2013, THE FORTIETH AMENDMENT DATED APRIL 10, 2014, THE FORTY-FIRST AMENDMENT DATED APRIL 13, 2015, AND THE FORTY-SECOND AMENDMENT DATED JUNE 10, 2016, AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN.

Apartment Corporation:
SADORE LANE GARDENS, INC.

Sponsor:
GARDEN TOWERS LLC

Holder of Unsold Shares:
GUARDIAN TOWERS, LLC

The Cooperative Offering Plan, a Plan to convert to cooperative ownership premises at 1-5 Sadore Lane, Yonkers, New York, dated September 28, 1982, as heretofore amended (the "Plan") is hereby further amended as follows:

1. **Sale of Unsold Shares.** The Sponsor currently holds Unsold Shares allocated to 93 of the 780 Apartments at the Premises, representing 11.923% of all the Apartments, as set forth in Exhibit "A-1" annexed.

2. **Sponsor's Obligations.** The Sponsor has no financial obligations to the Apartment Corporation other than for payment of maintenance charges and assessments, other than as follows: the Sponsor is responsible for the payment of reserve fund contributions at the rate of \$7.3972 per Unsold Share sold. The Sponsor is current in all its financial obligations to the Apartment Corporation, and during the previous twelve months the Sponsor has not been in default with respect to any such obligations beyond any applicable grace period.

3. **Sponsor's Unsold Shares.** The Sponsor, as Holder of the remaining Unsold Shares, will hold the Shares allocated to the apartments (the "Apartments") indicated on Exhibit "A" annexed hereto. As of June 1, 2017 the aggregate monthly maintenance charges and parking charges due in connection with the Unsold Shares allocated to the Apartments are \$61,891.20. The aggregate monthly rents received from tenants of the Apartments are \$73,952.50 as of June 1, 2017. The Sponsor shall pay its obligations to the Apartment Corporation from the rent collected. The Sponsor plans to market the vacant Apartments to which Unsold Shares are allocated. As those Apartments are sold the monthly maintenance charges due to the Apartment Corporation from the Sponsor will decrease.

4. **Disclosure for Guardian Towers LLC.** Guardian, as a Holder of Unsold Shares, owns the shares allocated to twelve apartments; in addition, Guardian has acquired the shares allocated to seven additional apartments which had previously been sold. Guardian has no financial obligations to the Apartment Corporation other than for payment of maintenance charges and assessments. Guardian is current in all its financial obligations to the Apartment Corporation, and

during the previous twelve months Guardian has not been in default with respect to any such obligations beyond any applicable grace period. Guardian is responsible for the monthly maintenance charges for the Unsold Shares allocated to the apartments it owns; the aggregate monthly maintenance charges to be due in connection with the Unsold Shares allocated to those apartments are \$6,200.32, and the aggregate monthly rents payable from Guardian's tenants are \$16,150.00. Guardian intends to market or lease the its apartments, depending on market conditions, and shall pay its obligations to the Apartment Corporation from the proceeds of sales and rents as well as its reserves. Guardian or principals of Guardian do not own more than 10% of the shares or units in other cooperative or condominium conversion projects. As disclosed in the Thirty Sixth Amendment to the Offering Plan, Guardian had obtained share loans from Sterling National Bank secured by the pledge of the Guardian's Unsold Shares and proprietary leases except 3 Sadore Lane, Apartment 7D and 4 Sadore Lane, Apt. 3C. Since then, Guardian has repaid one of the loans, leaving only one loan outstanding at a reduced amount; as of May 1, 2017, the monthly payment on the outstanding loan is \$4,994.90 per month; future payments may be reduced due to release payments made in connection with the sales of Unsold Shares. Guardian's loan matures in December 2019 and is prepayable with a penalty computed as a percentage of the principal prepaid; the rate is 3% this year, reducing 1% per year until maturity. Guardian is required to maintain insurance on its units in connection with this loan. Guardian has been current in its payments to its lender during the past twelve (12) months.

5. **Sponsor's Other Cooperative Projects.** The Sponsor or principals of the Sponsor do not own more than 10% of the shares or units in other cooperative or condominium conversion projects.

6. **Sponsor's Financing of Unsold Shares.** As disclosed in the Thirty Third and Thirty Eighth Amendments to the Offering Plan, the Sponsor has obtained a loan secured by the pledge of the Sponsor's Unsold Shares and proprietary leases. The monthly payments on this loan vary due to (a) daily interest accrual, (b) prepayments due to sales, and (c) rate fluctuation. Two recent monthly payments were as follows: March 1, 2017: \$10,108.47 and April 1, 2017: \$11,101.81. The Sponsor has been current in its payments to its lender during the past twelve (12) months.

7. **Financial Statements.** Annexed hereto as Exhibit "B" are the Apartment Corporation's audited financial statements for the years ended February 29, 2016, and February 28, 2015.

8. **Current Maintenance Charges, Budget.** The current maintenance charges are \$4.48

per share per month. Maintenance charges were last increased as of June 1, 2011; that increase was 1.030%, and no additional increase is currently planned. A copy of the Apartment Corporation's budget for March 1, 2017 to February 28, 2018 is annexed as Exhibit "C."

9. **Board of Directors.** The current board of directors of the Corporation was elected at the annual stockholders' meeting which was held on November 28, 2016. The following are the current officers and directors: Louis Monaco, president, Herbert Goldstein, vice president, Gordon Burrows, secretary, Charles Scheinberg, treasurer, Mike Abelson, James Schoen and Phyllis Raskin. Of the foregoing, James Schoen and Phyllis Raskin are affiliated with the Sponsor. The Sponsor gave up control of the board of directors as of the meeting held on April 26, 1984.

10. **Maximum Price for Unsold Shares.** The maximum purchase price for all Unsold Shares is hereby increased to \$2,000.00 per share as set forth in the 40th Amendment.

11. The Offering Plan, as modified, supplemented and extended hereby, is incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment, not otherwise defined herein, shall have the same meanings ascribed to them in the Offering Plan.

12. Except as set forth herein there have been no material changes in the terms of the Offering.

SADORE LANE GARDENS, INC.

Apartment Corporation

GARDEN TOWERS LLC

Sponsor

GUARDIAN TOWERS, LLC

Holder of Unsold Shares

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS
GARDEN TOWERS LLC
As of: June 1, 2017

BUILDING NO. 1

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
1E	130	3B	205	5L	172	7C	110
1L	162	3Z	102	6L	174	7G	140
2A	100	4B	207	6V	142	7X	176
2T	166	5G	136	7B	213		
							2,335

Building Totals: Apartments: 15 Shares: 2,335

BUILDING NO. 2

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
2M	100	4F	163	4T	159	7H	144
2Y	166	4H	138	5Y	172	7J	128
3T	157	4K	170	6H	142	7P	105
3X	163	4O	207	6Y	174	7R	74
						7Z	110
							2,472

Building Totals: Apartments: 17 Shares: 2,472

BUILDING NO. 3

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
1B	96	1Z	96	4U	138	6V	142
1E	130	2V	134	4W	122	7C	110
1S	130	3C	102	5S	140	7X	176
1Y	162	4S	138	5X	172		
							1,988

Building Totals: Apartments: 15 Shares: 1,988

BUILDING NO. 4

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
1N	96	3H	136	5F	165	6Y	174
1X	162	3S	130	5J	122	7B	213
1Y	162	3U	136	5O	209	7T	171
2B	203	4K	168	6C	103	7Y	176
2E	128	4X	170	6G	142		
2K	164	5B	209	6L	174		
							3,513

Building Totals: Apartments: 22 Shares 3,513

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS
GARDEN TOWERS LLC
As of: June 1, 2017

BUILDING NO. 5

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
LG	128	2P	132	4L	138	6L	142
LM	94	2R	132	4R	138	6R	142
1E	128	3B	136	5N	169	7B	144
1H	114	3E	205	6C	142	7E	213
1L	132	4C	138	6E	211	7F	144
2K	134	4G	138	6K	142	7G	144
							3,480

Building Totals: Apartments: 23 Shares: 3,342

Project Unsold Share Totals: 13,792

Apartments: 93

1-5 SADORE LANE, YONKERS, NEW YORK

UNSOLD APARTMENTS
GUARDIAN TOWERS, LLC

As of: June 1, 2017

Apartment no.	No. of shares
1-4K	165
1-4M	104
2-4M	104
3-2J	118
3-4K	170
3-7D	78
4-1J	112
4-3C	97
4-5D	70
4-6M	108
5-4H	120
5-4P	138
total shares	1,384

12 Apartments

Also Owned by Guardian Towers LLC But Not Unsold Shares

1-2P	100
2-1R	60
2-5D	70
2-7C	105
3-1D	64
4-5R	70
4-6E	136

7 Apartments

SADORE LANE GARDENS, INC.
FINANCIAL STATEMENTS
YEARS ENDED FEBRUARY 29, 2016
AND FEBRUARY 28, 2015

Exhibit "B"

SADORE LANE GARDENS, INC.
FOR THE YEARS ENDED FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Balance sheets	3
Statements of revenues and expenses	4
Statements of shareholders' deficit	5
Statements of cash flows	6
Notes to financial statements	7 - 15



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sadore Lane Gardens, Inc.

We have audited the accompanying financial statements of Sadore Lane Gardens, Inc. (a cooperative housing corporation), which comprise the balance sheets as of February 29, 2016 and February 28, 2015, and the related statements of revenues and expenses, shareholders' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



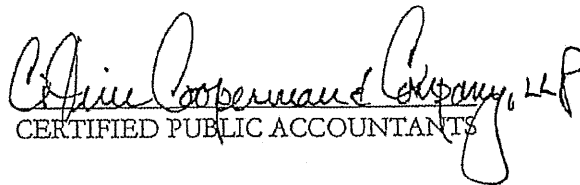
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sadore Lane Gardens, Inc. as of February 29, 2016 and February 28, 2015, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Management has not estimated the remaining lives and replacement costs of the common property and, therefore, has omitted the information about the estimates of future costs of major repairs and replacements and related estimated useful lives of the common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.


CERTIFIED PUBLIC ACCOUNTANTS

White Plains, New York
August 31, 2016

SADORE LANE GARDENS, INC.
BALANCE SHEETS
FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 673,274	\$ 994,858
Short term investments-certificates of deposit	2,646,288	2,644,036
Escrow deposits	389,764	341,205
Assessments and other receivables	79,267	103,126
Prepaid real estate taxes and other assets	363,401	374,325
Deferred finance costs, net	356,088	401,552
Property and equipment, net	<u>7,875,439</u>	<u>7,523,130</u>
TOTAL ASSETS	<u>\$ 12,383,521</u>	<u>\$ 12,382,232</u>
<u>LIABILITIES AND SHAREHOLDERS' DEFICIT</u>		
Liabilities:		
Accounts payable, accrued expenses and other liabilities	\$ 356,962	\$ 271,077
Mortgage note payable	<u>19,000,000</u>	<u>19,000,000</u>
Total liabilities	<u>19,356,962</u>	<u>19,271,077</u>
Commitments and contingencies (Notes 7, 8 and 9)		
Shareholders' deficit:		
Common stock - \$1 par value; 120,000 shares authorized; 104,003 shares issued and outstanding	104,003	104,003
Additional paid-in capital	2,734,939	2,734,939
Accumulated deficit	<u>(9,687,685)</u>	<u>(9,599,352)</u>
	(6,848,743)	(6,760,410)
Less: receivable from Sponsor	<u>(124,698)</u>	<u>(128,435)</u>
Total shareholders' deficit	<u>(6,973,441)</u>	<u>(6,888,845)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	<u>\$ 12,383,521</u>	<u>\$ 12,382,232</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

	<u>2016</u>	<u>2015</u>
Revenues:		
Maintenance assessments	\$ 5,591,201	\$ 5,589,439
Parking fees	283,328	284,256
Interest and dividend income	24,225	22,161
Laundry receipts	50,400	50,400
Storage fees	49,800	49,786
Other	<u>91,812</u>	<u>90,335</u>
Total revenues	<u>6,090,766</u>	<u>6,086,377</u>
Expenses:		
Administrative	725,362	712,016
Utilities	740,201	1,287,252
Building operations	181,171	177,312
Payroll and related costs	1,132,024	1,013,562
Interest	798,000	798,000
Real estate taxes	1,573,182	1,527,393
Major repairs and replacements	<u>703,227</u>	<u>435,400</u>
Total expenses	<u>5,853,167</u>	<u>5,950,935</u>
Excess of revenues over expenses before depreciation and amortization of deferred finance costs	237,599	135,442
Depreciation	280,468	279,634
Amortization of deferred finance costs	<u>45,464</u>	<u>45,464</u>
DEFICIT OF REVENUES OVER EXPENSES	<u>\$ (88,333)</u>	<u>\$ (189,656)</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
STATEMENTS OF SHAREHOLDERS' DEFICIT
FOR THE YEARS ENDED FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

	<u>Common Stock</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Receivable</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Paid-in</u>	<u>Deficit</u>	<u>from</u>	<u>Total</u>
			<u>Capital</u>		<u>Sponsor</u>	
Balance - March 1, 2014	104,003	\$ 104,003	\$ 2,734,939	\$ (9,409,696)	\$ (145,722)	\$ (6,716,476)
Deficit of revenues over expenses	-	-	-	(189,656)	-	(189,656)
Payment from Sponsor	-	-	-	-	17,287	17,287
Balance - February 28, 2015	104,003	104,003	2,734,939	(9,599,352)	(128,435)	(6,888,845)
Deficit of revenues over expenses	-	-	-	(88,333)	-	(88,333)
Payment from Sponsor	-	-	-	-	3,737	3,737
BALANCE - FEBRUARY 29, 2016	<u>104,003</u>	<u>\$ 104,003</u>	<u>\$ 2,734,939</u>	<u>\$ (9,687,685)</u>	<u>\$ (124,698)</u>	<u>\$ (6,973,441)</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Deficit of revenues over expenses	\$ (88,333)	\$ (189,656)
Adjustments to reconcile deficit of revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	325,932	325,098
Capitalized interest	(2,252)	(4,499)
Changes in assets and liabilities:		
Escrow deposits	(48,559)	80,233
Assessments and other receivables	23,859	17,093
Prepaid real estate taxes and other assets	10,924	(53,557)
Accounts payable, accrued expenses and other liabilities	<u>85,885</u>	<u>(57,747)</u>
Net cash provided by operating activities	<u>307,456</u>	<u>116,965</u>
Cash flows from investing activities:		
Purchases of certificates of deposit	-	(2,639,537)
Purchases of property and equipment	<u>(632,777)</u>	<u>(634,019)</u>
Net cash used in investing activities	<u>(632,777)</u>	<u>(3,273,556)</u>
Cash flows from financing activities:		
Refund of deferred finance costs	-	3,010
Payment of Sponsor receivable	<u>3,737</u>	<u>17,287</u>
Net cash provided by financing activities	<u>3,737</u>	<u>20,297</u>
Net decrease in cash and cash equivalents	(321,584)	(3,136,294)
Cash and cash equivalents - beginning	<u>994,858</u>	<u>4,131,152</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 673,274</u>	<u>\$ 994,858</u>
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$ 798,000</u>	<u>\$ 798,000</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

NOTE 1. ORGANIZATION

Sadore Lane Gardens, Inc. (the "Corporation") is a cooperative housing corporation that was incorporated in the State of New York on March 1, 1984. The Corporation owns five buildings known as Sadore Lane Gardens located in Yonkers, New York (the "Property"). The buildings consist of 778 units; as of February 29, 2016, there were 673 units owned by tenant-shareholders and 105 units owned by Garden Towers, Inc. (the "Sponsor").

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Corporation's financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents and short term investments

The Corporation considers all short-term investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents consist principally of money market funds. Certificates of deposits with original maturities over three months are classified as short term investments.

Fair Value Measurements

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Under this standard, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date.

SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Corporation has the ability to access.

Level 2 inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Deferred Finance Costs

Deferred finance costs are amortized over the term of the related loans using the straight-line method. During the year ended February 28, 2014, the Corporation paid financing costs of \$454,645 in connection with refinancing the Corporation's mortgage and line of credit with The Dime Savings Bank of Williamsburgh (the "Dime Savings Bank") as described in Notes 7 and 8.

Accumulated amortization amounted to \$98,557 and \$53,092 at February 29, 2016 and February 28, 2015, respectively. The remaining life of the deferred finance costs at February 29, 2016 is less than eight years.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Buildings, building improvements and equipment are depreciated over the estimated useful lives. Building improvements are capitalized, while repairs and maintenance are charged to expense when incurred.

Revenue Recognition

Tenant-shareholders are subject to monthly maintenance assessments to provide funds for the Corporation's operating expenses. Tenant-shareholder receivables at the balance sheet date represent maintenance fees due from tenant-shareholders. The Corporation's policy is to retain legal counsel and place liens on the shares of stock of tenant-shareholders whose assessments are delinquent for 30 days or more. No maintenance fees receivable at February 29, 2016 and February 28, 2015, were considered uncollectible. Any excess assessments at year end are retained by the Corporation for use in the succeeding year.

SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Corporation is qualified to prepare its tax returns pursuant to the provisions of Subchapter T of the Internal Revenue Code. Subchapter T provides that expenses attributable to the generation of patronage income, i.e., income from business done with or for patrons (tenant cooperators), are deductible only to the extent of patronage income. The Corporation believes that all of its income for the years ended February 29, 2016 and February 28, 2015, is patronage income within the meaning of Subchapter T.

The Corporation accounts for current and deferred income taxes and, when appropriate, deferred tax assets and liabilities are recorded with respect to temporary differences in the accounting treatment of items for financial reporting purposes and for income tax purposes. Where, based on the weight of all available evidence, it is more likely than not that some amount of the recorded deferred tax assets will not be realized, a valuation allowance is established for that amount that, in management's judgment, is sufficient to reduce the deferred tax asset to an amount that is more likely than not to be realized.

Subsequent Events

In accordance with FASB ASC 855, *Subsequent Events*, the Corporation has evaluated subsequent events through August 31, 2016, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 3. FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Corporation's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The Corporation has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of the costs of major repairs and replacements that may be required in the future, nor has it developed a plan to fund those needs. When funds are required for future major repairs and replacements, the Corporation plans to either borrow, increase maintenance assessments, or delay repairs and replacements until funds are available. The effect on future assessments has not been determined.

NOTE 4. CONCENTRATION OF CREDIT RISK

At February 29, 2016 and February 28, 2015, and routinely throughout each year, the Corporation maintained cash deposits with financial institutions and brokerage firms in excess of federally insurable limits. The Corporation has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk with respect to cash.

SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

NOTE 5. RECEIVABLE FROM SPONSOR

Pursuant to the offering plan, as amended, the Corporation was to receive \$1,000,000 from the Sponsor from the proceeds of the sale of the Corporation's shares of common stock held by the Sponsor ("Sponsor Shares"). As of February 29, 2016, the Corporation has received a total of \$875,302 since inception, of which \$3,737 was received during the year ended February 29, 2016. Collection of the remaining balance of \$124,698 is subject to the Sponsor's sale of the Sponsor Shares. Amounts due from the Sponsor are noninterest bearing.

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at February 29, 2016 and February 28, 2015:

	<u>2016</u>	<u>2015</u>
Land	\$ 1,568,638	\$ 1,568,638
Buildings	8,888,950	8,888,950
Building improvements	10,401,363	9,267,074
Equipment	690,785	652,929
Building improvements in progress	<u>-</u>	<u>539,368</u>
	21,549,736	20,916,959
Less: accumulated depreciation	<u>(13,674,297)</u>	<u>(13,393,829)</u>
Property and equipment, net	\$ <u>7,875,439</u>	\$ <u>7,523,130</u>

Depreciation expense amounted to \$280,468 and \$279,634 for the years ended February 29, 2016 and February 28, 2015, respectively.

NOTE 7. REVOLVING LINE OF CREDIT

In December 2013, the Corporation refinanced a mortgage payable and line of credit with the Dime Savings Bank and obtained a revolving credit line in the principal amount of \$2,990,000. The revolving credit line matures in January 2024 and bears interest at a prime rate plus 1% (not less than 4.25% per annum). At February 29, 2016 and February 28, 2015, there was no outstanding balance on the revolving line of credit.

NOTE 8. MORTGAGE PAYABLE

In December 2013, the Corporation refinanced its mortgage with the Dime Savings Bank in the amount of \$19,000,000. The new mortgage, which matures in January 2024 and bears interest at the fixed rate of 4.20% per annum, requires monthly interest and escrow payments. The mortgage note is collateralized by the land, building and improvements owned by the Corporation.

SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

NOTE 9. COMMITMENTS AND CONTINGENCIES

Agreement for Management Services

The Corporation entered into a managing agent agreement with Prime Locations, Inc. ("Prime"), whereby Prime is responsible for processing all day-to-day bookkeeping transactions and contracting for goods and services (including labor) required in the normal operations of the properties, subject to board approval in certain instances. In January 2016, the management agreement was renewed through 2020 and provides that Prime shall receive an annual fee of \$280,000 (increased annually by 3%). During the years ended February 29, 2016 and February 28, 2015, fees of \$262,389 and \$252,584, respectively, were paid to Prime under this agreement.

Agreement for Parking Garage Services

The Corporation entered into a parking management agreement with a managing agent to manage the garages and outside parking. The agreement authorizes the agent to offer these services to the tenant-shareholders for rates specified in the agreement. In consideration, the agent shall remit a monthly fee of \$23,688 to the Corporation, subject to certain adjustments contained in the agreement. In August 2015, the Corporation renewed its parking management agreement through October 2025. For the years ended February 29, 2016 and February 28, 2015, parking fees received from the agent amounted to \$283,328 and \$284,256, respectively.

Agreement for Maintenance of Laundry Facilities

The Corporation entered into an agreement with a maintenance contractor to assume operation and maintenance of the laundry machines. In March 2015, the laundry agreement was extended through December 31, 2026. In accordance with the agreement, the Corporation received \$50,400 from the contractor for each of the years ended February 29, 2016 and February 28, 2015.

Agreement for Landscaping Maintenance

In March 2014, the Corporation entered into a two-year agreement with a landscaping maintenance company to assume maintenance of the lawns. In accordance with this agreement, the Corporation paid \$90,000 to the landscaping maintenance company for each the years ended February 29, 2016 and February 28, 2015.

In October 2015, the Corporation extended their agreement with the landscaping maintenance company through February 2019. In accordance with this agreement, the Corporation will pay \$94,800 to the landscaping maintenance company for each of the years ending though February 2019.

SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

NOTE 9. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreement for Maintenance of Elevators

In April 2014, the Corporation entered into a six-year agreement with an elevator contractor to assume maintenance of the elevators. Under this agreement, the elevator contractor is entitled to receive \$39,960 per year from the Corporation, subject to annual adjustments as defined in the agreement. The agreement is renewable every six years. For the year ended February 29, 2016, the Corporation paid approximately \$41,000 to the elevator contractor.

NOTE 10. INCOME TAXES

Net Operating Loss Carryforwards

The Corporation has federal and state tax loss carryforwards of approximately \$6,795,000, which, if not utilized, will expire as follows:

<u>Year ending February 28/29:</u>	<u>Amount</u>
2017	\$ 187,000
2018	259,000
2019	782,000
2020	326,000
2021-2036	<u>5,241,000</u>
	<u>\$ 6,795,000</u>

The net operating loss carryforwards give rise to a deferred tax asset of approximately \$2,310,300 and \$2,281,400 at February 29, 2016 and February 28, 2015, respectively, which have been fully reserved for due to management's assessment that it is more likely than not that the loss carryforwards will expire before they are utilized.

Uncertain Tax Positions

In accordance with FASB ASC 740, *Income Taxes*, the Corporation has applied the "more likely than not" threshold to the recognition and derecognition of tax positions. The standard also provides guidance on the measurement of tax positions, balance sheet classification, interest and penalties, accounting in interim periods, disclosures, and transition. Using this guidance, the Corporation had no uncertain tax positions that qualified for either recognition or disclosure in the financial statements as of February 29, 2016 and February 28, 2015.

The Corporation files income tax returns in the U.S. federal jurisdiction and in New York State. With few exceptions, the Corporation is no longer subject to U.S. federal and state tax examinations by taxing authorities for years ended before February 28, 2013.

SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

NOTE 11. MULTI-EMPLOYER PLAN

The Corporation contributes to a multiemployer defined benefit pension plan under the terms of a collective bargaining agreement that covers its union-represented employees. Substantially all of the Corporation's employees are subject to a collective bargaining agreement and are covered under a multiemployer plan. The risks of participating in the multiemployer plan are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, its portion of the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Corporation chooses to stop participating in its multiemployer plan, it may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability. The Corporation currently has no intention of withdrawing from the plan.

The Corporation's participation in the plan for the years ended February 29, 2016 and February 28, 2015, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number ("EIN") and the three-digit plan number, if applicable. The most recent Pension Protection Act ("PPA") zone status available in 2015 and 2014 is for the plan's year end at June 30, 2015 and 2014, respectively. The zone status is based on information that the Corporation received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are 65 to 80 percent funded, and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Pending/Implemented" column indicates if a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented. The last column lists the expiration date of the collective bargaining agreement to which the plan is subject.

Pension Fund	EIN/Pension Plan Number	Pension's Protection Act Zone Status		FIP/RP Status Pending or Implemented	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
		2015	2014			
Central Pension Fund of the International Union, Local 32BJ and Participating Employers (a)	13-1879376/001	Red	Red	Yes	None	September 30, 2018

(a) The zone status was certified by the plan's actuary as of July 1, 2015 and 2014.

The Corporation was not listed on the Form 5500 as providing more than 5% of the total contributions to the multiemployer defined benefit pension plan.

The Corporation's portion of the projected benefit obligation, plan assets and unfunded liability of the multiemployer pension plans is not material to the Corporation's financial position. However, the failure of participating employers to remain solvent could affect the Corporation's portion of the plan's unfunded liability. Specific benefit levels provided by union pension plans are not negotiated with or known by the employer contributors.

SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

NOTE 11. MULTI-EMPLOYER PLAN (CONTINUED)

The Corporation also participates in the Building Service 32BJ Health Fund (the "Health Fund"). The Health Fund provides health and other benefits to eligible participants employed by the Corporation. For the years ended February 29, 2016 and February 28, 2015, the Corporation contributed \$43,191 and \$40,261, respectively, to the multiemployer defined benefit pension plan and \$175,689 and \$164,016, respectively, to the Health Fund.

NOTE 12. FAIR VALUE MEASUREMENTS

Assets and liabilities measured at fair value are based on one or more of three valuation techniques identified in the table below. The valuation techniques are as follows:

- (a) *Market approach.* Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- (b) *Cost approach.* Amount that would be required to replace the service capacity of an asset (replacement cost); and
- (c) *Income approach.* Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

The following tables summarize the Corporation's assets measured at fair value on a recurring basis, categorized by GAAP's valuation hierarchy as of February 29, 2016 and February 28, 2015:

Description	Level 1: Quoted Prices in Active Markets for Identical Assets		Level 2: Significant Other Observable Inputs		Level 3: Significant Unobservable Inputs		Total	Valuation Technique
<u>February 29, 2016:</u>								
Cash equivalents:								
Money market funds	\$	326,129	\$	-	\$	-	\$ 326,129	(a)
Marketable securities:								
Certificates of deposit		-		2,646,288		-	2,646,288	(a)
Total	\$	326,129	\$	2,646,288	\$	-	\$ 2,972,417	

SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

NOTE 12. FAIR VALUE MEASUREMENTS (CONTINUED)

Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total	Valuation Technique
<u>February 28, 2015:</u>					
Cash equivalents:					
Money market funds	\$ 563,981	\$ -	\$ -	\$ 563,981	(a)
Marketable securities:					
Certificates of deposit	-	2,644,036	-	2,644,036	(a)
Total	\$ 563,981	\$ 2,644,036	\$ -	\$ 3,208,017	

The fair values of money market funds included in cash and cash equivalents are determined by reference to quoted market prices.

The fair values of certificates of deposit are estimated using valuations provided by third-party pricing services and are generally included with Level 2 of the fair value hierarchy. The Corporation's certificates of deposit are all Level 2 assets in the fair value measurement hierarchy.

Property = 029 SADORE LANE GARDENS, INC

Budget

Period = Mar 2017-Feb 2018

	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Total
INCOME													
MAINTENANCE	465,933.43	465,933.43	465,933.43	465,933.43	465,933.43	465,933.43	465,933.43	465,933.43	465,933.43	465,933.43	465,933.43	465,933.47	5,591,201.20
STAR CREDITS	-39,297.38	-39,297.38	-39,297.38	-39,297.38	-39,297.38	-39,297.38	-39,297.38	-39,297.38	-39,297.38	-39,297.38	-39,297.38	-39,297.35	-471,568.53
SENIOR CREDIT	-699.44	-699.44	-699.44	-699.44	-699.44	-699.44	-699.44	-699.44	-699.44	-699.44	-699.44	-699.40	-8,393.24
VETERAN CREDIT	-343.64	-343.64	-343.64	-343.64	-343.64	-343.64	-343.64	-343.64	-343.64	-343.64	-343.64	-343.63	-4,123.67
STORAGE	4,014.33	4,014.33	4,014.33	4,014.33	4,014.33	4,014.33	4,014.33	4,014.33	4,014.33	4,014.33	4,014.33	4,014.37	48,172.00
PARKING	23,688.00	23,688.00	23,688.00	23,688.00	23,688.00	23,688.00	23,688.00	23,688.00	23,688.00	23,688.00	23,688.00	23,688.00	284,256.00
LAUNDRY	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	46,200.00
SERVICE INCOME	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.63	500.00
LATE CHARGES & NSF	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.63	5,000.00
LEGAL FEE RECOVERY	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.63	5,000.00
MISCELLANEOUS INCOME	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.63	2,000.00
KEY FEES	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.63	2,000.00
POOL FEES	0.00	0.00	0.00	9,500.00	9,500.00	9,500.00	0.00	0.00	0.00	0.00	0.00	0.00	28,500.00
OFFERING PLAN FEE	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.00
TOTAL INCOME	458,478.65	458,478.65	458,478.65	467,978.65	467,978.65	467,978.65	458,478.65	458,478.65	458,478.65	458,478.65	458,478.65	458,478.61	5,530,243.76
EXPENSES													
FUEL OIL	833.33	833.33	833.33	833.33	833.33	833.33	833.33	833.33	833.33	833.33	833.33	833.37	10,000.00
UTILITIES - ELECTRIC	15,416.67	15,416.67	15,416.67	15,416.67	15,416.67	15,416.67	15,416.67	15,416.67	15,416.67	15,416.67	15,416.67	15,416.63	185,000.00
UTILITIES - GAS	43,333.33	43,333.33	43,333.33	43,333.33	43,333.33	43,333.33	43,333.33	43,333.33	43,333.33	43,333.33	43,333.33	43,333.37	520,000.00
SUPPLIES	8,750.00	8,750.00	8,750.00	8,750.00	8,750.00	8,750.00	8,750.00	8,750.00	8,750.00	8,750.00	8,750.00	8,750.00	105,000.00
SUPPLIES POOL	2,666.67	2,666.67	2,666.67	2,666.67	2,666.67	2,666.67	2,666.67	2,666.67	2,666.67	2,666.67	2,666.67	2,666.63	32,000.00

[illegible]

[illegible]

FORTY-FOURTH AMENDMENT

TO
OFFERING PLAN OF
COOPERATIVE OWNERSHIP OF

PREMISES KNOWN AS
1, 2, 3, 4 AND 5 SADORE LANE
YONKERS, NEW YORK 10710

Dated: August 17, 2018

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED SEPTEMBER 28, 1982, AND THE FIRST AMENDMENT DATED NOVEMBER 10, 1982; THE SECOND AMENDMENT DATED AUGUST 17, 1983; THE THIRD AMENDMENT DATED SEPTEMBER 7, 1983; THE FOURTH AMENDMENT DATED NOVEMBER 30, 1983; THE FIFTH AMENDMENT DATED MARCH 2, 1984; THE SIXTH AMENDMENT DATED SEPTEMBER 6, 1984; THE SEVENTH AMENDMENT DATED JULY 9, 1985; THE EIGHTH AMENDMENT DATED MARCH 24, 1987; THE NINTH AMENDMENT DATED APRIL 30, 1987; THE TENTH AMENDMENT DATED JUNE 12, 1987; THE ELEVENTH AMENDMENT DATED SEPTEMBER 8, 1987; THE TWELFTH AMENDMENT DATED JUNE 29, 1988; THE THIRTEENTH AMENDMENT DATED DECEMBER 5, 1989; THE FOURTEENTH AMENDMENT DATED JUNE 27, 1990; THE FIFTEENTH AMENDMENT DATED NOVEMBER 6, 1991; THE SIXTEENTH AMENDMENT DATED APRIL 23, 1992; THE SEVENTEENTH AMENDMENT DATED NOVEMBER 12, 1992; THE EIGHTEENTH AMENDMENT DATED JANUARY 7, 1994; THE NINETEENTH AMENDMENT DATED APRIL 21, 1995; THE TWENTIETH AMENDMENT DATED SEPTEMBER 22, 1995; THE TWENTY FIRST AMENDMENT DATED SEPTEMBER 24, 1996; THE TWENTY SECOND AMENDMENT DATED SEPTEMBER 18, 1997; THE TWENTY THIRD AMENDMENT DATED NOVEMBER 9, 1998; THE TWENTY FOURTH AMENDMENT DATED DECEMBER 22, 1999; THE TWENTY FIFTH AMENDMENT DATED JUNE 6, 2000; THE TWENTY SIXTH AMENDMENT DATED JULY 24, 2001; THE TWENTY SEVENTH AMENDMENT DATED SEPTEMBER 3, 2002; THE TWENTY EIGHTH AMENDMENT DATED JUNE 9, 2003; THE TWENTY NINTH AMENDMENT DATED FEBRUARY 6, 2004; THE THIRTIETH AMENDMENT DATED NOVEMBER 15, 2004; THE THIRTY FIRST AMENDMENT DATED FEBRUARY 9, 2005; THE THIRTY SECOND AMENDMENT DATED FEBRUARY 10, 2006; THE THIRTY THIRD AMENDMENT DATED MARCH 19, 2007; THE THIRTY FOURTH AMENDMENT DATED MAY 29, 2008; THE THIRTY FIFTH AMENDMENT DATED APRIL 2, 2009; THE THIRTY SIXTH AMENDMENT DATED JANUARY 5, 2010; THE THIRTY SEVENTH AMENDMENT DATED JANUARY 28, 2011; THE THIRTY EIGHTH AMENDMENT DATED FEBRUARY 17, 2012; THE THIRTY NINTH AMENDMENT DATED APRIL 4, 2013; THE FORTIETH AMENDMENT DATED APRIL 10, 2014; THE FORTY-FIRST AMENDMENT DATED APRIL 13, 2015; THE FORTY-SECOND AMENDMENT DATED JUNE 10, 2016, AND THE FORTY THIRD AMENDMENT DATED JULY 13, 2017 SHOULD BE READ IN CONJUNCTION WITH SAID PLAN.

Apartment Corporation:
SADORE LANE GARDENS, INC.

Sponsor:
GARDEN TOWERS LLC

Holder of Unsold Shares:
GUARDIAN TOWERS, LLC

The Cooperative Offering Plan, a Plan to convert to cooperative ownership premises at 1-5 Sadore Lane, Yonkers, New York, dated September 28, 1982, as heretofore amended (the "Plan") is hereby further amended as follows:

1. **Sale of Unsold Shares.** The Sponsor currently holds Unsold Shares allocated to 86 of the 780 Apartments at the Premises, representing 11.0256% of all the Apartments, as set forth in Exhibit "A-1" annexed.

2. **Sponsor's Obligations.** The Sponsor has no financial obligations to the Apartment Corporation other than for payment of maintenance charges and assessments, other than as follows: the Sponsor is responsible for the payment of reserve fund contributions at the rate of \$7.3972 per Unsold Share sold. The Sponsor is current in all its financial obligations to the Apartment Corporation, and during the previous twelve months the Sponsor has not been in default with respect to any such obligations beyond any applicable grace period.

3. **Sponsor's Unsold Shares.** The Sponsor, as Holder of the remaining Unsold Shares, will hold the Shares allocated to the apartments (the "Apartments") indicated on Exhibit "A" annexed hereto. As of June 1, 2018 the aggregate monthly maintenance charges and parking charges due in connection with the Unsold Shares allocated to the Apartments are \$57,456.00. The aggregate monthly rents received from tenants of the Apartments are \$68,746.40 as of June 1, 2018. The Sponsor shall pay its obligations to the Apartment Corporation from the rent collected. The Sponsor plans to market the vacant Apartments to which Unsold Shares are allocated. As those Apartments are sold the monthly maintenance charges due to the Apartment Corporation from the Sponsor will decrease.

4. **Disclosure for Guardian Towers LLC.** Guardian, as a Holder of Unsold Shares, owns the shares allocated to twelve apartments; in addition, Guardian has acquired the shares allocated to eight additional apartments which had previously been sold. Guardian has no financial obligations to the Apartment Corporation other than for payment of maintenance charges and assessments. Guardian is current in all its financial obligations to the Apartment Corporation, and during the previous twelve months Guardian has not been in default with respect to any such

obligations beyond any applicable grace period. Guardian is responsible for the monthly maintenance charges for the Unsold Shares allocated to the apartments it owns; the aggregate monthly maintenance charges to be due in connection with the Unsold Shares allocated to those apartments are \$6,200.32, and the aggregate monthly rents payable from Guardian's tenants are \$16,775.00. Guardian intends to market or lease the its apartments, depending on market conditions, and shall pay its obligations to the Apartment Corporation from the proceeds of sales and rents as well as its reserves. Guardian or principals of Guardian do not own more than 10% of the shares or units in other cooperative or condominium conversion projects. As disclosed in the Thirty Sixth Amendment to the Offering Plan, Guardian had obtained share loans from Sterling National Bank secured by the pledge of the Guardian's Unsold Shares and proprietary leases except 3 Sadore Lane, Apartment 7D and 4 Sadore Lane, Apt. 3C. Since then, Guardian has repaid one of the loans, leaving only one loan outstanding at a reduced amount; as of June 1, 2018, the monthly payment on the outstanding loan is \$1,753.24 per month; future payments may be reduced due to release payments made in connection with the sales of Unsold Shares. Guardian's loan matures in December 2019 and is prepayable with a penalty computed as a percentage of the principal prepaid; the rate is 2% this year, reducing 1% per year until maturity. Guardian is required to maintain insurance on its units in connection with this loan. Guardian has been current in its payments to its lender during the past twelve (12) months.

5. **Sponsor's Other Cooperative Projects.** The Sponsor or principals of the Sponsor do not own more than 10% of the shares or units in other cooperative or condominium conversion projects.

6. **Sponsor's Financing of Unsold Shares.** As disclosed in the Thirty Third and Thirty Eighth Amendments to the Offering Plan, the Sponsor has obtained a loan secured by the pledge of the Sponsor's Unsold Shares and proprietary leases. The monthly payments on this loan vary due to (a) daily interest accrual, (b) prepayments due to sales, and (c) rate fluctuation. Two recent monthly payments were as follows: May 1, 2018: \$5,509.53 and June 1, 2018: \$6,073.06. The Sponsor has been current in its payments to its lender during the past twelve (12) months.

7. **Financial Statements.** Annexed hereto as Exhibit "B" are the Apartment Corporation's audited financial statements for the years ended February 28, 2017, and February 29, 2016.

8. **Current Maintenance Charges, Budget.** The current maintenance charges are \$4.48 per share per month. Maintenance charges were last increased as of June 1, 2011; that increase was 1.030%, and no additional increase is currently planned. A copy of the Apartment Corporation's budget for March 1, 2018 to February 28, 2019 is annexed as Exhibit "C."

9. **Board of Directors.** The current board of directors of the Corporation was elected at

the annual stockholders' meeting which was held on December 5, 2017. The following are the current officers and directors: Louis Monaco, president, Mike Abelson, vice president, Herbert Goldstein, secretary, Charles Scheinberg, treasurer, Gordon Burrows, James Schoen and Michael Rosen. Of the foregoing, James Schoen and Michael Rosen are affiliated with the Sponsor. The Sponsor gave up control of the board of directors as of the meeting held on April 26, 1984.

10. **Maximum Price for Unsold Shares.** The maximum purchase price for all Unsold Shares is hereby increased to \$2,000.00 per share as set forth in the 40th Amendment.

11. **Special Risk: Tax Cuts and Jobs Act of 2017.** On January 1, 2018 the Tax Cuts and Jobs Act of 2017 went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to home ownership. Accordingly, the tax information and projections disclosed in this offering plan may be inaccurate because such are based on federal tax law as it existed prior to 2018. Purchasers are advised to consult with a tax expert regarding whether the new law will affect the purchaser's taxes. Purchasers should not rely on any representations in this offering plan addressing taxes without first consulting a tax expert.

12. **Additional Disclosure regarding Sponsor's Principals.** Neither principal of the Sponsor has any prior conviction, felony convictions, injunctions or judgments against him.

13. **Change of Address for Real Estate Finance Bureau.** Effective April 9, 2018, the Real Estate Finance Bureau (REF) of the New York State Office of the Attorney General is no longer located at 120 Broadway. REF's new address is:

Office of the Attorney General
Real Estate Finance Bureau
28 Liberty Street, 21st Floor
New York, NY 10005-1413

14. The Offering Plan, as modified, supplemented and extended hereby, is incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment, not otherwise defined herein, shall have the same meanings ascribed to them in the Offering Plan.

15. Except as set forth herein there have been no material changes in the terms of the Offering.

SADORE LANE GARDENS, INC.

Apartment Corporation

GARDEN TOWERS LLC

Sponsor

GUARDIAN TOWERS, LLC

Holder of Unsold Shares

SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS
GARDEN TOWERS LLC
As of: June 1, 2018

BUILDING NO. 1

APT.#	SHARES	APT.#	SHARES	APT.#	SHARES	APT.#	SHARES
1E	130	3B	205	5L	172	7C	110
1L	162	3Z	102	6L	174	7G	140
2A	100	4B	207	6V	142	7X	176
2T	166	5G	136	7B	213		
							2,335

Building Totals: Apartments: 15 Shares: 2,335

BUILDING NO. 2

APT.#	SHARES	APT.#	SHARES	APT.#	SHARES	APT.#	SHARES
2M	100	4F	163	5Y	172	7J	128
2Y	166	4H	138	6H	142	7P	105
3T	157	4K	170	6Y	174	7Z	110
3X	163	4T	159	7H	144		
							2,191

Building Totals: Apartments: 15 Shares: 2,191

BUILDING NO. 3

APT.#	SHARES	APT.#	SHARES	APT.#	SHARES	APT.#	SHARES
1B	96	2V	134	5S	140	7X	176
1E	130	4S	138	5X	172		
1S	130	4U	138	6V	142		
1Z	96	4W	122	7C	110		
							1,724

Building Totals: Apartments: 13 Shares: 1,724

BUILDING NO. 4

APT.#	SHARES	APT.#	SHARES	APT.#	SHARES	APT.#	SHARES
1N	96	3H	136	5F	165	6Y	174
1X	162	3S	130	5J	122	7B	213
1Y	162	3U	136	5O	209	7T	171
2B	203	4K	168	6C	103	7Y	176
2E	128	4X	170	6G	142		
2K	164	5B	209	6L	174		
							3,513

Building Totals: Apartments: 22 Shares: 3,513

SADORE LANE, YONKERS, NEW YORK
 UNSOLD APARTMENTS
 GARDEN TOWERS LLC
 As of: June 1, 2018

BUILDING NO. 5

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
LG	128	2P	132	4G	138	6R	142
LM	94	2R	132	5N	169	7B	144
1E	128	3B	136	6E	211	7E	213
1H	114	3E	205	6K	142	7F	144
1L	132	4C	138	6L	142	7G	144
2K	134						3,062

Building Totals: Apartments: 21 Shares: 3,062

Project Unsold Share Totals: 12,725

Apartments: 86

1-5 SADORE LANE, YONKERS, NEW YORK

UNSOLD APARTMENTS
GUARDIAN TOWERS, LLC

As of: June 1, 2018

Apartment no.	No. of shares
1-4K	165
1-4M	104
2-4M	104
3-2J	118
3-4K	170
3-7D	78
4-1J	112
4-3C	97
4-5D	70
4-6M	108
5-4H	120
5-4P	138
total shares	1,384

12 Apartments

Also Owned by Guardian Towers LLC But Not Unsold Shares

1-2P	100
2-1R	60
2-5D	70
2-6P	103
2-7C	105
3-1D	64
4-5R	70
4-6E	136

8 Apartments

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
FINANCIAL STATEMENTS
YEARS ENDED FEBRUARY 28, 2017
AND FEBRUARY 29, 2016

Exhibit "B"

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
FOR THE YEARS ENDED FEBRUARY 28, 2017 AND FEBRUARY 29, 2016

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Balance sheets	3
Statements of revenues and expenses	4
Statements of shareholders' deficit	5
Statements of cash flows	6
Notes to financial statements	7 - 13



CITRINCOOPERMAN®

Accountants and Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sadore Lane Gardens, Inc.

We have audited the accompanying financial statements of Sadore Lane Gardens, Inc. (a cooperative housing corporation), which comprise the balance sheets as of February 28, 2017 and February 29, 2016, and the related statements of revenues and expenses, shareholders' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



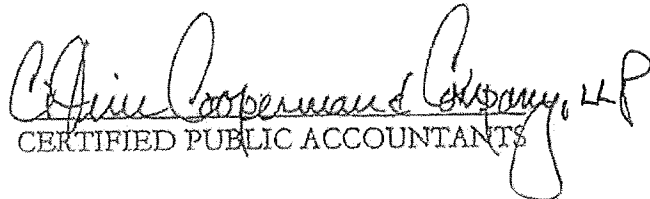
CITRINCOOPERMAN®
Accountants and Advisors

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sadore Lane Gardens, Inc. as of February 28, 2017 and February 29, 2016, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Omission of Required Supplementary Information about Future Major Repairs and Replacements

Management has not estimated the remaining lives and replacement costs of the common property and, therefore, has omitted the information about the estimates of future costs of major repairs and replacements and related estimated useful lives of the common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.


CERTIFIED PUBLIC ACCOUNTANTS

White Plains, New York
August 22, 2017

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
BALANCE SHEETS
FEBRUARY 28, 2017 AND FEBRUARY 29, 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 2,193,550	\$ 673,274
Short-term investments-certificates of deposit	1,202,715	2,646,288
Escrow deposits	397,108	389,764
Assessments and other receivables	82,308	79,267
Prepaid real estate taxes and other assets	318,185	363,401
Property and equipment, net	<u>7,649,746</u>	<u>7,875,439</u>
TOTAL ASSETS	<u>\$ 11,843,612</u>	<u>\$ 12,027,433</u>
<u>LIABILITIES AND SHAREHOLDERS' DEFICIT</u>		
Liabilities:		
Accounts payable, accrued expenses and other liabilities	\$ 293,328	\$ 356,962
Mortgage note payable, net of unamortized debt issuance costs	<u>18,689,377</u>	<u>18,643,912</u>
Total liabilities	<u>18,982,705</u>	<u>19,000,874</u>
Commitments and contingencies (Notes 7, 8 and 9)		
Shareholders' deficit:		
Common stock - \$1 par value; 120,000 shares authorized; 104,003 shares issued and outstanding	104,003	104,003
Additional paid-in capital	2,734,939	2,734,939
Accumulated deficit	<u>(9,866,657)</u>	<u>(9,687,685)</u>
	(7,027,715)	(6,848,743)
Less: receivable from Sponsor	<u>111,378</u>	<u>124,698</u>
Total shareholders' deficit	<u>(7,139,093)</u>	<u>(6,973,441)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	<u>\$ 11,843,612</u>	<u>\$ 12,027,433</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED FEBRUARY 28, 2017 AND FEBRUARY 29, 2016

	<u>2017</u>	<u>2016</u>
Revenues:		
Maintenance assessments	\$ 5,591,202	\$ 5,591,201
Parking fees	283,104	\$ 283,328
Laundry receipts	50,400	50,400
Storage fees	50,425	49,800
Interest and dividend income	27,669	24,225
Other	<u>86,084</u>	<u>91,812</u>
Total revenues	<u>6,088,884</u>	<u>6,090,766</u>
Expenses:		
Administrative	848,495	725,362
Utilities	638,988	740,201
Building operations	203,094	181,171
Payroll and related costs	924,933	913,144
Union welfare and pension	246,730	218,880
Interest and debt expense	843,464	843,464
Real estate taxes	1,590,323	1,573,182
Major repairs and replacements	<u>685,380</u>	<u>703,227</u>
Total expenses	<u>5,981,407</u>	<u>5,898,631</u>
Excess of revenues over expenses before depreciation	107,477	192,135
Depreciation	<u>286,449</u>	<u>280,468</u>
DEFICIT OF REVENUES OVER EXPENSES	<u>\$ (178,972)</u>	<u>\$ (88,333)</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
STATEMENTS OF SHAREHOLDERS' DEFICIT
FOR THE YEARS ENDED FEBRUARY 28, 2017 AND FEBRUARY 29, 2016

	<u>Common Stock</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Receivable</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Paid-in</u>	<u>Deficit</u>	<u>from</u>	<u>Total</u>
			<u>Capital</u>		<u>Sponsor</u>	
Balance - March 1, 2015	104,003	\$ 104,003	\$ 2,734,939	\$ (9,599,352)	\$ (128,435)	\$ (6,888,845)
Deficit of revenues over expenses	-	-	-	(88,333)	-	(88,333)
Payment from Sponsor	-	-	-	-	3,737	3,737
Balance - February 29, 2016	104,003	104,003	2,734,939	(9,687,685)	(124,698)	(6,973,441)
Deficit of revenues over expenses	-	-	-	(178,972)	-	(178,972)
Payment from Sponsor	-	-	-	-	13,320	13,320
BALANCE - FEBRUARY 28, 2017	<u>104,003</u>	<u>\$ 104,003</u>	<u>\$ 2,734,939</u>	<u>\$ (9,866,657)</u>	<u>\$ (111,378)</u>	<u>\$ (7,139,093)</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED FEBRUARY 28, 2017 AND FEBRUARY 29, 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Deficit of revenues over expenses	\$ (178,972)	\$ (88,333)
Adjustments to reconcile deficit of revenues over expenses to net cash provided by operating activities:		
Depreciation	286,449	280,468
Amortization of deferred finance costs	45,464	45,464
Capitalized interest	(3,573)	(2,252)
Changes in assets and liabilities:		
Escrow deposits	(7,344)	(48,559)
Assessments and other receivables	(3,041)	23,859
Prepaid real estate taxes and other assets	45,215	10,924
Accounts payable, accrued expenses and other liabilities	<u>(63,632)</u>	<u>85,885</u>
Net cash provided by operating activities	<u>120,566</u>	<u>307,456</u>
Cash flows from investing activities:		
Purchases of certificates of deposit	(720,000)	-
Proceeds from redemptions of certificates of deposits	2,167,146	-
Purchases of property and equipment	<u>(60,756)</u>	<u>(632,777)</u>
Net cash provided by (used in) investing activities	<u>1,386,390</u>	<u>(632,777)</u>
Cash provided by financing activities:		
Payment of Sponsor receivable	<u>13,320</u>	<u>3,737</u>
Net increase (decrease) in cash and cash equivalents	1,520,276	(321,584)
Cash and cash equivalents - beginning	<u>673,274</u>	<u>994,858</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 2,193,550</u>	<u>\$ 673,274</u>
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$ 798,000</u>	<u>\$ 798,000</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2017 AND FEBRUARY 29, 2016

NOTE 1. ORGANIZATION

Sadore Lane Gardens, Inc. (the "Corporation") is a cooperative housing corporation that was incorporated in the state of New York on March 1, 1984. The Corporation owns five buildings known as Sadore Lane Gardens located in Yonkers, New York (the "Property"). The buildings consist of 778 units; as of February 28, 2017, there were 683 units owned by tenant-shareholders and 95 units owned by Garden Towers, Inc. (the "Sponsor").

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Corporation's financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Recently Adopted Accounting Pronouncement

During the year ended February 28, 2017, the Corporation adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2015-03, *Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs* ("ASU 2015-13"). This ASU requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of the related debt liability instead of being reported as an asset. The update represents a change in accounting principle. The update is effective for years beginning after December 15, 2015.

The Corporation adopted ASU 2015-03, effective March 1, 2016, with retroactive application to prior periods. Adoption of ASU 2015-03 resulted in a decrease of total assets and liabilities of \$310,623 and \$356,088 at February 28, 2017 and February 29, 2016, respectively. This adoption had no effect on previously-reported earnings or shareholders' deficit. Deferred finance costs are now reported on the accompanying balance sheets as a direct deduction from the face amount of the related debt. Similarly, the Corporation now reports amortization of deferred finance costs as a component of interest and debt expense.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents and Short-Term Investments

The Corporation considers all short-term investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents consist principally of money market funds. Certificates of deposits with original maturities over three months are classified as short-term investments.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2017 AND FEBRUARY 29, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Finance Costs

Deferred finance costs are amortized over the term of the related loans using the straight-line method. During the year ended February 28, 2014, the Corporation paid financing costs of \$454,645 in connection with refinancing the Corporation's mortgage and line of credit with The Dime Savings Bank of Williamsburgh ("Dime Savings Bank") as described in Notes 7 and 8.

Accumulated amortization amounted to \$144,021 and \$98,557 at February 28, 2017 and February 29, 2016, respectively. The remaining life of the deferred finance costs at February 28, 2017, is less than seven years.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Buildings, building improvements and equipment are depreciated over the estimated useful lives. Building improvements are capitalized, while repairs and maintenance are charged to expense when incurred.

Revenue Recognition

Tenant-shareholders are subject to monthly maintenance assessments to provide funds for the Corporation's operating expenses. Tenant-shareholder receivables at the balance sheet date represent maintenance fees due from tenant-shareholders. The Corporation's policy is to retain legal counsel and place liens on the shares of stock of tenant-shareholders whose assessments are delinquent for 30 days or more. No maintenance fees receivable at February 28, 2017 and February 29, 2016, were considered uncollectible. Any excess assessments at year end are retained by the Corporation for use in the succeeding year.

Income Taxes

The Corporation is qualified to prepare its tax returns pursuant to the provisions of Subchapter T of the Internal Revenue Code. Subchapter T provides that expenses attributable to the generation of patronage income, i.e., income from business done with or for patrons (tenant cooperators), are deductible only to the extent of patronage income. The Corporation believes that all of its income for the years ended February 28, 2017 and February 29, 2016, is patronage income within the meaning of Subchapter T.

The Corporation accounts for current and deferred income taxes and, when appropriate, deferred tax assets and liabilities are recorded with respect to temporary differences in the accounting treatment of items for financial reporting purposes and for income tax purposes. Where, based on the weight of all available evidence, it is more likely than not that some amount of the recorded deferred tax assets will not be realized, a valuation allowance is established for that amount that, in management's judgment, is sufficient to reduce the deferred tax asset to an amount that is more likely than not to be realized.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2017 AND FEBRUARY 29, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain items in the 2016 financial statements have been reclassified to conform to the 2017 presentation. These reclassifications had no effect on the Corporation's previously reported deficiency of revenues over expenses.

Subsequent Events

In accordance with FASB ASC 855, *Subsequent Events*, the Corporation has evaluated subsequent events through August 22, 2017, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 3. FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Corporation's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The Corporation has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of the costs of major repairs and replacements that may be required in the future, nor has it developed a plan to fund those needs. When funds are required for future major repairs and replacements, the Corporation plans to either borrow, increase maintenance assessments, or delay repairs and replacements until funds are available. The effect on future assessments has not been determined.

NOTE 4. CONCENTRATION OF CREDIT RISK

At February 28, 2017 and February 29, 2016, and routinely throughout each year, the Corporation maintained cash deposits with financial institutions and brokerage firms in excess of federally insurable limits. The Corporation has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk with respect to cash.

The balances of the Corporation's investments, including its certificate of deposit accounts, are in excess of the insurance coverage provided by the Security Investor Protection Corporation. The Corporation has not experience any losses in these accounts and believes it is not exposed to any significant credit risk regarding its investments.

NOTE 5. RECEIVABLE FROM SPONSOR

Pursuant to the offering plan, as amended, the Corporation was to receive \$1,000,000 from the Sponsor from the proceeds of the sale of the Corporation's shares of common stock held by the Sponsor ("Sponsor Shares"). As of February 28, 2017, the Corporation has received a total of \$888,622 since inception, of which \$13,320 was received during the year ended February 28, 2017. Collection of the remaining balance of \$111,378 is subject to the Sponsor's sale of the Sponsor Shares. Amounts due from the Sponsor are noninterest bearing.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2017 AND FEBRUARY 29, 2016

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at February 28, 2017 and February 29, 2016:

	<u>2017</u>	<u>2016</u>
Land	\$ 1,568,638	\$ 1,568,638
Buildings	8,888,950	8,888,950
Building improvements	10,423,713	10,401,363
Equipment	<u>729,191</u>	<u>690,785</u>
	21,610,492	21,549,736
Less: accumulated depreciation	<u>13,960,746</u>	<u>13,674,297</u>
Property and equipment, net	<u>\$ 7,649,746</u>	<u>\$ 7,875,439</u>

Depreciation expense amounted to \$286,449 and \$280,468 for the years ended February 28, 2017 and February 29, 2016, respectively.

NOTE 7. REVOLVING LINE OF CREDIT

In December 2013, the Corporation refinanced a mortgage payable and line of credit with Dime Savings Bank and obtained a revolving credit line in the principal amount of \$2,990,000. The revolving credit line matures in January 2024 and bears interest at a prime rate plus 1% (not less than 4.25% per annum). At February 28, 2017 and February 29, 2016, there was no outstanding balance on the revolving line of credit.

NOTE 8. MORTGAGE PAYABLE

In December 2013, the Corporation refinanced its mortgage with Dime Savings Bank in the amount of \$19,000,000. The new mortgage, which matures in January 2024, bears interest at the fixed rate of 4.20% per annum and an effective rate of 4.55% (as a result of the impact of the amortization of deferred financing costs) and requires monthly interest and escrow payments. The mortgage note is collateralized by the land, building and improvements owned by the Corporation.

NOTE 9. COMMITMENTS AND CONTINGENCIES

Agreement for Management Services

The Corporation entered into a managing agent agreement with Prime Locations, Inc. ("Prime"), whereby Prime is responsible for processing all day-to-day bookkeeping transactions and contracting for goods and services (including labor) required in the normal operations of the properties, subject to board approval in certain instances. In January 2016, the management agreement was renewed through 2020 and provides that Prime shall receive an annual fee of \$280,000 (increased annually by 3%). During the years ended February 28, 2017 and February 29, 2016, fees of \$281,400 and \$262,389, respectively, were paid to Prime under this agreement.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2017 AND FEBRUARY 29, 2016

NOTE 9. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreement for Parking Garage Services

The Corporation entered into a parking management agreement with a managing agent to manage the garages and outside parking. The agreement authorizes the agent to offer these services to the tenant-shareholders for rates specified in the agreement. In consideration, the agent shall remit a monthly fee of \$23,688 to the Corporation, subject to certain adjustments contained in the agreement. In August 2015, the Corporation renewed its parking management agreement through October 2025. For the years ended February 28, 2017 and February 29, 2016, parking fees received from the agent amounted to \$283,104 and \$283,328, respectively.

Agreement for Maintenance of Laundry Facilities

The Corporation entered into an agreement with a maintenance contractor to assume operation and maintenance of the laundry machines. In March 2015, the laundry agreement was extended through December 31, 2026. In accordance with the agreement, the Corporation received \$50,400 from the contractor for each of the years ended February 28, 2017 and February 29, 2016.

Agreement for Landscaping Maintenance

In October 2015, the Corporation extended their agreement with the landscaping maintenance company through February 2019. In accordance with this agreement, the Corporation paid \$94,800 to the landscaping maintenance company for the year ended February 28, 2017, and will pay \$94,800 for each of the remaining years ended through February 2019.

Agreement for Maintenance of Elevators

In April 2014, the Corporation entered into a six-year agreement with an elevator contractor to assume maintenance of the elevators. Under this agreement, the elevator contractor is entitled to receive \$39,960 per year from the Corporation, subject to annual price adjustments as defined in the agreement. The agreement is renewable every six years. For the years ended February 28, 2017 and February 29, 2016, the Corporation paid approximately \$47,000 and \$41,000, respectively, to the elevator contractor.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2017 AND FEBRUARY 29, 2016

NOTE 10. INCOME TAXES

Net Operating Loss Carryforwards

The Corporation has federal and state tax loss carryforwards of approximately \$7,126,000, which, if not utilized, will expire as follows:

<u>Year ending February 28/29:</u>	<u>Amount</u>
2018	\$ 187,000
2019	259,000
2020	782,000
2021	326,000
2022-2037	<u>5,572,000</u>
	\$ <u>7,126,000</u>

The net operating loss carryforwards give rise to a deferred tax asset of approximately \$2,422,920 and \$2,310,300 at February 28, 2017 and February 29, 2016, respectively, which have been fully reserved due to management's assessment that it is more likely than not that the loss carryforwards will expire before they are utilized.

Uncertain Tax Positions

In accordance with FASB ASC 740, *Income Taxes*, the Corporation has applied the "more likely than not" threshold to the recognition and derecognition of tax positions. The standard also provides guidance on the measurement of tax positions, balance sheet classification, interest and penalties, accounting in interim periods, disclosures, and transition. Using this guidance, the Corporation had no uncertain tax positions that qualified for either recognition or disclosure in the financial statements as of February 28, 2017 and February 29, 2016.

The Corporation files income tax returns in the U.S. federal jurisdiction and in New York State. With few exceptions, the Corporation is no longer subject to U.S. federal and state tax examinations by taxing authorities.

NOTE 11. MULTI-EMPLOYER PLAN

The Corporation contributes to a multiemployer defined benefit pension plan under the terms of a collective bargaining agreement that covers its union-represented employees. Substantially all of the Corporation's employees are subject to a collective bargaining agreement and are covered under a multiemployer plan. The risks of participating in the multiemployer plan are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, its portion of the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Corporation chooses to stop participating in its multiemployer plan, it may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability. The Corporation currently has no intention of withdrawing from the plan.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2017 AND FEBRUARY 29, 2016

NOTE 11. MULTI-EMPLOYER PLAN (CONTINUED)

The Corporation's participation in the plan for the years ended February 28, 2017 and February 29, 2016, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number ("EIN") and the three-digit plan number, if applicable. The most recent Pension Protection Act ("PPA") zone status available in 2016 and 2015 is for the plan's year end at June 30, 2016 and 2015, respectively. The zone status is based on information that the Corporation received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are 65 to 80 percent funded, and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Pending or Implemented" column indicates if a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented. The last column lists the expiration date of the collective bargaining agreement to which the plan is subject.

Pension Fund	EIN/Pension Plan Number	Pension's Protection Act Zone Status		FIP/RP Status Pending or Implemented	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
		2016	2015			
Central Pension Fund of the International Union, Local 32BJ and Participating Employers (a)	13-1879376/001	Red	Red	Yes	None	September 30, 2018

(a) The zone status was certified by the plan's actuary as of July 1, 2016 and 2015.

The Corporation was not listed on the Form 5500 as providing more than 5% of the total contributions to the multiemployer defined benefit pension plan.

The Corporation's portion of the projected benefit obligation, plan assets and unfunded liability of the multiemployer pension plans is not material to the Corporation's financial position. However, the failure of participating employers to remain solvent could affect the Corporation's portion of the plan's unfunded liability. Specific benefit levels provided by union pension plans are not negotiated with or known by the employer contributors.

The Corporation also participates in the Building Service 32BJ Health Fund (the "Health Fund"). The Health Fund provides health and other benefits to eligible participants employed by the Corporation. For the years ended February 28, 2017 and February 29, 2016, the Corporation contributed \$48,831 and \$43,191, respectively, to the multiemployer defined benefit pension plan and \$197,899 and \$175,689, respectively, to the Health Fund.

SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

NOTE 11. MULTI-EMPLOYER PLAN (CONTINUED)

The Corporation also participates in the Building Service 32BJ Health Fund (the "Health Fund"). The Health Fund provides health and other benefits to eligible participants employed by the Corporation. For the years ended February 29, 2016 and February 28, 2015, the Corporation contributed \$43,191 and \$40,261, respectively, to the multiemployer defined benefit pension plan and \$175,689 and \$164,016, respectively, to the Health Fund.

NOTE 12. FAIR VALUE MEASUREMENTS

Assets and liabilities measured at fair value are based on one or more of three valuation techniques identified in the table below. The valuation techniques are as follows:

- (a) *Market approach.* Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- (b) *Cost approach.* Amount that would be required to replace the service capacity of an asset (replacement cost); and
- (c) *Income approach.* Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

The following tables summarize the Corporation's assets measured at fair value on a recurring basis, categorized by GAAP's valuation hierarchy as of February 29, 2016 and February 28, 2015:

Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total	Valuation Technique
<u>February 29, 2016:</u>					
Cash equivalents:					
Money market funds	\$ 326,129	\$ -	\$ -	\$ 326,129	(a)
Marketable securities:					
Certificates of deposit	-	2,646,288	-	2,646,288	(a)
Total	\$ 326,129	\$ 2,646,288	\$ -	\$ 2,972,417	

SADORE LANE GARDENS, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2016 AND FEBRUARY 28, 2015

NOTE 12. FAIR VALUE MEASUREMENTS (CONTINUED)

Description	Level 1: Quoted Prices in Active Markets for Identical Assets		Level 2: Significant Other Observable Inputs		Level 3: Significant Unobservable Inputs		Total	Valuation Technique
<u>February 28, 2015:</u>								
Cash equivalents:								
Money market funds	\$	563,981	\$	-	\$	-	\$ 563,981	(a)
Marketable securities:								
Certificates of deposit		-		2,644,036		-	2,644,036	(a)
Total	\$	563,981	\$	2,644,036	\$	-	\$ 3,208,017	

The fair values of money market funds included in cash and cash equivalents are determined by reference to quoted market prices.

The fair values of certificates of deposit are estimated using valuations provided by third-party pricing services and are generally included with Level 2 of the fair value hierarchy. The Corporation's certificates of deposit are all Level 2 assets in the fair value measurement hierarchy.

[illegible]

FORTY-FIFTH AMENDMENT

TO

OFFERING PLAN OF

COOPERATIVE OWNERSHIP OF

PREMISES KNOWN AS

1, 2, 3, 4 AND 5 SADORE LANE

YONKERS, NEW YORK 10710

Dated: September 4, 2019

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED SEPTEMBER 28, 1982, AND THE FIRST AMENDMENT DATED NOVEMBER 10, 1982; THE SECOND AMENDMENT DATED AUGUST 17, 1983; THE THIRD AMENDMENT DATED SEPTEMBER 7, 1983; THE FOURTH AMENDMENT DATED NOVEMBER 30, 1983; THE FIFTH AMENDMENT DATED MARCH 2, 1984; THE SIXTH AMENDMENT DATED SEPTEMBER 6, 1984; THE SEVENTH AMENDMENT DATED JULY 9, 1985; THE EIGHTH AMENDMENT DATED MARCH 24, 1987; THE NINTH AMENDMENT DATED APRIL 30, 1987; THE TENTH AMENDMENT DATED JUNE 12, 1987; THE ELEVENTH AMENDMENT DATED SEPTEMBER 8, 1987; THE TWELFTH AMENDMENT DATED JUNE 29, 1988; THE THIRTEENTH AMENDMENT DATED DECEMBER 5, 1989; THE FOURTEENTH AMENDMENT DATED JUNE 27, 1990; THE FIFTEENTH AMENDMENT DATED NOVEMBER 6, 1991; THE SIXTEENTH AMENDMENT DATED APRIL 23, 1992; THE SEVENTEENTH AMENDMENT DATED NOVEMBER 12, 1992; THE EIGHTEENTH AMENDMENT DATED JANUARY 7, 1994; THE NINETEENTH AMENDMENT DATED APRIL 21, 1995; THE TWENTIETH AMENDMENT DATED SEPTEMBER 22, 1995; THE TWENTY FIRST AMENDMENT DATED SEPTEMBER 24, 1996; THE TWENTY SECOND AMENDMENT DATED SEPTEMBER 18, 1997; THE TWENTY THIRD AMENDMENT DATED NOVEMBER 9, 1998; THE TWENTY FOURTH AMENDMENT DATED DECEMBER 22, 1999; THE TWENTY FIFTH AMENDMENT DATED JUNE 6, 2000; THE TWENTY SIXTH AMENDMENT DATED JULY 24, 2001; THE TWENTY SEVENTH AMENDMENT DATED SEPTEMBER 3, 2002; THE TWENTY EIGHTH AMENDMENT DATED JUNE 9, 2003; THE TWENTY NINTH AMENDMENT DATED FEBRUARY 6, 2004; THE THIRTIETH AMENDMENT DATED NOVEMBER 15, 2004; THE THIRTY FIRST AMENDMENT DATED FEBRUARY 9, 2005; THE THIRTY SECOND AMENDMENT DATED FEBRUARY 10, 2006; THE THIRTY THIRD AMENDMENT DATED MARCH 19, 2007; THE THIRTY FOURTH AMENDMENT DATED MAY 29, 2008; THE THIRTY FIFTH AMENDMENT DATED APRIL 2, 2009; THE THIRTY SIXTH AMENDMENT DATED JANUARY 5, 2010; THE THIRTY SEVENTH AMENDMENT DATED JANUARY 28, 2011; THE THIRTY EIGHTH AMENDMENT DATED FEBRUARY 17, 2012; THE THIRTY NINTH AMENDMENT DATED APRIL 4, 2013; THE FORTIETH AMENDMENT DATED APRIL 10, 2014; THE FORTY-FIRST AMENDMENT DATED APRIL 13, 2015; THE FORTY-SECOND AMENDMENT DATED JUNE 10, 2016; THE FORTY THIRD AMENDMENT DATED JULY 13, 2017, AND THE FORTY FOURTH AMENDMENT DATED AUGUST 17, 2018, AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN.

Apartment Corporation:
SADORE LANE GARDENS, INC.

Sponsor:
GARDEN TOWERS LLC

Holder of Unsold Shares:
GUARDIAN TOWERS, LLC

The Cooperative Offering Plan, a Plan to convert to cooperative ownership premises at 1-5 Sadore Lane, Yonkers, New York, dated September 28, 1982, as heretofore amended (the "Plan") is hereby further amended as follows:

1. **Sale of Unsold Shares.** The Sponsor currently holds Unsold Shares allocated to 79 of the 780 Apartments at the Premises, representing 10.128% of all the Apartments, as set forth in Exhibit "A-1" annexed.

2. **Sponsor's Obligations.** The Sponsor has no financial obligations to the Apartment Corporation other than for payment of maintenance charges and assessments, other than as follows: the Sponsor is responsible for the payment of reserve fund contributions at the rate of \$7.3972 per Unsold Share sold. The Sponsor is current in all its financial obligations to the Apartment Corporation, and during the previous twelve months the Sponsor has not been in default with respect to any such obligations beyond any applicable grace period.

3. **Sponsor's Unsold Shares.** The Sponsor, as Holder of the remaining Unsold Shares, will hold the Shares allocated to the apartments (the "Apartments") indicated on Exhibit "A" annexed hereto. As of July 1, 2019 the aggregate monthly maintenance charges and parking charges due in connection with the Unsold Shares allocated to the Apartments are \$52,666.88. The aggregate monthly rents received from tenants of the Apartments are \$61,567.41 as of July 1, 2019. The Sponsor shall pay its obligations to the Apartment Corporation from the rent collected. The Sponsor plans to market the vacant Apartments to which Unsold Shares are allocated. As those Apartments are sold the monthly maintenance charges due to the Apartment Corporation from the Sponsor will decrease.

4. **Disclosure for Guardian Towers LLC.** Guardian, as a Holder of Unsold Shares, owns the shares allocated to twelve apartments; in addition, Guardian has acquired the shares allocated to ten additional apartments which had previously been sold. Guardian has no financial obligations to the Apartment Corporation other than for payment of maintenance charges and assessments. Guardian is current in all its financial obligations to the Apartment Corporation, and

during the previous twelve months Guardian has not been in default with respect to any such obligations beyond any applicable grace period. Guardian is responsible for the monthly maintenance charges for the Unsold Shares allocated to the apartments it owns; the aggregate monthly maintenance charges to be due in connection with the Unsold Shares allocated to those apartments are \$6,200.32, and the aggregate monthly rents payable from Guardian's tenants are \$17,315.00. Guardian intends to market or lease the its apartments, depending on market conditions, and shall pay its obligations to the Apartment Corporation from the proceeds of sales and rents as well as its reserves. Guardian or principals of Guardian do not own more than 10% of the shares or units in other cooperative or condominium conversion projects. As disclosed in the Thirty Sixth Amendment to the Offering Plan, Guardian had obtained share loans from Sterling National Bank secured by the pledge of the Guardian's Unsold Shares and proprietary leases except 3 Sadore Lane, Apartment 7D and 4 Sadore Lane, Apt. 3C. Since then, Guardian has repaid one of the loans, leaving only one loan outstanding at a reduced amount; as of July 1, 2019, the monthly payment on the outstanding loan is \$1,753.24 per month; future payments may be reduced due to release payments made in connection with the sales of Unsold Shares. Guardian's loan matures in December 2019 and is prepayable with a penalty computed as a percentage of the principal prepaid; the rate is 1% until maturity. Guardian is required to maintain insurance on its units in connection with this loan. Guardian has been current in its payments to its lender during the past twelve (12) months.

5. **Sponsor's Other Cooperative Projects.** The Sponsor or principals of the Sponsor do not own more than 10% of the shares or units in other cooperative or condominium conversion projects.

6. **Sponsor's Financing of Unsold Shares.** The loan disclosed in the Thirty Third and Thirty Eighth Amendments to the Offering Plan has been replaced with a new loan secured by the pledge of the Sponsor's Unsold Shares and proprietary leases. On January 10, 2019, the Sponsor obtained a loan secured by the pledge of the Sponsor's Unsold Shares and the proprietary leases appurtenant thereto. The material terms of this loan include the following:

Identity of lender:	PCSB Bank
Address of lender:	2651 Strang Boulevard, Yorktown Heights, New York 10598.
Loan Amount:	\$1,600,000.00
Maturity Date:	February 1, 2033
Interest Rate:	4.90.% fixed for seven years; thereafter the rate will be adjusted to the

greater of 4.90% or 2.25% above the Index Rate then in effect. Index Rate is the weekly average yield on seven (7) year US Treasury Notes (constant maturity) as of 45 days prior to the 85th payment date.

Monthly Payments: \$9,321.93 fixed for 12 payments; payments will be recalculated annually to reflect prepayments due to sales and for the 85th and subsequent payments to reflect any change in the rate.

Other Payments: Release payment of \$25,000.00 is due whenever Unsold Shares are sold.

The Sponsor has been current in its payments to its lender and its prior lender during the past twelve (12) months.

7. **Financial Statements.** Annexed hereto as Exhibit "B" are the Apartment Corporation's audited financial statements for the years ended February 28, 2018, and February 28, 2017.

8. **Current Maintenance Charges, Budget.** The current maintenance charges are \$4.48 per share per month. Maintenance charges were last increased as of June 1, 2011; that increase was 1.030%, and no additional increase is currently planned. A copy of the Apartment Corporation's budget for March 1, 2019 to February 29, 2020 is annexed as Exhibit "C."

9. **Board of Directors.** The current board of directors of the Corporation was elected at the annual stockholders' meeting which was held on December 4, 2018. The following are the current officers and directors: Louis Monaco, president, Mike Abelson, vice president, Herbert Goldstein, secretary, Charles Scheinberg, treasurer, Nelson Ota, James Schoen and Michael Rosen. Of the foregoing, James Schoen and Michael Rosen are affiliated with the Sponsor. The Sponsor gave up control of the board of directors as of the meeting held on April 26, 1984.

10. **Maximum Price for Unsold Shares.** The maximum purchase price for all Unsold Shares is hereby increased to \$2,500.00 per share.

11. **Special Risk: Tax Cuts and Jobs Act of 2017.** On January 1, 2018 the Tax Cuts and Jobs Act of 2017 went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to home ownership. Accordingly, the tax information and projections disclosed in this offering plan may be inaccurate because such are based on federal tax law as it existed prior to 2018. Purchasers are advised to consult with a tax expert regarding whether the new law will affect the purchaser's taxes. Purchasers should not rely on any representations in this offering plan addressing taxes without first consulting a tax expert.

12. **Additional Disclosure regarding Sponsor's Principals.** Effective January 1, 2019 Amerinda Alpern succeeded Steven Rubin as a managing member and a principal of the Sponsor. Ms. Alpern has previously been involved in management of real estate investments; her office in connection with the Sponsor is at 550 Mamaroneck Avenue, Harrison, NY 10528. Neither principal of the Sponsor has any prior conviction, felony convictions, injunctions or judgments against him. A new certification of the Sponsor and its principals is attached as Exhibit "D."

13. **Change of Name and Address of Bank in Which Deposits Are Held.** The Sponsor's Escrow Agent had established the escrow account at Hudson Valley Bank, located at 403 E. Sandford Boulevard, Mount Vernon, New York as disclosed in the 39th Amendment; Hudson Valley Bank is now known as Sterling National Bank due to a merger, and the Escrow Account has been transferred to the branch located at 21 Scarsdale Road, Tuckahoe, New York upon the closure of the prior branch.

14. The Offering Plan, as modified, supplemented and extended hereby, is incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment, not otherwise defined herein, shall have the same meanings ascribed to them in the Offering Plan.

15. Except as set forth herein there have been no material changes in the terms of the Offering.

SADORE LANE GARDENS, INC.

Apartment Corporation

GARDEN TOWERS LLC

Sponsor

GUARDIAN TOWERS, LLC

Holder of Unsold Shares

UNSOLD APARTMENTS - GARDEN TOWERS LLC

As of: July 1, 2019

BUILDING NO. 1

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
1E	130	3B	205	5L	172	7C	110
2A	100	3Z	102	6L	174	7G	140
2T	166	4B	207	6V	142	7X	176
		5G	136	7B	213		
						total	2,173

BUILDING NO. 2

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
2M	100	4F	163	5Y	172	7J	128
2Y	166	4H	138	6H	142	7P	105
3T	157	4T	159	6Y	174	7Z	110
3X	163						
						total	1,877

BUILDING NO. 3

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
1B	96	1Z	96	4U	138	6V	142
1E	130	2V	134	4W	122	7C	110
1S	130	4S	138	5S	140	7X	176
						total	1,552

BUILDING NO. 4

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
1N	96	3H	136	5F	165	6Y	174
1X	162	3S	130	5J	122	7B	213
1Y	162	3U	136	5O	209	7T	171
2B	203	4K	168	6C	103	7Y	176
2E	128	4X	170	6G	142		
2K	164	5B	209	6L	174		
						total	3,513

BUILDING NO. 5

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
LG	128	2P	132	4G	138	6R	142
1E	128	2R	132	5N	169	7B	144
1L	132	3B	136	6E	211	7F	144
2K	134	3E	205	6K	142	7G	144
		4C	138	6L	142		
						total	2,641

Project Unsold Share Totals: 12,569

Apartments: 79

1-5 SADORE LANE, YONKERS, NEW YORK

UNSOLD APARTMENTS
GUARDIAN TOWERS, LLC

As of: July 1, 2019

Apartment no.	No. of shares
1-4K	165
1-4M	104
2-4M	104
3-2J	118
3-4K	170
3-7D	78
4-1J	112
4-3C	97
4-5D	70
4-6M	108
5-4H	120
5-4P	138
total shares	1,384

12 Apartments

Also Owned by Guardian Towers LLC But Not Unsold Shares

1-2P	100
2-1R	60
2-5D	70
2-6P	103
2-7C	105
3-1A	96
3-1D	64
4-5R	70
4-6E	136
5-3H	118

10 Apartments

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)

FINANCIAL STATEMENTS

YEARS ENDED
FEBRUARY 28, 2018 AND 2017

Exhibit "B"

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
FOR THE YEARS ENDED FEBRUARY 28, 2018 AND 2017

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Balance sheets	3
Statements of revenues and expenses	4
Statements of shareholders' deficit	5
Statements of cash flows	6
Notes to financial statements	7 - 13



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Accountants and Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sadore Lane Gardens, Inc.

We have audited the accompanying financial statements of Sadore Lane Gardens, Inc. (a cooperative housing corporation), which comprise the balance sheets as of February 28, 2018 and 2017, and the related statements of revenues and expenses, shareholders' deficit and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



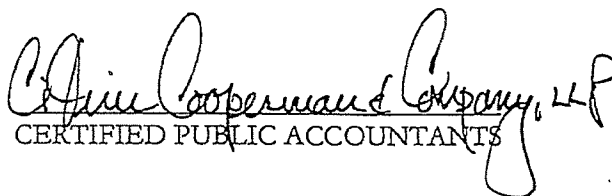
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Omission of Required Supplementary Information about Future Major Repairs and Replacements

As discussed in Note 3 of the financial statements, management has not estimated the remaining lives and replacement costs of the common property and, therefore, has omitted the information about the estimates of future costs of major repairs and replacements and related estimated useful lives of the common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing supplementary information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing supplementary information.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sadore Lane Gardens, Inc. as of February 28, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.


CERTIFIED PUBLIC ACCOUNTANTS

White Plains, New York
August 29, 2018

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
BALANCE SHEETS
FEBRUARY 28, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 2,220,722	\$ 2,193,550
Short-term investments - certificates of deposit	963,346	1,202,715
Escrow deposits	385,227	397,108
Assessments and other receivables	71,689	82,308
Prepaid real estate taxes and other assets	320,943	318,185
Property and equipment, net	<u>7,481,380</u>	<u>7,649,746</u>
TOTAL ASSETS	\$ <u>11,443,307</u>	\$ <u>11,843,612</u>
<u>LIABILITIES AND SHAREHOLDERS' DEFICIT</u>		
Liabilities:		
Accounts payable, accrued expenses and other liabilities	\$ 282,172	\$ 293,328
Mortgage note payable, net of unamortized debt issuance costs	<u>18,734,841</u>	<u>18,689,377</u>
Total liabilities	<u>19,017,013</u>	<u>18,982,705</u>
Commitments and contingencies (Notes 7, 8 and 9)		
Shareholders' deficit:		
Common stock - \$1 par value; 120,000 shares authorized; 103,844 (2018) and 104,003 (2017) shares issued and outstanding	103,844	104,003
Additional paid-in capital	2,735,098	2,734,939
Accumulated deficit	<u>(10,160,572)</u>	<u>(9,866,657)</u>
	(7,321,630)	(7,027,715)
Less: treasury stock, 159 shares at cost	145,700	-
Less: receivable from Sponsor	<u>106,376</u>	<u>111,378</u>
Total shareholders' deficit	<u>(7,573,706)</u>	<u>(7,139,093)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	\$ <u>11,443,307</u>	\$ <u>11,843,612</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED FEBRUARY 28, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Revenues:		
Maintenance assessments	\$ 5,580,329	\$ 5,591,202
Parking fees	281,599	283,104
Laundry receipts	50,400	50,400
Storage fees	53,788	50,425
Interest and dividend income	27,159	27,669
Rental income	10,000	-
Other	<u>78,025</u>	<u>86,084</u>
Total revenues	<u>6,081,300</u>	<u>6,088,884</u>
Expenses:		
Administrative	736,310	848,495
Utilities	869,057	638,988
Building operations	235,329	203,094
Payroll and related costs	935,575	924,933
Union welfare and pension	263,741	246,730
Interest and debt expense	843,464	843,464
Real estate taxes	1,618,705	1,590,323
Major repairs and replacements	<u>590,229</u>	<u>685,380</u>
Total expenses	<u>6,092,410</u>	<u>5,981,407</u>
(Deficit) excess of revenues over expenses before depreciation	(11,110)	107,477
Depreciation	<u>282,805</u>	<u>286,449</u>
DEFICIT OF REVENUES OVER EXPENSES	\$ <u>(293,915)</u>	\$ <u>(178,972)</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
STATEMENTS OF SHAREHOLDERS' DEFICIT
FOR THE YEARS ENDED FEBRUARY 28, 2018 AND 2017

	Common Stock		Additional		Treasury Stock		Receivable	
	Shares	Amount	Paid-In Capital	Accumulated Deficit	Shares	Amount	Sponsor	Total
Balance - March 1, 2016	104,003	\$ 104,003	\$ 2,734,939	\$ (9,687,685)	-	\$ -	\$ (124,698)	\$ (6,973,441)
Deficit of revenues over expenses	-	-	-	(178,972)	-	-	-	(178,972)
Payment from Sponsor	-	-	-	-	-	-	13,320	13,320
Balance - February 28, 2017	104,003	104,003	2,734,939	(9,866,657)	-	-	(111,378)	(7,139,093)
Deficit of revenues over expenses	-	-	-	(293,915)	-	-	-	(293,915)
Acquisition of common stock	(159)	(159)	159	-	159	(145,700)	-	(145,700)
Payment from Sponsor	-	-	-	-	-	-	5,002	5,002
BALANCE - FEBRUARY 28, 2018	103,844	\$ 103,844	\$ 2,735,098	\$ (10,160,572)	159	\$ (145,700)	\$ (106,376)	\$ (7,573,706)

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED FEBRUARY 28, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Deficit of revenues over expenses	\$ (293,915)	\$ (178,972)
Adjustments to reconcile deficit of revenues over expenses to net cash provided by operating activities:		
Depreciation	282,805	286,449
Amortization of deferred finance costs	45,464	45,464
Capitalized interest	(631)	(3,573)
Changes in assets and liabilities:		
Escrow deposits	11,881	(7,344)
Assessments and other receivables	10,619	(3,041)
Prepaid real estate taxes and other assets	(2,758)	45,215
Accounts payable, accrued expenses and other liabilities	<u>(11,156)</u>	<u>(63,632)</u>
Net cash provided by operating activities	<u>42,309</u>	<u>120,566</u>
Cash flows from investing activities:		
Purchases of certificates of deposit	(720,000)	(720,000)
Proceeds from redemptions of certificates of deposits	960,000	2,167,146
Purchases of property and equipment	<u>(114,439)</u>	<u>(60,756)</u>
Net cash provided by investing activities	<u>125,561</u>	<u>1,386,390</u>
Cash flows from financing activities:		
Payment of Sponsor receivable	5,002	13,320
Acquisition of common stock	<u>(145,700)</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>(140,698)</u>	<u>13,320</u>
Net increase in cash and cash equivalents	27,172	1,520,276
Cash and cash equivalents - beginning	<u>2,193,550</u>	<u>673,274</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 2,220,722</u>	<u>\$ 2,193,550</u>
Supplemental disclosures of cash flow information:		
Interest paid	<u>\$ 798,000</u>	<u>\$ 798,000</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2018 AND 2017

NOTE 1. ORGANIZATION

Sadore Lane Gardens, Inc. (the "Corporation") is a cooperative housing corporation that was incorporated in the state of New York on March 1, 1984. The Corporation owns five buildings known as Sadore Lane Gardens located in Yonkers, New York (the "Property"). The buildings consist of 778 units; as of February 28, 2018, there were 688 units owned by tenant-shareholders, 89 units owned by Garden Towers, Inc. (the "Sponsor") and one unit owned by the Corporation.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Corporation's financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Recently Issued but not yet Effective Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), which requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU will replace most existing revenue recognition guidance in U.S. GAAP, including industry specific guidance, when it becomes effective. This new guidance is effective for years beginning after December 15, 2018. The Corporation is evaluating the effect that ASU 2014-09 will have on its financial statements and related disclosures.

In February 2016, FASB issued ASU No. 2016-02, *Leases* ("ASU 2016-02"). This update requires all leases with a term greater than 12 months to be recognized on the balance sheet through a right-of-use asset and a lease liability and the disclosure of key information pertaining to leasing arrangements. This new guidance is effective for years beginning after December 15, 2019, with early adoption permitted. The Corporation is evaluating the effect that ASU 2016-02 will have on its financial statements and related disclosures, but has not yet determined the timing of adoption.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents and Short-Term Investments

The Corporation considers all short-term investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents consist principally of money market funds. Certificates of deposits with original maturities over three months are classified as short-term investments.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2018 AND 2017

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Finance Costs

In 2017, the Corporation adopted ASU No. 2015-03, *Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs* ("ASU 2015-03"). ASU 2015-03 requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability instead of being presented as an asset. Debt issuance costs are reported on the accompanying balance sheets as a direct deduction from the face amount of the related debt. Similarly, the Corporation reports amortization of debt issuance costs as a component of interest and debt expense.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Buildings, building improvements and equipment are depreciated over the estimated useful lives. Building improvements are capitalized, while repairs and maintenance are charged to expense when incurred.

Revenue Recognition

Tenant-shareholders are subject to monthly maintenance assessments to provide funds for the Corporation's operating expenses. Assessment receivables at the balance sheet dates represent maintenance fees due from tenant-shareholders. The Corporation's policy is to retain legal counsel and place liens on the shares of stock of tenant-shareholders whose assessments are delinquent for 30 days or more. No maintenance fees receivable at February 28, 2018 and 2017, were considered uncollectible. Any excess assessments at year end are retained by the Corporation for use in the succeeding year.

The Corporation is leasing a unit to a tenant under a one-year non-cancelable operating lease. Rental income is recognized when due in accordance with the provisions of the lease.

Income Taxes

The Corporation is qualified to prepare its tax returns pursuant to the provisions of Subchapter T of the Internal Revenue Code. Subchapter T provides that expenses attributable to the generation of patronage income, i.e., income from business done with or for patrons (tenant cooperators), are deductible only to the extent of patronage income. The Corporation believes that all of its income for the years ended February 28, 2018 and 2017, is patronage income within the meaning of Subchapter T.

The Corporation accounts for current and deferred income taxes and, when appropriate, deferred tax assets and liabilities are recorded with respect to temporary differences in the accounting treatment of items for financial reporting purposes and for income tax purposes. Where, based on the weight of all available evidence, it is more likely than not that some amount of the recorded deferred tax assets will not be realized, a valuation allowance is established for that amount that, in management's judgment, is sufficient to reduce the deferred tax asset to an amount that is more likely than not to be realized.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2018 AND 2017

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In accordance with FASB ASC 855, *Subsequent Events*, the Corporation has evaluated subsequent events through August 29, 2018, the date on which these financial statements were available to be issued. Except for the matter described in Note 9, there were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 3. FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Corporation's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The Corporation has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of the costs of major repairs and replacements that may be required in the future, nor has it developed a plan to fund those needs. When funds are required for future major repairs and replacements, the Corporation plans to either borrow, increase maintenance assessments, or delay repairs and replacements until funds are available. The effect on future assessments has not been determined.

NOTE 4. CONCENTRATIONS OF CREDIT RISK

At February 28, 2018 and 2017, and routinely throughout each year, the Corporation maintained cash deposits with financial institutions and brokerage firms in excess of federally insurable limits. The Corporation has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk with respect to cash.

The balances of the Corporation's investments, including its certificate of deposit accounts, are in excess of the insurance coverage provided by the Security Investor Protection Corporation. The Corporation has not experience any losses in these accounts and believes it is not exposed to any significant credit risk regarding its investments.

The Corporation has a total of 29 and 19 employees at February 28, 2018 and 2017, respectively. Approximately 45% and 68% of the Corporation's employees are represented by a union for the years ended February 28, 2018 and 2017, respectively (see Note 11).

NOTE 5. RECEIVABLE FROM SPONSOR

Pursuant to the offering plan, as amended, the Corporation was to receive \$1,000,000 from the Sponsor from the proceeds of the sale of the Corporation's shares of common stock held by the Sponsor (the "Sponsor Shares"). As of February 28, 2018, the Corporation has received a total of \$893,624 since inception, of which \$5,002 was received during the year ended February 28, 2018. Collection of the remaining balance of \$106,376 is subject to the Sponsor's sale of the Sponsor Shares. Amounts due from the Sponsor are noninterest bearing and are deemed fully collectible.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2018 AND 2017

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at February 28, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Land	\$ 1,568,638	\$ 1,568,638
Buildings	8,888,950	8,888,950
Building improvements	10,532,172	10,423,713
Equipment	<u>735,171</u>	<u>729,191</u>
	21,724,931	21,610,492
Less: accumulated depreciation	<u>14,243,551</u>	<u>13,960,746</u>
Property and equipment, net	<u>\$ 7,481,380</u>	<u>\$ 7,649,746</u>

Depreciation expense amounted to \$282,805 and \$286,449 for the years ended February 28, 2018 and 2017, respectively.

NOTE 7. REVOLVING LINE OF CREDIT

In December 2013, the Corporation obtained a revolving credit line from Dime Savings Bank in the principal amount of \$2,990,000. The revolving credit line matures in January 2024 and bears interest at a prime rate plus 1% (not less than 4.25% per annum). At February 28, 2018 and 2017, there was no outstanding balance on the revolving line of credit.

NOTE 8. MORTGAGE PAYABLE

In December 2013, the Corporation refinanced its mortgage with Dime Savings Bank in the amount of \$19,000,000. The new mortgage, which matures in January 2024, bears interest at the fixed rate of 4.20% per annum and an effective rate of 4.50% (as a result of the impact of the amortization of deferred financing costs) and requires monthly interest and escrow payments. The mortgage note is collateralized by the land, building and improvements owned by the Corporation.

The outstanding balance of the mortgage payable on the accompanying balance sheets at February 28, 2018 and 2017 are reflected net of unamortized debt issuance costs of \$265,159 and \$310,624, respectively.

NOTE 9. COMMITMENTS AND CONTINGENCIES

Agreement for Management Services

The Corporation entered into a managing agent agreement with Prime Locations, Inc. ("Prime"), whereby Prime is responsible for processing all day-to-day bookkeeping transactions and contracting for goods and services (including labor) required in the normal operations of the properties, subject to board approval in certain instances. In January 2016, the management agreement was renewed through 2020 and provides that Prime shall receive an annual fee of \$280,000 (increased annually by 3%). During the years ended February 28, 2018 and 2017, fees of \$289,842 and \$281,400, respectively, were paid to Prime under this agreement.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2018 AND 2017

NOTE 9. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreement for Parking Garage Services

The Corporation entered into a parking management agreement with a managing agent to manage the garages and outside parking. The agreement authorizes the agent to offer these services to the tenant-shareholders for rates specified in the agreement. In consideration, the agent shall remit a monthly fee of \$23,688 to the Corporation, subject to certain adjustments contained in the agreement. In August 2015, the Corporation renewed its parking management agreement through October 2025. For the years ended February 28, 2018 and 2017, parking fees received from the agent amounted to \$281,599 and \$283,104, respectively.

Agreement for Maintenance of Laundry Facilities

The Corporation entered into an agreement with a maintenance contractor (the "Contractor"). Pursuant to the agreement, the Contractor provided, installed and will maintain the laundry machines for the Property, which the tenant-shareholders will pay to use. In May 2018, the laundry agreement was extended through December 31, 2034. In accordance with the agreement, the Corporation received \$50,400 from the contractor for each of the years ended February 28, 2018 and 2017.

Agreement for Landscaping Maintenance

In October 2015, the Corporation extended its agreement with the landscaping maintenance company through February 2019. In accordance with this agreement, the Corporation paid \$94,800 to the landscaping maintenance company for each of the years ended February 28, 2018 and 2017, and will pay \$94,800 for the remaining year ended February 28, 2019.

Agreement for Maintenance of Elevators

In April 2014, the Corporation entered into a six-year agreement with an elevator contractor to assume maintenance of the elevators through April 30, 2020. Under this agreement, the elevator contractor is entitled to receive \$39,960 per year from the Corporation, subject to annual price adjustments as defined in the agreement. The agreement is renewable every six years. For the years ended February 28, 2018 and 2017, the Corporation paid approximately \$49,000 and \$47,000, respectively, to the elevator contractor.

NOTE 10. INCOME TAXES

Net Operating Loss Carryforwards

At February 28, 2018, the Corporation has federal and state tax loss carryforwards of approximately \$7,492,000, which, if not utilized, will expire as follows:

<u>Year ending February 28/29:</u>	<u>Amount</u>
2019	\$ 187,000
2020	259,000
2021	782,000
2022	326,000
2023-2038	<u>5,938,000</u>
	<u>\$ 7,492,000</u>

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2018 AND 2017

NOTE 10. INCOME TAXES (CONTINUED)

Net Operating Loss Carryforwards (Continued)

The net operating loss carryforwards give rise to a deferred tax asset of \$2,547,398 and \$2,422,920 at February 28, 2018 and 2017, respectively, which have been fully reserved due to management's assessment that it is more likely than not that the loss carryforwards will expire before they are utilized.

Uncertain Tax Positions

In accordance with FASB ASC 740, *Income Taxes*, the Corporation has applied the "more likely than not" threshold to the recognition and derecognition of tax positions. The standard also provides guidance on the measurement of tax positions, balance sheet classification, interest and penalties, accounting in interim periods, disclosures, and transition. Using this guidance, the Corporation had no uncertain tax positions that qualified for either recognition or disclosure in the financial statements as of February 28, 2018 and 2017.

The Corporation files income tax returns in the U.S. federal jurisdiction and in New York State. The Corporation is subject to U.S. federal and state tax examinations by taxing authorities.

NOTE 11. MULTI-EMPLOYER PLAN

The Corporation contributes to a multiemployer defined benefit pension plan under the terms of a collective bargaining agreement that covers its union-represented employees. Substantially all of the Corporation's employees are subject to a collective bargaining agreement and are covered under a multiemployer plan. The risks of participating in the multiemployer plan are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, its portion of the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Corporation chooses to stop participating in its multiemployer plan, it may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability. The Corporation currently has no intention of withdrawing from the plan.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2018 AND 2017

NOTE 11. MULTI-EMPLOYER PLAN (CONTINUED)

The Corporation's participation in the plan for the years ended February 28, 2018 and 2017, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number ("EIN") and the three-digit plan number, if applicable. The most recent Pension Protection Act ("PPA") zone status available in 2017 is for the plan's year end at June 30, 2017 and 2016, respectively. The zone status is based on information that the Corporation received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are 65 to 80 percent funded, and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Pending or Implemented" column indicates if a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented. The last column lists the expiration date of the collective bargaining agreement to which the plan is subject.

Pension Fund	EIN/Pension Plan Number	Pension's Protection Act Zone Status		FIP/RP Status Pending or Implemented	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
		2017	2016			
Building Service 32BJ Pension Fund (a)	13-1879376/001	Red	Red	Yes	Yes	September 30, 2018

(a) The zone status was certified by the plan's actuary as of July 1, 2016 and 2015.

The Corporation was not listed on the Form 5500 as providing more than 5% of the total contributions to the multiemployer defined benefit pension plan.

The Corporation's portion of the projected benefit obligation, plan assets and unfunded liability of the multiemployer pension plans is not material to the Corporation's financial position. However, the failure of participating employers to remain solvent could affect the Corporation's portion of the plan's unfunded liability. Specific benefit levels provided by union pension plans are not negotiated with or known by the employer contributors.

The Corporation also participates in the Building Service 32BJ Health Fund (the "Health Fund"). The Health Fund provides health and other benefits to eligible participants employed by the Corporation. For the years ended February 28, 2018 and 2017, the Corporation contributed \$51,777 and \$48,831, respectively, to the multiemployer defined benefit pension plan and \$211,965 and \$197,899, respectively, to the Health Fund.

NOTE 12. TREASURY STOCK AND COMMON STOCK

In March 2017, the Corporation purchased 159 shares of common stock from a tenant-shareholder (the "Seller") for \$145,700. As a tenant-shareholder, the Seller of the shares had entered into a proprietary lease with the Corporation, which gave the Seller the right to occupy the designated unit and access to all common areas. Such rights were transferred to the Corporation upon its purchase of the shares. The Corporation reflected its purchased shares as "treasury stock" on the February 28, 2018 accompanying balance sheet.

Property = 029
 Budget - SAOORE LANE GARDENS
 Period = Mar 2019-Feb 2020
 Book = Cash

INCOME	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	TOTAL
MAINTENANCE	465,933.43	465,933.43	465,933.43	465,933.43	465,933.43	465,933.43	465,933.43	465,933.43	465,933.43	465,933.43	465,933.43	465,933.47	5,591,201.20
STAR CREDITS	-22,864.33	-22,864.33	-22,864.33	-22,864.33	-22,864.33	-22,864.33	-22,864.33	-22,864.33	-22,864.33	-22,864.33	-22,864.33	-22,864.28	-274,371.91
SENIOR CREDIT	-579.28	-579.28	-579.28	-579.28	-579.28	-579.28	-579.28	-579.28	-579.28	-579.28	-579.28	-579.28	-6,951.36
VETERAN CREDIT	-313.79	-313.79	-313.79	-313.79	-313.79	-313.79	-313.79	-313.79	-313.79	-313.79	-313.79	-313.71	-3,765.40
STORAGE	4,097.92	4,097.92	4,097.92	4,097.92	4,097.92	4,097.92	4,097.92	4,097.92	4,097.92	4,097.92	4,097.92	4,097.88	49,175.00
PARKING	23,096.00	23,096.00	23,096.00	23,096.00	23,096.00	23,096.00	23,096.00	23,096.00	23,096.00	23,096.00	23,096.00	23,096.00	277,152.00
LAUNDRY	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	46,200.00
SERVICE INCOME	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	300.00
LATE CHARGES & NSF	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.63	20,000.00
LEGAL FEE RECOVERY	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.63	5,000.00
MISCELLANEOUS INCOME	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.37	1,000.00
KEY FEES	129.17	129.17	129.17	129.17	129.17	129.17	129.17	129.17	129.17	129.17	129.17	129.13	1,550.00
POOL FEES	2,458.33	2,458.33	2,458.33	2,458.33	2,458.33	2,458.33	2,458.33	2,458.33	2,458.33	2,458.33	2,458.33	2,458.37	29,500.00
OFFERING PLAN FEE	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00
TOTAL INCOME	478,074.12	478,074.12	478,074.12	478,074.12	478,074.12	478,074.12	478,074.12	478,074.12	478,074.12	478,074.12	478,074.12	478,074.21	5,736,889.53
EXPENSES													
FUEL OIL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,500.00
UTILITIES - ELECTRIC	16,000.00	16,000.00	16,000.00	16,000.00	16,000.00	16,000.00	16,000.00	16,000.00	16,000.00	16,000.00	16,000.00	16,000.00	192,000.00
UTILITIES - GAS	90,070.00	75,912.00	44,413.00	26,828.00	20,824.00	18,639.00	18,120.00	22,470.00	47,745.00	87,701.00	111,747.00	120,000.00	694,469.00
SUPPLIES	7,750.00	7,750.00	7,750.00	7,750.00	7,750.00	7,750.00	7,750.00	7,750.00	7,750.00	7,750.00	7,750.00	7,750.00	93,000.00
SUPPLIES POOL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31,000.00
SUPPLIES PLUMBING	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
REPAIRS & MAINTENANCE	32,616.67	32,616.67	32,616.67	32,616.67	32,616.67	32,616.67	32,616.67	32,616.67	32,616.67	32,616.67	32,616.67	32,616.63	391,400.00
CONTRACT SNOW REMOVAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,400.00	0.00	0.00	7,400.00	0.00	14,800.00
CONTRACT LANDSCAPING	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.37	100,000.00
CONTRACT ELEVATOR	12,663.00	0.00	0.00	12,663.00	0.00	0.00	0.00	12,663.00	0.00	0.00	12,663.00	0.00	50,652.00
CONTRACT SANITATION	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	21,000.00
CONTRACT SPRINKLER	0.00	0.00	1,325.00	0.00	0.00	0.00	0.00	0.00	1,325.00	0.00	0.00	0.00	2,650.00
CONTRACT ALARM SYSTEM	45.83	45.83	45.83	45.83	45.83	45.83	45.83	45.83	45.83	45.83	45.83	45.87	550.00
CONTRACT TOWING	90.83	90.83	90.83	90.83	90.83	90.83	90.83	90.83	90.83	90.83	90.83	90.87	1,090.00
CONTRACT COPIER	375.00	375.00	375.00	375.00	375.00	375.00	375.00	375.00	375.00	375.00	375.00	375.00	4,500.00
CONTRACT GARAGE	383.33	383.33	383.33	383.33	383.33	383.33	383.33	383.33	383.33	383.33	383.33	383.37	4,600.00
LICENSE/PERMITS/FEE	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.37	4,000.00
MANAGEMENT	24,033.33	24,033.33	24,033.33	24,033.33	24,033.33	24,033.33	24,033.33	24,033.33	24,033.33	24,033.33	24,033.33	24,033.37	289,400.00
LEGAL	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	15,000.00
ACCOUNTING	3,357.50	3,357.50	3,357.50	3,357.50	3,357.50	3,357.50	3,357.50	3,357.50	3,357.50	3,357.50	3,357.50	3,357.46	40,289.96
PAYROLL & RELATED COSTS	65,425.17	65,425.17	65,425.17	65,425.17	65,425.17	65,425.17	65,425.17	65,425.17	65,425.17	65,425.17	65,425.17	65,425.13	786,102.00
EMPLOYER FICA	5,020.83	5,020.83	5,020.83	5,020.83	5,020.83	5,020.83	5,020.83	5,020.83	5,020.83	5,020.83	5,020.83	5,020.87	60,250.00
EMPLOYER FLTA	103.33	103.33	103.33	103.33	103.33	103.33	103.33	103.33	103.33	103.33	103.33	103.37	1,240.00

Property = 029
 Budget - SADORE LANE GARDENS
 Period = Mar 2019-Feb 2020
 Book = Cash

	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Total
EMPLOYER NY SUI	217.92	217.92	217.92	217.92	217.92	217.92	217.92	217.92	217.92	217.92	217.92	217.92	2,615.00
UNION PROFIT SHARING	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.37	6,760.00
UNION PENSION	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	46,800.00
UNION LEGAL SERVICES	216.17	216.17	216.17	216.17	216.17	216.17	216.17	216.17	216.17	216.17	216.17	216.22	2,594.09
UNION TRAINING	198.69	198.69	198.69	198.69	198.69	198.69	198.69	198.69	198.69	198.69	198.69	198.69	2,384.28
UNION HEALTH	18,629.01	18,629.01	18,629.01	18,629.01	18,629.01	18,629.01	18,629.01	18,629.01	18,629.01	18,629.01	18,629.01	18,628.97	223,548.08
WORKERS COMPENSATION	2,626.46	2,626.46	2,626.46	2,626.46	2,626.46	2,626.46	2,626.46	2,626.46	2,626.46	2,626.46	2,626.46	2,625.50	31,517.56
DISABILITY INSURANCE	83.64	83.64	83.64	83.64	83.64	83.64	83.64	83.64	83.64	83.64	83.64	83.68	1,003.72
PAYROLL PREPARATION	304.00	304.00	304.00	304.00	304.00	304.00	304.00	304.00	304.00	304.00	304.00	304.00	3,648.00
WATER & SEWER	21,643.05	21,643.05	21,643.05	21,643.05	21,643.05	21,643.05	21,643.05	21,643.05	21,643.05	21,643.05	21,643.05	21,643.01	259,716.56
NY STATE CORP TAX	1,041.67	1,041.67	1,041.67	1,041.67	1,041.67	1,041.67	1,041.67	1,041.67	1,041.67	1,041.67	1,041.67	1,041.63	12,500.00
INSURANCE	25,416.67	25,416.67	25,416.67	25,416.67	25,416.67	25,416.67	25,416.67	25,416.67	25,416.67	25,416.67	25,416.67	25,416.63	305,000.00
PHONE	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.37	22,000.00
PHONE CELLULAR	789.17	789.17	789.17	789.17	789.17	789.17	789.17	789.17	789.17	789.17	789.17	789.13	9,470.00
INTERNET CONNECTIVITY	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.37	5,500.00
COMPUTER SUPPORT	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
MISCELLANEOUS	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.37	1,000.00
COPIES, POSTAGE & FAX	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.63	5,000.00
GRATUITIES & GIFTS	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	9,000.00
MEMBERSHIP DUES	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.00
MTG DIME SAVINGS	66,500.00	66,500.00	66,500.00	66,500.00	66,500.00	66,500.00	66,500.00	66,500.00	66,500.00	66,500.00	66,500.00	66,500.00	798,000.00
MORTGAGE ESCROW	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	900,000.00
MCO'S & CONTINGENCY	273.59	273.59	273.59	273.59	273.59	273.59	273.59	273.59	273.59	273.59	273.59	273.55	3,283.04
TOTAL EXPENSES	491,171.51	464,350.51	434,176.51	435,679.51	417,012.51	414,827.51	414,308.51	453,471.51	437,508.51	476,139.51	520,248.51	508,438.68	5,467,333.29
NET INCOME(LOSS)	-13,097.39	13,723.61	43,897.61	42,394.61	61,061.61	63,246.61	63,766.61	24,602.61	40,565.61	1,934.61	-42,174.39	-30,364.47	269,556.24

CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS

GARDEN TOWERS LLC

We are the sponsor and the principals of sponsor of the cooperative offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in 13 NYCRR Part 18 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification.

We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

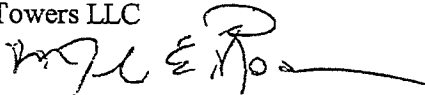
- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) not contain any representation or statement which is false, where I/we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statement made.

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

SPONSOR:


Garden Towers LLC

By:


Michael E. Rosen, manager

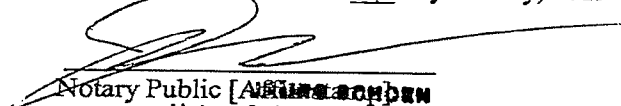
PRINCIPAL(S):


Michael E. Rosen


Amerinda Alpern

As to Michael E. Rosen: *AUGUST*
Sworn to before me this 14 day of May, 2019

As to Amerinda Alpern:
Sworn to before me this ___ day of May, 2019


Notary Public [Affix stamp]
Notary Public, State of New York
No. 01SC5085625
Qualified in Westchester County
Commission Expires September 29, 2021

Notary Public [Affix stamp]

Exhibit "D"

CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS

GARDEN TOWERS LLC

We are the sponsor and the principals of sponsor of the cooperative offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in 13 NYC R Part 18 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification.

We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

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

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

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

SPONSOR:

Garden Towers LLC

PRINCIPAL(S):

By: _____
Michael E. Rosen, manager

Michael E. Rosen

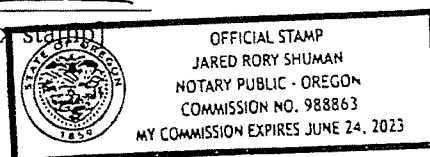
Amerinda Alpern

As to Michael E. Rosen:
Sworn to before me this ____ day of May, 2019

As to Amerinda Alpern: *August*
Sworn to before me this 13 day of ~~May~~, 2019

Notary Public [Affix stamp]

Notary Public [Affix stamp]



FORTY-SIXTH AMENDMENT

TO

OFFERING PLAN OF

COOPERATIVE OWNERSHIP OF

PREMISES KNOWN AS
1, 2, 3, 4 AND 5 SADORE LANE
YONKERS, NEW YORK 10710

Dated: October 19, 2020

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED SEPTEMBER 28, 1982, AND THE FIRST AMENDMENT DATED NOVEMBER 10, 1982; THE SECOND AMENDMENT DATED AUGUST 17, 1983; THE THIRD AMENDMENT DATED SEPTEMBER 7, 1983; THE FOURTH AMENDMENT DATED NOVEMBER 30, 1983; THE FIFTH AMENDMENT DATED MARCH 2, 1984; THE SIXTH AMENDMENT DATED SEPTEMBER 6, 1984; THE SEVENTH AMENDMENT DATED JULY 9, 1985; THE EIGHTH AMENDMENT DATED MARCH 24, 1987; THE NINTH AMENDMENT DATED APRIL 30, 1987; THE TENTH AMENDMENT DATED JUNE 12, 1987; THE ELEVENTH AMENDMENT DATED SEPTEMBER 8, 1987; THE TWELFTH AMENDMENT DATED JUNE 29, 1988; THE THIRTEENTH AMENDMENT DATED DECEMBER 5, 1989; THE FOURTEENTH AMENDMENT DATED JUNE 27, 1990; THE FIFTEENTH AMENDMENT DATED NOVEMBER 6, 1991; THE SIXTEENTH AMENDMENT DATED APRIL 23, 1992; THE SEVENTEENTH AMENDMENT DATED NOVEMBER 12, 1992; THE EIGHTEENTH AMENDMENT DATED JANUARY 7, 1994; THE NINETEENTH AMENDMENT DATED APRIL 21, 1995; THE TWENTIETH AMENDMENT DATED SEPTEMBER 22, 1995; THE TWENTY FIRST AMENDMENT DATED SEPTEMBER 24, 1996; THE TWENTY SECOND AMENDMENT DATED SEPTEMBER 18, 1997; THE TWENTY THIRD AMENDMENT DATED NOVEMBER 9, 1998; THE TWENTY FOURTH AMENDMENT DATED DECEMBER 22, 1999; THE TWENTY FIFTH AMENDMENT DATED JUNE 6, 2000; THE TWENTY SIXTH AMENDMENT DATED JULY 24, 2001; THE TWENTY SEVENTH AMENDMENT DATED SEPTEMBER 3, 2002; THE TWENTY EIGHTH AMENDMENT DATED JUNE 9, 2003; THE TWENTY NINTH AMENDMENT DATED FEBRUARY 6, 2004; THE THIRTIETH AMENDMENT DATED NOVEMBER 15, 2004; THE THIRTY FIRST AMENDMENT DATED FEBRUARY 9, 2005, THE THIRTY SECOND AMENDMENT DATED FEBRUARY 10, 2006, THE THIRTY THIRD AMENDMENT DATED MARCH 19, 2007, THE THIRTY FOURTH AMENDMENT DATED MAY 29, 2008, THE THIRTY FIFTH AMENDMENT DATED APRIL 2, 2009, THE THIRTY SIXTH AMENDMENT DATED JANUARY 5, 2010; THE THIRTY SEVENTH AMENDMENT DATED JANUARY 28, 2011, THE THIRTY EIGHTH AMENDMENT DATED FEBRUARY 17, 2012; THE THIRTY NINTH AMENDMENT DATED APRIL 4, 2013, THE FORTIETH AMENDMENT DATED APRIL 10, 2014, THE FORTY-FIRST AMENDMENT DATED APRIL 13, 2015, THE FORTY-SECOND AMENDMENT DATED JUNE 10, 2016, THE FORTY THIRD AMENDMENT DATED JULY 13, 2017, THE FORTY FOURTH AMENDMENT DATED AUGUST 17, 2018, THE FORTY FIFTH AMENDMENT DATED SEPTEMBER 4, 2019 AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN.

Apartment Corporation:
SADORE LANE GARDENS, INC.

Sponsor:
GARDEN TOWERS LLC

Holder of Unsold Shares:
GUARDIAN TOWERS, LLC

The Cooperative Offering Plan, a Plan to convert to cooperative ownership premises at 1-5 Sadore Lane, Yonkers, New York, dated September 28, 1982, as heretofore amended (the "Plan") is hereby further amended as follows:

1. **Sale of Unsold Shares.** The Sponsor currently holds Unsold Shares allocated to 75 of the 780 Apartments at the Premises, representing 9.62% of all the Apartments, as set forth in Exhibit "A" annexed.

2. **Sponsor's Obligations.** The Sponsor has no financial obligations to the Apartment Corporation other than for payment of maintenance charges and assessments, other than as follows: the Sponsor is responsible for the payment of reserve fund contributions at the rate of \$7.3972 per Unsold Share sold. The Sponsor is current in all its financial obligations to the Apartment Corporation, and during the previous twelve months the Sponsor has not been in default with respect to any such obligations beyond any applicable grace period.

3. **Sponsor's Unsold Shares.** The Sponsor, as Holder of the remaining Unsold Shares, will hold the Shares allocated to the apartments (the "Apartments") indicated on Exhibit "A" annexed hereto. As of August 1, 2020 the aggregate monthly maintenance charges and parking charges due in connection with the Unsold Shares allocated to the Apartments are \$49,714.56. The aggregate monthly rents received from tenants of the Apartments are \$60,162.07 as of August 1, 2020. The Sponsor shall pay its obligations to the Apartment Corporation from the rent collected. The Sponsor plans to market the vacant Apartments to which Unsold Shares are allocated. As those Apartments are sold the monthly maintenance charges due to the Apartment Corporation from the Sponsor will decrease.

4. **Disclosure for Guardian Towers LLC.** Guardian, as a Holder of Unsold Shares, owns the shares allocated to twelve apartments; in addition, Guardian has acquired the shares allocated to eighteen additional apartments which had previously been sold. Guardian has no

financial obligations to the Apartment Corporation other than for payment of maintenance charges and assessments. Guardian is current in all its financial obligations to the Apartment Corporation, and during the previous twelve months Guardian has not been in default with respect to any such obligations beyond any applicable grace period. Guardian is responsible for the monthly maintenance charges for the Unsold Shares allocated to the apartments it owns; the aggregate monthly maintenance charges to be due in connection with the Unsold Shares allocated to those apartments are \$6,200.32, and the aggregate monthly rents payable from Guardian's tenants are \$17,875.00. Guardian intends to market or lease the its apartments, depending on market conditions, and shall pay its obligations to the Apartment Corporation from the proceeds of sales and rents as well as its reserves. Guardian or principals of Guardian do not own more than 10% of the shares or units in other cooperative or condominium conversion projects. Guardian had refinanced its share loan from Sterling National Bank with a new share loan of \$1,700,000 and a \$500,000 revolving line of credit, secured by the pledge of all Guardian's shares, Unsold Shares and previously sold, and proprietary leases. The monthly payment in connection with the share loan is \$8,675.98; when funds are borrowed on the line of credit, the monthly payment on that loan will be interest only, computed on the amount outstanding from time to time at the prime rate but no less than 3.5%. The share loan matures on April 1, 2030 and the rate of interest is fixed for the term at 3.65%; the line of credit matures on April 1, 2022. Guardian's share loan is prepayable with a penalty computed as a percentage of the principal prepaid; the rate is 5% for the first two loan years, declining 1% every two years thereafter; the prepayment penalty is 1% during the final loan year. Guardian must pay a release price in connection with the sales of any units; upon an release payment, the payment will be re-calculated to reflect the lower principal balance. Guardian is required to maintain insurance on its units in connection with this loan. Guardian has been current in its payments to its lender during the past twelve (12) months.

5. **Sponsor's Other Cooperative Projects.** The Sponsor or principals of the Sponsor do not own more than 10% of the shares or units in other cooperative or condominium conversion projects.

6. **Sponsor's Financing of Unsold Shares.** As disclosed in the Forty Fifth Amendment, the Sponsor has obtained a loan secured by the pledge of the Sponsor's Unsold Shares and proprietary leases. The monthly payments on this loan change annually due to prepayments in connection with sales. The most recent monthly payment is \$9,321.93 which will be adjusted in

January 2021. The Sponsor has been current in its payments to its lender during the past twelve (12) months.

7. **Financial Statements.** Annexed hereto as Exhibit "B" are the Apartment Corporation's audited financial statements for the years ended February 28, 2019, and February 29, 2020.

8. **Current Maintenance Charges, Budget.** The current maintenance charges are \$4.48 per share per month. Maintenance charges were last increased as of June 1, 2011; that increase was 1.030%, and no additional increase is currently planned. A copy of the Apartment Corporation's budget for March 1, 2020 to February 28, 2021 is annexed as Exhibit "C."

9. **Board of Directors.** The current board of directors of the Corporation was elected at the annual stockholders' meeting which was held on October 22, 2019. The following are the current officers and directors: Louis Monaco, president, Mike Abelson, vice president, Zacha Rivera, secretary, Charles Scheinberg, treasurer, Nelson Ota, James Schoen and Michael Rosen. Of the foregoing, James Schoen and Michael Rosen are affiliated with the Sponsor. The Sponsor gave up control of the board of directors as of the meeting held on April 26, 1984.

10. **Maximum Price for Unsold Shares.** The maximum purchase price for all Unsold Shares is \$2,500.00 per share as disclosed in the Forty Fifth Amendment.

11. **Special Risk: Tax Cuts and Jobs Act of 2017.** On January 1, 2018 the Tax Cuts and Jobs Act of 2017 went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to home ownership. Accordingly, the tax information and projections disclosed in this offering plan may be inaccurate because such are based on federal tax law as it existed prior to 2018. Purchasers are advised to consult with a tax expert regarding whether the new law will affect the purchaser's taxes. Purchasers should not rely on any representations in this offering plan addressing taxes without first consulting a tax expert.

12. **Additional Disclosure regarding Sponsor's Principals.** Effective February 28, 2020, Amerinda Alpern resigned as a managing member of the Sponsor as part of a transaction in which members of the Sponsor affiliated Ms. Alpern sold their interests in the Sponsor to other members of the Sponsors or their affiliates. As a result of this transaction, Michael Rosen is now the sole managing member of the Sponsor.

13. **Revised Mortgage Indebtedness.**

The Mortgage affecting the Premises was refinanced on February 28, 2020. The material

terms of the new mortgage include the following:

Mortgagee:	Valley National Bank
Original Principal Amount:	\$19,000,000
Maturity Date:	March 1, 2030
Interest Rate:	3.30%
Monthly Installment Payments:	\$52,250.00

Prepayment - The Mortgage may be prepaid in whole or in part on 30 days' notice with a prepayment penalty of 3% of the amount prepaid in years 1 through 3, 2% in years 4 through 6, and 1% in years 7 through 9; no prepayment penalty shall be due during the last year of the loan term. Notwithstanding the foregoing, a principal reduction payment of up to 15% of the outstanding loan amount may be made once annually without penalty.

Default Rate - 8.30% per annum.

Late Charges - \$.05 on each dollar overdue for more than 15 days.

Due-on-Sale - The Apartment Corporation may not sell, transfer, convey or further encumber the Premises or the stock of the Apartment Corporation except in connection with the sale of individual units.

Events of default -

1. Failure to make any payment due under the Note beyond applicable cure periods;
2. Failure to make payment of any tax due and payable under the Mortgage and to deliver a certification of payment within 10 days after written demand therefor;
3. Material misrepresentation in any statement or warranty made by the Mortgagor;
4. Failure to obtain prior consent of the Mortgagee for any action for which consent is required;
5. Failure to furnish financial information as required by the Mortgage;
6. Failure to maintain insurance as required;
7. Any default in any Permitted Encumbrance or the institution of any proceedings to enforce the same;
8. Any warrant or tax lien is issued against the Premises and not discharged, stayed or bonded within 45 days;
9. Any judgment against the Mortgagor in excess of \$100,000 is entered and not discharged, stayed or bonded within 45 days or is not covered by insurance.
10. Any casualty loss or destruction of the Premises in excess of \$500,000 unless covered by insurance;

11. A use of Hazardous substances on the Premises that will cost more than \$25,000 to remedy;
12. Filing a petition in bankruptcy or under an insolvency law; or failure to obtain a dismissal or discharge of an involuntary bankruptcy petition within 15 days after filing;
13. Seizure of the Premises by governmental authorities which is not released, discharged or fully bonded within 30 days;
14. Imposition of any encumbrance on the Premises other than those permitted by the Mortgage;
15. Material default by the Mortgagor under the leases or termination of leases accounting for more than 30% of the annual rentals from the Premises
16. Failure of the Mortgagor to maintain its corporate existence in good standing;
17. Failure to perform or observe any other covenant or agreement contained in the Mortgage or other loan documents for a period of 30 days after written notice;
18. Any adverse change in the creditworthiness or financial condition of the Mortgagor;
19. Any change in the taxation of mortgages and the Mortgagor fails to enter into an agreement satisfactory to the Mortgagee regarding the same.

Line of Credit.

An unsecured line of credit of \$3,000,000.00 was also secured from Valley National Bank; the revolving grid note and loan agreement were executed on February 28, 2020 and provide that the Apartment Corporation may obtain advances from time to time, which shall be due no later than March 1, 2030. The Apartment Corporation shall pay interest on the outstanding amount at a floating rate of 1.00% above the Wall Street Journal prime rate.

Payments - Payments of interest only shall commence on the first day of the month following the month in which a draw is made and shall continue monthly thereafter so long as funds are outstanding.

Default Rate - 5% above the then-applicable interest rate.

Late charges - \$0.04 on each dollar overdue for more than fifteen (15) days.

Prepayment -The line of credit may be prepaid at any time in whole or in part without penalty.

Events of Default - (a) Any default under the Mortgage is a default under the line of credit as well; (b) Failure to make any payment due under the line of credit note and loan agreement.

14. **Change in Address of Escrow Agent; Establishment of New Escrow Account.** Gross & Stabile LLP, the Sponsor's Escrow Agent, has moved its offices; the firm's new address is 399 Knollwood Road, White Plains, New York 10603. The Sponsor's Escrow Agent has established a new escrow account entitled "Gross & Stabile LLP Attorney Trust Account" at Orange

established a new escrow account entitled "Gross & Stabile LLP Attorney Trust Account" at Orange Bank & Trust Company, 510 S. Columbus Avenue, Mount Vernon, New York.

15. **Corporation's Successful Tax Certiorari.** The Apartment Corporation has successfully contested its real property tax assessment for the assessment years 2012 through 2018; as a result of that protest, the Apartment Corporation has received a refund of previously paid taxes in the amount of \$1,772,286.38, which is net of the Apartment Corporation's expenses in contesting these assessed values.

16. The Offering Plan, as modified, supplemented and extended hereby, is incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment, not otherwise defined herein, shall have the same meanings ascribed to them in the Offering Plan.

17. Except as set forth herein there have been no material changes in the terms of the Offering.

SADORE LANE GARDENS, INC.

Apartment Corporation

GARDEN TOWERS LLC

Sponsor

GUARDIAN TOWERS, LLC

Holder of Unsold Shares

1-5 SADORE LANE, YONKERS, NEW YORK

UNSOLD APARTMENTS
GUARDIAN TOWERS, LLC

As of: August 1, 2020

Apartment no.	No. of shares
1-4K	165
1-4M	104
2-4M	104
3-2J	118
3-4K	170
3-7D	78
4-1J	112
4-3C	97
4-5D	70
4-6M	108
5-4H	120
5-4P	138
total shares	1,384

12 Apartments

Also Owned by Guardian Towers LLC But Not Unsold Shares

1-2P	100	1-4R	72
1-6D	76	1-7R	78
2-5D	70	2-1R	60
2-6J	126	2-6P	103
3-1A	96	3-6C	108
3-1D	64	4-2G	132
4-2L	166	4-3M	102
4-5R	70	4-6E	136
5-3H	118	5-7H	126
total shares			1,803

18 Apartments

UNSOLD APARTMENTS - GARDEN TOWERS LLC

As of: August 5, 2020

BUILDING NO. 1

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
2A	100	4B	207	6V	142	7G	140
3B	205	5L	172	7B	213	7X	176
3Z	102	6L	174	7C	110		
						total	1,741

BUILDING NO. 2

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
2M	100	3X	163	4T	159	6Y	174
2Y	166	4F	163	5Y	172	7J	128
3T	157	4H	138	6H	142	7Z	110
						total	1,772

BUILDING NO. 3

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
1B	96	1Z	96	4U	138	6V	142
1E	130	2V	134	4W	122	7C	110
1S	130	4S	138	5S	140	7X	176
						total	1,552

BUILDING NO. 4

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
1N	96	3H	136	5B	209	6L	174
1X	162	3S	130	5F	165	6Y	174
1Y	162	3U	136	5O	209	7B	213
2B	203	4K	168	6C	103	7T	171
2E	128	4X	170	6G	142	7Y	176
2K	164						
						total	3,391

BUILDING NO. 5

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
LG	128	2P	132	4G	138	6R	142
1E	128	2R	132	5N	169	7B	144
1L	132	3B	136	6E	211	7F	144
2K	134	3E	205	6K	142	7G	144
		4C	138	6L	142		
						total	2,641

Project Unsold Share Totals: 11,097

Apartments: 75

Exhibit A

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
FINANCIAL STATEMENTS
YEARS ENDED
FEBRUARY 28, 2019 AND 2018

Exhibit B

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
FOR THE YEARS ENDED FEBRUARY 28, 2019 AND 2018

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Balance sheets	3
Statements of revenues and expenses	4
Statements of shareholders' deficit	5
Statements of cash flows	6
Notes to financial statements	7 - 14



CITRIN COOPERMAN®

Accountants and Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sadore Lane Gardens, Inc.

We have audited the accompanying financial statements of Sadore Lane Gardens, Inc. (a cooperative housing corporation), which comprise the balance sheets as of February 28, 2019 and 2018, and the related statements of revenues and expenses, shareholders' deficit and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



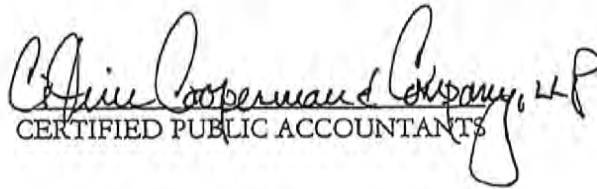
CITRINCOOPERMAN[®]
Accountants and Advisors

Omission of Required Supplementary Information about Future Major Repairs and Replacements

As discussed in Note 3 of the financial statements, management has not estimated the remaining lives and replacement costs of the common property and, therefore, has omitted the information about the estimates of future costs of major repairs and replacements and related estimated useful lives of the common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing supplementary information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing supplementary information.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sadore Lane Gardens, Inc. as of February 28, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.


CERTIFIED PUBLIC ACCOUNTANTS

White Plains, New York
September 4, 2019

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
BALANCE SHEETS
FEBRUARY 28, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 2,991,271	\$ 2,220,722
Short-term investments - certificates of deposit	241,447	963,346
Escrow deposits	639,100	385,227
Assessment receivables	82,151	71,689
Other receivables	2,262,683	-
Prepaid expenses and real estate taxes	213,730	320,943
Property and equipment, net	<u>7,394,910</u>	<u>7,481,380</u>
TOTAL ASSETS	\$ <u>13,825,292</u>	\$ <u>11,443,307</u>
<u>LIABILITIES AND SHAREHOLDERS' DEFICIT</u>		
Liabilities:		
Accounts payable, accrued expenses and other liabilities	\$ 244,743	\$ 282,172
Mortgage note payable, net of unamortized debt issuance costs	<u>18,780,305</u>	<u>18,734,841</u>
Total liabilities	<u>19,025,048</u>	<u>19,017,013</u>
Commitments and contingencies (Notes 8, 9 and 10)		
Shareholders' deficit:		
Common stock - \$1 par value; 120,000 shares authorized, 103,844 shares issued and outstanding	103,844	103,844
Additional paid-in capital	2,735,098	2,735,098
Accumulated deficit	<u>(7,795,051)</u>	<u>(10,160,572)</u>
	(4,956,109)	(7,321,630)
Less: treasury stock, 159 shares at cost	145,700	145,700
Less: receivable from Sponsor	<u>97,947</u>	<u>106,376</u>
Total shareholders' deficit	<u>(5,199,756)</u>	<u>(7,573,706)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	\$ <u>13,825,292</u>	\$ <u>11,443,307</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED FEBRUARY 28, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Revenues:		
Maintenance assessments	\$ 5,579,209	\$ 5,580,329
Parking fees	279,844	281,599
Laundry receipts	50,400	50,400
Storage fees	52,097	53,788
Interest and dividend income	37,947	27,159
Rental income	24,000	10,000
Other	<u>70,825</u>	<u>78,025</u>
Total revenues	<u>6,094,322</u>	<u>6,081,300</u>
Expenses:		
Administrative	733,620	736,310
Utilities	911,696	869,057
Building operations	216,110	235,329
Payroll and related costs	907,868	935,575
Union welfare and pension	280,073	263,741
Interest and debt expense	843,464	843,464
Real estate taxes and water and sewer charges	1,166,850	1,618,705
Major repairs and replacements	<u>593,357</u>	<u>590,229</u>
Total expenses	<u>5,653,038</u>	<u>6,092,410</u>
Excess (deficit) of revenues over expenses before other income (expense)	<u>441,284</u>	<u>(11,110)</u>
Other income (expense):		
Real estate tax abatement	2,662,793	-
Administrative expenses - real estate tax abatement	(451,710)	-
Depreciation	<u>(286,846)</u>	<u>(282,805)</u>
Other income (expense), net	<u>1,924,237</u>	<u>(282,805)</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	<u>\$ 2,365,521</u>	<u>\$ (293,915)</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
STATEMENTS OF SHAREHOLDERS' DEFICIT
FOR THE YEARS ENDED FEBRUARY 28, 2019 AND 2018

	Common Stock		Additional		Treasury Stock		Receivable	
	Shares	Amount	Paid-In Capital	Accumulated Deficit	Shares	Amount	Sponsor	Total
Balance - March 1, 2017	104,003	\$ 104,003	\$ 2,734,939	\$ (9,866,657)	-	\$ -	\$ (111,378)	\$ (7,139,093)
Deficit of revenues over expenses	-	-	-	(293,915)	-	-	-	(293,915)
Acquisition of common stock	(159)	(159)	159	-	159	(145,700)	-	(145,700)
Payment from Sponsor	-	-	-	-	-	-	5,002	5,002
Balance - February 28, 2018	103,844	103,844	2,735,098	(10,160,572)	159	(145,700)	(106,376)	(7,573,706)
Excess of revenues over expenses	-	-	-	2,365,521	-	-	-	2,365,521
Payment from Sponsor	-	-	-	-	-	-	8,429	8,429
BALANCE - FEBRUARY 28, 2019	103,844	\$ 103,844	\$ 2,735,098	\$ (7,795,051)	159	\$ (145,700)	\$ (97,947)	\$ (5,199,756)

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED FEBRUARY 28, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Excess (deficit) of revenues over expenses	\$ 2,365,521	\$ (293,915)
Adjustments to reconcile excess (deficit) of revenues over expenses to net cash provided by operating activities:		
Depreciation	286,846	282,805
Amortization of deferred finance costs	45,464	45,464
Capitalized interest	1,899	(631)
Changes in assets and liabilities:		
Escrow deposits	(253,873)	11,881
Assessments receivable	(10,462)	10,619
Other receivables	(2,262,683)	-
Prepaid expenses and real estate taxes	107,213	(2,758)
Accounts payable, accrued expenses and other liabilities	<u>(37,429)</u>	<u>(11,156)</u>
Net cash provided by operating activities	<u>242,496</u>	<u>42,309</u>
Cash flows from investing activities:		
Purchases of certificates of deposit	-	(720,000)
Proceeds from redemptions of certificates of deposit	720,000	960,000
Purchases of property and equipment	<u>(200,376)</u>	<u>(114,439)</u>
Net cash provided by investing activities	<u>519,624</u>	<u>125,561</u>
Cash flows from financing activities:		
Payment of Sponsor receivable	8,429	5,002
Acquisition of common stock	<u>-</u>	<u>(145,700)</u>
Net cash provided by (used in) financing activities	<u>8,429</u>	<u>(140,698)</u>
Net increase in cash and cash equivalents	770,549	27,172
Cash and cash equivalents - beginning	<u>2,220,722</u>	<u>2,193,550</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 2,991,271</u>	<u>\$ 2,220,722</u>
Supplemental disclosures of cash flow information:		
Interest paid	<u>\$ 798,000</u>	<u>\$ 798,000</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2019 AND 2018

NOTE 1. ORGANIZATION

Sadore Lane Gardens, Inc. (the "Corporation") is a cooperative housing corporation that was incorporated in the state of New York on March 1, 1984. The Corporation owns five buildings known as Sadore Lane Gardens located in Yonkers, New York (the "Property"). The buildings consist of 778 units; as of February 28, 2019, there were 701 units owned by tenant-shareholders, 76 units owned by Garden Towers, Inc. (the "Sponsor") and one unit owned by the Corporation.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Corporation's financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Recently Issued but not yet Effective Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* ("Topic 606") as amended (commonly referred to as "ASC 606"), which requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASC 606 replaces most existing revenue recognitions standards in U.S. GAAP, including industry-specific standards, when it becomes effective. For annual reporting periods, this standard is effective for the Corporation on January 1, 2019, and for interim periods within annual periods that begin one year later. The standard permits the use of either the retrospective or cumulative-effect transition method. The Corporation is currently completing its initial assessment and evaluation of the impact that ASC 606 will have on the Corporation's financial statements and related disclosures. The Corporation expects, at a minimum, the adoption will result in expanded disclosures that will enable users to better understand the nature, amount, timing, and uncertainty, if any, of revenues and cash flows arising from contracts with customers.

In February 2016, FASB issued ASU No. 2016-02, *Leases* ("ASU 2016-02"). This update requires all leases with a term greater than 12 months to be recognized on the balance sheet through a right-of-use asset and a lease liability and the disclosure of key information pertaining to leasing arrangements. This new guidance is effective for years beginning after December 15, 2019, with early adoption permitted. The Corporation is evaluating the effect that ASU 2016-02 will have on its financial statements and related disclosures, but has not yet determined the timing of adoption.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2019 AND 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents and Short-Term Investments

The Corporation considers all short-term investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents consist principally of money market funds. Certificates of deposits with original maturities over three months are classified as short-term investments.

Deferred Finance Costs

Debt issuance costs are reported on the accompanying balance sheets as a direct deduction from the face amount of the related debt. Debt issuance costs are amortized to "Interest and debt expense" in the accompanying statements of revenues and expenses using the straight-line method over the life of the related promissory note. Accumulated amortization amounted to \$234,950 and \$189,486 as of February 28, 2019 and 2018, respectively. Amortization expense amounted to \$45,464 for each of the years ended February 28, 2019 and 2018.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Buildings, building improvements and equipment are depreciated over the estimated useful lives. Building improvements are capitalized, while repairs and maintenance are charged to expense when incurred.

Revenue Recognition

Tenant-shareholders are subject to monthly maintenance assessments to provide funds for the Corporation's operating expenses. Assessment receivables at the balance sheet dates represent maintenance fees due from tenant-shareholders. The Corporation's policy is to retain legal counsel and place liens on the shares of stock of tenant-shareholders whose assessments are delinquent for 30 days or more. No maintenance fees receivable at February 28, 2019 and 2018, were considered uncollectible. Any excess assessments at year end are retained by the Corporation for use in the succeeding year.

The Corporation is leasing a unit to a tenant under a one-year non-cancelable operating lease. Rental income is recognized when due in accordance with the provisions of the lease.

All other sources of revenue are recognized in the results of operations as earned.

Income Taxes

The Corporation is qualified to prepare its tax returns pursuant to the provisions of Subchapter T of the Internal Revenue Code. Subchapter T provides that expenses attributable to the generation of patronage income, i.e., income from business done with or for patrons (tenant cooperators), are deductible only to the extent of patronage income. The Corporation believes that all of its income for the years ended February 28, 2019 and 2018, is patronage income within the meaning of Subchapter T.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2019 AND 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

The Corporation accounts for current and deferred income taxes and, when appropriate, deferred tax assets and liabilities are recorded with respect to temporary differences in the accounting treatment of items for financial reporting purposes and for income tax purposes. Where, based on the weight of all available evidence, it is more likely than not that some amount of the recorded deferred tax assets will not be realized, a valuation allowance is established for that amount that, in management's judgment, is sufficient to reduce the deferred tax asset to an amount that is more likely than not to be realized.

Subsequent Events

In accordance with FASB Accounting Standards Codification ("ASC") 855, *Subsequent Events*, the Corporation has evaluated subsequent events through September 4, 2019, the date on which these financial statements were available to be issued. Except for the matters described in Notes 6 and 10, there were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 3. FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Corporation's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The Corporation has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of the costs of major repairs and replacements that may be required in the future, nor has it developed a plan to fund those needs. When funds are required for future major repairs and replacements, the Corporation plans to either borrow, increase maintenance assessments, or delay repairs and replacements until funds are available. The effect on future assessments has not been determined.

NOTE 4. CONCENTRATIONS OF CREDIT RISK

At February 28, 2019 and 2018, and routinely throughout each year, the Corporation maintained cash deposits with financial institutions and brokerage firms in excess of federally insurable limits. The Corporation has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk with respect to cash.

The balances of the Corporation's investments, including its certificate of deposit accounts, are in excess of the insurance coverage provided by the Security Investor Protection Corporation. The Corporation has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk regarding its investments.

The Corporation had a total of 29 employees at February 28, 2019 and 2018. Approximately 45% of the Corporation's employees were represented by a union for the years ended February 28, 2019 and 2018 (see Note 12).

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2019 AND 2018

NOTE 5. RECEIVABLE FROM SPONSOR

Pursuant to the offering plan, as amended, the Corporation was to receive \$1,000,000 from the Sponsor from the proceeds of the sale of the Corporation's shares of common stock held by the Sponsor (the "Sponsor Shares"). As of February 28, 2019, the Corporation has received a total of \$902,053 since inception, of which \$8,429 was received during the year ended February 28, 2019. Collection of the remaining balance of \$97,947 is subject to the Sponsor's sale of the Sponsor Shares. Amounts due from the Sponsor are noninterest bearing and are deemed fully collectible.

NOTE 6. OTHER RECEIVABLES

During the year ended February 28, 2019, the Corporation filed an appeal with the City of Yonkers for a reduction in prior years' real estate tax assessments of the Property. Subsequent to year end, the Corporation was successful in their appeal and received \$2,662,793 from the City of Yonkers. The Corporation incurred \$451,710 in professional fees in connection with the appeal which has been netted with the amount due from the City of Yonkers in the accompanying balance sheet. The remaining balance of other receivables in the amount of \$51,600 is a property liability insurance reimbursement due to damage incurred at one of the units.

NOTE 7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at February 28, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Land	\$ 1,568,638	\$ 1,568,638
Buildings	8,888,950	8,888,950
Building improvements	10,689,600	10,532,172
Equipment	<u>778,119</u>	<u>735,171</u>
	21,925,307	21,724,931
Less: accumulated depreciation	<u>14,530,397</u>	<u>14,243,551</u>
Property and equipment, net	<u>\$ 7,394,910</u>	<u>\$ 7,481,380</u>

Depreciation expense amounted to \$286,846 and \$282,805 for the years ended February 28, 2019 and 2018, respectively.

NOTE 8. REVOLVING LINE OF CREDIT

In December 2013, the Corporation obtained a revolving credit line from Dime Savings Bank in the principal amount of \$2,990,000. The revolving credit line matures in January 2024 and bears interest at a prime rate plus 1% (not less than 4.25% per annum). At February 28, 2019 and 2018, there was no outstanding balance on the revolving line of credit.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2019 AND 2018

NOTE 9. MORTGAGE PAYABLE

In December 2013, the Corporation refinanced its mortgage with Dime Savings Bank in the amount of \$19,000,000. The new mortgage, which matures in January 2024, bears interest at the fixed rate of 4.20% per annum and an effective rate of 4.49% (as a result of the impact of the amortization of deferred financing costs) and requires monthly interest and escrow payments. The mortgage note is collateralized by the land, building and improvements owned by the Corporation.

The outstanding balance of the mortgage payable on the accompanying balance sheets at February 28, 2019 and 2018, are reflected net of unamortized debt issuance costs of \$219,695 and \$265,159, respectively.

NOTE 10. COMMITMENTS AND CONTINGENCIES

Agreement for Management Services

The Corporation entered into a managing agent agreement with Prime Locations, Inc. ("Prime"), whereby Prime is responsible for processing all day-to-day bookkeeping transactions and contracting for goods and services (including labor) required in the normal operations of the properties, subject to board approval in certain instances. In January 2016, the management agreement was renewed through 2020 and provides that Prime shall receive an initial annual fee of \$280,000 (increased annually by 3%). During the years ended February 28, 2019 and 2018, fees of \$298,537 and \$289,842, respectively, were paid to Prime under this agreement.

Agreement for Parking Garage Services

The Corporation entered into a parking management agreement with a managing agent to manage the garages and outside parking. The agreement authorizes the agent to offer these services to the tenant-shareholders for rates specified in the agreement. In August 2015, the Corporation renewed its parking management agreement through October 2025. Effective January 2018, the parking agreement was modified and the agent was to remit a monthly fee of \$23,258 to the Corporation. For the years ended February 28, 2019 and 2018, parking fees received from the agent amounted to \$279,844 and \$281,599, respectively.

Effective March 2019, the parking agreement was modified again and the monthly payments were reduced to \$23,096.

Agreement for Maintenance of Laundry Facilities

The Corporation entered into an agreement with a maintenance contractor (the "Contractor"). Pursuant to the agreement, the Contractor provided, installed and will maintain the laundry machines for the Property, which the tenant-shareholders will pay to use. In May 2018, the laundry agreement was extended through December 31, 2034. In accordance with the agreement, the Corporation received \$50,400 from the contractor for each of the years ended February 28, 2019 and 2018.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2019 AND 2018

NOTE 10. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreement for Landscaping Maintenance

In October 2015, the Corporation extended its agreement with a landscaping maintenance company through February 2019. In accordance with this agreement, the Corporation paid \$94,800 to the landscaping maintenance company for each of the years ended February 28, 2019 and 2018.

In March 2019, the Corporation entered into a new agreement with another landscaping maintenance company to assume maintenance of the lawns for the nine-month period from March 1, 2019 through December 31, 2019. In accordance with this agreement, the Corporation will pay \$85,000 to the landscaping maintenance company for this period. This agreement provides for a three-year renewal option with a 3% increase.

Agreement for Maintenance of Elevators

In April 2014, the Corporation entered into a six-year agreement with an elevator contractor to assume maintenance of the elevators through April 30, 2020. Under this agreement, the elevator contractor is entitled to receive \$39,960 per year from the Corporation, subject to annual price adjustments as defined in the agreement. The agreement is renewable every six years. For the years ended February 28, 2019 and 2018, the Corporation paid approximately \$50,000 and \$49,000, respectively, to the elevator contractor.

Litigation

From time to time, the Corporation may become involved in litigation incidental to its business. Based on the Corporation's understanding of the facts of any such matters and, where necessary, the advice of counsel, management does not believe that such matters currently pending, either individually or in the aggregate, will have a material impact on the Corporation's financial position or results of operations.

NOTE 11. INCOME TAXES

Net Operating Loss Carryforwards

At February 28, 2019, the Corporation has federal and state tax loss carryforwards of approximately \$5,384,000, which, if not utilized, will begin to expire February 28, 2025, through February 28, 2038.

The net operating loss carryforwards give rise to a deferred tax asset of \$1,130,554 and \$2,547,398 at February 28, 2019 and 2018, respectively, which has been fully reserved due to management's assessment that it is more likely than not that the loss carryforwards will expire before they are utilized.

Uncertain Tax Positions

In accordance with FASB ASC 740, *Income Taxes*, the Corporation has applied the "more likely than not" threshold to the recognition and derecognition of tax positions. The standard also provides guidance on the measurement of tax positions, balance sheet classification, interest and penalties, accounting in interim periods, disclosures, and transition. Using this guidance, the Corporation had no uncertain tax positions that qualified for either recognition or disclosure in the financial statements as of February 28, 2019 and 2018.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2019 AND 2018

NOTE 11. INCOME TAXES (CONTINUED)

Uncertain Tax Positions (Continued)

The Corporation files income tax returns in the U.S. federal jurisdiction and in New York State. The Corporation is subject to U.S. federal and state tax examinations by taxing authorities.

NOTE 12. MULTIEMPLOYER PLAN

The Corporation contributes to a multiemployer defined benefit pension plan under the terms of a collective bargaining agreement that covers its union-represented employees. Substantially all of the Corporation's union employees are subject to a collective bargaining agreement and are covered under a multiemployer plan. The risks of participating in the multiemployer plan are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, its portion of the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Corporation chooses to stop participating in its multiemployer plan, it may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability. The Corporation currently has no intention of withdrawing from the plan.

The Corporation's participation in the plan for the years ended February 28, 2019 and 2018, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number ("EIN") and the three-digit plan number, if applicable. The most recent Pension Protection Act ("PPA") zone status available in 2018 is for the plan's year end at June 30, 2018 and 2017, respectively. The zone status is based on information that the Corporation received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are 65 to 80 percent funded, and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Pending or Implemented" column indicates if a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented. The last column lists the expiration date of the collective bargaining agreement to which the plan is subject.

Pension Fund	EIN/Pension Plan Number	Pension's Protection Act Zone Status		FIP/RP Status Pending or Implemented	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
		2018	2017			
Building Service 32B Pension Fund (a)	13-1879376/001	Red	Red	Yes	None	N/A

(a) The zone status was certified by the plan's actuary as of July 1, 2017 and 2016.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2019 AND 2018

NOTE 12. MULTIEMPLOYER PLAN (CONTINUED)

The Corporation was not listed on the Form 5500 as providing more than 5% of the total contributions to the multiemployer defined benefit pension plan.

The Corporation's portion of the projected benefit obligation, plan assets and unfunded liability of the multiemployer pension plans is not material to the Corporation's financial position. However, the failure of participating employers to remain solvent could affect the Corporation's portion of the plan's unfunded liability. Specific benefit levels provided by union pension plans are not negotiated with or known by the employer contributors.

The Corporation also participates in the Building Service 32BJ Health Fund (the "Health Fund"). The Health Fund provides health and other benefits to eligible participants employed by the Corporation. For the years ended February 28, 2019 and 2018, the Corporation contributed \$55,212 and \$51,776, respectively, to the multiemployer defined benefit pension plan and \$224,861 and \$211,965, respectively, to the Health Fund.

NOTE 13. TREASURY STOCK AND COMMON STOCK

In March 2017, the Corporation purchased 159 shares of common stock from a tenant-shareholder (the "Seller") for \$145,700. As a tenant-shareholder, the Seller of the shares had entered into a proprietary lease with the Corporation, which gave the Seller the right to occupy the designated unit and access to all common areas. Such rights were transferred to the Corporation upon its purchase of the shares. The Corporation reflected its purchased shares as "treasury stock" as of February 28, 2019 and 2018, on the accompanying balance sheets.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)

FINANCIAL STATEMENTS

YEARS ENDED FEBRUARY 29, 2020
AND FEBRUARY 28, 2019

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
FOR THE YEARS ENDED FEBRUARY 29, 2020 AND FEBRUARY 28, 2019

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Balance sheets	3
Statements of revenues and expenses	4
Statements of shareholders' deficit	5
Statements of cash flows	6
Notes to financial statements	7 - 16



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sadore Lane Gardens, Inc.

We have audited the accompanying financial statements of Sadore Lane Gardens, Inc. (a cooperative housing corporation), which comprise the balance sheets as of February 29, 2020 and February 28, 2019, and the related statements of revenues and expenses, shareholders' deficit and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



CITAIN COOPERMAN[®]
Accountants and Advisors

Omission of Required Supplementary Information about Future Major Repairs and Replacements

As discussed in Note 3 of the financial statements, management has not estimated the remaining lives and replacement costs of the common property and, therefore, has omitted the information about the estimates of future costs of major repairs and replacements and related estimated useful lives of the common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sadore Lane Gardens, Inc. as of February 29, 2020 and February 28, 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.


CERTIFIED PUBLIC ACCOUNTANTS

White Plains, New York
August 31, 2020

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
BALANCE SHEETS
FEBRUARY 29, 2020 AND FEBRUARY 28, 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 4,987,459	\$ 2,991,271
Short-term investments - certificates of deposit	-	241,447
Escrow and reserve funds	250,000	639,100
Assessment receivables	44,367	82,151
Other receivables	46,555	2,262,683
Prepaid expenses, real estate taxes and other assets	554,654	213,730
Property and equipment, net	<u>7,331,521</u>	<u>7,394,910</u>
TOTAL ASSETS	<u>\$ 13,214,556</u>	<u>\$ 13,825,292</u>
<u>LIABILITIES AND SHAREHOLDERS' DEFICIT</u>		
Liabilities:		
Accounts payable, accrued expenses and other liabilities	\$ 211,535	\$ 244,743
Mortgage note payable, net of unamortized debt issuance costs	<u>18,703,039</u>	<u>18,780,305</u>
Total liabilities	<u>18,914,574</u>	<u>19,025,048</u>
Commitments and contingencies (Notes 8, 9 and 10)		
Shareholders' deficit:		
Common stock - \$1 par value; 120,000 shares authorized, 103,844 shares issued and outstanding	103,844	103,844
Additional paid-in capital	2,735,098	2,735,098
Accumulated deficit	<u>(8,303,123)</u>	<u>(7,795,051)</u>
	(5,464,181)	(4,956,109)
Less: treasury stock, 159 shares at cost	145,700	145,700
Less: receivable from Sponsor	<u>90,137</u>	<u>97,947</u>
Total shareholders' deficit	<u>(5,700,018)</u>	<u>(5,199,756)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	<u>\$ 13,214,556</u>	<u>\$ 13,825,292</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED FEBRUARY 29, 2020 AND FEBRUARY 28, 2019

	<u>2020</u>	<u>2019</u>
Revenues:		
Maintenance assessments	\$ 5,583,335	\$ 5,579,209
Parking fees	275,619	279,844
Laundry receipts	50,400	50,400
Storage fees	51,125	52,097
Rental income	26,175	24,000
Other	<u>72,799</u>	<u>70,825</u>
Total revenues	<u>6,059,453</u>	<u>6,056,375</u>
Expenses:		
Administrative	804,110	733,620
Utilities	957,383	911,696
Building operations	261,802	216,110
Payroll and related costs	876,208	907,868
Union welfare and pension	298,427	280,073
Interest and debt expense	1,116,773	843,464
Real estate taxes and water and sewer charges	1,037,807	1,166,850
Major repairs and replacements	<u>593,220</u>	<u>593,357</u>
Total expenses	<u>5,945,730</u>	<u>5,653,038</u>
Excess of revenues over expenses before other income	<u>113,723</u>	<u>403,337</u>
Other income (expense):		
Interest and dividend income	54,889	37,947
Real estate tax abatement	-	2,662,793
Administrative expenses - real estate tax abatement	-	(451,710)
Mortgage prepayment fees and penalties	(380,125)	-
Depreciation	<u>(296,559)</u>	<u>(286,846)</u>
Other income (expense), net	<u>(621,795)</u>	<u>1,962,184</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	<u>\$ (508,072)</u>	<u>\$ 2,365,521</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
STATEMENTS OF SHAREHOLDERS' DEFICIT
FOR THE YEARS ENDED FEBRUARY 29, 2020 AND FEBRUARY 28, 2019

	Common Stock	Additional		Treasury Stock	Receivable	
	Shares	Amount	Paid-In Capital	Shares	Amount	from Sponsor
Balance - March 1, 2018	103,844	\$ 103,844	\$ 2,735,098	159	\$ (145,700)	\$ (106,376)
Excess of revenues over expenses	-	-	-	-	-	2,365,521
Payment from Sponsor	-	-	-	-	-	8,429
Balance - February 28, 2019	103,844	103,844	2,735,098	159	(145,700)	(5,199,756)
Deficit of revenues over expenses	-	-	-	-	-	(508,072)
Payment from Sponsor	-	-	-	-	-	7,810
BALANCE - FEBRUARY 29, 2020	103,844	\$ 103,844	\$ 2,735,098	159	\$ (145,700)	\$ (90,137)
						\$ (5,700,018)

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED FEBRUARY 29, 2020 AND FEBRUARY 28, 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Excess (deficit) of revenues over expenses	\$ (508,072)	\$ 2,365,521
Adjustments to reconcile excess (deficit) of revenues over expenses to net cash provided by operating activities:		
Depreciation	296,559	286,846
Amortization of deferred finance costs	222,190	45,464
Capitalized interest	-	1,899
Changes in assets and liabilities:		
Assessments receivable	37,784	(10,462)
Other receivables	2,216,128	(2,262,683)
Prepaid expenses and real estate taxes	(340,924)	107,213
Accounts payable, accrued expenses and other liabilities	<u>(60,708)</u>	<u>(37,429)</u>
Net cash provided by operating activities	<u>1,862,957</u>	<u>496,369</u>
Cash flows from investing activities:		
Proceeds from redemptions of certificates of deposit	241,447	720,000
Purchases of property and equipment	<u>(205,670)</u>	<u>(200,376)</u>
Net cash provided by investing activities	<u>35,777</u>	<u>519,624</u>
Cash flows from financing activities:		
Payments for deferred finance costs	(299,456)	-
Payment of Sponsor receivable	7,810	8,429
Repayment of mortgage payable	(19,000,000)	-
Proceeds from refinancing of mortgage payable	<u>19,000,000</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>(291,646)</u>	<u>8,429</u>
Net increase in cash, cash equivalents and restricted cash	1,607,088	1,024,422
Cash, cash equivalents and restricted cash - beginning	<u>3,630,371</u>	<u>2,605,949</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - ENDING	\$ <u>5,237,459</u>	\$ <u>3,630,371</u>
Supplemental disclosures of cash flow information:		
Interest paid	\$ <u>894,583</u>	\$ <u>798,000</u>
Supplemental disclosures for non-cash investing activities:		
Purchases of property and equipment unpaid at year end	\$ <u>27,500</u>	\$ <u>-</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2020 AND FEBRUARY 28, 2019

NOTE 1. ORGANIZATION

Sadore Lane Gardens, Inc. (the "Corporation") is a cooperative housing corporation that was incorporated in the state of New York on March 1, 1984. The Corporation owns five buildings known as Sadore Lane Gardens located in Yonkers, New York (the "Property"). The buildings consist of 778 units; as of February 29, 2020, there were 702 units owned by tenant-shareholders, 75 units owned by Garden Towers, Inc. (the "Sponsor") and one unit owned by the Corporation.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Corporation's financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Recently Adopted Accounting Pronouncement

In November 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* ("ASU 2016-18"), to require that restricted cash and restricted cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. ASU 2016-18 was effective for annual periods beginning after December 15, 2018, and is effective for interim periods within fiscal years beginning after December 15, 2019. The Corporation adopted ASU 2016-18 on March 1, 2019, and has included restricted cash with its cash and cash equivalents on the cash flow statement for all periods presented.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the balance sheets that sum to the total of such amounts shown in the statements of cash flows as of February 29, 2020 and February 28, 2019:

	<u>2020</u>	<u>2019</u>
Cash	\$ 4,987,459	\$ 2,991,271
Escrow and reserve funds	<u>250,000</u>	<u>639,100</u>
Total cash, cash equivalents and restricted cash shown in the statements of cash flows	<u>\$ 5,237,459</u>	<u>\$ 3,630,371</u>

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2020 AND FEBRUARY 28, 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents, and Short-Term Investments

The Corporation considers all short-term investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents consist principally of money market funds. Certificates of deposits with original maturities over three months are classified as short-term investments.

Restricted Cash

Pursuant to a mortgage refinance, the Corporation was required to set aside a reserve fund, as defined in the mortgage agreement. Restricted cash included in assets on the balance sheets represents amounts pledged as collateral for long-term financing arrangements as contractually required by a lender. The restriction will lapse when the related long-term debt is repaid.

Deferred Finance Costs

Debt issuance costs are reported on the accompanying balance sheets as a direct deduction from the face amount of the related debt. Debt issuance costs are amortized to "Interest and debt expense" in the accompanying statements of revenues and expenses using the straight-line method over the life of the related promissory note. The Corporation incurred deferred finance costs of \$299,456 as of February 29, 2020, as a result of refinancing its mortgage note payable (see Note 9). Accumulated amortization amounted to \$2,495 and \$234,950 as of February 29, 2020 and February 28, 2019, respectively. Amortization expense amounted to \$222,190 and \$45,464 for the years ended February 29, 2020 and February 28, 2019, respectively.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Buildings, building improvements and equipment are depreciated over the estimated useful lives. Building improvements are capitalized, while repairs and maintenance are charged to expense when incurred.

Revenue Recognition

Tenant-shareholders are subject to monthly maintenance assessments to provide funds for the Corporation's operating expenses. Assessment receivables at the balance sheet dates represent maintenance fees due from tenant-shareholders. The Corporation's policy is to retain legal counsel and place liens on the shares of stock of tenant-shareholders whose assessments are delinquent for 30 days or more. No maintenance fees receivable at February 29, 2020 and February 28, 2019, were considered uncollectible. Any excess assessments at year end are retained by the Corporation for use in the succeeding year.

The Corporation is leasing a unit to a tenant under a one-year non-cancelable operating lease. Rental income is recognized when due in accordance with the provisions of the lease.

All other sources of revenue are recognized in the results of operations as earned.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2020 AND FEBRUARY 28, 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Corporation is qualified to prepare its tax returns pursuant to the provisions of Subchapter T of the Internal Revenue Code. Subchapter T provides that expenses attributable to the generation of patronage income, i.e., income from business done with or for patrons (tenant cooperators), are deductible only to the extent of patronage income. The Corporation believes that all of its income for the years ended February 29, 2020 and February 28, 2019, is patronage income within the meaning of Subchapter T.

The Corporation accounts for current and deferred income taxes and, when appropriate, deferred tax assets and liabilities are recorded with respect to temporary differences in the accounting treatment of items for financial reporting purposes and for income tax purposes. Where, based on the weight of all available evidence, it is more likely than not that some amount of the recorded deferred tax assets will not be realized, a valuation allowance is established for that amount that, in management's judgment, is sufficient to reduce the deferred tax asset to an amount that is more likely than not to be realized.

Reclassifications

Certain items in the 2019 financial statements have been reclassified to conform to the 2020 presentation. These reclassifications had no effect on the Corporation's previously reported excess of revenues over expenses.

Recently Issued but not yet Effective Accounting Pronouncements

In May 2014, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, as amended (commonly referred to as "ASC 606"), which requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Accounting Standards Codification ("ASC") 606 will replace most existing revenue recognition guidance in U.S. GAAP, including industry specific guidance, when it becomes effective. This new guidance is effective for years beginning after December 15, 2018. In June 2020, FASB published a new accounting standard that grants a one-year delay in adoption of ASC 606. The Corporation elected to defer adoption of ASC 606 to the year ending February 28, 2021.

Subsequent Events

In accordance with FASB ASC 855, *Subsequent Events*, the Corporation has evaluated subsequent events through August 31, 2020, the date on which these financial statements were available to be issued. Except for the matters described in Notes 10 and 14, there were no material subsequent events that required recognition or additional disclosure in these financial statements.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2020 AND FEBRUARY 28, 2019

NOTE 3. FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Corporation's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The Corporation has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of the costs of major repairs and replacements that may be required in the future, nor has it developed a plan to fund those needs. When funds are required for future major repairs and replacements, the Corporation plans to either borrow, increase maintenance assessments, or delay repairs and replacements until funds are available. The effect on future assessments has not been determined.

NOTE 4. CONCENTRATIONS OF CREDIT RISK

At February 29, 2020 and February 28, 2019, and routinely throughout each year, the Corporation maintained cash deposits with financial institutions and brokerage firms in excess of federally insurable limits. The Corporation has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk with respect to cash.

The balances of the Corporation's investments, including its certificate of deposit accounts, are in excess of the insurance coverage provided by the Security Investor Protection Corporation. The Corporation has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk regarding its investments.

The Corporation had a total of 25 and 29 employees at February 29, 2020 and February 28, 2019, respectively. Approximately 52% and 45% of the Corporation's employees were represented by a union for the years ended February 29, 2020 and February 28, 2019, respectively (see Note 12).

NOTE 5. RECEIVABLE FROM SPONSOR

Pursuant to the offering plan, as amended, the Corporation was to receive \$1,000,000 from the Sponsor from the proceeds of the sale of the Corporation's shares of common stock held by the Sponsor (the "Sponsor Shares"). As of February 29, 2020, the Corporation has received a total of \$909,863 since inception, of which \$7,810 was received during the year ended February 29, 2020. Collection of the remaining balance of \$90,137 is subject to the Sponsor's sale of the Sponsor Shares. Amounts due from the Sponsor are noninterest bearing and are deemed fully collectible.

NOTE 6. OTHER RECEIVABLES

During the year ended February 28, 2019, the Corporation filed an appeal with the city of Yonkers for a reduction in prior years' real estate tax assessments of the Property. During the year ended February 29, 2020, the Corporation was successful in its appeal and received \$2,662,793 from the city of Yonkers. The Corporation incurred \$451,710 in professional fees in connection with the appeal which has been netted with the amount due from the city of Yonkers in the accompanying balance sheets. The remaining balance of other receivables in the amount of \$51,600 is a property liability insurance reimbursement due to damage incurred at one of the units.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2020 AND FEBRUARY 28, 2019

NOTE 7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at February 29, 2020 and February 28, 2019:

	<u>2020</u>	<u>2019</u>
Land	\$ 1,568,638	\$ 1,568,638
Buildings	8,888,950	8,888,950
Building improvements	10,912,977	10,689,600
Equipment	<u>787,912</u>	<u>778,119</u>
	22,158,477	21,925,307
Less: accumulated depreciation	<u>14,826,956</u>	<u>14,530,397</u>
Property and equipment, net	<u>\$ 7,331,521</u>	<u>\$ 7,394,910</u>

Depreciation expense amounted to \$296,559 and \$286,846 for the years ended February 29, 2020 and February 28, 2019, respectively.

NOTE 8. REVOLVING LINE OF CREDIT

In December 2013, the Corporation obtained a revolving credit line from Dime Savings Bank in the principal amount of \$2,990,000. The revolving credit line was set to mature in January 2024 and bore interest at a prime rate plus 1% (not less than 4.25% per annum). The revolving credit line was terminated in connection with the refinance of the mortgage on February 28, 2020 (see Note 9). At February 28, 2019, there was no outstanding balance on the revolving line of credit.

On February 28, 2020, the Corporation entered into a new revolving line of credit agreement with Valley National Bank (the "New LOC Loan") that allows the Corporation to borrow up to a maximum of \$3,000,000. The agreement matures on March 1, 2030, and bears interest at a prime rate (as defined in the New LOC Loan). At February 29, 2020, there was no outstanding balance on the New LOC Loan.

NOTE 9. MORTGAGE PAYABLE

In December 2013, the Corporation refinanced its mortgage with Dime Savings Bank in the amount of \$19,000,000. The new mortgage, which was set to mature in January 2024, bore interest at the fixed rate of 4.20% per annum and required monthly interest and escrow payments. The mortgage note was collateralized by the land, building and improvements owned by the Corporation. On February 28, 2020, the mortgage was refinanced again with another lending institution (see below) and the outstanding principal balance plus all accrued interest was repaid. As a result of the refinance, the Corporation incurred a prepayment penalty of \$380,125. The outstanding balance of the mortgage payable on the accompanying balance sheets at February 28, 2019, was reflected net of unamortized debt issuance costs of \$219,695.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2020 AND FEBRUARY 28, 2019

NOTE 9. MORTGAGE PAYABLE (CONTINUED)

On February 28, 2020, the Corporation entered into a new mortgage agreement with Valley National Bank in the amount of \$19,000,000 (the "New Mortgage") with payments commencing on April 1, 2020. The New Mortgage is secured by the property and bears interest at a fixed rate of 3.30% per annum and an effective rate of 3.51% (as a result of the impact of the amortization of deferred financing costs). Commencing April 1, 2020, the New Mortgage requires monthly payments of interest only through March 1, 2030; at which time, the outstanding principal balance and any unpaid interest will be due. The outstanding balance of the New Mortgage on the accompanying balance sheets at February 29, 2020, was reflected net of unamortized debt issuance costs of \$296,961.

Interest expense, including prepayment penalties, was \$894,583 and \$798,000 for the years ended February 29, 2020 and February 28, 2019, respectively.

The New Mortgage also requires the Corporation to establish and maintain a reserve account with a minimum balance of \$250,000. The Corporation is required to maintain such balance in the account for the entire loan term and the funds can be used for capital repairs and improvements on the condition the balance is restored to \$250,000 within six months.

NOTE 10. COMMITMENTS AND CONTINGENCIES

Agreement for Management Services

The Corporation entered into a managing agent agreement with Prime Locations, Inc. ("Prime"), whereby Prime is responsible for processing all day-to-day bookkeeping transactions and contracting for goods and services (including labor) required in the normal operations of the properties, subject to board approval in certain instances. In January 2016, the management agreement was renewed through 2020 and provides that Prime shall receive an initial annual fee of \$280,000 (increased annually by 3%). During the years ended February 29, 2020 and February 28, 2019, fees of \$307,493 and \$298,537, respectively, were paid to Prime under this agreement.

Agreement for Parking Garage Services

The Corporation entered into a parking management agreement with a managing agent to manage the garages and outside parking. The agreement authorizes the agent to offer these services to the tenant-shareholders for rates specified in the agreement. In August 2015, the Corporation renewed its parking management agreement through October 2025. Effective January 2018, the parking agreement was modified and the agent was to remit a monthly fee of \$23,258 to the Corporation. In March 2019, the parking agreement was modified again and the monthly payments were reduced to \$23,096. For the years ended February 29, 2020 and February 28, 2019, parking fees received from the agent amounted to \$275,619 and \$279,844, respectively.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2020 AND FEBRUARY 28, 2019

NOTE 10. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreement for Maintenance of Laundry Facilities

The Corporation entered into an agreement with a maintenance contractor (the "Contractor"). Pursuant to the agreement, the Contractor provided, installed and will maintain the laundry machines for the Property, which the tenant-shareholders will pay to use. In May 2018, the laundry agreement was extended through December 31, 2034. In accordance with the agreement, the Corporation received \$50,400 from the contractor for each of the years ended February 29, 2020 and February 28, 2019.

Agreement for Landscaping Maintenance

In October 2015, the Corporation extended its agreement with a landscaping maintenance company through February 2019. In accordance with this agreement, the Corporation paid \$94,800 to the landscaping maintenance company for the year ended February 28, 2019.

In March 2019, the Corporation entered into a new agreement with another landscaping maintenance company to assume maintenance of the lawns for the nine-month period from March 1, 2019 through December 31, 2019. In accordance with this agreement, the Corporation will pay \$85,000 to the landscaping maintenance company for this period. Effective March 2020, the Corporation signed a new contract with the landscaping maintenance company for a three-year renewal until December 2023.

Agreement for Maintenance of Elevators

In April 2014, the Corporation entered into a six-year agreement with an elevator contractor to assume maintenance of the elevators through April 30, 2020. Under this agreement, the elevator contractor is entitled to receive \$39,960 per year from the Corporation, subject to annual price adjustments as defined in the agreement. The agreement is renewable every six years.

For the years ended February 29, 2020 and February 28, 2019, the Corporation paid approximately \$50,000, to the elevator contractor. On July 22, 2020, the Corporation entered into a new five-year agreement with another contractor to assume maintenance of the elevators through July 2026. Under this agreement, the contractor is entitled to receive approximately \$51,000 per year from the Corporation.

Litigation

From time to time, the Corporation may become involved in litigation incidental to its business. Based on the Corporation's understanding of the facts of any such matters and, where necessary, the advice of counsel, management does not believe that such matters currently pending, either individually or in the aggregate, will have a material impact on the Corporation's financial position or results of operations.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2020 AND FEBRUARY 28, 2019

NOTE 11. INCOME TAXES

Net Operating Loss Carryforwards

At February 29, 2020, the Corporation has federal and state tax loss carryforwards of approximately \$6,073,300, which, if not utilized, will begin to expire February 29, 2024, through February 29, 2040.

The net operating loss carryforwards give rise to a deferred tax asset of \$1,275,401 and \$1,130,554 at February 29, 2020 and February 28, 2019, respectively, which has been fully reserved due to management's assessment that it is more likely than not that the loss carryforwards will expire before they are utilized.

Uncertain Tax Positions

In accordance with FASB ASC 740, *Income Taxes*, the Corporation has applied the "more likely than not" threshold to the recognition and derecognition of tax positions. The standard also provides guidance on the measurement of tax positions, balance sheet classification, interest and penalties, accounting in interim periods, disclosures, and transition. Using this guidance, the Corporation had no uncertain tax positions that qualified for either recognition or disclosure in the financial statements as of February 29, 2020 and February 28, 2019.

The Corporation files income tax returns in the U.S. federal jurisdiction and in New York State. The Corporation is subject to U.S. federal and state tax examinations by taxing authorities.

NOTE 12. MULTIEMPLOYER PLAN

The Corporation contributes to a multiemployer defined benefit pension plan under the terms of a collective bargaining agreement that covers its union-represented employees. Substantially all of the Corporation's union employees are subject to a collective bargaining agreement and are covered under a multiemployer plan. The risks of participating in the multiemployer plan are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, its portion of the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Corporation chooses to stop participating in its multiemployer plan, it may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability. The Corporation currently has no intention of withdrawing from the plan.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2020 AND FEBRUARY 28, 2019

NOTE 12. MULTIEMPLOYER PLAN (CONTINUED)

The Corporation's participation in the plan for the years ended February 29, 2020 and February 28, 2019, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number ("EIN") and the three-digit plan number, if applicable. The most recent Pension Protection Act ("PPA") zone status available in 2019 is for the plan's year end at June 30, 2019 and 2018, respectively. The zone status is based on information that the Corporation received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are 65 to 80 percent funded, and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Pending or Implemented" column indicates if a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented. The last column lists the expiration date of the collective bargaining agreement to which the plan is subject.

Pension Fund	EIN/Pension Plan Number	Pension's Protection Act Zone Status		FIP/RP Status Pending or Implemented	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
		2019	2018			
Building Service 32BJ Pension Fund (a)	13-1879376/001	Red	Red	Yes	Yes	N/A

(a) The zone status was certified by the plan's actuary as of July 1, 2018 and 2017.

The Corporation was not listed on the Form 5500 as providing more than 5% of the total contributions to the multiemployer defined benefit pension plan.

The Corporation's portion of the projected benefit obligation, plan assets and unfunded liability of the multiemployer pension plans is not material to the Corporation's financial position. However, the failure of participating employers to remain solvent could affect the Corporation's portion of the plan's unfunded liability. Specific benefit levels provided by union pension plans are not negotiated with or known by the employer contributors.

The Corporation also participates in the Building Service 32BJ Health Fund (the "Health Fund"). The Health Fund provides health and other benefits to eligible participants employed by the Corporation. For the years ended February 29, 2020 and February 28, 2019, the Corporation contributed \$59,161 and \$55,212, respectively, to the multiemployer defined benefit pension plan and \$239,266 and \$224,861, respectively, to the Health Fund.

NOTE 13. TREASURY STOCK AND COMMON STOCK

In March 2017, the Corporation purchased 159 shares of common stock from a tenant-shareholder (the "Seller") for \$145,700. As a tenant-shareholder, the Seller of the shares had entered into a proprietary lease with the Corporation, which gave the Seller the right to occupy the designated unit and access to all common areas. Such rights were transferred to the Corporation upon its purchase of the shares. The Corporation reflected its purchased shares as "treasury stock" as of February 29, 2020 and February 28, 2019, on the accompanying balance sheets.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2020 AND FEBRUARY 28, 2019

NOTE 14. SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization recognized the COVID-19 coronavirus as a global pandemic, prompting many national, regional and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As the COVID-19 coronavirus continues to spread in the United States and around the world, the Corporation may experience disruptions that could severely impact its ability to carry out its activities. The impact of the outbreak of the COVID-19 coronavirus continues to rapidly evolve. The extent to which the COVID-19 coronavirus may impact the Corporation and its unit owners will depend on future developments, which are highly uncertain and cannot be predicted with confidence. These potential future developments and factors include but are not limited to, the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, supply chain and transportation disruptions, social distancing in the United States and other countries, business closures or business disruptions and the effectiveness of actions taken in the United States and other countries to contain and treat the virus.

Due to these factors and other currently unknown factors that may come to light if this coronavirus outbreak and any associated protective or preventative measures expand, as of the date of the auditor's report, the Corporation cannot reasonably estimate the impact to its activities, revenues, financial condition or results of operations; however, such impact could be significantly negative.

Property = 025 SADORE LANE GARDENS, INC

Budget

Period = Mar 2020-Feb 2021

Book = Cash

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Total
INCOME													
MAINTENANCE	465,221.12	465,221.12	465,221.12	465,221.12	465,221.12	465,221.12	465,221.12	465,221.12	465,221.12	465,221.12	465,221.12	465,221.12	5,582,653.40
STAR CREDITS	-23,693.72	-23,693.72	-23,693.72	-23,693.72	-23,693.72	-23,693.72	-23,693.72	-23,693.72	-23,693.72	-23,693.72	-23,693.72	-23,693.72	-284,324.55
SENIOR CREDIT	-579.28	-579.28	-579.28	-579.28	-579.28	-579.28	-579.28	-579.28	-579.28	-579.28	-579.28	-579.28	-6,951.36
VETERAN CREDIT	-295.30	-295.30	-295.30	-295.30	-295.30	-295.30	-295.30	-295.30	-295.30	-295.30	-295.30	-295.30	-3,543.58
RENT	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	24,420.00
STORAGE	4,113.06	4,113.06	4,113.06	4,113.06	4,113.06	4,113.06	4,113.06	4,113.06	4,113.06	4,113.06	4,113.06	4,113.11	49,356.77
PARKING	23,046.00	23,046.00	23,046.00	23,046.00	23,046.00	23,046.00	23,046.00	23,046.00	23,046.00	23,046.00	23,046.00	23,046.00	276,552.00
LAUNDRY	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00	46,200.00
SERVICE INCOME	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	300.00
LATE CHARGES & NSF	1,564.58	1,564.58	1,564.58	1,564.58	1,564.58	1,564.58	1,564.58	1,564.58	1,564.58	1,564.58	1,564.58	1,564.58	18,775.00
LEGAL FEE RECOVERY	755.33	755.33	755.33	755.33	755.33	755.33	755.33	755.33	755.33	755.33	755.33	755.33	9,064.00
MISCELLANEOUS INCOME	58.33	58.33	58.33	58.33	58.33	58.33	58.33	58.33	58.33	58.33	58.33	58.33	700.00
KEY FEES	120.83	120.83	120.83	120.83	120.83	120.83	120.83	120.83	120.83	120.83	120.83	120.83	1,450.00
POOL FEES	2,833.33	2,833.33	2,833.33	2,833.33	2,833.33	2,833.33	2,833.33	2,833.33	2,833.33	2,833.33	2,833.33	2,833.33	34,000.00
OFFERING PLAN FEE	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
TOTAL INCOME	479,154.28	479,154.28	479,154.28	479,154.28	479,154.28	479,154.28	479,154.28	479,154.28	479,154.28	479,154.28	479,154.28	479,154.60	5,749,851.68
EXPENSES													
FUEL OIL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,500.00
UTILITIES - ELECTRIC	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.37	190,000.00
UTILITIES - GAS	50,833.33	50,833.33	50,833.33	50,833.33	50,833.33	50,833.33	50,833.33	50,833.33	50,833.33	50,833.33	50,833.37	50,833.37	610,000.00
SUPPLIES	7,416.67	7,416.67	7,416.67	7,416.67	7,416.67	7,416.67	7,416.67	7,416.67	7,416.67	7,416.67	7,416.67	7,416.63	89,000.00
SUPPLIES POOL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33,000.00
SUPPLIES PLUMBING	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.63	500.00
REPAIRS & MAINTENANCE	36,599.58	36,599.58	36,599.58	36,599.58	36,599.58	36,599.58	36,599.58	36,599.58	36,599.58	36,599.58	36,599.58	36,599.62	439,195.00
CONTRACT SNOW REMOVAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,242.50
CONTRACT LANDSCAPING	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	150,000.00
CONTRACT ELEVATOR	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	48,000.00
CONTRACT SANITATION	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.33	1,833.37	22,000.00
CONTRACT SPRINKLER	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.37	5,500.00
CONTRACT ALARM SYSTEM	45.83	45.83	45.83	45.83	45.83	45.83	45.83	45.83	45.83	45.83	45.83	45.87	550.00
CONTRACT WATER TREATMENT	487.76	487.76	487.76	487.76	487.76	487.76	487.76	487.76	487.76	487.76	487.76	487.76	5,853.12
CONTRACT TOWING	90.67	90.67	90.67	90.67	90.67	90.67	90.67	90.67	90.67	90.67	90.67	90.63	1,088.00
CONTRACT GARAGE	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.63	5,000.00
LICENSE/PERMITS/FEES	429.17	429.17	429.17	429.17	429.17	429.17	429.17	429.17	429.17	429.17	429.17	429.13	5,150.00
MANAGEMENT	26,261.87	26,261.87	26,261.87	26,261.87	26,261.87	26,261.87	26,261.87	26,261.87	26,261.87	26,261.87	26,261.87	27,049.72	316,718.14
LEGAL	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.63	20,000.00
ACCOUNTING	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	48,000.00
PAYROLL & RELATED COSTS	65,002.72	65,002.72	65,002.72	65,002.72	65,002.72	65,002.72	65,002.72	65,002.72	65,002.72	65,002.72	65,002.72	65,002.69	780,032.61

Page 1 of 2

Property = 025 SADORE LANE GARDENS, INC

Budget

Period = Mar 2020-Feb 2021

Book = Cash

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Total
EMPLOYER FICA	4,551.88	4,551.88	4,551.88	4,551.88	4,551.88	4,551.88	4,551.88	4,551.88	4,551.88	4,551.88	4,551.88	4,551.88	54,622.51
EMPLOYER FUTA	65.83	65.83	65.83	65.83	65.83	65.83	65.83	65.83	65.83	65.83	65.83	65.83	790.00
EMPLOYER NY SUI	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	1,000.00
UNION PROFIT SHARING	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.33	6,760.00
UNION PENSION	4,700.41	4,700.41	4,700.41	4,700.41	4,700.41	4,700.41	4,700.41	4,700.41	4,700.41	4,700.41	4,700.41	4,700.41	56,404.92
UNION LEGAL SERVICES	216.19	216.19	216.19	216.19	216.19	216.19	216.19	216.19	216.19	216.19	216.19	216.19	2,594.28
UNION TRAINING	183.69	183.69	183.69	183.69	183.69	183.69	183.69	183.69	183.69	183.69	183.69	183.69	2,204.28
UNION HEALTH	19,942.00	19,942.00	19,942.00	19,942.00	19,942.00	19,942.00	19,942.00	19,942.00	19,942.00	19,942.00	19,942.00	19,942.00	239,304.00
WORKERS COMPENSATION	2,349.22	2,349.22	2,349.22	2,349.22	2,349.22	2,349.22	2,349.22	2,349.22	2,349.22	2,349.22	2,349.22	2,349.22	28,190.58
DISABILITY INSURANCE	167.05	167.05	167.05	167.05	167.05	167.05	167.05	167.05	167.05	167.05	167.05	167.05	2,004.62
PAYROLL PREPARATION	264.83	264.83	264.83	264.83	264.83	264.83	264.83	264.83	264.83	264.83	264.83	264.83	3,178.00
WATER & SEWER	21,666.67	21,666.67	21,666.67	21,666.67	21,666.67	21,666.67	21,666.67	21,666.67	21,666.67	21,666.67	21,666.67	21,666.67	260,000.00
NY STATE CORP TAX	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	1,300.00
INSURANCE	0.00	10,000.00	0.00	300,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	310,000.00
PHONE	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	23,000.00
PHONE CELLULAR	708.33	708.33	708.33	708.33	708.33	708.33	708.33	708.33	708.33	708.33	708.33	708.33	8,500.00
INTERNET CONNECTIVITY	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	6,000.00
COMPUTER SUPPORT	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.00
MISCELLANEOUS	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.00
COPIES, POSTAGE & FAX	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	5,000.00
GRATUITIES & GIFTS	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	9,000.00
MEMBERSHIP DUES	116.67	116.67	116.67	116.67	116.67	116.67	116.67	116.67	116.67	116.67	116.67	116.67	1,400.00
MTG VALLEY NATIONAL BANK	0.00	52,250.00	52,250.00	52,250.00	52,250.00	52,250.00	52,250.00	52,250.00	52,250.00	52,250.00	52,250.00	52,250.00	574,750.00
TAX/STAR ESCROW	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	480,000.00
LEASE COPIER / SCANNER	308.33	308.33	308.33	308.33	308.33	308.33	308.33	308.33	308.33	308.33	308.33	308.33	3,700.00
MCT'S & COMINGENCY	72,901.59	72,901.59	72,901.59	72,901.59	72,901.59	72,901.59	72,901.59	72,901.59	72,901.59	72,901.59	72,901.59	72,901.59	874,819.12
TOTAL EXPENSES	400,648.62	462,898.62	468,648.62	761,148.62	461,148.62	461,148.62	452,898.62	452,898.62	460,519.87	452,898.62	461,307.72	453,686.51	5,749,851.66
NET INCOME/(LOSS)	78,505.66	16,255.66	10,505.66	-281,994.34	18,005.66	18,005.66	26,255.66	26,255.66	18,634.41	26,255.66	17,846.56	25,468.09	0.00

FORTY-SEVENTH AMENDMENT

TO

OFFERING PLAN OF

COOPERATIVE OWNERSHIP OF

PREMISES KNOWN AS

1, 2, 3, 4 AND 5 SADORE LANE
YONKERS, NEW YORK 10710

Dated: November 30, 2021

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE ORIGINAL OFFERING PLAN DATED SEPTEMBER 28, 1982, AND THE FIRST AMENDMENT DATED NOVEMBER 10, 1982; THE SECOND AMENDMENT DATED AUGUST 17, 1983; THE THIRD AMENDMENT DATED SEPTEMBER 7, 1983; THE FOURTH AMENDMENT DATED NOVEMBER 30, 1983; THE FIFTH AMENDMENT DATED MARCH 2, 1984; THE SIXTH AMENDMENT DATED SEPTEMBER 6, 1984; THE SEVENTH AMENDMENT DATED JULY 9, 1985; THE EIGHTH AMENDMENT DATED MARCH 24, 1987; THE NINTH AMENDMENT DATED APRIL 30, 1987; THE TENTH AMENDMENT DATED JUNE 12, 1987; THE ELEVENTH AMENDMENT DATED SEPTEMBER 8, 1987; THE TWELFTH AMENDMENT DATED JUNE 29, 1988; THE THIRTEENTH AMENDMENT DATED DECEMBER 5, 1989; THE FOURTEENTH AMENDMENT DATED JUNE 27, 1990; THE FIFTEENTH AMENDMENT DATED NOVEMBER 6, 1991; THE SIXTEENTH AMENDMENT DATED APRIL 23, 1992; THE SEVENTEENTH AMENDMENT DATED NOVEMBER 12, 1992; THE EIGHTEENTH AMENDMENT DATED JANUARY 7, 1994; THE NINETEENTH AMENDMENT DATED APRIL 21, 1995; THE TWENTIETH AMENDMENT DATED SEPTEMBER 22, 1995; THE TWENTY FIRST AMENDMENT DATED SEPTEMBER 24, 1996; THE TWENTY SECOND AMENDMENT DATED SEPTEMBER 18, 1997; THE TWENTY THIRD AMENDMENT DATED NOVEMBER 9, 1998; THE TWENTY FOURTH AMENDMENT DATED DECEMBER 22, 1999; THE TWENTY FIFTH AMENDMENT DATED JUNE 6, 2000; THE TWENTY SIXTH AMENDMENT DATED JULY 24, 2001; THE TWENTY SEVENTH AMENDMENT DATED SEPTEMBER 3, 2002; THE TWENTY EIGHTH AMENDMENT DATED JUNE 9, 2003; THE TWENTY NINTH AMENDMENT DATED FEBRUARY 6, 2004; THE THIRTIETH AMENDMENT DATED NOVEMBER 15, 2004; THE THIRTY FIRST AMENDMENT DATED FEBRUARY 9, 2005, THE THIRTY SECOND AMENDMENT DATED FEBRUARY 10, 2006, THE THIRTY THIRD AMENDMENT DATED MARCH 19, 2007, THE THIRTY FOURTH AMENDMENT DATED MAY 29, 2008, THE THIRTY FIFTH AMENDMENT DATED APRIL 2, 2009, THE THIRTY SIXTH AMENDMENT DATED JANUARY 5, 2010; THE THIRTY SEVENTH AMENDMENT DATED JANUARY 28, 2011, THE THIRTY EIGHTH AMENDMENT DATED FEBRUARY 17, 2012; THE THIRTY NINTH AMENDMENT DATED APRIL 4, 2013, THE FORTIETH AMENDMENT DATED APRIL 10, 2014, THE FORTY-FIRST AMENDMENT DATED APRIL 13, 2015, THE FORTY-SECOND AMENDMENT DATED JUNE 10, 2016, THE FORTY THIRD AMENDMENT DATED JULY 13, 2017, THE FORTY FOURTH AMENDMENT DATED AUGUST 17, 2018, THE FORTY FIFTH AMENDMENT DATED SEPTEMBER 4, 2019, THE FORTY SIXTH AMENDMENT DATED OCTOBER 19, 2020, AND SHOULD BE READ IN CONJUNCTION WITH SAID PLAN.

Apartment Corporation:
SADORE LANE GARDENS, INC.

Sponsor:
GARDEN TOWERS LLC

Holder of Unsold Shares:
GUARDIAN TOWERS, LLC

The Cooperative Offering Plan, a Plan to convert to cooperative ownership premises at 1-5 Sadore Lane, Yonkers, New York, dated September 28, 1982, as heretofore amended (the "Plan") is hereby further amended as follows:

1. **Sale of Unsold Shares.** The Sponsor currently holds Unsold Shares allocated to 69 of the 780 Apartments at the Premises, representing 8.8% of all the Apartments, as set forth in Exhibit "A" annexed.

2. **Sponsor's Obligations.** The Sponsor has no financial obligations to the Apartment Corporation other than for payment of maintenance charges and assessments, other than as follows: the Sponsor is responsible for the payment of reserve fund contributions at the rate of \$7.3972 per Unsold Share sold. The Sponsor is current in all its financial obligations to the Apartment Corporation, and during the previous twelve months the Sponsor has not been in default with respect to any such obligations beyond any applicable grace period.

3. **Sponsor's Unsold Shares.** The Sponsor, as Holder of the remaining Unsold Shares, will hold the Shares allocated to the apartments (the "Apartments") indicated on Exhibit "A" annexed hereto. As of August 1, 2021 the aggregate monthly maintenance charges and parking charges due in connection with the Unsold Shares allocated to the Apartments are \$46,269.44. The aggregate monthly rents received from tenants of the Apartments are \$55,933.90 as of July 1, 2021. The Sponsor shall pay its obligations to the Apartment Corporation from the rent collected. The Sponsor plans to market the vacant Apartments to which Unsold Shares are allocated. As those Apartments are sold the monthly maintenance charges due to the Apartment Corporation from the Sponsor will decrease.

4. **Disclosure for Guardian Towers LLC.** Guardian, as a Holder of Unsold Shares, owns the shares allocated to 12 apartments; in addition, Guardian has acquired the shares allocated to 18 additional apartments which had previously been sold. Guardian has no financial obligations to the Apartment Corporation other than for payment of maintenance charges and assessments. Guardian is current in all its financial obligations to the Apartment Corporation, and during the previous twelve months Guardian has not

been in default with respect to any such obligations beyond any applicable grace period. Guardian is responsible for the monthly maintenance charges for the Unsold Shares allocated to the apartments it owns; the aggregate monthly maintenance charges to be due in connection with the Unsold Shares allocated to those apartments are \$6,200.32, and the aggregate monthly rents payable from Guardian's tenants are \$17,865.00. Guardian intends to market or lease the its apartments, depending on market conditions, and shall pay its obligations to the Apartment Corporation from the proceeds of sales and rents as well as its reserves. Guardian or principals of Guardian do not own more than 10% of the shares or units in other cooperative or condominium conversion projects. Guardian had refinanced its share loan from Sterling National Bank with a new share loan of \$1,700,000 and a \$500,000 revolving line of credit, secured by the pledge of all Guardian's shares, Unsold Shares and previously sold, and proprietary leases. The monthly payment in connection with the share loan is \$8,675.98; when funds are borrowed on the line of credit, the monthly payment on that loan will be interest only, computed on the amount outstanding from time to time at the prime rate but no less than 3.5%. The share loan matures on April 1, 2030 and the rate of interest is fixed for the term at 3.65%; the line of credit matures on April 1, 2022. Guardian's share loan is prepayable with a penalty computed as a percentage of the principal prepaid; the rate is 5% for the first two loan years, declining 1% every two years thereafter; the prepayment penalty is 1% during the final loan year. Guardian must pay a release price in connection with the sales of any units; upon an release payment, the payment will be re-calculated to reflect the lower principal balance. Guardian is required to maintain insurance on its units in connection with this loan. Guardian has been current in its payments to its lender during the past twelve (12) months.

5. **Sponsor's Other Cooperative Projects.** The Sponsor or principals of the Sponsor do not own more than 10% of the shares or units in other cooperative or condominium conversion projects.

6. **Sponsor's Financing of Unsold Shares.** As disclosed in the Forty Fifth Amendment, the Sponsor has obtained a loan secured by the pledge of the Sponsor's Unsold Shares and proprietary leases. The monthly payments on this loan change annually due to prepayments in connection with sales. The most recent monthly payment is \$9,321.93 which will be adjusted in January 2022 to reflect prepayments in connection with sales. The Sponsor has been current in its payments to its lender during the past twelve (12) months.

7. **Financial Statements.** Annexed hereto as Exhibit "B" are the Apartment Corporation's audited financial statements for the years ended February 29, 2020, and February 28, 2021.

8. **Current Maintenance Charges, Budget.** The current maintenance charges are \$4.48 per

share per month. Maintenance charges were last increased as of June 1, 2011; that increase was 1.030%, and no additional increase is currently planned. A copy of the Apartment Corporation's budget for March 1, 2021 to February 28, 2022 is annexed as Exhibit "C."

9. **Board of Directors.** The current board of directors of the Corporation was elected at the annual stockholders' meeting which was held on October 22, 2019. The following are the current officers and directors: Louis Monaco, president, Mike Abelson, vice president, Zacha Rivera, secretary, Charles Scheinberg, treasurer, Nelson Ota, James Schoen and Michael Rosen. Of the foregoing, James Schoen and Michael Rosen are affiliated with the Sponsor. The Sponsor gave up control of the board of directors as of the meeting held on April 26, 1984.

10. **Maximum Price for Unsold Shares.** The maximum purchase price for all Unsold Shares is \$2,500.00 per share as disclosed in the Forty Fifth Amendment.

11. **Special Risk: Tax Cuts and Jobs Act of 2017.** On January 1, 2018 the Tax Cuts and Jobs Act of 2017 went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to home ownership. Accordingly, the tax information and projections disclosed in this offering plan may be inaccurate because such are based on federal tax law as it existed prior to 2018. Purchasers are advised to consult with a tax expert regarding whether the new law will affect the purchaser's taxes. Purchasers should not rely on any representations in this offering plan addressing taxes without first consulting a tax expert.

12. **New Address for Sponsor.** The Sponsor has established a new mailing address of P.O. Box 1009, Yorktown Heights, NY 10598.

13. The Offering Plan, as modified, supplemented and extended hereby, is incorporated herein by reference with the same effect as if set forth at length. All terms used in this Amendment, not otherwise defined herein, shall have the same meanings ascribed to them in the Offering Plan.

14. Except as set forth herein there have been no material changes in the terms of the Offering.

SADORE LANE GARDENS, INC.

Apartment Corporation

GARDEN TOWERS LLC

Sponsor

GUARDIAN TOWERS, LLC

Holder of Unsold Shares

UNSOLD APARTMENTS - GARDEN TOWERS LLC

As of: July 29, 2021

BUILDING NO. 1

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
2A	100	4B	207	6V	142	7G	140
3B	205	5L	172	7B	213	7X	176
3Z	102	6L	174	7C	110		
						total	1,741

BUILDING NO. 2

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
2M	100	3X	163	4T	159	6Y	174
2Y	166	4F	163	5Y	172	7Z	110
3T	157	4H	138	6H	142		
						total	1,644

BUILDING NO. 3

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
1B	96	1Z	96	4S	138	7X	176
1E	130	2V	134	6V	142		
1S	130	4U	138	7C	110		
						total	1,290

BUILDING NO. 4

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
1N	96	2K	164	4X	170	6G	142
1X	162	3H	136	5B	209	6L	174
1Y	162	3S	130	5F	165	6Y	174
2E	128	3U	136	5O	209	7B	213
		4K	168	6C	103	7T	171
						total	3,012

BUILDING NO. 5

<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>	<u>APT.#</u>	<u>SHARES</u>
LG	128	2P	132	4G	138	6R	142
1E	128	2R	132	5N	169	7B	144
1L	132	3B	136	6E	211	7F	144
2K	134	3E	205	6K	142	7G	144
		4C	138	6L	142		
						total	2,641

Project Unsold Share Totals: 10,328

Apartments: 69

Exhibit A

1-5 SADORE LANE, YONKERS, NEW YORK
UNSOLD APARTMENTS
GUARDIAN TOWERS, LLC
As of: July 20, 2021

Apartment no.	No. of shares
1-4K	165
1-4M	104
2-4M	104
3-2J	118
3-4K	170
3-7D	78
4-1J	112
4-3C	97
4-5D	70
4-6M	108
5-4H	120
5-4P	138
total shares	1,384

12 Apartments

Also Owned by Guardian Towers LLC But Not Unsold Shares

1-2P	100	1-4R	72
1-6D	76	1-7R	78
2-5D	70	2-1R	60
2-6J	126	2-6P	103
3-1A	96	3-6C	108
3-1D	64	4-2G	132
4-2L	166	4-3M	102
4-5R	70	4-6E	136
5-3H	118	5-7H	126
total shares			1,803

18 Apartments

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
FINANCIAL STATEMENTS
YEARS ENDED FEBRUARY 28, 2021
AND FEBRUARY 29, 2020

Exhibit "B"

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Balance sheets	3
Statements of revenues and expenses	4
Statements of shareholders' deficit	5
Statements of cash flows	6
Notes to financial statements	7 - 17



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sadore Lane Gardens, Inc.

We have audited the accompanying financial statements of Sadore Lane Gardens, Inc. (a cooperative housing corporation), which comprise the balance sheets as of February 28, 2021 and February 29, 2020, and the related statements of revenues and expenses, shareholders' deficit and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sadore Lane Gardens, Inc. as of February 28, 2021 and February 29, 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Omission of Required Supplementary Information about Future Major Repairs and Replacements

As discussed in Note 3 of the financial statements, management has not estimated the remaining lives and replacement costs of the common property and, therefore, has omitted the information about the estimates of future costs of major repairs and replacements and related estimated useful lives of the common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Adoption of New Accounting Pronouncements

As discussed in Note 2 to the financial statements, Sadore Lane Gardens, Inc. adopted Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, as of March 1, 2020, using the modified retrospective transition model. Our opinion is not modified with respect to this matter.


CERTIFIED PUBLIC ACCOUNTANTS

White Plains, New York
September 22, 2021

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
BALANCE SHEETS
FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 6,110,006	\$ 4,987,459
Escrow and reserve funds	250,000	250,000
Assessment receivables	63,155	44,367
Other receivables	-	46,555
Prepaid expenses, real estate taxes and other assets	406,728	554,654
Property and equipment, net	<u>7,041,478</u>	<u>7,331,521</u>
TOTAL ASSETS	\$ <u>13,871,367</u>	\$ <u>13,214,556</u>
<u>LIABILITIES AND SHAREHOLDERS' DEFICIT</u>		
Liabilities:		
Accounts payable, accrued expenses and other liabilities	\$ 339,845	\$ 211,535
Mortgage note payable, net of unamortized debt issuance costs	<u>18,732,985</u>	<u>18,703,039</u>
Total liabilities	<u>19,072,830</u>	<u>18,914,574</u>
Commitments and contingencies (Notes 8, 9, 10 and 14)		
Shareholders' deficit:		
Common stock - \$1 par value; 120,000 shares authorized, 103,844 shares issued and outstanding	103,844	103,844
Additional paid-in capital	2,735,098	2,735,098
Accumulated deficit	<u>(7,807,580)</u>	<u>(8,303,123)</u>
	(4,968,638)	(5,464,181)
Less: treasury stock, 159 shares at cost	145,700	145,700
Less: receivable from sponsor	<u>87,125</u>	<u>90,137</u>
Total shareholders' deficit	<u>(5,201,463)</u>	<u>(5,700,018)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	\$ <u>13,871,367</u>	\$ <u>13,214,556</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

	<u>2021</u>	<u>2020</u>
Revenues:		
Maintenance assessments	\$ 5,582,654	\$ 5,583,335
Parking fees	277,152	275,619
Laundry receipts	50,400	50,400
Storage fees	50,900	51,125
Rental income	24,420	26,175
Other	<u>18,351</u>	<u>72,799</u>
Total revenues	<u>6,003,877</u>	<u>6,059,453</u>
Expenses:		
Administrative	816,007	804,110
Utilities	834,595	957,383
Building operations	242,030	261,802
Payroll and related costs	770,532	876,208
Union welfare and pension	299,226	298,427
Interest and debt expense	665,656	1,116,773
Real estate taxes and water and sewer charges	1,116,687	1,037,807
Repairs, maintenance, and supplies	<u>499,347</u>	<u>593,220</u>
Total expenses	<u>5,244,080</u>	<u>5,945,730</u>
Excess of revenues over expenses before other income (expense)	<u>759,797</u>	<u>113,723</u>
Other income (expense):		
Interest and dividend income	31,439	54,889
Mortgage prepayment fees and penalties	-	(380,125)
Depreciation	<u>(295,693)</u>	<u>(296,559)</u>
Other expense, net	<u>(264,254)</u>	<u>(621,795)</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	<u>\$ 495,543</u>	<u>\$ (508,072)</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
STATEMENTS OF SHAREHOLDERS' DEFICIT
FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

	Common Stock		Additional		Treasury Stock		Receivable	
	Shares	Amount	Paid-In Capital	Accumulated Deficit	Shares	Amount	Sponsor	Total
Balance - March 1, 2019	103,844	\$ 103,844	\$ 2,735,098	\$ (7,795,051)	159	\$ (145,700)	\$ (97,947)	\$ (5,199,756)
Deficit of revenues over expenses	-	-	-	(508,072)	-	-	-	(508,072)
Payment from sponsor	-	-	-	-	-	-	7,810	7,810
Balance - February 29, 2020	103,844	103,844	2,735,098	(8,303,123)	159	(145,700)	(90,137)	(5,700,018)
Excess of revenues over expenses	-	-	-	495,543	-	-	-	495,543
Payment from sponsor	-	-	-	-	-	-	3,012	3,012
BALANCE - FEBRUARY 28, 2021	103,844	\$ 103,844	\$ 2,735,098	\$ (7,807,580)	159	\$ (145,700)	\$ (87,125)	\$ (5,201,463)

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Excess (deficit) of revenues over expenses	\$ 495,543	\$ (508,072)
Adjustments to reconcile excess (deficit) of revenues over expenses to net cash provided by operating activities:		
Depreciation	295,693	296,559
Amortization of deferred finance costs	29,946	222,190
Changes in assets and liabilities:		
Assessments receivable	(18,788)	37,784
Other receivables	46,555	2,216,128
Prepaid expenses and real estate taxes	147,926	(340,924)
Accounts payable, accrued expenses and other liabilities	<u>128,309</u>	<u>(60,708)</u>
Net cash provided by operating activities	<u>1,125,184</u>	<u>1,862,957</u>
Cash flows from investing activities:		
Proceeds from redemptions of certificates of deposit	-	241,447
Purchases of property and equipment	<u>(5,649)</u>	<u>(205,670)</u>
Net cash provided by (used in) investing activities	<u>(5,649)</u>	<u>35,777</u>
Cash flows from financing activities:		
Payments for deferred finance costs	-	(299,456)
Payment of sponsor receivable	3,012	7,810
Repayment of mortgage payable	-	(19,000,000)
Proceeds from refinancing of mortgage payable	<u>-</u>	<u>19,000,000</u>
Net cash provided by (used in) financing activities	<u>3,012</u>	<u>(291,646)</u>
Net increase in cash, cash equivalents and restricted cash	1,122,547	1,607,088
Cash, cash equivalents and restricted cash - beginning	<u>5,237,459</u>	<u>3,630,371</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - ENDING	<u>\$ 6,360,006</u>	<u>\$ 5,237,459</u>
Supplemental disclosures of cash flow information:		
Interest paid	<u>\$ 635,710</u>	<u>\$ 894,583</u>
Supplemental schedule for non-cash investing activities:		
Purchases of property and equipment unpaid at year end	<u>\$ -</u>	<u>\$ 27,500</u>

See accompanying notes to financial statements.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

NOTE 1. ORGANIZATION

Sadore Lane Gardens, Inc. (the "Corporation") is a cooperative housing corporation that was incorporated in the state of New York on March 1, 1984. The Corporation owns five buildings known as Sadore Lane Gardens located in Yonkers, New York (the "Property"). The buildings consist of 778 units; as of February 28, 2021, there were 708 units owned by tenant-shareholders, 69 units owned by Garden Towers, Inc. (the "Sponsor") and one unit owned by the Corporation.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Corporation's financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Recently Adopted Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), with several clarifying updates issued subsequently. In conjunction with Topic 606, a new subtopic, Accounting Standards Codification ("ASC") 340-40, *Other Assets and Deferred Costs - Contracts with Customers*, was also issued. The updated standard replaces most existing revenue recognition and certain cost guidance under U.S. GAAP. Collectively, we refer to Topic 606 and Subtopic 340-40 as "ASC 606." ASC 606 amends existing accounting standards for revenue recognition and establishes principles for recognizing revenue upon the transfer of promised goods or services to customers based on the expected consideration to be received in exchange for those goods and services.

The Corporation adopted ASC 606 effective March 1, 2020, using the modified retrospective transition method. There was no material effect to retained earnings for the initial adoption of ASC 606 at March 1, 2020.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the COVID-19 control responses, and such differences may be material.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents, and Short-Term Investments

The Corporation considers all short-term investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents consist principally of money market funds and certificates of deposits. Certificates of deposits with original maturities over three months are classified as short-term investments.

Restricted Cash

Pursuant to a mortgage refinance, the Corporation was required to set aside a reserve fund, as defined in the mortgage agreement (See Note 9). Restricted cash included in assets on the balance sheets represents amounts pledged as collateral for long-term financing arrangements as contractually required by a lender. The restriction will lapse when the related long-term debt is repaid.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the balance sheets that sum to the total of such amounts shown in the statements of cash flows as of February 28, 2021 and February 29, 2020:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 6,110,006	\$ 4,987,459
Escrow and reserve funds	<u>250,000</u>	<u>250,000</u>
Total cash, cash equivalents and restricted cash shown in the statements of cash flows	<u>\$ 6,360,006</u>	<u>\$ 5,237,459</u>

Deferred Finance Costs

Debt issuance costs are reported on the accompanying balance sheets as a direct deduction from the face amount of the related debt. Debt issuance costs are amortized to "Interest and debt expense" in the accompanying statements of revenues and expenses using the straight-line method, which approximates the effective interest method, over the life of the related promissory note. The Corporation incurred deferred finance costs of \$299,456 during the year ended February 29, 2020, as a result of refinancing its mortgage note payable (see Note 9). Accumulated amortization amounted to \$32,441 and \$2,495 as of February 28, 2021 and February 29, 2020, respectively. Amortization expense amounted to \$29,946 and \$222,190 for the years ended February 28, 2021 and February 29, 2020, respectively.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Buildings, building improvements and equipment are depreciated over the estimated useful lives. Building improvements are capitalized, while repairs and maintenance are charged to expense when incurred.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Year ended February 28, 2021

Revenue is measured based on consideration specified in a contract with a customer, and excludes any abatements and amounts collected on behalf of third parties. The Corporation recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer, net of applicable provisions for any abatements and amounts collected on behalf of third parties. Maintenance assessments, parking and other ancillary services are offered by the Corporation throughout the course of the year and disaggregated revenue by type, is depicted on the face of the statements of revenues and expenses. Tenant-shareholders are subject to monthly maintenance assessments to provide funds for the Corporation's operating expenses, repairs and replacements. Tenant-shareholder receivables at the balance sheet dates represent maintenance assessments due from tenant-shareholders. The Corporation's policy is to retain legal counsel and place liens on the shares of stock of tenant-shareholders whose assessments are delinquent for 30 days or more. No maintenance fees receivable at February 28, 2021 and February 29, 2020, were considered uncollectible. Any excess assessments at year end are retained by the Corporation for use in the succeeding year.

The Corporation records a contract asset when it has a right to payment from a customer that is conditional on events other than the passage of time. The Corporation also records a contract liability when a customer prepays but the Corporation has not fulfilled its performance obligation. The Corporation did not have any material unsatisfied performance obligations, contract modifications, contract assets or liabilities as of February 28, 2021 and February 29, 2020.

The Corporation is leasing a unit to a tenant under a one-year non-cancelable operating lease. Rental income is recognized when due in accordance with the provisions of the lease.

All other sources of revenue are recognized in the results of operations as earned.

Year ended February 29, 2020

For the year ended December 31, 2018, the Corporation recognized revenue in accordance with FASB ASC Topic 605, *Revenue Recognition* ("ASC 605"). Under ASC 605, the Corporation recognized revenue based on the following four criteria: (1) when the service was performed and the Corporation had no significant obligations remaining to be performed; (2) a final understanding as to specific nature and terms of the agreed upon transaction had occurred; (3) price was fixed and determinable; and (4) collection was assured. These four criteria were generally met upon completion of service to the unit owner.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Corporation is qualified to prepare its tax returns pursuant to the provisions of Subchapter T of the Internal Revenue Code. Subchapter T provides that expenses attributable to the generation of patronage income, i.e., income from business done with or for patrons (tenant cooperators), are deductible only to the extent of patronage income. The Corporation believes that all of its income for the years ended February 28, 2021 and February 29, 2020, is patronage income within the meaning of Subchapter T.

The Corporation accounts for current and deferred income taxes and, when appropriate, deferred tax assets and liabilities are recorded with respect to temporary differences in the accounting treatment of items for financial reporting purposes and for income tax purposes. Where, based on the weight of all available evidence, it is more likely than not that some amount of the recorded deferred tax assets will not be realized, a valuation allowance is established for that amount that, in management's judgment, is sufficient to reduce the deferred tax asset to an amount that is more likely than not to be realized.

Risks & Uncertainties

On March 11, 2020, the World Health Organization recognized the COVID-19 coronavirus as a global pandemic, prompting many national, regional and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As the COVID-19 coronavirus continues to spread in the United States and around the world, the Corporation may experience disruptions that could severely impact its ability to carry out its activities. The impact of the outbreak of the COVID-19 coronavirus continues to rapidly evolve. The extent to which the COVID-19 coronavirus may impact the Corporation and its unit owners will depend on future developments, which are highly uncertain and cannot be predicted with confidence. These potential future developments and factors include but are not limited to, the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, supply chain and transportation disruptions, social distancing in the United States and other countries, business closures or business disruptions and the effectiveness of actions taken in the United States and other countries to contain and treat the virus.

Due to these factors and other currently unknown factors that may come to light if this coronavirus outbreak and any associated protective or preventative measures expand, as of the date of the auditor's report, the Corporation cannot reasonably estimate the impact to its activities, revenues, financial condition or results of operations; however, such impact could be significantly negative.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In accordance with FASB ASC 855, *Subsequent Events*, the Corporation has evaluated subsequent events through September 22, 2021, the date on which these financial statements were available to be issued. Except for the matter described in Note 14, there were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 3. FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Corporation's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The Corporation has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of the costs of major repairs and replacements that may be required in the future, nor has it developed a plan to fund those needs. When funds are required for future major repairs and replacements, the Corporation plans to either borrow, increase maintenance assessments, or delay repairs and replacements until funds are available. The effect on future assessments has not been determined.

NOTE 4. CONCENTRATIONS OF CREDIT RISK

At February 28, 2021 and February 29, 2020, and routinely throughout each year, the Corporation maintained cash deposits with financial institutions and brokerage firms in excess of federally insurable limits. The Corporation has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk with respect to such balances.

The balances of the Corporation's money market funds and certificate of deposit account, is in excess of the insurance coverage provided by the Security Investor Protection Corporation. The Corporation has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk regarding its investments.

The Corporation had a total of 14 and 25 employees at February 28, 2021 and February 29, 2020, respectively. Approximately 86% and 52% of the Corporation's employees were represented by a union for the years ended February 28, 2021 and February 29, 2020, respectively (see Note 12).

NOTE 5. RECEIVABLE FROM SPONSOR

Pursuant to the offering plan, as amended, the Corporation was to receive \$1,000,000 from the Sponsor from the proceeds of the sale of the Corporation's shares of common stock held by the Sponsor (the "Sponsor Shares"). As of February 28, 2021, the Corporation has received a total of \$912,875 since inception, of which \$3,012 was received during the year ended February 28, 2021. Collection of the remaining balance of \$87,125 is subject to the Sponsor's sale of the Sponsor Shares. Amounts due from the Sponsor are noninterest bearing and are deemed fully collectible.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

NOTE 6. OTHER RECEIVABLES

At February 29, 2020, "Other receivables" consist of an amount refunded in connection with the mortgage refinanced transaction, as disclosed in Note 9. The Corporation received payment in March 2020.

NOTE 7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at February 28, 2021 and February 29, 2020:

	<u>2021</u>	<u>2020</u>
Land	\$ 1,568,638	\$ 1,568,638
Buildings	8,888,950	8,888,950
Building improvements	10,912,977	10,912,977
Equipment	<u>793,562</u>	<u>787,912</u>
	22,164,127	22,158,477
Less: accumulated depreciation	<u>15,122,649</u>	<u>14,826,956</u>
Property and equipment, net	<u>\$ 7,041,478</u>	<u>\$ 7,331,521</u>

Depreciation expense amounted to \$295,693 and \$296,559 for the years ended February 28, 2021 and February 29, 2020, respectively.

NOTE 8. REVOLVING LINE OF CREDIT

In December 2013, the Corporation obtained a revolving credit line from Dime Savings Bank in the principal amount of \$2,990,000. The revolving credit line was set to mature in January 2024 and bore interest at a prime rate plus 1% (not less than 4.25% per annum). The revolving credit line was terminated in connection with the refinance of the mortgage on February 28, 2020. At February 29, 2020, there was no outstanding balance on the revolving line of credit.

On February 28, 2020, the Corporation entered into a new revolving line of credit agreement with Valley National Bank (the "New LOC Loan") that allows the Corporation to borrow up to a maximum of \$3,000,000. The New LOC Loan matures on March 1, 2030, and bears interest at a prime rate (as defined in the New LOC Loan). At February 28, 2021, there was no outstanding balance on the New LOC Loan.

NOTE 9. MORTGAGE PAYABLE

In December 2013, the Corporation refinanced its mortgage with Dime Savings Bank in the amount of \$19,000,000. The new mortgage, which was set to mature in January 2024, bore interest at the fixed rate of 4.20% per annum and required monthly interest and escrow payments. The mortgage note was collateralized by the land, building and improvements owned by the Corporation. On February 28, 2020, the mortgage was refinanced again with another lending institution (see below) and the outstanding principal balance plus accrued interest was repaid. As a result of the refinance, the Corporation incurred a prepayment penalty of \$380,125 during the year ended February 29, 2020.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

NOTE 9. MORTGAGE PAYABLE (CONTINUED)

On February 28, 2020, the Corporation entered into a new mortgage agreement with Valley National Bank in the amount of \$19,000,000 (the "New Mortgage") with payments commencing on April 1, 2020. The New Mortgage is secured by the property and bears interest at a fixed rate of 3.30% per annum and an effective rate of 3.51% (as a result of the impact of the amortization of deferred financing costs). The New Mortgage requires monthly payments of interest only through March 1, 2030; at which time, the outstanding principal balance and any unpaid interest will be due. The outstanding balance of the New Mortgage on the accompanying balance sheets at February 28, 2021 and February 29, 2020 was reflected net of unamortized debt issuance costs of \$267,015 and \$296,961, respectively.

Interest expense, including prepayment penalties, was \$635,710 and \$894,583 for the years ended February 28, 2021 and February 29, 2020, respectively.

The New Mortgage also requires the Corporation to establish and maintain a reserve account with a minimum balance of \$250,000. The Corporation is required to maintain such balance in the account for the entire loan term and the funds can be used for capital repairs and improvements on the condition the balance is restored to \$250,000 within six months.

NOTE 10. COMMITMENTS AND CONTINGENCIES

Agreement for Management Services

The Corporation entered into a managing agent agreement with Prime Locations, Inc. ("Prime"), whereby Prime is responsible for processing all day-to-day bookkeeping transactions and contracting for goods and services (including labor) required in the normal operations of the properties, subject to board approval in certain instances. In January 2016, the management agreement was renewed through 2020 and provides that Prime shall receive an initial annual fee of \$280,000 (increased annually by 3%). On July 1, 2021, the management agreement was renewed again through December 2025 and provides for an annual fee of \$325,000 (increased annually by 3.5%). During the years ended February 28, 2021 and February 29, 2020, fees of \$316,718 and \$307,493, respectively, were paid to Prime under this agreement.

Agreement for Parking Garage Services

The Corporation entered into a parking management agreement with a managing agent to manage the garages and outside parking. The agreement authorizes the agent to offer these services to the tenant-shareholders for rates specified in the agreement. In August 2015, the Corporation renewed its parking management agreement through October 2025. Effective January 2018, the parking agreement was modified and the agent was to remit a monthly fee of \$23,258 to the Corporation. In March 2019, the parking agreement was modified again and the monthly payments were reduced to \$23,096. For the years ended February 28, 2021 and February 29, 2020, parking fees received from the agent amounted to \$277,152 and \$275,619, respectively.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

NOTE 10. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreement for Maintenance of Laundry Facilities

The Corporation entered into an agreement with a maintenance contractor (the "Contractor"). Pursuant to the agreement, the Contractor provided, installed and will maintain the laundry machines for the Property, which the tenant-shareholders will pay to use. In May 2018, the laundry agreement was extended through December 31, 2034. In accordance with the agreement, the Corporation received \$50,400 from the contractor for each of the years ended February 28, 2021 and February 29, 2020.

Agreement for Landscaping Maintenance

In March 2019, the Corporation entered into a new agreement with a landscaping maintenance company to assume maintenance of the lawns for the nine-month period from March 1, 2019 through December 31, 2019. In accordance with this agreement, the Corporation will pay \$85,000 to the landscaping maintenance company for this period. Effective March 2020, the Corporation signed a new contract with the landscaping maintenance company for a three-year renewal until December 2023. Total annual fees under the new contract are approximately \$104,000.

Agreement for Maintenance of Elevators

In April 2014, the Corporation entered into a six-year agreement with an elevator contractor to assume maintenance of the elevators through April 30, 2020. Under this agreement, the elevator contractor is entitled to receive \$39,960 per year from the Corporation, subject to annual price adjustments as defined in the agreement. In July 22, 2020, the Corporation entered into a new five-year agreement with another contractor to assume maintenance of the elevators through July 2026. For the years ended February 28, 2021 and February 29, 2020, the Corporation paid approximately \$50,000, to the elevator contractors.

Litigation Matters

The Corporation is a defendant in two cases that are in the Supreme Court of the State of New York, County of Westchester and the Supreme Court of the State of New York, County of the Bronx. Both plaintiffs in each case have asserted certain claims arising from incidents where they slipped and fell while on the grounds of the Property which resulted in bodily injuries. The Corporation believes that the claims are without merit and intends to vigorously defend its position. The ultimate outcome of these litigation matters cannot presently be determined. Accordingly, adjustments, if any, that might result from the resolution of these matters have not been reflected in the financial statements.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

NOTE 11. INCOME TAXES

Net Operating Loss Carryforwards

At February 28, 2021, the Corporation has federal and state tax loss carryforwards of approximately \$5,621,000, which, if not utilized, will begin to expire February 28, 2025, through February 28, 2041.

The net operating loss carryforwards give rise to a deferred tax asset of \$1,180,513 and \$1,275,401 at February 28, 2021 and February 29, 2020, respectively, which has been fully reserved due to management's assessment that it is more likely than not that the loss carryforwards will expire before they are utilized.

Uncertain Tax Positions

In accordance with FASB ASC 740, *Income Taxes*, the Corporation has applied the "more likely than not" threshold to the recognition and derecognition of tax positions. The standard also provides guidance on the measurement of tax positions, balance sheet classification, interest and penalties, accounting in interim periods, disclosures, and transition. Using this guidance, the Corporation had no uncertain tax positions that qualified for either recognition or disclosure in the financial statements as of February 28, 2021 and February 29, 2020.

The Corporation files income tax returns in the U.S. federal jurisdiction and in New York State. The Corporation is subject to U.S. federal and state tax examinations by taxing authorities.

NOTE 12. MULTIEMPLOYER PLAN

The Corporation contributes to a multiemployer defined benefit pension plan under the terms of a collective bargaining agreement that covers its union-represented employees. Substantially all of the Corporation's union employees are subject to a collective bargaining agreement and are covered under a multiemployer plan. The risks of participating in the multiemployer plan are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, its portion of the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Corporation chooses to stop participating in its multiemployer plan, it may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability. The Corporation currently has no intention of withdrawing from the plan.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

NOTE 12. MULTIEMPLOYER PLAN (CONTINUED)

The Corporation's participation in the plan for the years ended February 28, 2021 and February 29, 2020, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number ("EIN") and the three-digit plan number, if applicable. The most recent Pension Protection Act zone status available in 2020 is for the plan's year end at June 30, 2020 and 2019, respectively. The zone status is based on information that the Corporation received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are 65 to 80 percent funded, and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Pending or Implemented" column indicates if a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented. The last column lists the expiration date of the collective bargaining agreement to which the plan is subject.

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending or Implemented	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
		2020	2019			
Building Service 32BJ Pension Fund (a)	13-1879376/001	Yellow	Red	Yes	Yes	N/A

(a) The zone status was certified by the plan's actuary as of July 1, 2019 and 2018.

The Corporation was not listed on the Form 5500 as providing more than 5% of the total contributions to the multiemployer defined benefit pension plan.

The Corporation's portion of the projected benefit obligation, plan assets and unfunded liability of the multiemployer pension plans is not material to the Corporation's financial position. However, the failure of participating employers to remain solvent could affect the Corporation's portion of the plan's unfunded liability. Specific benefit levels provided by union pension plans are not negotiated with or known by the employer contributors.

The Corporation also participates in the Building Service 32BJ Health Fund (the "Health Fund"). The Health Fund provides health and other benefits to eligible participants employed by the Corporation. For the years ended February 28, 2021 and February 29, 2020, the Corporation contributed \$59,806 and \$59,161, respectively, to the multiemployer defined benefit pension plan and \$234,865 and \$239,266, respectively, to the Health Fund.

NOTE 13. TREASURY STOCK AND COMMON STOCK

In March 2017, the Corporation purchased 159 shares of common stock from a tenant-shareholder (the "Seller") for \$145,700. As a tenant-shareholder, the Seller of the shares had entered into a proprietary lease with the Corporation, which gave the Seller the right to occupy the designated unit and access to all common areas. Such rights were transferred to the Corporation upon its purchase of the shares. The Corporation reflected its purchased shares as "treasury stock" as of February 28, 2021 and February 29, 2020, on the accompanying balance sheets.

SADORE LANE GARDENS, INC.
(A Cooperative Housing Corporation)
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

NOTE 14. PAYCHECK PROTECTION PROGRAM

In March 2021, the Corporation received proceeds totaling \$224,649 under the Paycheck Protection Program ("PPP"). The PPP, which was established as part of the Coronavirus Aid, Relief and Economic Security Act, provides for loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loan and accrued interest, or a portion thereof, may be forgiven after 24 weeks so long as the borrower uses the loan proceeds for eligible purposes including payroll, benefits, rent, mortgage, interest and utilities, and maintains its payroll levels, as defined by the PPP. Not more than 60% of the amount forgiven can be attributable to non-payroll costs, as defined by the PPP.

U.S. GAAP does not contain authoritative accounting standards for forgivable loans provided by governmental entities to a for-profit-entity. Absent authoritative accounting standards, interpretative guidance issued and commonly applied by financial statement preparers allow for the selection of accounting policies amongst acceptable alternatives. Based on the facts and circumstances, the Corporation believes it most appropriate to account for the PPP loan proceeds under the debt model. Under the debt model, the Corporation recognizes the proceeds received as debt, recognizes periodic interest expense in the period in which the interest accrues at the stated interest rate and defers recognition of any potential forgiveness of the loan principal or interest until the period in which the Corporation has been legally released from its obligation by the lender. The Corporation deemed the debt model to be the most appropriate accounting policy for this arrangement as the underlying PPP loan is a legal form of debt and there are significant contingencies outside of the control of the Corporation, mainly related to the third-party approval process for forgiveness.

The PPP loan matures five years from the date of the first disbursement of proceeds to the Corporation and accrues interest at 1%. Payments are deferred for the first 10 months and are payable with each monthly principal payment.

On August 16, 2021, the Corporation received the loan forgiveness notice from the Small Business Administration for the full amount of the loan.

Budget

Period = Mar 2021-Feb 2022

Book = Cash ; Tree = ysl_bf

	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Total
4000-0000 INCOME													
4100-0000 MAINTENANCE	465,221.12	465,221.12	465,221.12	465,221.12	465,221.12	465,221.12	465,221.12	465,221.12	465,221.12	465,221.12	465,221.12	465,221.08	5,582,853.40
4102-0000 STAR CREDITS	-26,426.23	-26,426.23	-26,426.23	-26,426.23	-26,426.23	-26,426.23	-26,426.23	-26,426.23	-26,426.23	-26,426.23	-26,426.23	-26,426.24	-317,114.77
4104-0000 SENIOR CREDIT	-572.57	-572.57	-572.57	-572.57	-572.57	-572.57	-572.57	-572.57	-572.57	-572.57	-572.57	-572.58	-6,870.85
4106-0000 VETERAN CREDIT	-312.29	-312.29	-312.29	-312.29	-312.29	-312.29	-312.29	-312.29	-312.29	-312.29	-312.29	-312.32	-3,747.51
4200-0000 RENT	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	24,420.00
4200-0010 STORAGE	4,113.06	4,113.06	4,113.06	4,113.06	4,113.06	4,113.06	4,113.06	4,113.06	4,113.06	4,113.06	4,113.06	4,113.11	49,356.77
4210-0000 PARKING	23,215.00	23,215.00	23,215.00	23,215.00	23,215.00	23,215.00	23,215.00	23,215.00	23,215.00	23,215.00	23,215.00	23,215.00	278,580.00
4220-0000 LAUNDRY	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	50,400.00
4500-0000 SERVICE INCOME	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	300.00
4700-0000 LATE CHARGES & NSF	1,564.58	1,564.58	1,564.58	1,564.58	1,564.58	1,564.58	1,564.58	1,564.58	1,564.58	1,564.58	1,564.58	1,564.62	18,775.00
4710-0000 LEGAL FEE RECOVERY	755.33	755.33	755.33	755.33	755.33	755.33	755.33	755.33	755.33	755.33	755.33	755.37	9,064.00
4900-0000 MISCELLANEOUS INCOME	58.33	58.33	58.33	58.33	58.33	58.33	58.33	58.33	58.33	58.33	58.33	58.37	700.00
4900-0002 KEY FEES	120.83	120.83	120.83	120.83	120.83	120.83	120.83	120.83	120.83	120.83	120.83	120.87	1,450.00
4900-0004 POOL FEES	2,833.33	2,833.33	2,833.33	2,833.33	2,833.33	2,833.33	2,833.33	2,833.33	2,833.33	2,833.33	2,833.33	2,833.37	34,000.00
4900-0005 OFFERING PLAN FEE	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
4999-0000 TOTAL INCOME	476,930.49	476,930.49	476,930.49	476,930.49	476,930.49	476,930.49	476,930.49	476,930.49	476,930.49	476,930.49	476,930.49	476,930.65	5,723,166.04
6000-0000 EXPENSES													
6100-0000 FUEL OIL	0.00	0.00	7,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,500.00
6110-0001 UTILITIES - ELECTRIC	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.37	190,000.00
6110-0002 UTILITIES - GAS	109,800.00	61,000.00	30,500.00	24,400.00	24,400.00	12,200.00	12,200.00	24,400.00	30,500.00	61,000.00	109,800.00	109,800.00	610,000.00
6200-0000 SUPPLIES	7,416.67	7,416.67	7,416.67	7,416.67	7,416.67	7,416.67	7,416.67	7,416.67	7,416.67	7,416.67	7,416.67	7,416.63	89,000.00
6200-0001 SUPPLIES POOL	0.00	0.00	8,250.00	8,250.00	8,250.00	8,250.00	0.00	0.00	0.00	0.00	0.00	0.00	33,000.00
6200-0002 SUPPLIES PLUMBING	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.63	2,000.00
6300-0000 REPAIRS & MAINTENANCE	39,583.33	39,583.33	39,583.33	39,583.33	39,583.33	39,583.33	39,583.33	39,583.33	39,583.33	39,583.33	39,583.33	39,583.37	475,000.00
6400-0001 CONTRACT SNOW REMOVAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,621.25	0.00	7,621.25	0.00	15,242.50
6400-0003 CONTRACT LANDSCAPING	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	150,000.00
6400-0005 CONTRACT ELEVATOR	4,758.75	4,758.75	4,758.75	4,758.75	4,758.75	4,758.75	4,758.75	4,758.75	4,758.75	4,758.75	4,758.75	4,758.75	57,105.00
6400-0007 CONTRACT SANITATION	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.37	25,000.00
6400-0008 CONTRACT SPRINKLER	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.37	5,500.00
6400-0009 CONTRACT ALARM SYSTEM	45.83	45.83	45.83	45.83	45.83	45.83	45.83	45.83	45.83	45.83	45.83	45.87	550.00
6400-0012 CONTRACT WATER TREATMENT	508.33	508.33	508.33	508.33	508.33	508.33	508.33	508.33	508.33	508.33	508.33	508.37	6,100.00
6400-0013 CONTRACT TOWING	90.67	90.67	90.67	90.67	90.67	90.67	90.67	90.67	90.67	90.67	90.67	90.63	1,088.00
6400-0025 CONTRACT GARAGE	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.63	5,000.00
6450-0000 LICENSE/PERMITS/FEES	429.17	429.17	429.17	429.17	429.17	429.17	429.17	429.17	429.17	429.17	429.17	429.13	5,150.00
6500-0000 MANAGEMENT	27,049.73	27,049.73	27,049.73	27,049.73	27,049.73	27,049.73	27,049.73	27,049.73	27,049.73	27,049.73	27,049.73	27,861.22	326,219.74
6520-0000 LEGAL	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.63	20,000.00
6530-0000 ACCOUNTING	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	48,000.00
6600-0000 PAYROLL & RELATED COSTS	65,002.72	65,002.72	65,002.72	65,002.72	65,002.72	65,002.72	65,002.72	65,002.72	65,002.72	65,002.72	65,002.72	65,002.69	780,032.61

Exhibit C

Budget

Period = Mar 2021-Feb 2022

Book = Cash ; Tree = ysl_bf

	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Total
6600-0002 EMPLOYER FICA	4,551.88	4,551.88	4,551.88	4,551.88	4,551.88	4,551.88	4,551.88	4,551.88	4,551.88	4,551.88	4,551.88	4,551.88	54,622.51
6600-0003 EMPLOYER FUTA	65.83	65.83	65.83	65.83	65.83	65.83	65.83	65.83	65.83	65.83	65.83	65.87	790.00
6600-0005 EMPLOYER NY SUI	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.37	1,000.00
6600-0008 UNION PROFIT SHARING	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.37	6,760.00
6650-0002 UNION PENSION	4,589.04	4,589.04	4,589.04	4,589.04	4,589.04	4,589.04	4,589.04	4,589.04	4,589.04	4,589.04	4,910.28	4,910.28	55,710.96
6650-0003 UNION LEGAL SERVICES	216.19	216.19	216.19	216.19	216.19	216.19	216.19	216.19	216.19	216.19	216.19	216.19	2,594.28
6650-0004 UNION TRAINING	183.69	183.69	183.69	183.69	183.69	183.69	183.69	183.69	183.69	183.69	183.69	183.69	2,204.28
6650-0007 UNION HEALTH	19,752.00	19,752.00	19,752.00	19,752.00	19,752.00	19,752.00	19,752.00	19,752.00	19,752.00	19,752.00	21,336.00	21,336.00	240,192.00
6660-0000 WORKERS COMPENSATION	2,349.22	2,349.22	2,349.22	2,349.22	2,349.22	2,349.22	2,349.22	2,349.22	2,349.22	2,349.22	2,349.22	2,349.16	28,190.58
6670-0000 DISABILITY INSURANCE	167.05	167.05	167.05	167.05	167.05	167.05	167.05	167.05	167.05	167.05	167.05	167.07	2,004.62
6690-0000 PAYROLL PREPARATION	264.83	264.83	264.83	264.83	264.83	264.83	264.83	264.83	264.83	264.83	264.83	264.87	3,178.00
7010-0000 WATER & SEWER	0.00	0.00	0.00	0.00	0.00	147,500.00	0.00	0.00	0.00	0.00	0.00	147,500.00	295,000.00
7030-0000 NY STATE CORP TAX	0.00	0.00	0.00	8,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,000.00
7200-0000 INSURANCE	0.00	0.00	0.00	325,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	325,000.00
8010-0000 PHONE	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.63	23,000.00
8010-0001 PHONE CELLULAR	708.33	708.33	708.33	708.33	708.33	708.33	708.33	708.33	708.33	708.33	708.33	708.37	8,500.00
8020-0000 INTERNET CONNECTIVITY	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	6,000.00
8210-0000 COMPUTER SUPPORT	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.00
8900-0000 MISCELLANEOUS	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.00
8900-0001 COPIES, POSTAGE & FAX	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.63	5,000.00
8900-0005 GRATUITIES & GIFTS	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	9,000.00
8900-0006 MEMBERSHIP DUES	116.67	116.67	116.67	116.67	116.67	116.67	116.67	116.67	116.67	116.67	116.67	116.63	1,400.00
9500-0004 MTG VALLEY NATIONAL BANK	52,250.00	52,250.00	52,250.00	52,250.00	52,250.00	52,250.00	52,250.00	52,250.00	52,250.00	52,250.00	52,250.00	52,250.00	627,000.00
9510-0001 TAXISTAR ESCROW	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	480,000.00
9700-0003 LEASE COPIER / SCANNER	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	4,200.00
9900-0000 MCI'S & CONTINGENCY	56,610.91	56,610.91	56,610.91	56,610.91	56,610.91	56,610.91	56,610.91	56,610.91	56,610.91	56,610.91	56,610.91	56,610.95	679,330.96
9960-0000 TOTAL EXPENSES	478,465.84	429,685.84	414,915.84	734,315.84	401,315.84	536,615.84	380,665.84	399,065.84	406,787.09	429,665.84	486,903.82	628,682.57	5,723,166.04
9970-0000 NET INCOME/(LOSS)	-1,535.35	47,264.65	62,014.65	-257,385.35	75,614.65	-59,685.35	96,064.65	83,864.65	70,143.40	47,264.65	-11,873.33	-151,751.92	0.00

CASH FLOW

-1,535.35	47,264.65	62,014.65	-257,385.35	75,614.65	-59,685.35	96,064.65	83,864.65	70,143.40	47,264.65	-11,873.33	-151,751.92	0.00
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Budget

Period = Mar 2021-Feb 2022

Book = Cash ; Tree = ysl_bf

	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Total
4000-0000 INCOME													
4100-0000 MAINTENANCE	465,221.12	465,221.12	465,221.12	465,221.12	465,221.12	465,221.12	465,221.12	465,221.12	465,221.12	465,221.12	465,221.12	465,221.08	5,592,653.40
4102-0000 STAR CREDITS	-26,426.23	-26,426.23	-26,426.23	-26,426.23	-26,426.23	-26,426.23	-26,426.23	-26,426.23	-26,426.23	-26,426.23	-26,426.23	-26,426.24	-317,114.77
4104-0000 SENIOR CREDIT	-572.57	-572.57	-572.57	-572.57	-572.57	-572.57	-572.57	-572.57	-572.57	-572.57	-572.57	-572.58	-6,870.85
4106-0000 VETERAN CREDIT	-312.29	-312.29	-312.29	-312.29	-312.29	-312.29	-312.29	-312.29	-312.29	-312.29	-312.29	-312.32	-3,747.51
4200-0000 RENT	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	2,035.00	24,420.00
4200-0010 STORAGE	4,113.06	4,113.06	4,113.06	4,113.06	4,113.06	4,113.06	4,113.06	4,113.06	4,113.06	4,113.06	4,113.06	4,113.11	49,356.77
4210-0000 PARKING	23,215.00	23,215.00	23,215.00	23,215.00	23,215.00	23,215.00	23,215.00	23,215.00	23,215.00	23,215.00	23,215.00	23,215.00	278,580.00
4220-0000 LAUNDRY	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	50,400.00
4500-0000 SERVICE INCOME	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	300.00
4700-0000 LATE CHARGES & NSF	1,564.58	1,564.58	1,564.58	1,564.58	1,564.58	1,564.58	1,564.58	1,564.58	1,564.58	1,564.58	1,564.58	1,564.62	18,775.00
4710-0000 LEGAL FEE RECOVERY	755.33	755.33	755.33	755.33	755.33	755.33	755.33	755.33	755.33	755.33	755.33	755.37	9,064.00
4900-0000 MISCELLANEOUS INCOME	58.33	58.33	58.33	58.33	58.33	58.33	58.33	58.33	58.33	58.33	58.33	58.37	700.00
4900-0002 KEY FEES	120.83	120.83	120.83	120.83	120.83	120.83	120.83	120.83	120.83	120.83	120.83	120.87	1,450.00
4900-0004 POOL FEES	2,833.33	2,833.33	2,833.33	2,833.33	2,833.33	2,833.33	2,833.33	2,833.33	2,833.33	2,833.33	2,833.33	2,833.37	34,000.00
4900-0005 OFFERING PLAN FEE	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
4999-0000 TOTAL INCOME	476,930.49	476,930.49	476,930.49	476,930.49	476,930.49	476,930.49	476,930.49	476,930.49	476,930.49	476,930.49	476,930.49	476,930.65	5,723,166.04
6000-0000 EXPENSES													
6100-0000 FUEL OIL	0.00	0.00	7,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,500.00
6110-0001 UTILITIES - ELECTRIC	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.37	190,000.00
6110-0002 UTILITIES - GAS	109,800.00	61,000.00	30,500.00	24,400.00	24,400.00	12,200.00	12,200.00	24,400.00	30,500.00	61,000.00	109,800.00	109,800.00	610,000.00
6200-0000 SUPPLIES	7,416.67	7,416.67	7,416.67	7,416.67	7,416.67	7,416.67	7,416.67	7,416.67	7,416.67	7,416.67	7,416.67	7,416.63	89,000.00
6200-0001 SUPPLIES POOL	0.00	0.00	8,250.00	8,250.00	8,250.00	8,250.00	0.00	0.00	0.00	0.00	0.00	0.00	33,000.00
6200-0002 SUPPLIES PLUMBING	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.63	2,000.00
6300-0000 REPAIRS & MAINTENANCE	39,583.33	39,583.33	39,583.33	39,583.33	39,583.33	39,583.33	39,583.33	39,583.33	39,583.33	39,583.33	39,583.33	39,583.37	475,000.00
6400-0001 CONTRACT SNOW REMOVAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,621.25	0.00	7,621.25	0.00	15,242.50
6400-0003 CONTRACT LANDSCAPING	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	12,500.00	150,000.00
6400-0005 CONTRACT ELEVATOR	4,758.75	4,758.75	4,758.75	4,758.75	4,758.75	4,758.75	4,758.75	4,758.75	4,758.75	4,758.75	4,758.75	4,758.75	57,105.00
6400-0007 CONTRACT SANITATION	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.37	25,000.00
6400-0008 CONTRACT SPRINKLER	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.37	5,500.00
6400-0009 CONTRACT ALARM SYSTEM	45.83	45.83	45.83	45.83	45.83	45.83	45.83	45.83	45.83	45.83	45.83	45.87	550.00
6400-0012 CONTRACT WATER TREATMENT	508.33	508.33	508.33	508.33	508.33	508.33	508.33	508.33	508.33	508.33	508.33	508.37	6,100.00
6400-0013 CONTRACT TOWING	90.67	90.67	90.67	90.67	90.67	90.67	90.67	90.67	90.67	90.67	90.67	90.63	1,088.00
6400-0025 CONTRACT GARAGE	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.63	5,000.00
6450-0000 LICENSE/PERMITS/FEES	429.17	429.17	429.17	429.17	429.17	429.17	429.17	429.17	429.17	429.17	429.17	429.13	5,150.00
6500-0000 MANAGEMENT	27,049.73	27,049.73	27,049.73	27,049.73	27,049.73	27,049.73	27,049.73	27,049.73	27,049.73	27,049.73	27,049.73	27,861.22	326,219.74
6520-0000 LEGAL	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.63	20,000.00
6530-0000 ACCOUNTING	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	48,000.00
6600-0000 PAYROLL & RELATED COSTS	65,002.72	65,002.72	65,002.72	65,002.72	65,002.72	65,002.72	65,002.72	65,002.72	65,002.72	65,002.72	65,002.72	65,002.69	780,032.61

Thursday, May 27, 2021

07:58 AM

Budget

Period = Mar 2021-Feb 2022

Book = Cash ; Tree = ysl_bf

	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Total
6600-0002 EMPLOYER FICA	4,551.88	4,551.88	4,551.88	4,551.88	4,551.88	4,551.88	4,551.88	4,551.88	4,551.88	4,551.88	4,551.88	4,551.83	54,622.51
6600-0003 EMPLOYER FUTA	65.83	65.83	65.83	65.83	65.83	65.83	65.83	65.83	65.83	65.83	65.83	65.87	790.00
6600-0005 EMPLOYER NY SUI	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.37	1,000.00
6600-0008 UNION PROFIT SHARING	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.33	563.37	6,760.00
6650-0002 UNION PENSION	4,589.04	4,589.04	4,589.04	4,589.04	4,589.04	4,589.04	4,589.04	4,589.04	4,589.04	4,589.04	4,910.28	4,910.28	55,710.96
6650-0003 UNION LEGAL SERVICES	216.19	216.19	216.19	216.19	216.19	216.19	216.19	216.19	216.19	216.19	216.19	216.19	2,594.28
6650-0004 UNION TRAINING	183.69	183.69	183.69	183.69	183.69	183.69	183.69	183.69	183.69	183.69	183.69	183.69	2,204.28
6650-0007 UNION HEALTH	19,752.00	19,752.00	19,752.00	19,752.00	19,752.00	19,752.00	19,752.00	19,752.00	19,752.00	19,752.00	21,336.00	21,336.00	240,192.00
6660-0000 WORKERS COMPENSATION	2,349.22	2,349.22	2,349.22	2,349.22	2,349.22	2,349.22	2,349.22	2,349.22	2,349.22	2,349.22	2,349.22	2,349.16	28,190.58
6670-0000 DISABILITY INSURANCE	167.05	167.05	167.05	167.05	167.05	167.05	167.05	167.05	167.05	167.05	167.05	167.07	2,004.62
6690-0000 PAYROLL PREPARATION	264.83	264.83	264.83	264.83	264.83	264.83	264.83	264.83	264.83	264.83	264.83	264.87	3,178.00
7010-0000 WATER & SEWER	0.00	0.00	0.00	0.00	0.00	147,500.00	0.00	0.00	0.00	0.00	0.00	147,500.00	295,000.00
7030-0000 NY STATE CORP TAX	0.00	0.00	0.00	8,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,000.00
7200-0000 INSURANCE	0.00	0.00	0.00	325,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	325,000.00
8010-0000 PHONE	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.63	23,000.00
8010-0001 PHONE CELLULAR	708.33	708.33	708.33	708.33	708.33	708.33	708.33	708.33	708.33	708.33	708.33	708.37	8,500.00
8020-0000 INTERNET CONNECTIVITY	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	6,000.00
8210-0000 COMPUTER SUPPORT	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.00
8900-0000 MISCELLANEOUS	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.00
8900-0001 COPIES, POSTAGE & FAX	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.63	5,000.00
8900-0005 GRATUITIES & GIFTS	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	9,000.00
8900-0006 MEMBERSHIP DUES	116.67	116.67	116.67	116.67	116.67	116.67	116.67	116.67	116.67	116.67	116.67	116.63	1,400.00
9500-0044 MTG VALLEY NATIONAL BANK	52,250.00	52,250.00	52,250.00	52,250.00	52,250.00	52,250.00	52,250.00	52,250.00	52,250.00	52,250.00	52,250.00	52,250.00	627,000.00
9510-0001 TAX/STAR ESCROW	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	480,000.00
9700-0003 LEASE COPIER / SCANNER	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	4,200.00
9900-0000 MCI'S & CONTINGENCY	56,610.91	56,610.91	56,610.91	56,610.91	56,610.91	56,610.91	56,610.91	56,610.91	56,610.91	56,610.91	56,610.91	56,610.95	679,330.96
9960-0000 TOTAL EXPENSES	478,465.84	429,665.84	414,915.84	734,315.84	401,315.84	536,615.84	380,865.84	393,065.84	406,787.09	429,665.84	489,803.82	628,682.57	5,723,166.04
9970-0000 NET INCOME/(LOSS)	-1,535.35	47,264.65	62,014.65	-257,385.35	75,614.65	-59,685.35	96,064.65	83,864.65	70,143.40	47,264.65	-11,873.33	-151,751.92	0.00

CASH FLOW

-1,535.35	47,264.65	62,014.65	-257,385.35	75,614.65	-59,685.35	96,064.65	83,864.65	70,143.40	47,264.65	-11,873.33	-151,751.92	0.00
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