

GLEN OAKS VILLAGE OWNERS, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2009

AND

DECEMBER 31, 2008



LANDAU ARNOLD LAUFER LLP

CERTIFIED PUBLIC ACCOUNTANTS

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BARRY ARNOLD (1948-2004)

March 23, 2010

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Glen Oaks Village Owners, Inc.
Glen Oaks, NY 11004

Dear Board Member:

We have audited the accompanying balance sheet of Glen Oaks Village Owners, Inc. as of December 31, 2009 and 2008, and the related statements of income, expenses and deficit and cash flows for the years then ended. These financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 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 audit provides a reasonable basis for our opinion.

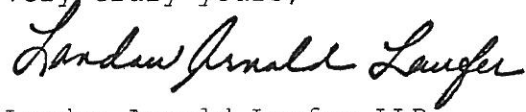
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Glen Oaks Village Owners, Inc. as of December 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information is presented for purposes 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 audit 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.

March 23, 2010

Glen Oaks Village Owners, Inc. has not presented the supplementary information on future major repairs and replacements that the American Institute of Certified Public Accountants has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Very truly yours,

A handwritten signature in cursive script that reads "Landau Arnold Laufer".

Landau Arnold Laufer LLP

GLEN OAKS VILLAGE OWNERS, INC.

BALANCE SHEET

	As At	
	<u>December 31,</u>	
	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash & Cash Equivalents	\$ 1,560,299	\$ 891,679
Investments - Reserve Fund	10,099,763	9,915,898
Cash in Name of Agent - Tenant Security	224,886	223,274
Stockholders' Accounts Receivable - Net	274,871	337,757
Rent Receivable	26,197	28,418
Prepaid Expenses	1,589,351	1,562,879
Fuel & Supply Inventories	606,774	605,399
Sundry Receivables	133,180	157,115
<u>Total Current Assets</u>	<u>14,515,321</u>	<u>13,722,419</u>
 <u>Property & Equipment (Note 9)</u>		
Land	17,250,000	17,250,000
Buildings	87,202,136	87,202,136
Building Improvements	35,703,479	33,754,272
Furniture, Fixtures & Equipment	1,485,497	1,418,363
Transportation Equipment	1,013,734	929,581
Communication Equipment	8,244	8,244
	<u>142,663,090</u>	<u>140,562,596</u>
Less: Accumulated Depreciation	89,732,915	85,738,416
<u>Total Property & Equipment (Net)</u>	<u>52,930,175</u>	<u>54,824,180</u>
 <u>Other Assets</u>		
Deferred Mortgage Cost - Net	113,236	120,463
Notes Receivable - Homestead Program - Long-Term (Note 5)	210,000	221,000
Notes Receivable - Long-Term	628,440	829,544
<u>Total Other Assets</u>	<u>951,676</u>	<u>1,171,007</u>
	<u>\$ 68,397,172</u>	<u>\$ 69,717,606</u>

See notes to financial statements.

GLEN OAKS VILLAGE OWNERS, INC.

BALANCE SHEET

As At
December 31,

2009

2008

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities

Accounts Payable & Accrued Expenses	\$ 2,456,788	\$ 2,582,694
Mortgage Interest Payable	172,857	179,137
Mortgage Payable - Current Portion	1,318,331	1,242,342
Security Deposits Payable	224,886	223,274
<u>Total Current Liabilities</u>	<u>4,172,862</u>	<u>4,227,447</u>

Long-Term Liabilities

Mortgage Payable	<u>32,878,847</u>	<u>34,197,178</u>
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Total Liabilities

<u>37,051,709</u>	<u>38,424,625</u>
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Stockholders' Equity

Capital Stock - \$1 Par Value Per Share		
Authorized - 400,000 Shares		
Issued & Outstanding		
At 12/31/09 - 387,590 Shares		
At 12/31/08 - 346,095 Shares	387,479	387,479
Capital in Excess of Par Value	88,082,423	87,453,401
Treasury Stock (Note 8)	(1,024,409)	(1,024,409)
Deficit	(56,100,030)	(55,523,490)
<u>Total Stockholders' Equity</u>	<u>31,345,463</u>	<u>31,292,981</u>

<u>\$ 68,397,172</u>	<u>\$ 69,717,606</u>
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See notes to financial statements.

GLEN OAKS VILLAGE OWNERS, INC.

STATEMENT OF INCOME, EXPENSES AND DEFICIT

	For The Years Ended December 31,	
	<u>2009</u>	<u>2008</u>
Total Income (Schedule A)	\$ 23,432,915	\$ 23,339,440
Total Expenses (Schedule B)	<u>21,767,965</u>	<u>20,605,445</u>
<u>Operating Profit Before Depreciation & Amortization</u>	1,664,950	2,733,995
Depreciation	(3,994,498)	(3,787,634)
Amortization	<u>(7,228)</u>	<u>(7,228)</u>
<u>Loss Before Provision for Taxes</u>	(2,336,776)	(1,060,867)
Provision for Taxes	<u>(47,319)</u>	<u>(70,767)</u>
<u>Net Loss</u>	(2,384,095)	(1,131,634)
Deficit at Beginning of Year	(52,626,103)	(51,493,910)
Unrealized (Loss) on Investments	<u>(1,089,832)</u>	<u>(2,897,946)</u>
<u>DEFICIT AT END OF YEAR</u>	<u>\$ (56,100,030)</u>	<u>\$ (55,523,490)</u>

See notes to financial statements.

GLEN OAKS VILLAGE OWNERS, INC.

STATEMENT OF CASH FLOWS

	For The Years Ended December 31,	
	2009	2008
<u>Net Cash Flow From Operating Activities</u>		
Net Loss	\$ (2,384,095)	\$ (1,131,634)
Adjustments To Reconcile Net Loss to Net Cash Provided By Operating Activities:		
Depreciation & Amortization	4,001,726	3,794,862
Changes in Assets & Liabilities:		
Stockholders' Accounts Receivable	62,886	(99,378)
Cash in Name of Agent - Tenant Sec.	(1,612)	(7,528)
Rent Receivable	2,221	(906)
Prepaid Expenses	(26,472)	(212,220)
Fuel & Supply Inventories	(1,375)	78,872
Sundry Receivables	23,935	(24,953)
Accounts Payable	(125,906)	(311,205)
Mortgage Interest Payable	(6,280)	(5,888)
Security Deposits Payable	1,612	7,528
<u>Net Cash Flows Provided By Operating Activities</u>	1,546,640	2,087,550
<u>Net Cash Flow From Investing Activities</u>		
Purchases of Property, Plant & Equipment	(2,100,494)	(3,277,965)
Sale (Purchase) of Investments - (Reserve Account)	1,623,690	(375,563)
<u>Net Cash Flows (Used In) Investing Activities</u>	(476,804)	(3,653,528)
<u>Net Cash Flow From Financing Activities</u>		
Repayment of Long-Term Debt	(1,242,342)	(1,164,881)
Proceeds from Sale of Treasury Stock	629,022	2,642,567
Sale (Purchase) of Treasury Stock	0	(127,387)
Notes Receivable - Long-Term	212,104	(128,114)
<u>Net Cash Flows (Used In) Provided By Financing Activities</u>	(401,216)	1,222,185
Net Increase (Decrease) in Cash & Cash Equivalents	668,620	(343,793)
Cash & Cash Equivalents- Beginning of Year	891,679	1,235,472
<u>CASH & CASH EQUIVALENTS - END OF YEAR</u>	\$ 1,560,299	\$ 891,679
<u>Supplemental Disclosures of Cash Flows Information:</u>		
Cash Paid for Interest	\$ 2,076,109	\$ 2,153,012
Cash Paid for Income Taxes	47,319	70,767

See notes to financial statements.

GLEN OAKS VILLAGE OWNERS, INC.SCHEDULE OF INCOMEFor The Years Ended
December 31,20092008Income

Maintenance - Shareholders	\$ 18,587,805	\$ 18,021,840
Apartment Rental Income	2,387,786	2,333,516
Asbestos Abatement Income	731,114	406,874
Capital Improvement Fund Contributions	82,250	91,250
Garage Rental Income	576,116	575,089
Maintenance Service Repair Income	99,198	164,809
Parking Permits	49,550	45,030
Laundry Income	56,295	59,483
Resale & Sublet Fees	344,364	357,910
Management of Rental Apartments	34,470	43,641
Cable Income	217,766	200,180
Late Charges & House Rule Violations	69,799	80,258
Investment Income	78,905	398,367
Interest from GOVO Issued Mortgages	41,676	52,669
Water/Sewer Recapture	0	467,991
Alteration Fee Income	40,000	25,375
Miscellaneous Income	35,821	15,158
	<u>\$ 23,432,915</u>	<u>\$ 23,339,440</u>
<u>TOTAL INCOME</u>		

See notes to financial statements.

GLEN OAKS VILLAGE OWNERS, INC.

SCHEDULE OF EXPENSESFor The Years Ended
December 31,20092008ExpensesAdministrative & Management

Office Salaries	\$ 815,518	\$ 800,725
Community Contributions	15,355	3,887
Telephone	40,598	39,370
Legal Fees & Other Professional Fees	93,725	148,925
Auditing Fees	37,500	36,000
Computer Maintenance	29,715	52,947
Postage	36,174	44,678
Office Expenses	144,638	151,664
Miscellaneous Administrative & Management Expenses	36,316	34,561
<u>Total Admin. & Mngmt. Expenses</u>	<u>1,249,539</u>	<u>1,312,757</u>

Maintenance Services

Salaries	3,042,093	2,920,031
Repairs & Maintenance	1,400,103	1,138,971
Landscaping & Groundkeeping	277,807	175,117
Vehicle Fleet Expenses	128,408	153,273
Janitorial & Maintenance Supplies	40,943	38,297
<u>Total Maintenance Services</u>	<u>4,889,354</u>	<u>4,425,689</u>

Operating Expenses

Water & Sewer	1,461,745	1,277,076
Electric & Cooking Gas	646,559	697,212
Heating Costs	3,133,470	3,143,218
Licenses & Permits	17,514	15,656
Exterminating Services	42,505	45,842
Protection Services	462,140	449,914
Sanitation & Cleaning	80,965	126,036
<u>Total Operating Expenses</u>	<u>5,844,898</u>	<u>5,754,954</u>

See notes to financial statements.

GLEN OAKS VILLAGE OWNERS, INC.SCHEDULE OF EXPENSES
(CONTINUED)

	For The Years Ended	
	<u>December 31,</u>	
	<u>2009</u>	<u>2008</u>
<u>Taxes, Insurance & Employee Benefits</u>		
Real Estate Taxes	\$ 5,514,310	\$ 4,703,207
Payroll Taxes	368,896	354,824
Insurance	764,765	911,350
Employee Benefits - Union Welfare, Pension, Disability & Health Insurance	<u>1,066,931</u>	<u>995,540</u>
<u>Total Taxes, Insurance & Employee Benefits</u>	<u>7,714,902</u>	<u>6,964,921</u>
 <u>Financial</u>		
Interest on Mortgage Payable	<u>2,069,272</u>	<u>2,147,124</u>
<u>Total Financial</u>	<u>2,069,272</u>	<u>2,147,124</u>
 <u>TOTAL EXPENSES</u>	<u>\$ 21,767,965</u>	<u>\$ 20,605,445</u>

See notes to financial statements.

GLEN OAKS VILLAGE OWNERS, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1 - NATURE OF ORGANIZATION

SB Investors, Ltd., a Florida limited partnership, as Sponsor, and Glen Oaks Village Owners, Inc., a New York corporation, (the "Company") entered into a Contract of Sale (the "Contract"), dated February 25, 1980, to sell, transfer and convey fee and leasehold title to the land and buildings known as Glen Oaks Village, located in the Glen Oaks area of Queens County in the City and State of New York (the "Property").

Pursuant to the terms, covenants and conditions of the Contract and that certain Offering Plan (the "Plan") to convert the Property to Cooperative Ownership, dated October 24, 1980, as amended, the Company acquired (i) fee title to 134 separate buildings, (ii) all of Sponsor's right, title and interest in the leasehold estate ("Ground Lease") covering the buildings and the entire parcel of land on which the buildings are located, and (iii) fee title to the land.

The Property was conveyed to the Company on April 14, 1981. The facility contains 2,904 residential apartment units on approximately 110 acres of land.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The Company utilizes the accrual method of accounting.

Maintenance Assessments

Tenant-shareholders are subject to monthly assessments to provide funds for the corporation's operating expenses, future capital acquisitions, and major repairs and replacements. Tenant-shareholder receivables at the balance sheet date represent maintenance fees due from tenant-shareholders. Any excess assessments at year end are retained by the corporation for use in the succeeding year.

Income Taxes

The Internal Revenue Service has taken the position that real estate cooperatives are subject to Section 277 of the Internal Revenue Code.

GLEN OAKS VILLAGE OWNERS, INC.

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Section 277 of the Code provides that a membership organization that is operated to provide services to members is permitted to deduct expenses attributable to the furnishing of services to the members only to the extent of the income derived during such year from its members. Section 277 permits a membership organization to reduce income from non-membership sources only by expenses incurred in generating this income. Accordingly, income from non-membership sources such as interest, commercial rental, professional apartment rental, etc. in excess of expenses properly attributable thereto, may be subject to federal tax.

Income tax liability that may result from the above is not reflected in the attached financial statements. If the position of the Internal Revenue Service is sustained by the courts, such liability will be reflected in future financial statements. Provisions for state income taxes are appropriately reflected.

Depreciation

For financial reporting the Property and Equipment acquired from SB Investors, Ltd., are being carried at cost. Depreciation is recorded on the straight-line method over lives of five (5) years for equipment, thirty-five (35) years for building, fifteen (15) to thirty-five (35) years for building improvements and three (3) years for transportation equipment.

For tax purposes, the acquisition of the property is being reported as an exchange pursuant to Section 351 and all regulations thereunder of the Internal Revenue Code.

Cash & Cash Equivalents

For the purpose of cash flows, cash and cash equivalents consist of short-term, highly liquid debt instruments with maturities of twelve months or less at the date of purchase. Items classified as cash equivalents include money market funds and commercial paper.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets

GLEN OAKS VILLAGE OWNERS, INC.

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

NOTE 3 - PURCHASE OF APARTMENTS

On or about February 9, 1994, Glen Oaks Village Owners, Inc. ("GOVO") was assigned all of the rights in the unsold shares held by GOV Corp. GOV Corp. had previously acquired 64,063 shares allocated to various sponsor owned apartments as a result of a foreclosure of American Savings Bank's security interest in the shares and proprietary leases. GOV Corp.'s shares represented approximately 16.5% of the total shares of GOVO and were allocated to 435 units of which 414 were occupied/rent regulated units and 21 were unoccupied units. On or about February 9, 1994, GOV Corp. assigned to GOVO any and all of its rights with respect to these unsold shares, including any claims to any surplus upon the transfer or sale of the shares.

As at December 31, 2009, a total of 245 were occupied/rent regulated units and 27 were unoccupied units.

Glen Oaks Village Owners, Inc. took title to the shares of Coronet Realty Company, effective February 10, 1993. Coronet Realty Company had defaulted by failing to pay maintenance and other charges in the sum of \$61,312. The secured party with respect to these shares was Ensign Savings Bank under the Receivership of the Resolution Trust Corporation. The original stock and leases respecting such shares were returned to Glen Oaks Village Owners, Inc. by the Resolution Trust Corporation in 1993. The former Coronet shares represent approximately 4.8% of the total shares in Glen Oaks Village Owners, Inc. These shares total 134 units of which 119 were occupied/rent regulated units and 15 were unoccupied units.

As at December 31, 2009, a total of 64 were occupied/rent regulated units and 7 were unoccupied units.

GLEN OAKS VILLAGE OWNERS, INC.

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 3 - PURCHASE OF APARTMENTS (Continued)

During 2005, Glen Oaks Village Owners, Inc. purchased 15 additional units from the Estate of Robert Lee in the amount of \$1,850,000. These apartments are available for rental or purchase. As of December 31, 2009, 10 of these units have been renovated and resold.

NOTE 4 - CONCENTRATION OF CREDIT RISK

Regional Concentration - Glen Oaks Village Owners, Inc.'s business activity is to operate as a cooperative housing corporation as described in Note 1, "Nature of Organization". As such, the corporation's sole source of revenue is from its tenant-shareholders. Under the provisions of FASB-105 the corporation is exposed to a regional concentration of credit risk if a significant portion of their tenant-shareholders did not pay their monthly maintenance charges. If a tenant-shareholder defaults in their obligation to the corporation, the corporation has substantial rights. Among these rights, the corporation may terminate the lease of the lessee; take possession of the apartment and at its option re-let so as to recover any deficiency for unpaid rent or other charges.

Banking Concentration - During the years 2009 and 2008, Glen Oaks Village Owners, Inc. has maintained cash balances in excess of \$100,000 in its banking institutions. A potential risk of loss exists for amounts held in excess of FDIC insurable limits. The corporation believes it mitigates its risks by investing in or through major financial institutions.

NOTE 5 - NOTES RECEIVABLE - HOMESTEAD PROGRAM - LONG-TERM

The corporation sold certain rent-regulated apartments, which it owned to the occupants of these apartments. The corporation received notes receivable from the buyer. These notes require no interest or principal payments during their life. The principal comes due upon sale or transfer of the apartment. The corporation will allow one transfer to a family member during the term of the note. The balances of these notes were \$176,000 and ~~\$176,000~~ for 2009 and 2008, respectively.

GLEN OAKS VILLAGE OWNERS, INC.

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 6 - RESERVE FUNDS

The reserve funds consist of investments in various mutual funds and money market accounts. Dividends and other distributions are reinvested.

Investments are as follows:

		<u>2009</u>
	<u>Market Value</u>	<u>Cost</u>
Mutual Funds-		
The Vanguard Group	\$ 226,713	\$ 203,275
Fidelity Investments	9,222,033	10,335,303
Money Market Accounts-		
The Vanguard Group	519,567	519,567
Fidelity Investments	131,450	131,450
<u>Total Reserve Funds</u>	<u>\$10,099,763</u>	<u>\$11,189,595</u>

Investments are as follows:

		<u>2008</u>
	<u>Market Value</u>	<u>Cost</u>
Mutual Funds-		
The Vanguard Group	\$ 220,353	\$ 193,996
Fidelity Investments	8,548,770	11,473,073
Money Market Accounts-		
The Vanguard Group	516,819	516,819
Fidelity Investments	629,956	629,956
<u>Total Reserve Funds</u>	<u>\$ 9,915,898</u>	<u>\$12,813,844</u>

NOTE 7 - MORTGAGE PAYABLE

On August 1, 1995 the company refinanced its mortgage and loan payable. The mortgage was in two pieces as follows:

Principal amount - \$36,682,393 at an interest rate of 6% per annum, maturing on August 1, 2020.

Principal amount - \$14,050,000 at an interest rate of 6.879% per annum, maturing on August 1, 2020.

These mortgages were refinanced on August 1, 2005. Proceeds of the new mortgage were used to satisfy both outstanding mortgage loans. The following are the pertinent items of the new loan:

GLEN OAKS VILLAGE OWNERS, INC.

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 7 - MORTGAGE PAYABLE (Continued)

Principal Amount:	\$39,000,000
Monthly Payment:	\$276,491.10
Interest Rate:	5.875%
Term:	20 years
Maturity Date:	September 1, 2025

Scheduled principal payments during the next five years and thereafter are approximately as follows:

2010	\$ 1,318,331
2011	1,398,967
2012	1,479,209
2013	1,575,023
2014	1,671,350
Thereafter	<u>26,754,298</u>
	<u>34,197,178</u>
Less: Current Portion	<u>1,318,331</u>
<u>Total Long-Term</u>	<u>\$32,878,847</u>

Interest expense approximated \$2,069,272 and \$2,147,124 for the years ended December 31, 2009 and 2008, respectively.

NOTE 8 - TREASURY STOCK

The corporation on occasion has purchased apartments on the open market for its own administrative use. Four such units were acquired and are being used as administrative office space for management and sales personnel.

NOTE 9 - PROPERTY AND EQUIPMENT

Property and equipment are capitalized at cost. Major expenditures for property and those that substantially increase useful lives are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. Depreciation is provided at rates based on the following useful lives:

GLEN OAKS VILLAGE OWNERS, INC.

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 9 - PROPERTY AND EQUIPMENT (Continued)

<u>Class</u>	<u>Life in Years</u>
Buildings	35
Building Improvements	15 - 35
Equipment	5
Transportation Equipment	3

Depreciation for the current year is \$3,994,498.

The breakdown of property and equipment is disclosed on the face of the balance sheet.

NOTE 10 - FUTURE MAJOR REPAIRS & REPLACEMENTS

The corporation has not conducted a study to determine the remaining useful lives of the components of common property and estimates of the costs of major repairs and replacements that may be required in the future. The corporation, however, directs its maintenance department to provide it with periodic reports of needed repairs and replacements. Repairs and replacements are then funded on an annual basis in a comprehensive on-going building repair program. When funds are needed, the corporation may borrow, utilize funds from the reserve account, increase maintenance, levy a special assessment, delay the repairs or replacement until funds become available or any combination of these.

NOTE 11 - MORTGAGE REFINANCING COSTS

Mortgage refinancing costs were incurred August 2005, in the amount of \$144,556 including Bank Fees, Title Costs, Legal Fees, Survey & Search Costs and Mortgage Tax. These costs will be amortized over the life of the mortgage beginning September 2005 for a period of twenty years.

NOTE 12 - SPECIAL ASSESSMENT

In March 2009 a special assessment equal to \$4.24 per share was authorized by the Board of Directors which approximated the NYS Star Credit and NYC Property Tax Abatement Reductions. Both the special assessment and property tax reductions were applied to applicable shareholder accounts concurrently.

GLEN OAKS VILLAGE OWNERS, INC.

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 13 - PENSION PLAN

The Company has a 401K Plan for the benefit of all eligible employees. The Company contributes 3% of employees' compensation to the Plan. For the year ended December 31, 2009 the total pension expense was \$33,386.