



Haven Management LLC

2151 Convention Center Way ~ Suite 222 ~ Ontario, California 91764

Phone (909) 937-7199 ~ Fax (909) 937-7175

November 25, 2008

Dear Jasmine Street HOA Homeowner,

The 2009 approved operating budget is enclosed. The Board of Directors has made every effort to contain operating costs but in order to maintain the common area and provide for future expenses the monthly assessment for 2009 will be raised to \$40.00. New budget year begins January 1, 2009. You will receive a coupon book in December for the 2009 assessment year for your convenience. Please send in your assessment with the monthly coupon.

Other enclosures:

- Sign up for "Flow Pass" Haven Management's Website that is designed to better serve and inform our clientele. **Go to www.HavenManagement.net.**
- The delinquency policy
- The Alternate Dispute resolution Notification { Civil Code sec. 1354 }
- The last approved balance sheet
- A summary of the last reserve study
- Reserve Funding Disclosure (CC 1365.2.5)
- Violation fine policy
- The Annual Insurance Disclosure and Declaration Page { Civil Code sec. 1365 }
- Assessment and Foreclosure Notice – effective January 1, 2003

Please note that all Architectural Changes must be submitted to the Board of Directors for approval prior to any work being done. Please contact Haven Management for the application form.

Other: Board meetings are generally held on the first Tuesday of each month starting at 7:00 p.m. located at 15180 Anacapa Rd., Victorville, CA.. No meeting is held in the month of December.. Although every effort is made to keep the time and place of these meetings consistent, please confirm with the management company if you plan on attending. Minutes, minutes proposed for adoption that are marked draft status or a summary of the minutes of any meeting of the Board, other than executive, shall be available within 30 days of meeting. Copies are available {within three business days of the request} at \$7.00 per session upon written notice accompanied by the fee submitted to the management company

Sincerely,
The Board of Directors

JASMINE STREET HOA
 BALANCE SHEET
 AS OF 09/30/2008

FILE COPY

ASSETS

UNION BANK-OPERATING	\$	<u>53,691.04</u>	
TOTAL OPERATING ASSETS	\$	53,691.04	

RESERVES

MM-CITIZEN'S BANK-RESERVES	\$	7,700.16	
----------------------------	----	----------	--

MM-MORGAN STANLEY		<u>15,078.61</u>	
TOTAL RESERVE ASSETS	\$	22,778.77	

TOTAL ASSETS			\$	76,469.81
				=====

LIABILITIES

TOTAL LIABILITIES	\$	0.00	
-------------------	----	------	--

EQUITY

CURRENT YR-GAIN/LOSS	\$	<u>9,455.13</u>	
OPERATING EQUITY	\$	9,455.13	

RESERVE EQUITY

PRIOR YEARS-EQUITY BALANCE	\$	270,608.68	
RESERVE FUNDS CURRENT YEAR	(<u>203,594.00</u>)	
TOTAL EQUITY	\$	67,014.68	

TOTAL EQUITY & LIABILITIES			\$	76,469.81
				=====

Handwritten signature

RUN DATE: 11/25/2008

JASMINE STREET HOA
ANNUAL BUDGET REPORT
FOR THE YEAR ENDING 12/31/2009

	<u>MONTHLY</u>	<u>ANNUAL</u>	<u>MONTHLY PER UNIT</u>
4110 ASSESSMENT INCOME	12,320.00	147,840.00	40.00
TOTAL REVENUE	12,320.00	147,840.00	40.00
5110 INSURANCE	680.00	8,160.00	2.20
5140 LICENSES/FEES	24.00	288.00	0.07
5150 FEDERAL INCOME TAX	70.00	840.00	0.22
5155 FRANCHISE TAX EXP	40.00	480.00	0.12
5210 ELECTRICITY	475.00	5,700.00	1.54
5230 WATER	400.00	4,800.00	1.29
5280 STREET MAINT & SWEEPING	900.00	10,800.00	2.92
5310 LANDSCAPE MAINT	875.00	10,500.00	2.84
5330 IRRIGATION REPAIRS	80.00	960.00	0.25
5360 FERTILIZATION	36.00	432.00	0.11
5370 BACKFLOW TESTING	7.00	84.00	0.02
5705 GENERAL MAINT	50.00	600.00	0.16
5720 STREET LIGHTS	600.00	7,200.00	1.94
5815 SIGNS & STREET PAINTING	250.00	3,000.00	0.81
5825 WEBSITE MAINT	100.00	1,200.00	0.32
5862 GENERAL REPAIR	200.00	2,400.00	0.64
5870 SECURITY	1,500.00	18,000.00	4.87
6110 MANAGEMENT FEES	2,190.00	26,280.00	7.11
6115 BOARD MTG EXP	50.00	600.00	0.16
6140 ACCOUNTING/TAX PREP	75.00	900.00	0.24
6141 1099 FORMS	5.00	60.00	0.01
6145 RESERVE STUDY	25.00	300.00	0.08
6150 LEGAL FEES	625.00	7,500.00	2.02
6161 POSTAGE & PRINTING	250.00	3,000.00	0.81
6500 UNCOLLECTABLE DUES	1,341.56	16,098.72	4.35
6590 STORAGE	10.00	120.00	0.03
8110 TRANSFER TO RESERVE	1,500.00	18,000.00	4.87
TOTAL EXPENSES	12,358.56	148,302.72	40.00

PER-UNIT AMOUNTS BASED ON 308 TOTAL UNITS



Haven Management LLC

2151 Convention Center Way ~ Suite 222 ~ Ontario, California 91764
Phone (909) 937-7199 ~ Fax (909) 937-7175

Dear Homeowners,

Starting in November 2008, our clients will be able to access detailed information regarding their community by signing up for Haven Management's newest online feature, "***FLOWpass***."

FLOWpass grants access to our HOA web pages aka "***FLOWpass*** Communities" that are designed and maintained solely by Haven Management LLC. ***FLOWpass*** is designed to better serve and inform our loyal clientele. These customized community pages feature community links, HOA information, architectural forms, open session meeting agendas, city information and other resources that are useful for homeowners living in communities that our firm manages, while at the same time providing information that can further develop the overall knowledge of how HOA's function.

Homeowners are able to sign up and receive open session minutes via email at no cost (this is just an option feature on ***FLOWpass***, not mandatory). Specific account information such as account balances is not available online but statements can be mailed upon request. ***FLOWpass*** sites are maintained internally by our office manager at no cost to your association; our benefit of having a web designer on staff is now a plus for your communities. ***FLOWpass*** is not part of our service contract with your community and can be changed, altered, deleted at any time.

****Please note that not all of our *FLOWpass* Community pages are ready yet but homeowners are still encouraged to sign up - you will be notified when your *FLOWpass* Community is "live." Each week a few communities will be going "live" with our entire *FLOWpass* Community pages ready in November 2008.**

To sign up for ***FLOWpass*** please visit www.HavenManagement.net and visit our ***FLOWpass*** Sign up page. A form is available for you to submit your information and after review (within 2-3 business days) your ***FLOWpass*** access code will be mailed to you along with our *Email Consent Form* which must be signed and returned back to our office before you are eligible to receive the open session board meeting minutes via email.

Thank you for visiting our website and signing up for ***FLOWpass***, Haven Management's newest feature available at no cost to your association...*bringing community and management together.*

Damen Perry
Office Manager/Director of Marketing
c/o Haven Management LLC

www.HavenManagement.net

NOTICE: ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners' of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in the notice applies only to liens on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND NONJUDICIAL FORECLOSURE

The failure to pay association assessments may result in the loss of an owner's property without court action, often referred to as nonjudicial foreclosure. When using nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the lien is not paid. Assessments become delinquent 15 days after they are due, unless the governing documents of the association provide for a longer time. (Sections 1366 and 1367.1 of the Civil Code)

In a nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this (Section 1366 and 1367.1 of the Civil Code)

The association must comply with the requirements of Section 1367.1 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 1367.1 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail. Among these documents, the association must send a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 1367.1 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and provide an owner certain documents in this regard. (Section 1367.1 of the Civil Code) The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, he or she may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform the owner's of a mailing address for overnight payments. (Section 1367.1 and 1367.1 of the Civil Code)

An owner may dispute an assessment debt by giving the board of the association a written explanation, and the board must respond within 15 days if certain conditions are met. An owner may pay assessments that are in dispute in full under protest, and then request alternative dispute resolution. (Section 1366.3 and 1367.1 of the Civil Code)

An owner is not liable for charges, interest, and costs of collections, if it is established that the assessment was paid properly on time. (Section 1367.7 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. (Section 1367.1 of the Civil Code)

The board of the directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 1367.1 of the Civil Code)

Jasmine Street Homeowners Association
Calculation of Percent Funded
Sorted by Remaining Life

	Remaining Life	Useful Life	Current Cost	Theoretically Ideal Balance
Grounds - Mailbox Posts	0	15	\$16,640.00	\$16,640.00
Landscape - Flood Wash (Contingency)	n.a.	n.a.	\$0.00	\$15,000.00
Landscape - Irrigation Controllers	0	12	\$3,000.00	\$3,000.00
Painting - Mailbox Posts	0	4	\$2,500.00	\$2,500.00
Streets - Asphalt (Repairs)	0	5	\$16,102.14	\$16,102.14
Streets - Asphalt (Seal Coat)	0	5	\$21,125.25	\$21,125.25
Grounds - Basketball Backboards	2	16	\$950.00	\$829.37
Grounds - Basketball Court (Resurface)	4	5	\$1,232.00	\$116.23
Grounds - Tennis Courts (Resurface)	5	6	\$6,912.00	\$722.15
Lighting - Exterior	6	22	\$25,875.00	\$18,818.18
Streets - Asphalt (Overlay)	6	22	\$247,604.00	\$180,075.64
Fencing - Chain Link (Tennis Courts)	8	25	\$11,232.94	\$7,638.40
Fencing - Chain Link (Power Lines)	9	25	\$6,896.40	\$4,413.70
Fencing - Chain Link (Basketball Court)	11	25	\$5,910.68	\$3,283.71
Grounds - Site Furnishings	11	15	\$3,315.00	\$884.00
Fencing - Chain Link (Entry)	12	25	\$7,410.00	\$3,853.20
Contingency	n.a.	n.a.	n.a.	\$8,850.06
Total	0 - 12	4 - 25	\$376,705.41	\$303,852.03
Anticipated Reserve Balance				\$156,346.36
Percent Funded				51.45%

Jasmine Street Homeowners LANDSCAPE SPECIFICATIONS

- (A) MOWING
 - Cool season grass [fescues such as marathon turf grass] 2-1/2 to 1-1/2 inches.
 - Warm season grass [such as Bermuda] ½ to 1-1/2 inches.
- (B) WEED CONTROL
 - Two to three applications of pre-emergent herbicides in the late winter and early spring are needed.
 - Blanket post herbicides are required at least 2 to 3 times per year.
 - Tree wells, shrub ground cover and flower beds should be kept free of weeds at all times.
 - Most weeds will out compete your desirable plant material if not quickly controlled. This will require replacement of plant material if allowed to continue.
- (C) INSECT & DISEASE CONTROL
 - Treat as needed when symptoms arise
- (D) TREES & SHRUBS
 - Trimming and pruning should ideally correspond to the natural development of the plant and not poodling
 - Trees are to be trimmed back from sidewalk and street to allow the flow of traffic.
 - The Association will not adjudicate tree issues between neighbors.

For Dormant Plants. Such as Bermuda Grass, the Association will not take action against between November 1 until March 31st as long as such material is properly trimmed and mowed.

Xeriscape Landscaping

Landscaping typically consumes up to 60% of the average homeowner's water bill. To conserve water in a desert climate, consider a **xeriscape**. This is a type of landscaping that conserves water by incorporating low water demanding vegetation with efficient irrigation techniques. Xeriscape Landscaping is an acceptable alternative to putting in a lawn in your front yard.

If you choose Xeriscape Landscaping, no more than 15% of your front yard can be weed free dirt. The remainder must be plant material or a weed free rock material in harmonious color with your home and the surrounding properties. The City Of Victorville is an excellent resource for plant material and design. You may refer to their website, www.ci.victorville.ca.us for concepts and water rebate programs available.

**JASMINE STREET HOA
ASSESSMENT PRACTICES AND POLICIES
DELIQUENCY & COLLECTION POLICY**

Prompt payment of Assessments by all owners is critical to the financial health of the Association and to the enhancement of the property values of our homes. Your board of Directors takes very seriously its obligation under the Declaration of Covenants, Conditions and Restrictions (CC&R's) and the California Civil Code to enforce the members' obligation to pay assessments. The policies and practices outlined shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board of Directors. Therefore, pursuant to the CC&R's and Civil Code Section 1365 (d), the following are the Association's assessment practices and policies:

1. Assessments, late charges, interest and collection costs, including any attorney's fees, are the personal obligation of the owner of the property at the time the assessment or other sums are levied (Civil Code Section 1367(a); Civil Code Section 1367.1(a)).
2. Regular monthly assessments are due and payable on the first day of each month. As a courtesy a coupon book is sent annually to the billing address on record with the Association. **However, it is the owner of record's responsibility to pay each assessment in full each month regardless of whether coupon booklet is received.** All other assessments, including special assessments, are due and payable on the date specified by the Board on the Notice of Assessment which date will not be less than thirty (30) days after the date of notice of the special assessment.
3. Any payments made shall be first applied to assessments owed, and only after the assessments owed are paid in full, shall such payments be applied to late charges, interest, and collection expenses, including attorney's fees, unless the owner and the Association enter into an agreement providing for payments to be applied in a different manner.
4. Assessments not received within thirty (30) days of the stated due date are delinquent and shall be subject to a late charge of \$10.00 for each delinquent assessment per unit.
5. An interest charge at the rate of 10% per annum will be assessed against any outstanding balance, including delinquent assessments, late charges, and cost of collection, which may include attorney's fees. Such interest charges shall accrue thirty (30) days after the assessment becomes due and shall continue to be assessed each month until the account is brought current.
6. If a special assessment is payable in installments and an installment payment of that special assessment is delinquent for more than thirty (30) days, all installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to a late charge and interest as provided above.

7. A first notice of past due assessment (“letter”) will be prepared and mailed once an assessment becomes delinquent. Haven Management, LLC will charge the following fees: A ten dollar (\$10.00) charge for the late letter will be made against the delinquent member’s account. If the account becomes sixty (60) days delinquent an “intent to lien” letter will be sent to the delinquent owner. There is an additional eighty-five dollar (\$85.00) charge, which will be added to the delinquent owner’s account. At ninety (90) days delinquent, the property is subject to a lien and a “notice of assignment to attorney” letter will be sent to the delinquent owner. There will be a thirty-five dollar (\$35.00) administrative fee, which will be added to the delinquent owner’s account. If the account is not brought current within the time specified in the letter, the account will be turned over to an attorney for the filling of a lien, notice of default and to commence foreclosure. There will be a sixty-five dollar (\$65.00) charge, which will be added to the delinquent owner’s account for the paperwork involved when the account is assigned to a collection agency.
8. If an account becomes sixty (60) days delinquent, the Association will send a pre-lien letter to the owner as required by Civil Code Section 1367.1(a), by certified and first class mail, to the owner’s mailing address of record advising of the delinquent status of the account and impending collection action. The owner will be charged an eighty-five dollar (\$85.00) fee for the pre-lien letter.
9. If an owner fails to pay the amounts set forth in the pre-lien letter within thirty (30) days of the date of that letter, the Association will have recorded a lien for the amount of any delinquent assessments, late charges, interest and/or costs of collection, including attorney’s fees against the owner’s property. The owner will be charged for the fees and costs of preparing and recording the lien. Thirty (30) days following recordation of the lien, the lien may be enforced in any manner permitted by law, including, without limitation, judicial or non-judicial foreclosure (Civil Code Section 1357(e); Civil Code Section 1367.1(g)).
10. If an owner within thirty (30) days from the date of recordation of the lien, pays to the Association, under protest, all amounts required by Civil Code Section 1366.3 (the amount of assessments, late charges, interest, all fees and costs to date of preparing and filing the lien, including attorney’s fees, not to exceed the statutory allowance), the owner may request resolution of the assessment dispute by Alternative Dispute Resolution as outlined in Civil Code Section 1354, by civil action, or by other procedures available through the Association.
11. An owner is entitled to inspect the Association’s Accounting books and records to verify the amounts owed pursuant to Corporations Code Section 8333.
12. In the event it is determined that the owner has paid the assessments on time, the owner will not be liable to pay the charges, interests, and costs of collection associated with collection of those assessments.

13. Any owner who is unable to pay assessments will be entitled to make a written request for a payment plan to be considered by the Board of Directors. An owner may also request to meet with the Board in executive session to discuss a payment plan. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. All payment plans will be administered by the Association counsel and a lien will be placed to protect the Association's interests.
14. Nothing herein limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent sums owed to the Association.
15. Prior to the release of a lien, or dismissal of any legal action, all assessments, late charges, interest, and costs of collection, including attorney's fees, must be paid in full to the Association.
16. All charges listed herein are subject to change upon (30) days prior written notice.

Policy sent out _____

Adopted _____



President	Chery Cooper
Vice President	Eric Saliba
Secretary/Asst Treasurer	Dennis Morris
Treasurer	Samuel Candelaria
Member	Mark Fine

NEIGHBOR-TO-NEIGHBOR DISPUTE POLICY

Adopted October 3, 2006

The Board of Directors of the Jasmine Street Homeowners Association duly adopted this Neighbor-to-Neighbor Dispute Policy on October 3, 2006. Nothing herein is to be construed as an attempt to relieve the Association or the Board of Directors from any of its duties under the Declaration of Covenants, Conditions and Restrictions for the Jasmine Street Homeowners Association or any other Governing Documents of the Association. **NOTE:** This Policy only establishes a prerequisite to Association involvement in certain, limited, "neighbor to neighbor" disputes.

A. DEFINITIONS

1. "Neighbor to Neighbor Dispute" shall mean a dispute or complaint (s) lodged by one Lot Owner against another Lot Owner which, in the Board's sole discretion, does not impact the Common Area (example include, but are not limited to, parking, noise, animals).
2. "ADR", shall mean Alternative Dispute Resolution: specifically, mediation or arbitration.
3. "Written Certification" shall mean a letter signed by the disputing parties, certifying that one party requested the other party to submit the dispute to ADR and, either ADR was completed or the other party refused to submit the dispute to ADR.

B. POLICY TERMS

1. When a dispute or complaint is brought to the attention of the Board regarding interpretation of rights under, or enforcement of, the governing documents, the Board shall, at its next scheduled meeting, discuss the complaint or dispute and make a reasonable business judgment decision based upon the particular facts as to whether or not it constitutes a Neighbor to Neighbor Dispute.
2. If the Board finds that the complaint or dispute constitutes a Neighbor-to-Neighbor Dispute, it shall notify the parties of the Neighbor to Neighbor Dispute of its decision.
3. The parties to the Neighbor-to-Neighbor Dispute shall be required to use best efforts to submit their dispute to either the applicable governmental agency or ADR prior to seeking association involvement in resolving the dispute. For ADR, this may be accomplished by complaining party serving the other (responding) party(ies) with a Request for Resolution in accordance with California Civil Code Section 1354.
4. Upon receiving Written Certification that the parties first attempted to resolve the Neighbor to Neighbor Dispute by contacting the applicable government agency and /or through ADR, the Board shall determine whether a violation of the Declaration or governing documents exists which requires Association action, whether Association enforcement is required under the particular circumstances and, if so, the action to be taken in accordance with Association Notice and Hearing procedures.

**THIS POLICY SHALL NOT BE APPLICABLE TO ANY COMPLAINTS
OTHER THAN NEIGHBOR-TO-NEIGHBOR DISPUTES.**

000081

State Farm General Insurance Company

900 Old River Rd
Bakersfield, CA 93311-6000

AT1 002507 U-23- 8815-F420 V 3 F

JASMINE STREET HOA
ATTN HAVEN MANAGEMENT INC
STE 222
2151 E CONVENTION CENTER WAY
ONTARIO CA 91764-5496

RECEIVED

BY:

Location: JASMINE STREET PROPERTIES
VICTORVILLE CA
92392

Forms, Options, and Endorsements

Special Form 3	FP-6149
Dir & Officers	OPT DO
Emp Dishonesty \$50,000	OPT ED
Amendatory Endorsement	FE-6205
Debris Removal Endorsement	FE-6451
Policy Endorsement	FE-6506.2
Policy Endorsement - Condo/Asn	FE-6466
Developer/Sponsor Exclusion	FE-6384
Glass Deductible - Section I	FE-6538.1
Policy Endorsement	FE-6567
Amendatory Collapse	FE-6551
Policy Endorsement-Condo/Asn	FE-6624

Continued on next page

RENEWAL CERTIFICATE

POLICY NUMBER	92-65-6667-7
Condominium Policy SEP 01 2008 to SEP 01 2009	
DATE DUE	SEE BALANCE DUE NOTICE
SEP 01 2008	\$7,008.00

Coverages and Limits

Section I

A Buildings	\$73,700
B Business Personal Property	Excluded
Auxiliary Structures (Cov A) and Basic Liability	73,700

Deductibles - Section I

Basic	1,000
Other deductibles may apply - refer to policy	

Section II

L Business Liability (INCR LIAB)	\$3,000,000
M Medical Payments	5,000
Gen Aggregate (Other than PCO)	6,000,000
Products-Completed Operations (PCO Aggregate)	6,000,000

Forms, Opts, & Endrmsmt	2,670.00
Bus Liability - Cov L	1,232.00
Auxiliary Structures	3,106.00
Amount Due	\$7,008.00

Premium Reductions

Renewal Year Discount
Claim Record Discount

Inflation Coverage Index: 196.1

NOTICE: Information concerning changes in your policy language is included. Please call your agent if you have any questions.

138-3076 (1.7 Rev. 11-14-2005 (01130896))

Thanks for letting us serve you...

Agent DAN MARSH
Telephone (909) 608-7000

*If you have moved, please contact your agent.
See reverse side for important information.*

REB

Prepared JUN 24 2008

State Farm General Insurance Company

900 Old River Rd
Bakersfield, CA 93311-6000

U-23- 8815-F420 V 3 F

002507

JASMINE STREET HOA
ATTN HAVEN MANAGEMENT INC
STE 222
2151 E CONVENTION CENTER WAY
ONTARIO CA 91764-5496

RENEWAL CERTIFICATE SUPPLEMENTAL PAGE

POLICY NUMBER	92-65-6667-7
Condominium Policy SEP 01 2008 to SEP 01 2009	
DATE DUE	SEE BALANCE DUE NOTICE
CONTINUED	

Forms, Options, and Endorsements

Registered Domestic Partnership	FE-5383
Inc Cost and Demolition Cov	FE-6587
Additional Insured	FE-6320
Dist Mat Violat Statues Excl	FE-6655
Policy Endorsement	FE-6656
Terrorism Insurance Cov Notice	* FE-6999.1

*Effective: SEP 01 2008

**Jasmine Street Homeowners Association
Assessment and Reserve Funding Disclosure Summary
("Disclosure Summary")**

The notes at the end of this Disclosure Summary should be read in conjunction with the information provided.

(1) The current assessment for the 2006 fiscal year per unit is **\$30.00** per month.

Note: If assessments vary by the size or type of unit, the assessment applicable to this unit may be found on page ____ of the attached report.

(2) Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the association's Board of Directors (the "Board") and/or members:

Date assessment is due:	Amount per unit per month (If assessments are variable, see note immediately below):	Purpose of the assessment:
None.		

Total: _____

Note: If assessments vary by the size or type of unit, the assessment applicable to this unit may be found on page ____ of the attached report.

(3) Based upon the most recent reserve study, dated May 2, 2005, and other information available to the Board, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes X No _____

(4) If the answer to #3 is "no", what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years?

Approximate date assessment will be due:	Amount per unit per month:
N.A.	

Total: _____

Executive Summary
Directed Cash Flow Calculation Method

Client Information:

Account Number	05167
Version Number	1
Analysis Date	05/02/2005
Fiscal Year	1/1/2006 to 12/31/2006
Number of Units	308
Phasing	10 of 10

Global Parameters:

Inflation Rate	2.00 %
Annual Contribution Increase	2.00 %
Investment Rate	1.75 %
Taxes on Investments	30.00 %
Contingency	3.00 %

Community Profile:

For budgeting purposes, unless otherwise indicated, we have used the following placed-in-service dates for these phases of the community:

Phase 1 (DRE phases 1-3).....January 1989
 Phase 2 (DRE phases 4-6).....January 1990
 Phase 3 (DRE phases 7-10).....January 1991

ARS site inspections: April 21, 2005, July 22, 2002, and June 1, 1998.

Adequacy of Reserves as of January 1, 2006:

Anticipated Reserve Balance	\$158,346.38
Theoretically Ideal Reserve Balance	\$303,852.01
Percent Funded	51.45%

Recommended Funding for the 2006 Fiscal Year:

	Monthly	Per Unit
Member Contribution	\$2,808.33	\$9.12
Interest Contribution	\$115.38	\$0.37
Total Contribution	\$2,923.71	\$9.49

A Neighboring Place to Live.

RULES & REGULATIONS

(Approved in principle 11/22/05 for member review.)
Adopted January 24, 2006

Table of Contents

Article I	Purpose	2
Article II	Definitions.....	2
Article III	Owners, Residents, Guests and Tenants	2
Article IV	Ignorance of These Rules	2
Article V	Management Company	2
Article VI	Complaints	3
Article VII	Live In Harmony	3
Article VIII	Payment of Fees & Costs	3
Article IX	Owner's Responsibility	3
Article X	Dues & Assessments	3
Article XI	Architectural Restrictions	3
Article XII	Violation Procedure	4
Article XIII	Fine Schedule.....	5
Article XIV	Compliance with CC&Rs	5
Article XV	Pets	5
Article XVI	Vandalism	6
Article XVII	Use of Common Area	6
Article XVIII	Tennis Court Rules.....	6
Article XIX	Refuse & Recyclable Materials Containers.....	6
Article XX	Motor Vehicles; Parking.....	7
Article XXI	Contact Information	7

Article I. Purpose

These Rules & Regulations supercede any prior Rules. The purpose and effect of these Rules is to assist and guide all Owners, Residents, and Tenants of Jasmine Street Homeowners Association (JSHOA) and their Guests. In the event of a conflict between these Rules & Regulations and the Bylaws and CC&Rs (Covenants, Conditions & Restrictions), the Bylaws and CC&Rs shall apply. These Rules & Regulations do not supercede or change the Bylaws or CC&Rs in any manner, but they are fully enforceable under the law. The primary purposes of the Rules & Regulations are to:

- Preserve the enjoyment of living in our JSHOA Community;
- Maintain the attractiveness of our JSHOA community;
- Protect and increase the value of the Owner's property.

Article II. Definitions

Board Member: A duly elected or appointed member of the Board of Directors of the corporation known as Jasmine Street Homeowners Association.

Common Area: The common area consists of the tennis courts, basketball court, surrounding grounds and parking lots, streets and sidewalks, curbs, the wash, bridge, and all other Association property held in common by the owners through the Association.

Guest: A person who does not reside in a property located in the JSHOA Community but who is a Guest of an Owner or Resident.

Owner: The owner(s) of record of a property within the community known as JSHOA and governed by a community association named Jasmine Street Homeowners Association.

Member: The owner(s) of record of each property is/are considered one member, regardless of the number of owners of record of a single property. One vote per property is permitted. If a member owns more than one Lot within the Association, he or she is entitled to one vote for each property owned.

Resident: A person who resides in a property subject to the governing documents of the corporation known as Jasmine Street Homeowners

Association. Any violation by a Resident shall be deemed a violation by the Owner. A Tenant is considered a Resident.

Tenant: A person or persons who leases or rents a home or portion thereof from an Owner. Tenants may use the common areas. The Owner remains liable for any damages caused by a Tenant and for any violation by a Tenant of these Rules & Regulations.

Article III. Owners, Residents, Guests & Tenants

These Rules & Regulations are intended to protect your rights and property values as an Owner as well as to promote the well-being and enjoyment of your home and neighborhood. All Owners are responsible for all actions by their family members, Guests, Residents, or Tenants. A violation by any Guest, Resident or Tenant is deemed to be a violation by the Owner, subjecting the Owner to enforcement actions, including assessment of fines. It is the Owner's responsibility to inform Guests, Residents, and Tenants of the Rules & Regulations and to ensure compliance. Owners are encouraged to provide a copy of these Rules to Tenants.

Article IV. Ignorance of These Rules

Ignorance of these rules is no excuse. It is the Owner's responsibility to read and understand these Rules & Regulations and to ensure that the Owner's Guests are aware of and abide by these Rules & Regulations. If you do not understand something, it is your responsibility to seek clarification from the Management Company. To remain fully informed, Owners are encouraged to attend meetings of the Board of Directors, examine your billing statements for important messages, and to read the periodic newsletters.

Article V. Management Company

JSHOA uses a Management Company to handle administrative matters. The name and address of the Management Company is on your billing statement. The Management Company is best equipped to handle questions and problems that you may have and should be contacted for any assistance that you require. Questions regarding specific application of these Rules & Regulations shall be directed to the Management Company. Include your name, property address, mailing address (if different), e-mail address if you have one, and work and home phone numbers. If Board action is needed regarding your request and a

regularly scheduled meeting is not scheduled within thirty days of the request, the Board may elect to schedule a meeting for the purpose of hearing the Owner's questions.

Article VI. Complaints

All complaints should be submitted in writing to the Management Company. All complaints about rule violations shall be kept confidential. Please make sure that any complaints or other correspondence is legible. It is important for proper procedures to be followed regarding complaints and this requires written documentation. Any unsigned correspondence will be ignored. If you feel something is important enough to complain about, please do so in writing, and include your name, address, and signature. Owners are encouraged to attend meetings of the Board of Directors to provide input on issues of concern to the owner.

Article VII. Live in Harmony

Residents shall exercise discretion, consideration, and common sense in all of their activities, so as not to disturb or impose upon the enjoyment of other Residents. Disorderly conduct, loud music or other sounds coming from a residence which disturbs the quiet enjoyment of other residents' homes are prohibited at all hours.

The following are also prohibited:

1. Excessive noise from any resident at any time which disturbs neighboring residents.
2. Disorderly conduct and/or loud or offensive noises or language in the common areas.
3. Activity which endangers life or property.
4. Commercial activity except as provided in the CC&Rs
5. Off-road vehicles, "go-karts," "pocket motorcycles."
6. Playing in or using the flood water drainage ditch areas and/or any easements.

Article VIII. Payment of Fees & Costs

California Civil Code provides that an association has the power to impose a monetary penalty on any association member for a violation of the governing

documents or rules of the association. Should a successful legal action be brought by the Association against a homeowner who has violated the provisions of the governing documents, the homeowner will be required by the court to pay attorney fees and costs.

Article IX. Owner's Responsibility

It is the sole responsibility of the Owner to inform Residents, Tenants and Guests of all Rules & Regulations and to ensure compliance. It is the duty of the homeowner to provide tenants with copies of the CC&Rs and all Rules and Regulations. The Owner is responsible for any and all damages or violation(s) caused by their Residents, Tenants or Guests. Any owners leasing or renting their Lot shall promptly notify the Association in writing of the names of all tenants and members of the tenant's family occupying such Lot, provide the make, model and license number of all residents' vehicles, a telephone number for the tenant, keep all information current, and provide the Association with a complete copy of the lease or rental agreement and any other information reasonably needed and requested by the Association. Any owners leasing or renting their Lot shall promptly notify the Association of the address and telephone number where such Owner can be reached.

Article X. Dues & Assessments

Please refer to the Association's Assessment Collection Policy. A copy may be obtained from the Management Company.

Article XI. Architectural Restrictions

Owners shall comply with the architectural control provisions of the CC&Rs.

1. Any proposed alteration, modification or addition to the exterior of a residence must be approved by the Architectural Review Committee (ARC), a committee constituted by the Board of Directors. A request to make any change must be in writing on the form approved for this purpose. Forms may be obtained from the management company. It is strongly recommended that owners DO NOT proceed, incur costs, or make financial commitments until approval is granted. The Association must respond to an architectural application and/or a request for reconsideration within thirty days of receipt.

All decisions on an architectural application will be made in a good faith manner, in writing, and if a request is denied, the denial will include a description of why the application was disapproved and the process for seeking reconsideration by the Board of Directors or the ARC.

The owner requesting an architectural change may appeal the decision of the ARC at an open meeting of the Board of Directors unless the denial was by the Board of Directors or a body that has the same membership as the Board of Directors.

2. No outbuilding, basement, shack, shed, or other temporary building or improvement of any kind shall be placed upon any portion of the properties, whether temporary or permanent. EXCEPTION: commercially available storage sheds may be erected on an Owner's property, provided that the shed:
 - a. is not placed in the property's side yard,
 - b. is not visible from the street looking through the side yard to the rear of the property, and
 - c. height is no greater than 12 inches higher than the existing fence or wall. No fence or wall may be modified to increase its height so as to purport to enable the placement of a taller shed.
3. No garage, trailer, camper, motorhome or recreational vehicle shall be used as a residence in the Properties, either temporarily or permanently.
4. No radio or shortwave station nor exterior radio or CB antennas of any kind shall be operated from any lot or dwelling.
5. No fence or wall shall be erected, altered, or maintained on any Lot in the Properties without prior approval of the ARC.
6. There shall be no interference with the established drainage pattern over any Lot within the Properties, unless an adequate alternative provision is made for proper drainage and is approved in advance by the ARC. All slopes or terraces on any Lot shall be maintained as provided thereon at the time such Lot is initially conveyed to a purchaser so as to prevent any erosion thereof upon adjacent streets or adjoining properties.

Article XII. Violation Procedure

The following procedure will apply to all violations of the governing documents, including the Bylaws, CC&Rs, or Rules & Regulations. Owners may report violations to the Management Company by submitting a **written notice** describing the violation. The Management Company, or committee appointed by the Board, may also note any violations discovered during walk-throughs or by personal knowledge of any of its members or representatives. At the time a violation is noted or reported, action will be taken as follows:

The Board shall cause written notice of the violation to be given to the Owner. The notice will contain a description of the violation, instructions regarding response to the notice and correction of the violation.

If the violation continues or is repeated, the Board shall cause a second notice of the violation to be given to the Owner. The notice shall specify a date not less than fifteen (15) days after the date of the notice for a hearing before the Board. The hearing will be held in executive session if requested by the Owner, and the Owner will be allowed to attend the hearing.

At the hearing, the Board shall allow the Owner to present evidence and testimony as reasonable under the circumstances. If the Board concludes that the alleged violation occurred, the Board may do any or all of the following: impose monetary penalties, temporarily suspend voting and common area privileges for a period not to exceed thirty (30) days, or take any other disciplinary action permitted by the Governing Documents. However, no suspension imposed by the Board shall take effect sooner than five (5) days after the date of the hearing. The Board shall notify the Owner of any disciplinary action taken within fifteen (15) days of its decision.

If the violation continues, the Board may impose continuing fines and/or suspensions until such time as the matter is satisfactorily resolved.

If the violation continues, or is repeated, the Board may also refer the matter to the Association's legal counsel. If required by Civil Code §1369.510, et seq., alternative dispute resolution will be offered. Prior to filing suit to enforce any provisions of the governing documents, the Association or any homeowner may start an action by service of a Request for Resolution on the other party that

includes the following:

- (a) A brief description of the dispute.
- (b) A Request for Alternative Dispute Resolution.
- (c) Notification that the other party has 30 days to respond or the request is deemed rejected.
- (d) A copy of the application statutes.

If the other party agrees to Mediation, then it must be scheduled within 90 days, a mediator must be selected, and each side must bear their own costs of attorneys and the mediator.

If a lawsuit is filed, the Owner may be liable for the Association's legal costs and fees.

Notwithstanding the foregoing, under circumstances involving conduct that constitutes

- (a) an immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of neighboring owners,
- (b) a traffic or fire hazard,
- (c) a threat of material damage to, or destruction of, the common area, or
- (d) a violation of the governing documents that is of such a nature that there is no material question regarding the identity of the violator or whether a violation has occurred (i.e., parking violations),

the Board or its agents may undertake immediate corrective or disciplinary action and conduct a hearing as soon thereafter as reasonably possible, if either (1) requested by the offending owner within five (5) days following the Association's actions or (2) on its own initiative.

Article XIII. Fine Schedule

The Association has no practical way of assuring compliance with the Rules & Regulations other than through the assessment of penalty fines. Prior to imposition of a fine, the Association will hold a hearing. Notice of the hearing will be sent by U. S. mail, at least 10 days prior to the proposed hearing date, to the owner's address of record on file with the Association and/or its agent. The Association may levy a fine against any Owner as a penalty for noncompliance with the governing documents, including these Rules & Regulations. A recurring offense is one that, after correction, is repeated. A continuing offense is one that continues without correction after notice to correct, e.g., an unauthorized architectural change.

First offense	Warning letter (see Art. XII)
Second offense	\$ 25 per offense
Third offense	\$ 50 per offense
Recurring offenses	\$100 per month for every month, or portion thereof, that the recurring offense continues
Continuing offenses	\$ 25 per day
Architectural offenses	\$100 per day

Article XIV. Compliance with CC&Rs

Any alleged violation of the CC&Rs, these Rules & Regulations, or any other governing documents, shall be reported to the Management Company which shall investigate and report its findings to the Board of Directors. If the Board concurs that a violation exists or is likely to exist, the Board shall authorize the Management Company to send notice to the violating Owner by first class mail to remedy the violation within a specified period of time. If the Owner fails or refuses to remedy the violation, the Owner shall be subject to fine(s) in accordance with the Schedule of Fines set forth herein.

Article XV. Pets

1. Residents are responsible for their pets. All pet owners must comply with City, County and State laws or regulations controlling health, number, and licensing of pets.
2. Barking or Menacing - Owners and/or Residents shall not allow a dog to bark, whine or howl in an excessive or continuous manner. Owners shall not allow any animal kept on their premises to engage in conduct that disturbs, or causes, or threatens to cause, bodily harm to any other person.
3. Running Loose - Owners and/or Residents shall keep animals in an enclosed yard unless on a leash held by a person capable of controlling the animal. Loose animals will be reported to the Animal Control department.
4. Defecation - Residents shall immediately clean up any feces deposited by Resident's dog(s) on any property, including common area, within the JSHOA. Residents shall, at least daily, clean any animal feces deposited in their own yards.

Article XVI. Vandalism

1. Acts of vandalism to JSHOA property shall be immediately reported to the Victorville Police Department and to the Management Company.
2. Any vandalism resulting from an act of an Owner, Resident, or Guest, shall be deemed a violation of these Rules & Regulations, the procedures outlined herein shall apply, and the cost of the damages shall be assessed to the responsible Owner.
3. Vandalism against Association property or the common area caused by non-resident uninvited persons will be prosecuted to the fullest extent of the law.

Article XVII. Use of Common Area

1. Hours of Use: 7 a.m. to 9 p.m.
2. Assumption of Risk. Owners, Residents and Guests using the common area do so at their own peril and the Association is not liable for any injury that may occur.
3. Persons using the Common Area shall clean up all litter resulting from their use.
4. Any damages resulting from use of the Common Area by an Owner, Resident or Guest, shall be assessed to the account of the Owner.
5. Wheeled toys or vehicles of any kind, including bicycles, rollerblades, roller skates, skateboards, and scooters shall not be ridden on the Tennis Court, Basketball Court, or landscaped common areas. Any damage caused by these activities shall be repaired at the expense of the Owner responsible for the damage.
6. The following are NOT permitted in any common area: open fires (except barbeques), illegal fireworks, firearms of any type (including BB guns).

Article XVIII. Tennis Court Rules

1. The tennis courts are for the exclusive use of Owners, Residents, and Guests. An Owner must accompany a Guest user at all times.
2. The tennis courts shall not be used for sports or

functions without written permission of the Management Company, which shall consult with the Board of Directors on a case-by-case basis. The Board of Directors shall not unreasonably withhold permission if the event is compatible with protection of the tennis court surface and equipment.

3. Tennis shoes shall be worn at all times. No black-soled tennis shoes (unless the non-marking type) or hard-soled shoes are allowed on the tennis court.
4. The tennis court has a special surface that could be damaged. If this surface is damaged, the cost to refinish the surface shall be assessed to the Owner responsible. The following are not permitted on the tennis courts:
 - a. Food or drinks, other than water or sport drinks.
 - b. Pets.
 - c. Skates, skateboards, rollerblades, bicycles, scooters, or any wheeled toy or vehicle.
5. If the tennis court is in use and others want to play, playtime shall be limited to one hour.
6. Any tournament shall be approved in advance by the Board of Directors.
7. A key to the tennis court may be obtained from the Management Company upon payment of a deposit. The key is for the use of the Owner or Resident only and shall not be duplicated or lent to anyone.

Article XIX. Refuse & Recyclable Materials Containers

Trash, litter, and other debris may not be permitted to accumulate on the properties.

Refuse and recyclable materials containers shall be placed at the street, not blocking access to mailboxes, no sooner than sundown of the day prior to scheduled collection, and shall be removed no later than sundown of the day of scheduled collection.

Article XX. Motor Vehicles; Parking

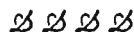
1. All streets in the community are considered fire and emergency access roads. Vehicles may not be parked so as to obstruct access by emergency or fire apparatus. No vehicles may

be parked in such a manner as to obstruct access to any home or driveway. Double parking is not permitted.

2. Vehicles parked at the curb must face in the direction of traffic for side of the street on which the vehicle is parked.
3. The speed limit in the community is 15 miles per hour. All traffic control signs must be obeyed.
4. Vehicle painting, body work, major mechanical overhaul or repairs are prohibited.
5. Commercial trucks or vehicles in excess of ¾ ton are prohibited.
6. No vehicle may be parked within 15 feet of a residential mailbox at any time.
7. No trailer, boat trailer or other type of RV that is unattached to a towing vehicle may be parked in the properties at any time. Recreational vehicles may be parked a sufficient amount of time to load or unload, not to exceed twelve (12) hours. Violations of this rule may result in the vehicle being towed and/or the imposition of fines in accordance with these rules and regulations.
8. Parking is not permitted in designated "No Parking" areas or red-curbed areas.
9. Parking on the street is not permitted on street sweeping day during the time periods as set by the Board of Directors.

Article XXI. Contact Information

All contact with the Association is to be through the Management Company.



Index

Architectural Restrictions 3
 Complaints 3
 Compliance with CC&Rs 5
 Contact Information 7
 Definitions 2
 Dues & Assessments 3
 Fine Schedule 5
 Ignorance of These Rules 2
 Live In Harmony 3
 Management Company 2
 Motor Vehicles; Parking 7
 Owner's Responsibility 3
 Owners, Residents, Guests and Tenants 2
 Payment of Fees & Costs 3
 Pets 5
 Purpose 2
 Refuse & Recyclable Materials Containers 6
 Tennis Court Rules 6
 Use of Common Area 6
 Vandalism 6
 Violation Procedure 4