

**AMENDMENT #26 TO THE OFFERING PLAN OF
BRISTOL HARBOUR VILLAGE ASSOCIATION**

Effective date of Statement: July 2, 1971

Effective Date of Amendment: 9-5, 2003

STATEMENT OF AMENDMENT

The status of the development at this time is that 205 units have been sold by the Sponsor or Sponsor's predecessors in title.

In 1991 subdivision approval was given from the South Bristol Planning Board for the following:

54 Patio Homes
40 Single Family Lots
21 Townhouses
Clubhouse Facility

Subsequent to such approval Bristol Harbour Realty Associates sold twenty (20) single family lots to Crane-Hogan Structural Systems, Inc., which assumed the Sponsor's obligations with respect to such lots as more particularly set forth in Amendment #22 to this Offering Plan. As of the date of this statement two (2) of the lots sold to Crane-Hogan Structural Systems, Inc. remain unsold. Bristol Harbour Realty Associates also sold twelve (12) patio home lots to Chrissantha, Inc., all of which have been developed and sold pursuant to the Offering Plan of Lakeview Trails Village Association, Inc., filed with the Department of Law on February 1, 1995.

South Bristol Resorts, LLC, (d/b/a "Bristol Harbour Marina" for marina operations and "Bristol Harbour Golf and Resort" and "Bristol Harbour Golf Club" for golf course operations) is the current Sponsor of the project. Sponsor acquired its interest from Bristol Harbour Realty Associates, the original sponsor, pursuant to the Second Amended Plan of Reorganization of Bristol Harbour Realty Associates, approved and confirmed by Order of the US Bankruptcy Court dated March 17, 1997. (Please refer to Amendment No. 25 for specific information regarding the voluntary petition for reorganization filed by Bristol Harbour Realty Associates. Specific information concerning the prior sponsors is set forth in Amendment No. 20 to the Offering Plan.)

Since the filing of Amendment #25, Sponsor and Bristol Harbour Development, LLC formed Lakewood Trail Homeowners Association for the purpose developing Lots 13 through 54 of Bristol Harbour Village Subdivision 90-1, located on Lakewood Trail and Evergreen Way. (Refer to Amendment #25 for approval of the option agreement

between Sponsor and Bristol Harbour Development, LLC by the United States Bankruptcy Court for the Western District of New York, pursuant to which Bristol Harbour Development will acquire title to these lots.) Such offering was made pursuant to the New York State Department of Law's Cooperative Policy Statement #7, and is exempt from the filing requirements of the New York State Department of Law. Since the formation of the Lakewood Trail Homeowner's Association, Bristol Harbour Development, LLC has developed and sold two (2) single family dwellings, and constructed two model homes which it is offering for sale. Sponsor has also constructed and sold one (1) single family dwelling in Bristol Harbour Village Subdivision 90-2 located on Vardon Drive.

In accord with the Second Amended Plan of Reorganization of Bristol Harbour Realty Associates and the Order of the United States Bankruptcy Court for the Western District of New York, Sponsor has distributed fifty percent (50%) of the net proceeds of sale to Class 5 Creditors in accordance with said plan of reorganization.

Since the filing of Amendment #25, Sponsor has sought and received approval from the Town of South Bristol for the development of three (3) additional lakefront lots for development of single family homes, four (4) additional lots on Bristol Harbour Boulevard for the development of single family homes.

Sponsor has additional lands which it may seek to sell or develop at a future date.

The homeowner controlled Board of Directors of the Association has approved and adopted the Bristol Harbour Village Association Approved Budget for the year 2003, a copy of which is annexed hereto as Exhibit "A".

Annexed hereto as Exhibit "B" are the audited financial statements of the Association as of December 31, 2002.

The Association's Board of Directors and Officers, as a result of action taken at the annual meeting of the homeowners and organizational meeting of the Board of Directors, consists of the following:

Officers:	Mattie Bicknell	President
	Ann Snyder	Vice President
	Bernice Caprini	Secretary
	Robert Adams	Treasurer

Board Members: Joseph Charlton
Andy Hagler
Roger Kessler
Ralph Endres
Richard Russ
Edward Marsall
Gail Hewson
Mattie Bicknell
Ann Snyder
Bernice Caprini
Robert Adams

No other material changes have taken place in this offering since the filing of Amendment No. 25. All prior amendments have been submitted to and filed with the Department of Law.

SOUTH BRISTOL RESORTS, LLC

BY: Cole Stokes

TITLE: General mgr.

	2003
INCOME:	
HO Assessment	307,374
Dev. Assessment	26,886
Caprini Center Income	700
Rental Income	6,000
Interest Income	1,000
TOTAL INCOME	341,960
LABOR:	
Resident Manager	15,073
Administrative Labor	21,784
Maintenance Labor	55,196
Life Guard/Community Center	9,580
CRO/Beach Attendant	10,540
TOTAL LABOR:	112,173
EMPLOYEE BENEFITS:	
Payroll Taxes	15,805
Hospitalization	10,325
TOTAL EMP. BENEFITS:	26,130
DIRECT MATERIALS & EXPENSES:	
Road Salt	3,000
Landscaping	5,500
Building Materials	4,500
Machine Rental	2,225
Vehicle Rental	6,800
Utility Truck Rental	6,500
Snow Plowing Equip.	4,500
Tennis/Recreation	2,700
Beach	3,500
Conference Center	4,000
TOTAL DIRECT MATERIALS/EXPENSE	43,225
CONTRACTS:	
Elevator Contract	4,800
Rubbish Removal	22,180
Management Fee	14,345
Resident Facility Fee	9,640
TOTAL CONTRACTS:	50,965
OTHER COSTS:	
Insurance	15,810
Accounting (monthly financials/payroll)	6,800
Auditing	1,850
Legal/Professional	6,000
Miscellaneous	1,500
Office Supplies	1,370
Xerox Copies	1,490
Postage	2,150
Telephone	2,165
Sales Tax	3,700
Income Tax	1,000
Utilities	6,500
Elevator Utilities	2,700
Bank Charges	325
Donations	1,000
Villager/Resident Guide Book	500
Real Estate Tax	250
TOTAL OTHER COSTS:	55,110
TOTAL OPERATING EXPENSES:	287,603
CAPITAL IMPROVEMENT RESERVE	54,357
TOTAL BUDGET	341,960

CAPITAL BUDGET INCREASE (\$300/unit)

**BRISTOL HARBOUR VILLAGE
ASSOCIATION, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

BRISTOL HARBOUR VILLAGE ASSOCIATION, INC.

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Freed Maxick & Battaglia, CPAs, PC

Report of Independent Accountants

To the Board of Directors
of Bristol Harbour Village Association, Inc.

We have audited the accompanying balance sheet of Bristol Harbour Village Association, Inc., as of December 31, 2002 and 2001, and the related statements of revenue, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bristol Harbour Village Association, Inc., as of December 31, 2002 and 2001 and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information, as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Fairport, New York
February 11, 2003

Freed Maxick + Battaglia PC

BRISTOL HARBOUR VILLAGE ASSOCIATION, INC.
BALANCE SHEET
DECEMBER 31,

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 69,600	\$ 105,563
Accounts receivable	6,162	6,808
Prepaid expenses	<u>3,717</u>	<u>3,508</u>
Total current assets	<u>79,479</u>	<u>115,879</u>
Property and Equipment		
Land	142,000	142,000
Buildings and improvements	<u>244,458</u>	<u>244,458</u>
	386,458	386,458
Less: accumulated depreciation	<u>(184,945)</u>	<u>(183,419)</u>
Property and equipment, net	<u>201,513</u>	<u>203,039</u>
Total assets	\$ <u>280,992</u>	\$ <u>318,918</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 2,341	\$ 2,757
Association fees received in advance	6,850	31,906
Accrued expenses	<u>1,040</u>	<u>2,198</u>
Total current liabilities	<u>10,231</u>	<u>36,861</u>
Net assets:		
Capital reserve	69,248	79,018
Property and equipment	<u>201,513</u>	<u>203,039</u>
Total net assets	<u>270,761</u>	<u>282,057</u>
Total liabilities and net assets	\$ <u>280,992</u>	\$ <u>318,918</u>

See report of independent accountants
and notes to financial statements.

BRISTOL HARBOUR VILLAGE ASSOCIATION, INC.
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31,

	2002				2001
	Operating <u>Fund</u>	Capital Reserve <u>Fund</u>	Property and Equipment <u>Fund</u>	<u>Total</u>	<u>Total</u>
Revenue:					
Homeowners assessments	\$ 237,873	\$ 39,000	\$ -	\$ 276,873	\$ 258,408
Developer assessment	26,030	-	-	26,030	17,214
Capital budget assessment	-	92,961	-	92,961	-
Recreation center income	716	-	-	716	650
Rental income	6,075	-	-	6,075	6,075
Interest income	<u>1,727</u>	<u>-</u>	<u>-</u>	<u>1,727</u>	<u>2,258</u>
Total revenue	272,421	131,961	-	404,382	284,605
Expenses:					
Labor	81,143	-	-	81,143	66,028
Payroll taxes and benefits	14,031	-	-	14,031	15,645
Direct materials and expenses	27,808	-	-	27,808	26,941
Contract expenses	78,372	-	-	78,372	86,522
Reserve expenses	-	159,005	-	159,005	53,265
Other expenses	<u>53,793</u>	<u>-</u>	<u>1,526</u>	<u>55,319</u>	<u>48,267</u>
Total expenses	<u>255,147</u>	<u>159,005</u>	<u>1,526</u>	<u>415,678</u>	<u>296,668</u>
Excess (deficit) revenue over expenses	17,274	(27,044)	(1,526)	(11,296)	(12,063)
Net assets - beginning of year	-	79,018	203,039	282,057	294,120
Operating transfers	<u>(17,274)</u>	<u>17,274</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets - end of year	\$ <u>-</u>	\$ <u>69,248</u>	\$ <u>201,513</u>	\$ <u>270,761</u>	\$ <u>282,057</u>

See report of independent accountants
and notes to financial statements.

BRISTOL HARBOUR VILLAGE ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess (deficit) of revenue over expenses	\$ (11,296)	\$ (12,063)
Adjustments to reconcile excess of revenue over expenses to net cash provided (used) by operating activities:		
Depreciation	1,526	1,704
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	646	(6)
Prepaid expenses	(209)	(729)
Increase (decrease) in:		
Accounts payable	(416)	340
Association fees received in advance	(25,056)	24,811
Accrued expenses	(1,158)	1,936
Total adjustments	<u>(24,667)</u>	<u>28,056</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(35,963)	15,993
NET INCREASE (DECREASE) IN CASH	(35,963)	15,993
CASH - BEGINNING OF YEAR	<u>105,563</u>	<u>89,570</u>
CASH - END OF YEAR	\$ <u>69,600</u>	\$ <u>105,563</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid during the year for:

Income taxes	\$ 2,718	\$ 262
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See report of independent accountants
and notes to financial statements.

BRISTOL HARBOUR VILLAGE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

Organization

Bristol Harbour Village Association, Inc., (the Association) was formed pursuant to the Not-For-Profit Corporation Law of the State of New York. The Association, located in Canandaigua, New York, was formed to provide management and maintenance for the common areas in the subdivision. The Association is a master association and currently consists of 179 condominium units, 24 Golfside town homes, 12 attached town homes, 30 patio homes, 34 single family homes and 19 undeveloped lots.

Property and Equipment

Property and equipment is stated at cost and is being depreciated over the estimated useful life of the respective assets using the straight-line and accelerated methods. Depreciation expense for the years ended December 31, 2002 and 2001 amounted to \$1,526 and \$1,704 respectively.

The cost of normal maintenance and repairs is charged to expense as incurred, whereas expenditures which materially extend property lives are capitalized. When depreciable property is retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in income.

Homeowner Assessments

The 2002 monthly assessments of \$80.57 to each homeowner amounted to \$276,873 for the year ended December 31, 2002 of which, \$39,000 was designated to the capital improvement reserve. The Association also levies a monthly assessment of \$20.14 for each undeveloped lot, which amounted to \$4,592 for the year ended December 31, 2002.

The annual budget and homeowner assessments are determined by the board of directors. The Association retains excess operating funds at the end of the year, if any, for use in future periods.

Additionally, the homeowners paid special assessments for a capital budget increase that amounted to \$92,961 for the year ended December 31, 2002. This amount was designated to the Capital Reserve Fund.

Income taxes

Under Section 528 of the Internal Revenue Code, the Association qualifies for tax-exempt status as a Homeowner's Association. However, the Association is taxed on all income not related to the Association's exempt purpose. Income taxes for the years ended December 31, 2002 and 2001, amounted to \$1,342 and \$1,889, respectively.

BRISTOL HARBOUR VILLAGE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

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. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Accounting method

The Association uses the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. This accounting method recognizes revenue when earned and expenses when incurred.

SUPPLEMENTARY INFORMATION

BRISTOL HARBOUR VILLAGE ASSOCIATION, INC.
SCHEDULE OF DIRECT MATERIALS AND
EXPENSES AND CONTRACT EXPENSES
FOR THE YEARS ENDED DECEMBER 31,

	<u>2002</u>	<u>2001</u>
Direct materials and expenses:		
Environmental expenses	\$ 4,576	\$ 4,560
Beach material and maintenance	4,354	3,046
Road maintenance	5,646	7,013
Building materials and maintenance	4,079	4,822
Recreation center expenses	3,407	3,643
Recreation and tennis expense	2,327	2,503
Road salt	3,419	1,354
Total direct materials and expenses	\$ <u>27,808</u>	\$ <u>26,941</u>
Contract expenses:		
Elevator	\$ 4,430	\$ 5,713
Solid waste	23,017	29,557
Vehicle rent	5,081	6,696
Utility truck rental	6,274	6,372
Machine rental	2,378	1,554
Management	12,922	12,922
Administration	15,425	14,863
Resident facility	8,845	8,845
Total contract expenses	\$ <u>78,372</u>	\$ <u>86,522</u>

See report of independent accountants.

BRISTOL HARBOUR VILLAGE ASSOCIATION, INC.
SCHEDULE OF RESERVE EXPENSES AND OTHER EXPENSES
FOR THE YEARS ENDED DECEMBER 31,

	<u>2002</u>	<u>2001</u>
Reserve expenses:		
Paving and tennis court repairs	\$ 16,220	\$ 11,300
Street lights and tennis court lighting	6,850	1,745
Road shoulders and drainage	12,838	-
Bridge on Cliffside	113,558	15,825
Beach lights	475	-
Breakwall	1,314	14,540
Caprini Center	-	4,009
Signage	2,961	-
Elevator refurbishing / walk-way	560	3,621
Recycling center	1,970	-
Miscellaneous	2,259	2,225
Total reserve expenses	\$ <u>159,005</u>	\$ <u>53,265</u>

Other expenses:		
Bank charges	\$ 135	\$ 200
Contributions	1,000	1,100
Insurance	14,456	11,512
Audit fees	1,814	1,760
Legal and professional fees	6,951	2,580
Accounting fees	6,270	5,946
Villager expenses	625	1,081
Miscellaneous expenses	1,927	2,256
Office expense	4,964	4,714
Income taxes	1,342	1,889
Other taxes	4,674	3,555
Telephone	1,473	1,231
Utilities	8,162	8,739
Depreciation	1,526	1,704
Total other expenses	\$ <u>55,319</u>	\$ <u>48,267</u>

See report of independent accountants.

RE: BRISTOL HARBOUR VILLAGE ASSOCIATION
File No.: H71-0015

STATE OF NEW YORK)
COUNTY OF ONTARIO) ss:

Dale Stoker, being duly sworn, deposes and says:

1. I reside at 4 Hillside Drive, Canandaigua, New York 14424.
2. I am General Manager of South Bristol Resorts, LLC. I have held this position since 1997.
3. Pursuant to the Second Amended Plan of Reorganization of Bristol Harbour Realty Associates, which was approved and confirmed by Order of the US Bankruptcy Court dated March 4, 1997, succeeded to the interest of Bristol Harbour Realty Associates, the previous Sponsor of the Plan.
4. Since the expiration of Amendment No. 25 to the above referenced offering plan, the Sponsor has not offered for sale or sold any of its remaining lots.
5. I make this affidavit in connection with the filing of Amendment No. 26 to the plan.


Dale Stoker

Sworn to before me this
16th day of June, 2003


Notary Public

CAROLINE S. ARDEN
Notary Public State of New York
Ontario Reg #01AR5082645
Commission Expires July 28, Sep 5 2003