

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

PALMER GARDENS HOA

Tract 62932

A FIFTY FOUR UNIT CONDOMINIUM PROJECT

CITY OF GLENDALE, COUNTY OF LOS ANGELES

STATE OF CALIFORNIA

This budget is prepared: January 27, 2007

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PROJECT DESCRIPTION

PALMER GARDENS HOA
Tract 62932
Glendale, CA

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

There are four buildings, containing fifty four residential units over a On-Grade Common parking structures. Eighty One tuck under parking spaces have been provided.

Please note that the insurance budgeted is for the buildings, 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 January 27, 2007

Vigen Onany MSA

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January 27, 2007

The Board of Directors,
PALMER GARDENS HOA
Tract 62932
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.

\$1,500

Respectfully Yours,

Vigen Onany

TAX & ACCOUNTING OFFICES OF

VIGEN ONANY

2535 Foothill Boulevard Suite 101
La Crescenta, CA 91214

January 27, 2007

The Board of Directors,
PALMER GARDENS HOA
Tract 62932
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.

\$2,100

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)

DIVISION IDENTIFICATION AND LOCATION

NAME	TRACT NUMBER
PALMER GARDENS HOA	62932

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

STREET ADDRESS (IF ANY)	CITY	COUNTY
1114 - 1118 E. Palmer Avenue	Glendale	Los Angeles
MAIN ACCESS ROAD(S)	NEAREST TOWN/CITY	MILES/DIRECTION FROM TOWN/CITY
EAST / WEST: NORTH /SOUTH:	Within City Limits	N/A

TYPE OF SUBDIVISION

- | | |
|---|---|
| <input type="checkbox"/> Condominium | <input type="checkbox"/> Planned Development Land Project |
| <input checked="" 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
54	1	1		0.970

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
	January 27, 2007

IMPROVEMENTS WORKSHEET

* If this phase will have any line items shown on pages 3, 4 and 5 hereof exempted from payment of assessments under Regulation 2792.16 (c), asterisk those items on pages 3, 4 and 5 and list any partially deferred costs on a separate sheet showing calculations and attach. All exempted improvements must be covered by reasonable arrangements for completion. Include Planned Construction Statement (RE 611A) for review.

1. Number of buildings containing residential units Four

2. Estimated completion date for the residential units included in this phase Completed

3. Estimated completion date for the common area and facilities included in this phase Completed

4. Type of residential building for this project (i.e., high-rise, cluster, garden, etc.) Attached

5. Type of construction for these buildings (i.e., steel, concrete, wood frame, etc.) Wood Frame

6. Type of roof (i.e., shake, etc.) Built-up Flat, Composition Shingles

7. Type of paving used in the project Concrete

8. Type of exterior wall for residential buildings Stucco, Woodsiding, Wood Trim

9. Number of residential units per building 2 @ 27, 2 @ 27

10. Number of floors per building 2 @ 3, 2 @ 3

11. Number of bedrooms per unit 26 One Bedrooms, 28 One Bedrooms + Lofts

12. Square footage of units (list number and size of each unit type, etc.).

Table with 4 columns: Unit Type, Count, Price, Total. Rows include: 1 @ 899, 13 @ 759, 14 @ 697, 26 @ 626.

13. Type of parking facilities and number of spaces (i.e., detached garage, tuck under, subterranean, carport, open, etc.)

14. Have you submitted budgets for all phases to be completed within the next three calendar years and a built-out budget?..... [] Yes [] No

15. If this condominium project involves phasing with a single lot, submit a budget for each phase plus a budget which will be used if further phases are not completed. (Commonly referred to as a worst case budget.)

The Parking Structure Is On-Grade. There Are A Total Of Eighty One Tuck Under Parking Spaces In This Project.

Complete 14 and 15 for Phased Condominium Projects Only

BUDGET SUMMARY

PHASE NUMBER	DATE OF BUDGET	DRE FILE NUMBER
1	January 27, 2007	
NUMBER OF UNITS	TRACT NUMBER / NAME OF PROJECT	
54	62932 PALMER GARDENS HOA	

		<i>Per Unit Per Month</i>	<i>Total Monthly</i>	<i>Total Annual</i>
100 FIXED COSTS	101 . Property Taxes			
	102 . Corporation Franchise Taxes	0.02	0.83	10
	103 . Insurance (attach proposal)	16.06	867.25	10,407
	104 . Local License & Inspection Fees	0.15	8.33	100
	105 . Estimated Income Taxes	0.40	21.35	256
	100 - SUB TOTAL	16.63	897.76	10,773
200 OPERATING COSTS	201 . Electricity (attach work sheet)	9.67	522.08	6,265
	Lighting: Leased			
	202 . Gas (attach work sheet)	26.39	1,425.18	17,102
	203 . Water (attach work sheet)	19.66	1,061.44	12,737
	204 . Sewer/Septic Tanks (include if not in 203)			
	205 . Cable TV/Master Antenna			
	207 . Custodial Area: 366 SF			
	<i>Number of Restrooms:</i>	4.63	250.00	3,000
	208 . Landscape Area: (<i>see page 15.</i>) 4,768 SF	9.26	500.00	6,000
	209 . Refuse Disposal			
	<i>Vender Name:</i> City of Glendale Public Works			
	<i>Telephone Number:</i> 818-548-3916	5.24	283.22	3,399
	210 . Elevators			
	<i>Number:</i> <i>Type:</i>			
	211 . Private Streets, Driveways, Parking Areas			
<i>Area:</i> 11,686 SF	INCLUDED IN	ITEM 208	ABOVE	
212 . Heating & Air Conditioning Maintenance				
<i>Area:</i>				
213 . Swimming Pool <i>Mnth heated</i>				
<i>Number:</i> <i>Size:</i>				
<i>Spa</i> <i>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:</i> 2 <i>Type:</i> 2 Swinging	2.96	160.00	1,920	
<i>No. of Intercoms/Telephone Entry:</i> 2	1.30	70.00	840	

Tract Number: **62932**Prepared by: **VIGEN ONANY & ASSOCIATES, INC.****(818) 957-8195****January 27, 2007**

		<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	2.31	125.00	1,500
	217 . Miscellaneous:			
	Minor Repairs	6.00	324.00	3,888
	Pest Control	2.78	150.00	1,800
	Annual Tree Pruning	3.09	166.67	2,000
	Fire Extinguisher Annual Charge	0.62	33.33	400
	Elevator Telephone Lines / Community Network			
	Fire Sprinkler Monitoring & Telephone Lines	4.44	240.00	2,880
	200 Sub Total	98.35	5,310.92	63,731
300 RESERVE	301-313 (attach reserve work sheet)	50.68	2,736.95	32,843
		300 - Sub Total	50.68	2,736.95
400 ADMINISTRATIVE	401 . Management ¹	15.00	810.00	9,720
	402 . Legal Services	0.83	45.00	540
	403 . Accounting	3.24	175.00	2,100
	404 . Education	1.00	54.00	648
	405 . Miscellaneous, Office expense	0.93	50.37	604
		400 - Sub Total	21.01	1,134.37
	TOTAL (100-400)	186.67	10,080.00	120,960
500	501 . New Construction 3%			
	502 . Conversions 5% C	9.33	504.00	6,048
	503 . Revenue Offsets (attach documentation)	()	()	()
	TOTAL BUDGET	196.00	10,584.00	127,008

✦ 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 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.

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

- Equal assessments
- Variable assessments

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

62932

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 - Stucco	35,640		24,050	7	3,436	5.30
Exterior Paint - Woodsiding	1,980		2,200	7	314	0.49
Exterior Paint - Wood Trim	1,980		1,625	6	271	0.42
Interior Paint - Common Areas	1,406		675	5	135	0.21
Wrought Iron Fence	9,840		15,600	5	3,120	4.81
Wood Fence	3,600		4,700	8	588	0.91
Concrete Block Wall - Paint / Stucco	65,760		43,825	7	6,261	9.66
ROOF						
Built-up Flat	15,391		33,150	11	2,763	4.26
Composition Shingles	10,876		21,450	1	1,262	1.95
OTHER COMPONENTS						
Boiler - Common	2		9,625	10	642	0.99
Water Heaters - Common Areas						
Exterior / Building / Outdoor Lights	73		10,575	15	705	1.09
Interior / Garage Lights	45		2,300	1	288	0.44
Street Lights						
Elevators-Modernization / Cab Renovation						
Heating / Cooling / HVAC - Common						
Garage Ventilation						
Concrete Drives / Walkways	1,686		3,725	1	186	0.29
Concrete / Exposed Aggregate Walkways	10,000		16,225	4	1,623	2.50
Asphalt Drives Walkways						
Pool Heater						
Pool Filter						
Spa Re-plaster						
Spa Heater						
Motorized Gates - Repair/Replacement - 1116	1		2,400	14	160	0.25
Motorized Gates - Motor/Operator - 1116	1		650	4	130	0.20
Motorized Gates - Repair/Replacement - 1118	1		2,400	14	160	0.25
Motorized Gates - Motor/Operator - 1118	1		650	4	130	0.20
Concrete Block Wall - Repair / Replace	5,480		58,200	16	2,328	3.59
Wrought Iron Fence - Repair / Replace	820		21,450	14	1,430	2.21
Wood Fence - Repair / Replace	300		3,175	1	318	0.49

Tract Number: 62932

Prepared by: VIGEN ONANY & ASSOCIATES, INC.

(818) 957-8195

January 27, 2007

RESERVES WORKSHEET

DRE FILE NUMBER

TRACT NUMBER

62932

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	
OTHER COMPONENTS -CONTINUED							
Sump Pumps/Motors	8		6,200	10	517	0.80	
Landscaping	4,768		4,200	10	420	0.65	
-							
-							
Laundry Room - Tile	342		1,625	15	108	0.17	
-							
-							
-							
-							
Storage Room - Cement	24		100	1	5	0.01	
-							
Furniture - Outdoor	1		3,175	5	635	0.98	
Equipment - Gym							
Stairways - Magnesite Fiberglass	1,600		4,750	1	792	1.22	
BBQ Area - Cement	800		1,700	1	85	0.13	
Mail Box	1		4,200	1	280	0.43	
BBQ	4		1,500	5	300	0.46	
Washers & Dryers	12		12,675	1	2,535	3.91	
Gazebo	1		10,650	13	710	1.10	
Furniture - Laundry	1		1,050	1	210	0.32	
<i>Use either Columns 1 and 2 or 3 and 4, but not both for a particular item.</i>					TOTAL RESERVE	32,843	50.68

Note: For space purposes, we have included only the components most frequently found in common-interest subdivisions. Reserve items should not be limited to the list above.

Items marked #1 will be replaced or renovated by the developer / owner before the close of the first escrow.

Items marked #2 will be funded by the developer / owner in the amount of \$90,286.49.

PALMER GARDENS HOA COMPONENTS THAT REQUIRE RESERVE FUNDING

COMMON RESERVE COMPONENT	Average Cost of Replacement	\$ Annual Accelerated Recovery	Estimated Useful Life YRS	Remaining Useful Life YRS	\$ Annual Reserve Required	Ideal Accumulated Reserves	
PAINT							
Exterior Paint - Stucco	24,050	3,436	7	7	3,436		1
Exterior Paint - Woodsiding	2,200	314	7	7	314		1
Exterior Paint - Wood Trim	1,625	271	6	6	271		1
Interior Paint - Common Areas	675	135	5	5	135		1
Wrought Iron Fence	15,600	3,120	5	5	3,120		1
Wood Fence	4,700	588	8	8	588		1
Concrete Block Wall - Paint / Stucco	43,825	6,261	7	7	6,261		1
ROOF							
Built-up Flat	33,150	2,763	12	11	2,763	2,763	2
Composition Shingles	21,450	1,262	17	1	1,262	20,188	2
OTHER COMPONENTS							
Boiler	9,625	642	15	10	642	3,208	2
Exterior / Building / Outdoor Lights	10,575	705	15	15	705		1
Interior / Garage Lights	2,300	288	8	1	288	2,013	2
Concrete Drives / Walkways	3,725	186	20	1	186	3,539	2
Concrete / Exposed Aggregate Walkways	16,225	1,623	10	4	1,623	9,735	2
Motorized Gates - Repair/Replacement - 1116	2,400	160	15	14	160	160	2
Motorized Gates - Motor/Operator - 1116	650	130	5	4	130	130	2
Motorized Gates - Repair/Replacement - 1118	2,400	160	15	14	160	160	2
Motorized Gates - Motor/Operator - 1118	650	130	5	4	130	130	2
Concrete Block Wall	58,200	2,328	25	16	2,328	20,952	2
Wrought Iron Fence	21,450	1,430	15	14	1,430	1,430	2
Wood Fence	3,175	318	10	1	318	2,858	2
Sump Pumps/Motors	6,200	517	12	10	517	1,033	2
Landscaping	4,200	420	10	10	420		1
Laundry Room - Tile	1,625	108	15	15	108		1
Storage Room - Cement	100	5	20	1	5	95	2
Furniture - Outdoor	3,175	635	5	5	635		1
Stairways - Magnesite Fiberglass	4,750	792	6	1	792	3,958	2
BBQ Area - Cement	1,700	85	20	1	85	1,615	2
Mail Box	4,200	280	15	1	280	3,920	2
BBQ	1,500	300	5	5	300		1
Washers & Dryers	12,675	2,535	5	1	2,535	10,140	2
Gazebo	10,650	710	15	13	710	1,420	2
Furniture - Laundry	1,050	210	5	1	210	840	2
TOTAL	<u>330,475</u>	<u>32,843</u>			<u>32,843</u>	<u>90,286</u>	

Items marked #1 will be replaced or renovated by the developer / owner before the close of the first escrow.

Items marked #2 will be funded by the developer / owner in the amount of \$90,286.49.

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: _____

Size: _____

Surface Type: _____

_____ sq. ft.

_____ sq. ft.

_____ sq. ft.

e. Other: (describe)

_____				_____	sq. ft.
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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	_____	=	1,686
_____	X	_____	=	10,000
_____	X	_____	=	_____
_____	X	_____	=	_____

Concrete Driveway / Walkway
Concrete / Exposed Aggregate Walkways

Total for Summary Item 4 above **11,686** 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

BBQ Area

Total for Summary Item 6 above **1,600** 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.)
5 X 40 X 8 X 0.03 = 48

2. Garage Lights
40 X 40 X 18 X 0.03 = 864

3. Outdoor, exterior building and walkway lights
73 X 60 X 12 X 0.03 = 1,577

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	2	Motor #1	<u>1</u>	X	<u>1000</u>	X	<u>2</u>	X	0.03	X	<u>100%</u>	=	<u>60</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	8	Motor #5	<u>4</u>	X	<u>1000</u>	X	<u>2</u>	X	0.03	X	<u>100%</u>	=	<u>240</u>

Motors # 1 Are Gates, Motors #5 Are Sump Pumps

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 2,789

I. Total Monthly Cost

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

• 2,789 X \$ 0.17 = \$ 474.10

• Monthly common meter charge \$ 15.00

Total Monthly Cost Per DRE Formula: \$ 489.10

6 Month Average From Utility Bills: \$ 480.43

3 Month Average From 2006 Financial Statements: \$ 323.18

**15 Month Average From 3 Months of 2006 and 12 Months of 2005
Financial Statements:** \$ 498.11

**27 Month Average From 3 Months of 2006, 12 Months of
2005, and 12 Months of 2004 Financial Statements:** \$ 522.08

Utility Ratio Based on Utility Bills

	<u>Usage</u>	<u>%</u>
Electricity	\$480.43	32.97%
Water	<u>\$976.75</u>	<u>67.03%</u>
\$	1,457.17	100.00%

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.

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)
54 + 2 + _____ + _____ = 56 X 20 Therms = 1120

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

<u>4</u> X 5	=	<u>20</u>
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Total Therms **1140**

(therms X rate = monthly charge)

<u>1140</u> X <u>1.15</u>	=	\$ <u>1,311.00</u>
_____ X _____	=	\$ _____
_____ X _____	=	\$ _____

Meter Charge \$ 10.00

Total Monthly Cost Per DRE Formula: \$ 1,413.47 7% Glendale City Users Tax

4 Month Average From Utility Bills: \$ 1,250.46

3 Month Average From 2006 Financial Statements: \$ 1,425.18

15 Month Average From 3 Months of 2006 and 12 Months of 2005 Financial Statements: \$ 930.42

27 Month Average From 3 Months of 2006, 12 Months of 2005, and 12 Months of 2004 Financial Statements: \$ 837.64

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)
54 X _____ 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)
4,768 X _____ X 0.0033 = \$ _____

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: 3" (2", 3" etc.) Charge per month: \$ _____

E. Fire Line Charge _____ (2", 3" etc.) Charge per month: _____

Total Monthly Cost Per DRE Formula: \$ _____

6 Month Average From Utility Bills: \$ 976.75

3 Month Average From 2006 Financial Statements: \$ 657.05

**15 Month Average From 3 Months of 2006 and 12 Months of 2005
 Financial Statements:** \$ 1,012.69

**27 Month Average From 3 Months of 2006, 12 Months of 2005, and 12
 Months of 2004 Financial Statements:** \$ 1,061.44

Utility Company Name: City Of Glendale Water And Power

Telephone Number: (818) 548-3300

Monthly Domestic Water Cost For Proration Schedule Purposes: \$ 1,061

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.

VIGEN ONANY & ASSOCIATES, INC.

**2535 Foothill Boulevard Suite 101
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Email Address: Vigen@DREbudgets.com**

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

**SUPPORTING DOCUMENTS
FOR
PALMER GARDENS HOA
Tract 62932**

This budget is prepared: January 27, 2007

*** Office (818) 957-8195**

*** Fax (818) 957-6974**