

SILVERTON GLENN ASSOCIATION, INC.

**SILVERTON GLENN TOWNHOMES
VICTOR, ONTARIO COUNTY, NEW YORK**

AMENDMENT NO. 9 TO THE OFFERING PLAN

This Amendment is made for the following purposes:

1. Status of Offering and Updated Budget.
2. Financial Disclosure.

Section 1: Status of Offering and Updated Budget

1.1 Sponsor is presently developing Silverton Glenn Townhomes consisting of 102 Townhome Lots. Of the 102 Townhome Lots in Silverton Glenn Townhomes, 3 Townhome Lots are currently under construction. As of July 14, 2020, 95 Townhome Lots have been transferred, 5 Townhome Lots are under contract to be sold, and 2 Townhome Lots are being offered for sale.

1.2 The updated budget for Silverton Glen Townhomes is attached as Exhibit A. The Certification as to Adequacy in attached as Exhibit B. Sponsor makes specific reference to the Association's continuing obligation to perform routine maintenance of the storm water maintenance facilities within the common area. See Landscaping Pond Management. The maintenance activity is based on the inspection and survey completed by Marathon Engineering attached as Exhibit D.

1.3 The Financial Statement for the Association for the fiscal year ending April 30, 2019 is attached as Exhibit C.

1.4 In accordance with the Offering Plan, the Sponsor has appointed the initial three (3) members of the Board of Directors, and therefore, controls the Board. The Board is composed of Jeff Morrell, Scott M. Morrell and Hannah Hall, each being either a principal of the Sponsor or relative of principals of the Sponsor.

1.5 The officers of the Association are Jeff Morrell, president, Scott M. Morrell, vice president, and Hannah Hall, treasurer and secretary.

Section 2: Financial Disclosure

2.1 The Sponsor hereby represents that there has been no material change in the financial position of the Sponsor with respect to this offering. Specifically, the Sponsor represents the following:

{8191859: }

- 2.1.1. As of July 14, 2020, Townhome Lots 25-119 have been transferred; the Sponsor owns each of the remaining Townhome Lots in the subdivision. Of the Townhome Lots owned by the Sponsor, Lots 121, 122, 123, 125, and 126 are under contract to be sold. Townhome Lots 120, and 124 are being offered for sale.
- 2.1.2. The monthly maintenance or common charge per Townhome Lot is \$190.00. The Sponsor's obligation for common charges is to fund any operating deficit. See paragraph 2.1.4 below.
- 2.1.3. No Townhome Lot is being rented by the Sponsor.
- 2.1.4 The Sponsor has no financial obligation to the Association other than to fund an operating deficit. Pursuant to §5.04 of the Declaration, the Sponsor shall be obligated for the difference between actual Association expenses including reserves for completed improvements and the Association charges levied on owners who have closed title to their Townhome Lots.
- 2.1.5 The Townhome Lots of the subdivision will be sold free of the lien of all building loan mortgages. The unsold Townhome Lots of the subdivision are not subject to any mortgage.
- 2.1.6 The financial obligations of the Sponsor will be funded from income from projected sales, and from general operating revenues of the Sponsor.
- 2.1.7 The Sponsor is current on all financial obligations under the offering plan, including but not limited to maintenance or common charges, reserve or working capital fund payments, assessments, and payments for repairs or improvements required by the Offering Plan. Additionally, the Sponsor is current on payments of expenses incurred in construction of the project. Additionally, the Sponsor was current on all such obligations during the year prior to filing this amendment.
- 2.1.8 The Sponsor remains in control of the Board of Directors of the Association. As defined in the Declaration, the Sponsor and all lot owners shall automatically be members. All owners, with the exception of the Sponsor, shall be Class A members. The Sponsor shall be a Class B member. Until 15 years after the recording of the Declaration, or until all lots are transferred, whichever shall first occur, the Class B membership shall be the only class of membership entitled to vote. Thereafter, the Sponsor's Class B membership shall be converted into a Class A membership, and all members shall vote equally, that is, one member one vote.

Section 4: No Further Changes

4.1 As of the date of this Amendment, there are no further changes to the documentation provided in the Offering Plan, as amended, known to the Sponsor.

Dated as of July 20, 2020

S&J Morrell, Inc., Sponsor

Exhibit A

Silverton Glenn Townhomes Projected Schedule of Receipts and Expenses
for Operations Commencing May 1, 2020 and Ending April 30, 2021

See Detail Attached

***Silverton Glenn
Association, Inc.***

OPERATING BUDGET

**Fiscal Year 2020-2021:
May 1, 2020 – April 30, 2021**

Approved: March 16, 2020

SILVERTON GLENN ASSOCIATION, INC.

2020-2021 BUDGET

OPERATING INCOME:

Homeowner Assessments	\$190.00 /unit/month	\$232,560
Investment Income		750
Other Income		0
Total Operating Income		<u>\$233,310</u>

OPERATING EXPENSES:

Maintenance Payroll Reimbursements (RPG)		\$7,200
Trash Removal		10,920
Maintenance Supplies		600
Repairs and Maintenance		3,600
Landscape Contract		50,158
Fertilization Contract		11,902
Other Landscaping		6,000
Snow Removal		31,822
Legal and Professional		1,000
Accounting Fees		1,680
Management Fee		17,457
Other Administrative		710
Insurance		40,706
Real Estate Taxes		1,500
Income Taxes		100
Total Operating Expenses		<u>\$185,354</u>

NET OPERATING INCOME

\$47,956

Long Term Replacement Reserve

47,956

NET INCOME

\$0

Anticipated Reserve Expenditures, 2020-2021

\$5,500

Projected Ending Reserve Fund Balance

\$188,592

SILVERTON GLENN ASSOCIATION, INC.

2020-2021 BUDGET

DETAIL OF OPERATING INCOME:

HOMEOWNER ASSESSMENTS:

102 Units @	\$190.00 /month	\$232,560
Assumes any loss due to delinquencies is offset by collections of prior delinquencies.		

INVESTMENT INCOME:

M&T Money Market fund	\$100,000	0.75%	750	
Totals	\$100,000			\$750

Note: Not operating budget items - added to Reserve Fund.

MISCELLANEOUS INCOME:

\$0

TOTAL OPERATING INCOME

\$233,310

DETAIL OF OPERATING EXPENSES:

MAINTENANCE PAYROLL REIMBURSEMENTS TO RPG:

Maintenance Payroll	\$50.00 /hr.avg.	12.00 hrs./month	\$7,200
Charge rate above includes payroll taxes, medical insurance, holidays, vacations, sick days, mileage, sales tax, etc.			

TRASH REMOVAL:

Contract with Cassella Waste			
Budget year cost including tax:	\$8,9000 /unit/month		
	\$910.00 /month		\$10,920

MAINTENANCE SUPPLIES:

\$50.00 /month	\$600
----------------	-------

REPAIRS & MAINTENANCE (SUBCONTRACTED):

Subcontracted repairs to roofs, siding, sidewalks, etc.		
Routine building repairs	\$300.00 /month average	\$3,600

LANDSCAPE CONTRACT:

Assumes contract with RM Landscape for the 2020 season
Based on 99 townhomes as of Spring 2020 needing service

Weekly Mowing & Trimming		26,931
Mechanical Edging		inc. above
Landscape Bed Edging		1,199
Mulch	110 yards	8,213
Weeding	28 visits	8,383
Shrub Trimming	2 visits	2,192
Tree Trimming		inc. above
Spring Clean-Up		1,199
Fall Clean-Up	1+ visits	959
Future units		1,082
		<hr/>
		\$50,158

FERTILIZATION CONTRACT:

Contract with One Step Lawn Applications	\$116.69 /unit		\$11,902
---------------------------------------------	----------------	--	----------

OTHER LANDSCAPING:

Shrub/Tree Replacements		1,500	
Slope Mowing		1,500	
Core Aeration/Over Seed		1,000	
Pond Management		1,000	
Misc.		1,000	
	Total		\$6,000

SNOW REMOVAL:

Based on current contract with Ted Collins for the 2019-2020 season

Based on 99 townhomes as of Fall 2019 needing service

Plowing driveways		25,542	
Plowing private roads		2,150	
Clearing around hydrants/mailboxes		2,258	
Future units		840	
Extras:			
Loader work extra @	\$150.00 /hour	0	0
Salting roadways @	\$86.00 /run	12	1,032
	Sub-Total		1,032
	Total		\$31,822

LEGAL & PROFESSIONAL:

Legal: Collections, etc.		\$500	
Professional: Engineering, etc.		500	
	Total		\$1,000

ACCOUNTING FEES:

Annual audit/tax return			\$1,680
-------------------------	--	--	---------

MANAGEMENT FEE:

RPG Contract auto-renews on 4/30/21			
Fee for 61-72 units:	\$	- /month	
Fee for 73-102 units:	\$	1,454.75 /month	
	Total		17,457.00
	Total		\$17,457

OTHER ADMINISTRATIVE EXPENSES:

Answering Service allocation @	\$5.00 /month	60	
Postage/Copies	\$50.00 /month	600	
Miscellaneous		50	
	Total		\$710

INSURANCE:

GNY Insurance Company		
Deductible:	\$1,000	
Ice damming deductible:	\$1,000	
Liability coverage:	\$2,000,000	
Directors/Officers:	\$1,000,000	
Umbrella Liability:	\$1,000,000	

Current Premiums:			
Current premium for property insurance:		\$35,000	
Current premium for D&O insurance:		1,000	
Current premium for umbrella coverage:		1,206	
	Total Premium		<u>\$37,206</u>
Renewal: 5/1/2020			
Assumed inflation premium increase:		10.00%	
New Premium:			
Renewal premium for property insurance:		\$38,500	
Renewal premium for D&O:		\$1,000	
Renewal premium for umbrella coverage:		1,206	
	Total Premium		<u>\$40,706</u>
Downpayment (May):			
Property:	25.00%	\$9,625	
D&O coverage:		\$1,000	
Umbrella coverage:		1,206	
	Total Downpayment		<u>\$11,831</u>
Monthly payments:	June-February	\$3,208	9
	Total		<u>\$28,875</u>
			\$40,706
REAL ESTATE TAXES:			
County & School			\$1,500
INCOME TAXES:			
NYS Taxes		Assume	50
Federal Taxes			50
	Total		<u>\$100</u>
TOTAL OPERATING EXPENSES			\$185,354
NET OPERATING INCOME			\$47,956
RESERVE TRANSFERS:			
LONG TERM REPLACEMENT RESERVE:			
Includes projected investment income of			\$750
Current Allocation	\$38.57 /unit/mo.	\$47,206	
- if change by:	0.00 3.00%	0	
- new amount	\$38.57 /unit/mo.	\$47,206	
	Total		<u>\$47,956</u>
NET INCOME			\$0

SILVERTON GLENN ASSOCIATION, INC.

RESERVE FUND ANALYSIS

2020-2021 BUDGET

OPERATING RESERVE FUND: \$7,636

LONG TERM MAINTENANCE RESERVE FUND:

Projected Beginning Balance 5/1/20				\$138,500
Add: Projected Transfers	\$38.57 /unit/month			47,206
Add: Projected Earnings:				
M&T Money Market fund	\$100,000	0.75%	750	
	<u>Total Earnings</u>			\$750
Less: Projected Expenditures:				
Resurface Driveways/Private Roadways			0	
Seal Coating			500	
Building Repairs			0	
Roofing			0	
Painting/Staining			5,000	
Misc.			0	
	<u>Total Expenditures</u>			(5,500)
Projected Ending Balance 4/30/21				<u>\$180,956</u>

TOTAL RESERVE FUNDS:

Projected Beginning Balance 5/1/20				\$146,136
Add: Projected Transfers	\$38.57 /unit/month			47,206
Add: Projected Earnings				750
Less: Projected Expenditures				(5,500)
Projected Ending Balance 4/30/21				<u>\$188,592</u>

SILVERTON GLENN ASSOCIATION, INC.

**2020-2021 BUDGET
ASSUMPTIONS**

1. Assessment rates will remain the same at \$190.00 per unit per month for the year.
2. There is no delinquency loss in homeowner assessment payments.
3. The average cash balance in the investment accounts (insured money market account) throughout the fiscal year is \$100,000 and the account earns an average annual interest rate of .75% at M&T. All investment income is allocated to the long term replacement reserve fund.
4. Maintenance payroll reimbursement charges do not exceed \$7,200 for the year for repairs and maintenance items completed by RPG's floating maintenance employees (including mileage reimbursements and sales tax).
5. Trash removal contract with Casella Disposal includes weekly trash and recycling pick-up does not exceed \$10,920.
6. Maintenance supplies purchased by the maintenance staff to complete repairs at the property do not exceed \$600 for the year.
7. No more than \$3,600 is spent on subcontracted repairs and maintenance expenses, including building repairs, any deductibles on any insurance claims, etc.
8. The landscaping contract with R.M. Landscape, Inc. continues until 2019 including weekly lawn mowing, landscape bed edging, weekly bed maintenance (weeding) throughout the growing season, shrub trimming two complete times per season (plus weekly touch up pruning), spring and fall clean-ups, hard surface weed control (spraying Round Up as needed) does not exceed \$50,158.
9. The fertilization contract with One Step for the 2020 season including four (4) lawn applications does not exceed \$11,902.
10. No more than \$6,000 is spent on other landscaping which shrub/tree replacements, mowing of the slope as necessary, core aerations and over seeding, or other unanticipated landscaping needs.
11. The snow removal contract with Ted Collins expires after the 2019-2020 winter. Budget assumes renewal with no increase. The current contract is a seasonal contract, not a per run contract, for plowing at 3 inches accumulation.
12. No major legal issues arise during the year and an engineering study is done to parking.
13. The Association accountant fees do not exceed \$1,680.

14. The management contract with Realty Performance Group which auto renewed on April 30, 2020 provides for a management fee of \$1,455 per month for the twelve-month period from May 1, 2020 through April 30, 2021.

15. Other administrative expenses include the typical copying and postage charges, the annual payment coupon preparation, and the association's share of answering service costs and Daily Record subscription costs, etc.

16. The insurance policies continue with GNY Insurance Company, including the package policy, the directors' and officers' liability insurance policy and umbrella policy with no more than a 10% increase in the premium for the package policy.

17. Real estate taxes do not exceed \$1,500.

18. Income taxes do not exceed \$100.

19. The yearly allocation to the reserve fund is \$47,956 including the anticipated return on the investment of the reserve funds.

20. There projected expenses from the Reserve Fund include seal coating of those driveways that were top coated in 2019.

Exhibit B
Budget Certification



◆ OFFICE ◆ RETAIL ◆ CONDOS ◆ HOA's ◆

April 6, 2020

Real Estate Financing Bureau
New York State Department of Law
120 Broadway
New York, NY 10271

Re: Certification on Continuing Adequacy of Budget
Silverton Glenn Association, Inc. ("HOA")

STATE OF NEW YORK)
COUNTY OF MONROE) SS:

Gentlemen:

The undersigned, being duly sworn, deposes and says as follows:

The sponsor of the HOA Offering Plan retained me to review the current budget containing projections of income and expenses for the year of HOA operations, May 1, 2020 – April 30, 2021.

My experience in this field includes:

Over twenty (20) years experience in the management of homeowners associations and condominiums. I have earned the RPA (Real Property Administrator) and FMA (Facilities Management Administrator) designations from BOMI International. I am also a licensed New York State real estate broker.

Realty Performance Group currently is the managing agent for over fifty homeowners associations and condominiums, totaling over 4,000 living units.

I understand that I am responsible for complying with Article 23-A of the General Business law and the regulations promulgated by the Department of Law in Part 22 insofar as it is applicable to the budget.

I have reviewed the budget contained in the Offering Plan and investigated the facts set forth in the budget and related schedules and the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential properties.

I certify that the projections in the current budget appear reasonable and adequate under existing circumstances, and the projected income and expenses for the 2020-2021 year of operations is complete and accurate.


I certify that the Schedules:

- (i) Sets forth in detail the projected income and expense for the 2020-2021 year of HOA operation;
- (ii) Affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the 2020-2021 year of HOA operation;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectations or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where I:
(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.

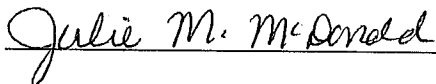
I further certify that we are not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the 2020-2021 year of HOA operation.

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

REALTY PERFORMANCE GROUP, INC.


Robert F. Marvin, RPA, FMA
President

Sworn to before me this
6 day of April, 2020.


Julie M. McDonald

JULIE M. McDONALD
Notary Public, State of New York
No. 01MC6076701
Qualified in Ontario County
Commission Expires July 1, 20 22

Exhibit C
Financial Statement

SILVERTON GLENN ASSOCIATION, INC.

**FINANCIAL STATEMENTS
APRIL 30, 2019 AND 2018**

SILVERTON GLENN ASSOCIATION, INC.

TABLE OF CONTENTS

	<u>Page No.</u>
Independent auditors' report	1
Financial statements	
Balance sheets	2
Statements of revenues, expenses and changes in fund balances	3
Statements of cash flows	4
Notes to financial statements	5-7
Independent auditors' report on supplemental information	8
Supplementary information on future major repairs and replacements	9



INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Homeowners
Silverton Glenn Association, Inc.
Victor, New York

We have audited the accompanying financial statements of Silverton Glenn Association, Inc., which comprise the balance sheets as of April 30, 2019 and 2018, and the related statements of revenues, expenses and changes in fund balances 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 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 Silverton Glenn Association, Inc. as of April 30, 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.

Bruce, Desjardins & Roy, LLP

Rochester, New York
July 29, 2019

SILVERTON GLENN ASSOCIATION, INC.

BALANCE SHEETS
APRIL 30, 2019 AND 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 112,343	\$ 70,433
Accounts receivable from homeowners	0	430
Due from sponsor	10,559	10,559
Prepaid expenses	<u>148</u>	<u>2,677</u>
Total assets	<u>\$ 123,050</u>	<u>\$ 84,099</u>

LIABILITIES AND FUND BALANCES

	<u>2019</u>	<u>2018</u>
Liabilities		
Accounts payable	\$ 6,160	\$ 338
Advance payments from homeowners	3,708	3,835
Accrued income taxes	<u>72</u>	<u>67</u>
Total liabilities	<u>9,940</u>	<u>4,240</u>
Fund balances		
Operating	7,636	4,104
Major maintenance	<u>105,474</u>	<u>75,755</u>
Total fund balances	<u>113,110</u>	<u>79,859</u>
	<u>\$ 123,050</u>	<u>\$ 84,099</u>

See accompanying notes and independent auditors' report.

SILVERTON GLENN ASSOCIATION, INC.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES FOR THE YEARS ENDED APRIL 30, 2019 AND 2018

	2019		2018			
	Operating Fund	Major Maintenance Fund	Total	Operating Fund	Major Maintenance Fund	Total
Revenues						
Common charges	\$ 146,021	\$ 30,252	\$ 176,273	\$ 139,014	\$ 24,907	\$ 163,921
Interest	0	498	498	0	178	178
Other	20	0	20	80	0	80
Total revenues	<u>146,041</u>	<u>30,750</u>	<u>176,791</u>	<u>139,094</u>	<u>25,085</u>	<u>164,179</u>
Expenses						
Landscaping	47,135	0	47,135	50,229	0	50,229
Grounds and building repairs	5,048	1,031	6,079	1,756	2,840	4,596
Management fees	16,104	0	16,104	14,399	0	14,399
Snow removal	30,969	0	30,969	27,728	0	27,728
Trash removal	7,921	0	7,921	7,485	0	7,485
Administrative expenses	368	0	368	401	0	401
Legal and professional fees	1,580	0	1,580	1,530	0	1,530
Insurance	31,843	0	31,843	29,941	0	29,941
Property taxes	1,469	0	1,469	1,454	0	1,454
Income taxes	72	0	72	67	0	67
Total expenses	<u>142,509</u>	<u>1,031</u>	<u>143,540</u>	<u>134,990</u>	<u>2,840</u>	<u>137,830</u>
Excess of revenues over expenses	3,532	29,719	33,251	4,104	22,245	26,349
Transfers	0	0	0	0	0	0
Fund balances - beginning of year	<u>4,104</u>	<u>75,755</u>	<u>79,859</u>	<u>0</u>	<u>53,510</u>	<u>53,510</u>
Fund balances - end of year	<u>\$ 7,636</u>	<u>\$ 105,474</u>	<u>\$ 113,110</u>	<u>\$ 4,104</u>	<u>\$ 75,755</u>	<u>\$ 79,859</u>

See accompanying notes and independent auditors' report.

SILVERTON GLENN ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED APRIL 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 33,251	\$ 26,349
Adjustments to reconcile excess of revenues over expenses to net cash and cash equivalents provided by operating activities:		
(Increase) decrease in:		
Accounts receivable from homeowners	430	820
Prepaid expenses	2,529	(194)
Increase (decrease) in:		
Accounts payable	5,822	(7,235)
Advance payments from homeowners	(127)	756
Accrued income taxes	5	13
	<u> </u>	<u> </u>
Net cash and cash equivalents provided by operating activities	41,910	20,509
Cash and cash equivalents - beginning of year	<u>70,433</u>	<u>49,924</u>
Cash and cash equivalents - end of year	\$ <u><u>112,343</u></u>	\$ <u><u>70,433</u></u>
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	\$ <u><u>67</u></u>	\$ <u><u>54</u></u>

See accompanying notes and independent auditors' report.

SILVERTON GLENN ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2019 AND 2018

NOTE 1: SUMMARY OF OPERATIONS

On March 13, 2012, the Association was incorporated under Section 402 of the New York State Not-For-Profit Corporation Law, for the purpose of owning common land and maintaining the common areas (consisting of exteriors, asphalt, grounds and lawns) of ninety-three homes of which eighty-three are sold, located in Victor, New York. The homeowners elect a board of directors who hire an independent property management firm to manage the Association. The sponsor is currently in control of the Association.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents - The Association considers all highly liquid investments with maturities of three months or less to be cash equivalents.

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

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

The Association's tax returns for the years ending 2016, 2017 and 2018 are subject to examination by the IRS, generally for three years after they were filed.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Subsequent Events - In preparing these financial statements, the Association has evaluated events and transactions for potential recognition and disclosure through July 29, 2019, the date the financial statements were available to be issued.

See independent auditors' report.

SILVERTON GLENN ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2019 AND 2018

NOTE 3: OWNERS' ASSESSMENTS

Monthly assessments to owners for the year ended April 30, 2019 and 2018, were \$185 of which a portion is allocated to the major maintenance fund. The annual budget and assessments of owners are determined by the board of directors. The Association normally retains excess operating funds at the end of the operating year, if any, for use in future operating periods. As of May 1, 2019, monthly assessments increased to \$190.

The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are significantly in arrears. It is the opinion of management that the Association will ultimately prevail against the homeowners whose assessments are delinquent and, accordingly, an allowance for doubtful accounts is not deemed necessary.

NOTE 4: COMMITMENTS

The Association has entered into an agreement with Realty Performance Group, Inc. for management of its operations. The agreement provides for a monthly fee of \$1,394 for the year ending April 30, 2020. The agreement may be extended at a fee equal to the greater of three percent or the increase in the consumer price index.

NOTE 5: SPONSOR CONTRIBUTIONS

The sponsor is required to fund operating deficits or pay assessments on unsold lots, whichever is less, until the last lot is sold or until September 14, 2027. The sponsor is also responsible for the portion of assessments allocated to the major maintenance fund on unsold units with a certificate of occupancy.

NOTE 6: FUTURE MAJOR REPAIRS AND REPLACEMENTS

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

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

See independent auditors' report.

SILVERTON GLENN ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2019 AND 2018

NOTE 7: CONCENTRATIONS OF CREDIT RISK

The Association's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Association places its cash investments with high credit quality institutions. At times, such investments may be in excess of the FDIC insurance limit. The Association routinely assesses the financial strength of these organizations and, as a consequence, believes that its credit risk exposure is limited.

See independent auditors' report.



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors and the Homeowners
Silverton Glenn Association, Inc.
Victor, New York

We have audited the financial statements of Silverton Glenn Association, Inc. as of April 30, 2019 and 2018, and our report thereon dated July 29, 2019, which expressed an unmodified opinion on those financial statements, appears on page 1. Ours audits were performed for the purpose of forming an opinion on the financial statements as a whole. The information on future major repairs and replacements, which is the responsibility of the Association's management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Rochester, New York
July 29, 2019

SILVERTON GLENN ASSOCIATION, INC.

**SUPPLEMENTARY INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS**

APRIL 30, 2019

The amended offering plan contains a study to estimate the remaining useful lives and the replacement costs of components of common property. The costs are based upon estimated current replacement costs.

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

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>
Asphalt sealing	3	\$ 8,184
Asphalt resurfacing	20	112,530
Roofing	25	488,250
Painting/staining	4	13,950

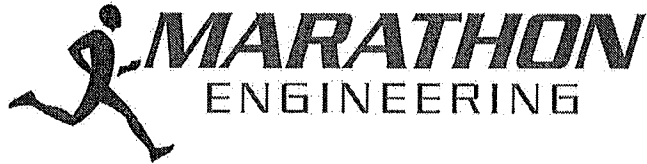
Replacement and maintenance of siding, trim, gutters, doors, fascia, garage doors, downspouts, masonry, and signs are not projected and will be paid from operations or special assessments.

See independent auditors' report on supplemental information.

Exhibit D

Storm Water Management Inspection and Survey

A
7



39 Cascade Drive / Rochester, NY 14614 / Phone (585) 458-7770

July 13, 2020

Scott Morrell c/o Silverton Glenn HOA
1501 Pittsford Victor Road, Suite 100
Victor NY 14564

Re: Stormwater System Review – Silverton Glenn
Town of Victor, Ontario County

Dear Scott,

The Homeowners Association of Silverton Glenn requested that our office inspect and review the overall Stormwater System, identify any changes from the approved plans, and verify the Stormwater System is properly functioning. The project site contains 3 major Stormwater Management Facilities (SWMF). Over the past few weeks, our office performed additional inspections/surveys of the entire stormwater system and verified the SWMF capacities; we hereby certify the following as of today's date:

- The overall stormwater system is operating as designed with no performance deficiencies. All improvements to the overall stormwater system were constructed in substantial conformance with the approved plans.
- SWMF 'A' was constructed in substantial conformance with the approved plans – any inconsequential differences from the approved plans are minor and do not affect the performance nor the ability of the SWMF to achieve the design objectives.
- SWMF 'B' was constructed in substantial conformance with the approved plans – any inconsequential differences from the approved plans are minor and do not affect the performance nor the ability of the SWMF to achieve the design objectives.
- SWMF 'C' was constructed in substantial conformance with the approved plans – any inconsequential differences from the approved plans are minor and do not affect the performance nor the ability of the SWMF to achieve the design objectives. Our office was also requested to review and analyze SWMF 'C' at Silverton Glenn Section 3 to develop a response to the non-compliance elements noted by the NYSDEC. Subsequently, we developed a facility improvement plan to address those concerns, which was approved by NYSDEC and Town Staff. Warning signage is to be posted around SWMF 'C' to as agreed to by the Town and NYSDEC. Timeframe to completion within 60-days from the date of this letter, subject to signage availability and weather conditions.

Our office made regular Stormwater Pollution Prevention Plan inspections in accordance with the SPDES Permit and inspections of SWMF 'C' during the reconstruction process; any deficiencies or non-compliant elements were corrected in a timely manner.

Going the distance for you.

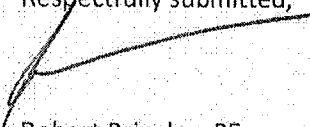
Stormwater System Review
Silverton Glen, Town of Victor
07/13/2020

We note that following maintenance items that should implemented to close out the SPDES permits:

- Removal of plantings – SWMF 'A' Spillway. Landscaping and vegetation have been planted within and around the emergency spillway after initial construction. This type of disturbance can affect the flow through the spillway, and the New York State Stormwater Management Design Manual dictates that woody vegetation is not permitted on pond embankment. This landscaping feature and woody vegetation should be removed as part of ongoing general maintenance this season.
- Inspection Report Submission. A dam engineering assessment and report for SWMF 'C' must be submitted to NYSDEC no later than end of October. Timeframe to completion within 90-days from the date of this letter, subject to weather conditions.
- Town Required Items. To close out the SPDES permits, the Town will complete an inspection of the Storm Facilities. Any maintenance or corrections items noted by the Town will need to be completed. Timeframe to completion within 90-days from the date of this letter, subject to weather conditions.

Based upon review of available information and recent interaction with NYSDEC, it is our understanding the all NYSDEC permits are in place and the Silverton Glen stormwater system is in substantial compliance with no violations.

Respectfully submitted,


Robert Bringley, PE
MARATHON ENGINEERING

