

VIGEN ONANY & ASSOCIATES, INC.

2535 Foothill Boulevard Suite 101
La Crescenta, CA 91214

P.O. Box 12311 Glendale, CA 91224

Office (818) 957-8195 Fax (818) 957-6974

Email Address: Vigen@DREbudgets.com

* Condominium Budgets Preparation, Consulting
* Reserve Studies for Community Associations
* Financial Management, Tax & Accounting

PROFORMA OPERATING BUDGET

FOR

THIRTEEN ELEVEN HOMEOWNERS ASSOCIATION

Tract 62294

A FOUR UNIT CONDOMINIUM PROJECT

CITY OF GLENDALE, COUNTY OF LOS ANGELES

STATE OF CALIFORNIA

This budget is prepared: **July 24, 2006**

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PROJECT DESCRIPTION

THIRTEEN ELEVEN HOMEOWNERS ASSOCIATION

Tract 62294
Glendale, CA

This is a four unit, attached new condominium project located in the City of Glendale, County of Los Angeles.

There is one building, containing four residential units over a One-Level Subterranean with Private Garages parking structure. Thirteen parking spaces have been provided.

Please note that the insurance budgeted is for the building, HOA officers' and common area liability & officers' fidelity but NOT the contents of each unit.

Each owner may purchase a policy for the content of his / her unit.

Data used in preparing this budget is based on the information provided to me by the developer.

For calculation detail and assumptions, please refer to the footnotes provided in this report.

Dollar amounts meet or exceed those of the current Operating Cost Manual for Homeowners Association published by the California Department of Real Estate.

This budget was prepared as of July 24, 2006

Vigen Onany MSA

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The Board of Directors,
THIRTEEN ELEVEN HOMEOWNERS ASSOCIATION
Tract 62294
Glendale, CA

PROPOSAL FOR RESERVE STUDY / BUDGET (UPDATES)

For annual review of the Homeowners Association Budget, and preparation of an updated reserve study along with preparation of an updated Operating Budget for the Homeowners Association.

\$400

Respectfully Yours,

Vigen Onany

TAX & ACCOUNTING OFFICES OF

VIGEN ONANY

2535 Foothill Boulevard Suite 101
La Crescenta, CA 91214

July 24, 2006

The Board of Directors,
THIRTEEN ELEVEN HOMEOWNERS ASSOCIATION
Tract 62294
Glendale, CA

PROPOSAL FOR (ANNUAL) TAX PREPARATION SERVICES

For preparation of the annual computerized Federal and State of California Tax Returns (State Exempt Organization Annual Information Statement or Return) and Statement of Income And Expenses and Balance Sheet (write up work) for your Homeowners Association.

\$280

Respectfully Yours,

Vigen Onany MSA

BUDGET WORKSHEET

RE 623 (REV. 2/00) ID # 62300996B020

GENERAL INFORMATION

This budget is a good faith estimate from plans prior to construction and/or completion (for new projects) or from a combination of plans and/or site inspections (for existing projects). For existing projects, there may have been historical data as support for some line items, but changes to the project may make historical data not applicable or reliable. This budget was prepared for the purpose of obtaining a public report. This association must adopt a budget in accordance with California Civil Code. If that budget is less than 10% or greater than 20% from this budget, you should contact the Department of Real Estate. The association may increase or decrease its budget. It is typical for costs to increase as the project ages. The association should conduct a reserve study after its first year of operation to adjust the reserve funding plan for any changes which may have taken place during construction.

DRE FILE NUMBER (IF KNOWN)	MASTER DRE FILE #	DEPUTY ASSIGNED FILE (IF KNOWN)
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DIVISION IDENTIFICATION AND LOCATION

NAME	TRACT NUMBER
THIRTEEN ELEVEN HOMEOWNERS ASSOCIATION	62294

NAME TO BE USED IN ADVERTISING (IF DIFFERENT THAN NAME OR TRACT NUMBER)

STREET ADDRESS (IF ANY)	CITY	COUNTY
1311 East California Avenue	Glendale	Los Angeles
MAIN ACCESS ROAD(S)	NEAREST TOWN/CITY	MILES/DIRECTION FROM TOWN/CITY
EAST / WEST:	Within City Limits	N/A
NORTH / SOUTH:		

TYPE OF SUBDIVISION

- | | |
|---|---|
| <input checked="" type="checkbox"/> Condominium | <input type="checkbox"/> Planned Development Land Project |
| <input type="checkbox"/> Condominium Conversion | <input type="checkbox"/> Planned Development Mobile Home |
| <input type="checkbox"/> Stock Cooperative | <input type="checkbox"/> Community Apartment |
| <input type="checkbox"/> Stock Cooperative Conversion | <input type="checkbox"/> Out-of-State |
| <input type="checkbox"/> Limited Equity Housing Corporation | <input type="checkbox"/> Undivided Interest |
| <input type="checkbox"/> Planned Development | <input type="checkbox"/> Undivided Interest Land Project |

NUMBER OF LOTS/UNITS	PHASE #	TOTAL # IN PROJECT	PREVIOUS DRE FILE #	# OF ACRES
4	1	1		0.216

BUDGET PREPARER

NAME	ATTENTION	TELEPHONE NUMBER
VIGEN ONANY & ASSOCIATES, INC.	Vigen Onany	Phone: (818) 957-8195 Fax: (818) 957-6974
ADDRESS	CITY	ZIP CODE
2535 Foothill Boulevard Suite # 101	La Crescenta, CA	91214

Certification

I declare under penalty of perjury that the representations and answers to questions in this document and all documents submitted as a part of the homeowners budget are true and complete to the best of my knowledge and belief.

"The undersigned certifies that this electronic recreation of Department of Real Estate form RE623 contains at least the same information as the DRE approved ID 62300996B020."

SIGNATURE OF BUDGET PREPARER	DATE
	July 24, 2006

BUDGET SUMMARY

PHASE NUMBER	DATE OF BUDGET	DRE FILE NUMBER
1	July 24, 2006	
NUMBER OF UNITS	TRACT NUMBER / NAME OF PROJECT	
4	62294 THIRTEEN ELEVEN HOMEOWNERS ASSOCIATION	

		<i>Per Unit Per Month</i>	<i>Total Monthly</i>	<i>Total Annual</i>
100 FIXED COSTS	101 . Property Taxes			
	102 . Corporation Franchise Taxes	N/A 1st Year	California Revenue & Taxation Code 23701t	
	103 . Insurance (attach proposal)	47.31	189.25	2,271
	104 . Local License & Inspection Fees	1.04	4.17	50
	105 . Estimated Income Taxes	N/A 1st Year	California Revenue & Taxation Code 23701t	
	100 - SUB TOTAL	48.35	193.42	2,321
200 OPERATING COSTS	201 . Electricity (attach work sheet)	30.39	121.58	1,459
	Lighting: Leased			
	202 . Gas (attach work sheet)		Not Common	
	203 . Water (attach work sheet)	16.99	67.95	815
	204 . Sewer/Septic Tanks (include if not in 203)			
	205 . Cable TV/Master Antenna			
	207 . Custodial Area:			
	<i>Number of Restrooms:</i>			
	208 . Landscape Area: (see page 15.) 2,444 SF	19.35	77.39	929
	209 . Refuse Disposal			
	<i>Vender Name: City Of Glendale</i>			
	<i>Telephone Number: 818-548-2107</i>	19.56	78.23	939
	210 . Elevators			
	<i>Number: Type:</i>			
	211 . Private Streets, Driveways, Parking Areas			
<i>Area: 1,705 SF</i>	INCLUDED IN	ITEM 208	ABOVE	
212 . Heating & Air Conditioning Maintenance				
<i>Area:</i>				
213 . Swimming Pool <i>Mnth heated</i>				
<i>Number: Size:</i>				
<i>Spa Size:</i>				
<i>Number:</i>				
214 . Tennis Court <i>Number:</i>				
215 . Access Control				
<i>Guard hours per day:</i>				
<i>No. of motorized gates: 1 Type: 1 Swinging</i>	20.00	80.00	960	
<i>No. of Intercoms/Telephone Entry: 1</i>	6.25	25.00	300	

Tract Number: 62294

Prepared by: VIGEN ONANY & ASSOCIATES, INC.

(818) 957-8195

July 24, 2006

		<i>Per Unit Per Month</i>	<i>Total Monthly</i>	<i>Total Annual</i>
200 OPERATING COSTS	216 . Reserve Study - Will Be Done Every 3 Years	8.33	33.33	400
	217 . Miscellaneous:			
	Minor Repairs	4.63	18.52	222
	Pest Control	7.50	30.00	360
	Snow Removal			
	Lakes/Waterways			
	Elevator Telephone Lines / Community Network			
	Fire Sprinkler Monitoring & Telephone Lines	30.00	120.00	1,440
	200 Sub Total	163.00	652.00	7,824
300 RESERVE	301-313 (attach reserve work sheet)	48.54	194.15	2,330
		300 - Sub Total	48.54	194.15
400 ADMINISTRATIVE	401 . Management ¹	Will Be Self Managed By The Board Of Directors		
	402 . Legal Services	6.25	25.00	300
	403 . Accounting	5.83	23.33	280
	404 . Education	3.75	15.00	180
	405 . Miscellaneous, Office expense			
		400 - Sub Total	15.83	63.33
	TOTAL (100-400)	275.73	1,102.91	13,235
500	501 . New Construction 3% N	8.27	33.09	397
	502 . Conversions 5%			
	503 . Revenue Offsets (attach documentation)	()	()	()
	TOTAL BUDGET	284.00	1,136.00	13,632

✧ DRE regulations allow the use of variable assessments against units only if one unit will derive as much as 10 percent more than another unit in the value of common goods and services supplied by the association. After determining the percent of benefit derived from services provided (page 14) by the association, an easy chart to follow would be:

- Less than 10% Equal assessments
- From 10% to 20% .. Variable or equal
- Over 20%..... Variable assessments

The budget and management documents indicate (check appropriate box):

- Equal assessments
- Variable assessments

✧ The inventory and quantities used in the preparation of this budget are normally derived from plans completed prior to construction and may vary slightly from actual field conditions. The calculated budget is a good faith estimate of the projected costs and should be deemed reliable for no more than one year. The Board of Directors should conduct an annual review of the Association's actual costs and revise the budget accordingly.

¹ Depending upon the level of service selected by the Association, the amount shown may be insufficient to cover the cost and may be higher.

RESERVES WORKSHEET

DRE FILE NUMBER			TRACT NUMBER 62294			
Item	(1) 1 Sq. Ft. or Number	(2) 1 Unit Cost HOA Manual	(3) 1 Replacement Cost	(4) 1 Remaining Life	Yearly Reserve Columns 1 X 2 or 3 ÷ 4	Cost Per Unit Per Month
PAINT						
Exterior Paint - Handi Plan	6,916	0.09			622	12.97
Exterior Paint - Handi Trim	364	0.13			47	0.99
Interior Paint - Common Areas						
Wrought Iron Fence	660	0.30			198	4.13
Concrete Block Wall - Paint / Stucco						
ROOF						
Concrete/Clay Tile	5,415	0.05			271	5.64
Built Up Flat - Torch Down	557	0.17			95	1.97
OTHER COMPONENTS						
Boiler - Common						
Water Heaters - Common Areas						
Exterior / Building / Outdoor Lights	18	9.00			162	3.38
Interior / Garage Lights	12	6.00			72	1.50
Street Lights						
Elevators-Modernization / Cab Renovation						
Heating / Cooling / HVAC - Common						
Garage Ventilation						
Concrete Drives / Walkways	1,705	0.02			34	0.71
Asphalt Streets / Drives						
Pool Re-plaster						
Pool Heater						
Pool Filter						
Spa Re-plaster						
Spa Heater						
Spa Filter						
Pool/Spa Pumps - No:						
Motorized Gates - Repair / Replacement	1	150.00			150	3.13
Motorized Gates - Motor / Operator	1	120.00			120	2.50
Concrete Block Wall - Repair / Replace						
Wrought Iron Fence - Repair / Replace	55	1.65			91	1.89
Wood Fence - Repair / Replace	250	1.00			250	5.21

2. Multiple Detached Garages and Carports

_____	X	_____	=	_____	X	_____	=	_____
_____	X	_____	=	_____	X	_____	=	_____

Total for Summary Item 2 above

3. Recreational Facilities

Total Area

a. Recreation Room, Clubhouse, Lanai, or other
(length x width = total sq. ft.)

_____	X	_____	=	_____	sq. ft.
-------	---	-------	---	-------	---------

b. Pools

Number:	_____				
Size:	_____			_____	sq. ft.

c. Spas

Number:	_____				
Size:	_____			_____	sq. ft.

d. Tennis Courts

Number:	_____			_____	sq. ft.
Size:	_____			_____	sq. ft.
Surface Type:	_____			_____	sq. ft.

e. Other: (describe)

_____				_____	sq. ft.
-------	--	--	--	-------	---------

Total for Summary Item 3 above

_____ sq. ft.

4. Paved Area (streets, parking, walkways, etc.)
(length x width = square foot area)

Paving Material (concrete, asphalt, etc.)

_____	X	_____	=	<u>275</u>	<u>Concrete Driveway / Walkway</u>
_____	X	_____	=	_____	_____
_____	X	_____	=	<u>1,430</u>	<u>Concrete Walkway</u>
_____	X	_____	=	_____	_____

Total for Summary Item 4 above 1,705 sq. ft.

5. Restricted Common Areas Use (patio, etc.)
Describe and attach calculations

Total for Summary Item 5 above _____ sq. ft.

6. Other - Describe and attach calculations

Total for Summary Item 6 above _____ sq. ft.

ELECTRICAL ENERGY CONSUMPTION WORKSHEET

A. Lights (see Note 1) **KWH per month**
(number of lights x average watt per light
x average number of hours in use per day x .03 = KWH per month)

1. Interior Lights (*recreation rooms, gym, hallways, lobbies, stairwells, etc.*)
 _____ X _____ X _____ X 0.03 = _____

2. Garage Lights
 _____ **12** X _____ **40** X _____ **18** X 0.03 = _____ **259**

3. Outdoor, exterior building and walkway lights
 _____ **18** X _____ **60** X _____ **12** X 0.03 = _____ **389**

4. Street Lights
 _____ X _____ X _____ X 0.03 = _____

B. Elevators (*number of cabs x number of floor stops per cab x 167 KWH = Per month usage KWH*)
 _____ X _____ X 167 KWH = _____

C. Tennis Court Lights (*number of courts x 1000 KWH = Per month usage KWH*)
 _____ X 1000 KWH = _____

D. Electric Heating
(0.25 KWH x sq. ft. heated = KWH per month for warm climates)
(0.65 KWH x sq. ft. heated = KWH per month for cold climates)
 _____ X _____ = _____

E. Hot Water Heating (*320 KWH x number of 40 gallon tanks = KWH per month*)
 320 KWH X _____ = _____

F. Air Conditioning (*number of sq.ft. cooled x .34 KWH = Per month usage KWH*)
 _____ X 0.34 KWH = _____

G. Electrical Motors (see Notes 2 and 3)
(horsepower x watts x hours of use per day x .3 x % of year in use = Per month usage)

Gates	1	Motor #1	<u>0.5</u>	X	<u>1000</u>	X	<u>2</u>	X	0.03	X	<u>100%</u>	=	<u>30</u>
Pools		Motor #2	_____	X	_____	X	_____	X	0.03	X	_____	=	_____
Spas		Motor #3	_____	X	_____	X	_____	X	0.03	X	_____	=	_____
G.Ventilation		Motor #4	_____	X	_____	X	_____	X	0.03	X	_____	=	_____
S.Pump	2	Motor #5	<u>1</u>	X	<u>1000</u>	X	<u>2</u>	X	0.03	X	<u>100%</u>	=	<u>60</u>

Motor # 1 Is Gate, Motor #5 Is Sump Pump

H. Pool/Spa Heating
(Number of heaters x KWH rating x hours of daily use x 30 days = KWH per month)
 _____ X _____ X _____ X 30 days = _____

TOTAL KWH PER MONTH 738

I. Total Monthly Cost

(total KWH per month x rate per KWH = total cost)

- 738 X \$ 0.10 = \$ 73.80

- Monthly common meter charge \$ 7.75

- Fuel Adjustment Charge (\$0.0402 Per kWh) \$ 29.67

- Public Benefits Charge & Surcharge (\$0.002963 Plus \$0.0003 Per kWh) \$ 2.41

Total Monthly Cost \$ 121.58 **Includes 7 % City Utility Users Tax**

Utility Company Name: City of Glendale Water & Power

Telephone Number: (818) 548-3300

Notes

- 1 Do not include leased lights. Instead use lease agreement with rate schedule with budget work sheet. Put monthly charge into Item 201 leased lights. Use a minimum of 10 hours per day average usage for exterior lighting.
- 2 Motors are found in swimming pool pumping systems, circulating hot water systems, ventilation systems in subterranean garages, security gates, interior hallways, and interior stairwells and also in private water systems and fountains. (Hours of use for pool pumps - see Item 201 in the Cost Manual.)
- 3 Normally 1,000 watts per horsepower should be used. Check plate on motor or manufacturer's specifications. If wattage is not listed, it can be calculated by multiplying amps x volts.

Tract Number: 62294

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July 24, 2006

GAS CONSUMPTION WORKSHEET

1. Water Heaters **Therms**
 (number of dwelling units on association meters + laundry rooms + outdoor showers
 + recreation rooms, gym = number of units x 20 Therms = per month usage)

_____ + _____ + _____ + _____ = _____ X 20 Therms = _____

2. Pool (see note 1)
 BTU rating x hours of daily use x .0003 x % of year in use = Therms

Pool #1	_____	X	_____	X	0.0003	X	_____	=	_____
Pool #2	_____	X	_____	X	0.0003	X	_____	=	_____

3. Spa
 (Number of spas (by size) x therm range = Therms used)

_____ (8' diameter)	X	300 Therms	=	_____
_____ (10' diameter)	X	350 Therms	=	_____
_____ (12' diameter)	X	400 Therms	=	_____

4. Central Heating
 (BTU rating X average hours of daily use X .0003 = Therms used)

_____ X _____ X 0.0003 = _____

5. Other
 (number of gas barbecues, fireplaces, etc.) x 5 = Therms

_____ X 5 = _____

Total Therms _____

(therms X rate = monthly charge)

_____ X _____	=	\$ _____
_____ X _____	=	\$ _____
_____ X _____	=	\$ _____

Meter Charge \$ _____

Total Monthly Cost \$ Not Common

Utility Company Name: **The Gas Company**

Telephone Number: **(800) 427-2200**

1 The presumption is a recreation pool with heating equipment will be used all year or 100%. For very hot or cold climates where a heater will not or cannot be used all year, a 70% usage should suffice. Less than 70% usage will require a Special Note in the Subdivision Public Report.

WATER AND SEWER WORKSHEET

A. Domestic (use only if units are billed through association) **Water Cost**
 (number of units X rate/100 CF X 10 = Water Cost)
 _____ X 1.25 X 10 = \$ _____

A1. Recreation Room, Gym, and Pool/Spa Usage
 (number of recreation rooms + gym + pool or spa X rate/100 CF X 10 = Water Cost)
 _____ X _____ X 10 = \$ _____

B. Irrigation (see Note 1)
 (landscape area X rate/100 CF X .0033 = Water Cost)
2,444 X 1.25 X 0.0033 = \$ 10.09

C. Sewers (see Note 2)
 (Charge per unit per month X number of units = Sewer Cost)
 \$ _____ X _____ = \$ _____

Domestic use alternate calculation (% of A and B, etc.)
 _____ (A) X _____ = \$ _____

Recreation area / landscaped area alternate calculation (% of A and B, etc.)
 _____ (A) X _____ = \$ _____

D. Meter Charge
 Line size: 2" (2", 3" etc.) Charge per month: \$ 20.41
 Water Adjustment Charge(\$0.90 Per HCF) \$ 9.08

E. Fire Line Charge 23.93
Monthly Water Cost: \$ 67.95 Includes 7 %
 City Utility
 Users Tax

Utility Company Name: City Of Glendale Water And Power

Telephone Number: (818) 548-3300

Monthly Domestic Water Cost For Proration Schedule Purposes: \$ _____

Notes

1 Average usage is four-acre feet of water per acre of landscaping per year. This formula is based on four-acre feet of usage. Some areas like the low desert will require 8 to 12-acre feet of water per acre of landscaping per year and the "B" figure should be adjusted accordingly. (Example: 4 X figure for B = 12-acre feet.)

2 If some other method of billing is used for the sewage charge and/or this will not be a common expense, provide a letter from the sanitation district and or water company (whichever applicable) which so states.

PRORATION SCHEDULE WORKSHEET

Section I Variable Assessment Computation

A.	Variable Cost Description	Monthly Cost
1.	Insurance	\$ <u>189.25</u>
2.	Domestic Gas (if common)	\$ <u>Not Common</u>
3.	Domestic Water (if common)	\$ <u>Not Common</u>
4.	Paint	\$ <u>55.81</u>
5.	Roof	\$ <u>30.46</u>
6.	Hot Water Heater (if common)	\$ _____
7.	Other	\$ _____
	Total Variable Cost	\$ <u>275.52</u>

B.	Total livable square footage of all units from condominium plan:	<u>8,600</u>
C.	Variable Factor (variable monthly costs ÷ square footage = variable factor):	<u>0.032037</u>
	Multiply this factor by each unit size below in Section III.	

Section II Equal Assessment Computation

A.	Total Monthly Budget	\$ <u>1,136.00</u>
	Less Variable Costs	\$ <u>275.52</u>
	Total Monthly Equal Costs	\$ <u>860.48</u>
B.	Monthly Base Assessment:	\$ <u>215.12</u>
	(total monthly cost ÷ number of units = monthly base assessment)	

Section III Assessment Schedule

Unit Size	X	Variable Factor	=	Variable Assessmt	+	Base Assessmt	=	Total Mth. Assessmt	X	Unit Count	=	Total Mth. Budget *		
4	<u>2,150</u>	X		<u>0.032037</u>	=	<u>68.88</u>	+	<u>215.12</u>	=	<u>284.00</u>	X	<u>4</u>	=	<u>1,136.00</u>
_____	X	_____	=	_____	+	_____	=	_____	X	_____	=	_____		
_____	X	_____	=	_____	+	_____	=	_____	X	_____	=	_____		
_____	X	_____	=	_____	+	_____	=	_____	X	_____	=	_____		
_____	X	_____	=	_____	+	_____	=	_____	X	_____	=	_____		
_____	X	_____	=	_____	+	_____	=	_____	X	_____	=	_____		
_____	X	_____	=	_____	+	_____	=	_____	X	_____	=	_____		
_____	X	_____	=	_____	+	_____	=	_____	X	_____	=	_____		
4														

4	VERIFICATION OF COMPUTATIONS					Total Monthly Budget (Section III)	4	<u>1,136.00</u>
*	Total Assessment X number of units of each type.					Total Monthly Budget (Section IIA)		<u>1,136.00</u>

Section IV Variable Assessments

Highest Assessment	-	Lowest Assessment	÷	Lowest Assessment	=	% Differential	Less than 10%	Equal Assessment
<u>284.00</u>	-	<u>284.00</u>	÷	<u>284.00</u>	=	<u>0.00%</u>	From 10% to 20%	Variable or Equal
							Over 20%	Variable Assessment

