

1988

Corporation Franchise or Income Tax Return

100

For income year beginning MONTH 09 DAY 01 YEAR 88, and ending MONTH 08 DAY 31 YEAR 89

Affix Preaddressed Label
California corporation number 1115371
Federal employer identification number 77-0006393
Corporation name The Glen of Pacific Grove Homeowners Assoc
Address 40 Community Association Consulting
1541 204th First Street, Suite 200
City San Jose State CA ZIP code 95112

D Did this bank or corporation, in whole or in part, determine its income pursuant to a water's-edge election?
E Does this corporation or bank or any of its related entities have either 1) property, payroll or sales in foreign countries which exceeds \$10,000,000; or 2) total assets everywhere which exceed \$250,000,000?
F Did this corporation or its subsidiary(ies) have a change in control or ownership this year, or acquire ownership or control of any other legal entity since 1/1/80?
G Did the corporation or combined group pay more than \$100,000 in local personal property taxes and/or business license taxes in California during this income year?
H Principal business activity code 6530
I Check here only if claiming enterprise zone or program area tax benefits:
J Check here only if claiming technological property contribution tax benefits:
K Date incorporated 12/1/82 Where? California

Questions
A Final return? Dissolved Withdrawn Merged/Reorganized
B Is income included in a combined report of a unitary group?
C Is the corporation to be treated as a Real Estate Mortgage Investment Conduit for California purposes?

Table with 18 rows for State adjustments. Line 1: 3602, Line 2: 461, Line 8: 1087, Line 9: 5150, Line 16: 100, Line 17: 100, Line 18: 5050

If all income is derived from California sources, transfer the amount from line 18 to line 19. If income is derived from sources both within and without California, complete Schedule R and transfer the amount from Schedule R, line 24 to line 19 below.

Table for California net income and taxes. Line 19: 5050, Line 21: 5050, Line 22: 470, Line 24: 470, Line 26: 470, Line 27b: 198, Line 28: 272, Line 33: Total amount due.

The Glen of Pacific Grove

1115371

1988

Schedule A Taxes Deducted

(a) Nature of Tax	(b) Taxing Authority	(c) Amount
California State Tax	Franchise Tax board - CA	

Total Taxes Deducted. Enter here and on Schedule G, line 17

Schedule B Depreciation and Amortization (attach form FTB 3885 or a detailed schedule in support of this schedule)

Part A. Depreciation Claimed		Part B. Amortization Claimed	
1 Total depreciation claimed for federal purposes ..	NA	1 Total amortization claimed for federal purposes ..	NA
2 Allowable for state purposes	§	2 Allowable for state purposes	§
3 Depreciation adjustment *	§	3 Amortization adjustment *	§

* If line 1 is greater than line 2, enter difference on line 3 and on side 1, line 6 or line 7. If line 2 is greater than line 1, enter difference on line 3 and on side 1, line 16.

Note: California has not adopted the federal Accelerated Cost Recovery System (ACRS). See exceptions on form FTB 3885.

Schedule C Tax Credits If the corporation has tentative minimum tax, do not complete this schedule. Use Schedule P (100) to calculate tax credits.

1 Jobs tax credit (form FTB 3524)	NA	5 Commercial solar energy credit (form FTB 3805L)	NA
2 Energy conserv. credit carryover (form FTB 3514)	§	6 Technological property contribution carryover	§
3 Research and development (form FTB 3523) ...	§	7 Other (attach schedules)	§
4 Orphan drug research (form FTB 3528)	§	8 Total. Enter here and on Side 1, line 23	§

Schedule D Cost of Goods Sold and/or Operations

1 Inventory at beginning of year	1	NA
2 Purchases	2	§
3 Cost of labor	3	
4 a Additional IRC Section 263A costs (attach schedule)	4a	
b Other costs (attach schedule)	4b	
5 Total. Add lines 1 through 4	5	
6 Inventory at end of year	6	
7 Cost of goods sold and/or operations. Subtract line 6 from line 5. Enter here and on Schedule G, line 2	7	

Method of inventory valuation ▶

Was there any substantial change in the manner of determining quantities, costs or valuations between opening and closing inventory? Yes No

If "Yes," attach an explanation. Enter California sales permit number (if any) ▶

Check if the LIFO inventory method was adopted this income year for any goods (if checked, attach federal Form 970)

If the LIFO inventory method was used for this income year, enter percentage (or amounts) of closing inventory computed

under LIFO

Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to the corporation? Yes No

Questions

L Date business began in California or date income was first derived from California sources 12/1/82

M Accounting method used cash

N Location of principal accounting records mailing address

O Has the federal government redetermined your income tax liability for any prior year(s) which has not previously been reported? Yes No

P First return? (Check appropriate box(es)) New business or successor to previously existing business operated as a: sole proprietorship partnership joint venture corporation other (attach statement showing name, address and FEIN of previous business)

Q Enter corporation "doing business as" name mailing address

R Was the corporation's income included in a consolidated federal return? Yes No

S Is this corporation a Regulated Investment Company for California purposes? Yes No

T At any time during the income year, was more than 50% of voting stock:

a of the corporation owned by any single interest? Yes No

b of another corporation owned by this corporation? Yes No

c of this and one or more other corporations owned or controlled, directly or indirectly, by the same interests? Yes No

If a, b or c is "yes" furnish statement of ownership indicating pertinent names, addresses, and percentages of stock owned. If the owner(s) is an individual, provide the social security number.

U Have all required information returns (federal Forms 1099) been filed with the Franchise Tax Board? N/A Yes No

V Corporation headquarters are: Within California Outside California, within U.S. Outside U.S.

W Corporation is: Apportioning U.S. income to California Apportioning worldwide income to California Not apportioning income Electing to file on a water's-edge basis and is affiliated with a bank or corporation which is not electing to file on a water's-edge basis

Please Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. Declaration of preparer (other than the taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer Title Date Telephone

Paid Preparer's Use Only Preparer's signature Date 11/1/89 Check if self-employed Preparer's SSN/FEIN 545-98-3813 Firm's name (or yours, if self-employed) and address Bennett & Collins Accountancy Corp 373 Twin Dolphin Dr #775 E.I. No. 71-2932848 Telephone (415) 593-1520

The Glen of Pacific Grove

1115371

1988

Schedule E Compensation of Officers. Complete only if total receipts (Schedule G, line 1a plus line 4 through line 10) are \$150,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	(d) Percent of stock owned	(e) Amount of compensation
1		%	%	NA
		%	%	
		%	%	
		%	%	
2 Total compensation of officers				
3 Less: Compensation of officers claimed in Schedule D and elsewhere on return				()
4 Compensation of officers deducted on Schedule G, line 12				

Schedule F Bad Debts — Reserve Method (Savings and Loan Associations, Banks & Financial Corporations only)

(a) Income year	(b) Accounts outstanding at end of the year	Amount added to reserve		(e) Amount charged against reserve	(f) Reserve for bad debts at end of year
		(c) Current year's provision	(d) Recoveries		
1983					NA
1984					
1985					
1986					
1987					
1988					

Schedule G Computation of Net Income

1 a Gross receipts or gross sales	b Less returns and allowances	Balance ▶	1c
2 Cost of goods sold and/or operations (Schedule D)			2
3 Gross profit. Subtract line 2 from line 1			3
4 Dividends (Schedule H)			4
5 a Interest on obligations of the United States and U.S. instrumentalities			5a
b Other interest (attach schedule)			5b 5150
6 Gross rents			6
7 Gross royalties			7
8 Capital gain net income (attach federal Schedule D (Form 1120)) *			8
9 Ordinary gain (loss) (attach federal Form 4797)			9
10 Other income (attach schedule)			10
11 Total income. Add lines 3 through 10			11 5150
* Capital loss carryover deducted on line 8 must be restored to income on Side 1, line 5. Any net capital loss not reported on line 8 may be deducted on Side 1, line 13.			
12 Compensation of officers (Schedule E)		12	
13 Salaries and wages (not deducted elsewhere)		13	
14 Repairs		14	
15 Bad debts (see instructions)		15	
16 Rents		16	
17 Taxes (Schedule A)		17 461	
18 Interest		18	
19 Contributions (attach schedule)		19	
20 Depreciation	20		
21 Less depreciation claimed elsewhere on return	21a	21b	
22 Depletion (attach schedule)		22	
23 Advertising		23	
24 Pension, profit-sharing, etc., plans		24	
25 Employee benefit plans		25	
26 Other deductions (attach schedule) Management fee 437, Accounting 650		26 1087	
27 Total deductions. Add lines 12 through 26		27 1548	
28 Net income before state adjustments. Subtract line 27 from line 11 and transfer result to Side 1, line 1		28 3602	

Schedule H Dividend Income (use additional sheet(s) if necessary and attach a detailed schedule of amounts)

(a) Name of Payer	(b) Dividend Received	(c) Type of Stock Common/Preferred
		NA

Schedule L Balance Sheets	Beginning of income year		End of income year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		63597		75119
2 Trade notes and accounts receivable	367		327	
Less allowance for bad debts		367		327
3 Inventories				
4 Federal and state government obligations				
5 Other current assets (attach schedule) <i>Schedule 1</i>		1512		1018
6 Loans to stockholders/officers (attach schedule)				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9 Buildings and other fixed depreciable assets				
Less accumulated depreciation				
10 Depletable assets				
Less accumulated depletion				
11 Land (net of any amortization)				
12 Intangible assets (amortizable only)				
Less accumulated amortization				
13 Other assets (attach schedule)				
14 Total assets		65476		76464
Liabilities and Stockholders' Equity				
15 Accounts payable		4007		1277
16 Mtges., notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule) <i>Schedule 2</i>		3834		2922
18 Loans from stockholders				
19 Mtges., notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Capital stock: a Preferred stock				
b Common stock				
22 Paid-in or capital surplus (attach reconciliation)				
23 Retained earnings — Appropriated (attach schedule)		25306		37733
24 Retained earnings — Unappropriated		32329		34532
25 Less cost of treasury stock		()		()
26 Total liabilities and stockholders' equity		65476		76464

Schedule M - 1 Reconciliation of Income per Books with Income per Return

Do not complete this schedule if amount on Schedule L, line 14, column (d), is less than \$25,000.

1 Net income per books	(1621)	7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax	700	a Tax-exempt interest \$ <i>Exempt</i>	
3 Excess of capital losses over capital gains		<i>function income</i>	
4 Taxable income not recorded on books this year (itemize)		\$ 237016	63289
5 Expenses recorded on books this year not deducted in this return (itemize)		8 Deductions in this return not charged against book income this year (itemize)	
a Depreciation		a Depreciation	
b State taxes		b State tax refunds	
c Travel and entertainment \$ <i>Exempt</i>		<i>Cash to accrual Adjustment</i>	3184
<i>organization expenses \$ 237016</i>	73799	9 Total. Add line 7 and line 8	66473
6 Total. Add lines 1 through 5	70076	10 Net income per return. Subtract line 9 from line 6.	3602

Schedule M - 2 Analysis of Unappropriated Retained Earnings per Books (Schedule L, line 24)

Do not complete this schedule if amount on Schedule L, line 14, column (d), is less than \$25,000.

1 Balance at beginning of year	32329	5 Distributions: a Cash	
2 Net income per books	(4264)	b Stock	
3 Other increases (itemize)		c Property	
		6 Other decreases (itemize)	
		7 Total. Add line 5 and line 6	0
<i>Interfund transfers</i>	6167	8 Balance at end of year. Subtract line 7 from line 4.	34532
4 Total. Add lines 1 through 3	34532		

8/31/89

	INITIALS	DATE	REFERENCE
PREPARED BY			
CHECKED BY			
APPROVED BY			

FORM P-554 (GREEN) P-554-B (BUFF) (5-88)

Wilmer Service Line LITHIO IN U.S.A.

LINE No.	(1)	(2)	(3)	(4)
1	Schedule 1			
2	Schedule L, page 4, line 5, Other Current Assets			
3		Beginning	Ending	
4	prepaid Insurance	1512	1018	
5				
6				
7				
8				
9	Schedule 2			
10	Schedule L, page 4, line 17, Other Current Liabilities			
11		Beginning	Ending	
12	Income Tax payable	614	644	
13	Late Charges Due	0	55	
14	Assessment Prepaid	3220	2223	
15		3834	2922	
16				
17				
18				
19				
20	Schedule 3			
21	Schedule L, page 4, line 23, Retained Earnings - Appropriated			
22		Beginning	Ending	
23	Reserve fund for the replacement and maintenance of Common area assets	25306	63289	
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				