

Our Surfcrest Community offers all the amenities of the Southern California beach lifestyle and we, the Directors of the Surfcrest Corporation, hope that you will enjoy everything about your ownership here. Living in a planned community made up of many diverse individuals necessitates a willingness and commitment to conform our individual lifestyles to this type of community. We all have an obligation to respect our neighbors' rights and to try to live harmoniously in our community. Another important aspect of living in such a community is to respect each homeowner's property and to maintain our community in a way that ensures its physical integrity and beauty and that will in turn minimize the cost of maintenance of common areas and insure the optimum value of our homes.

This version, effective March 2023, supersedes all previous versions of the Surfcrest One, Inc. Rules, Regulations, Policies, and Procedure's booklet.

The Board of Directors of Surfcrest One, Inc.

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SURFCREST ONE, INC.
Rules, Regulations, Policies, Procedures
(Adopted 03/23/2023)

Architectural and Appearance Control

1. All exterior alterations, additions, or changes to any structure or to the landscape of any lot must be submitted to the Board of Directors for approval prior to any installation or commencement of construction. (Architectural Standards page 2)
2. No owner shall affix anything to or otherwise modify the surfaces of the balcony or deck without the prior approval of the Architectural Committee. (CC&R's, Article XIV, Section 3)
3. No hard surfaces of patios may be altered or cut into except for repairs. Nor shall any owners affix anything to any patio wall, fence, or railing. (CC&R's, Article XV, Section 1&3)
4. Plant material must be placed in decorative pots. (Architectural Standards 3 & 4) Empty pots and dead plants should be removed or stored away.
5. Planter Boxes – Planters must be free standing allowing a minimum horizontal air gap to existing stucco patio and/or residential walls. No dirt or soil shall be placed against fences, walls or living unit exterior walls. (Architectural Standards 4, #4)
6. No screens, sunshades, awnings, or athletic equipment shall be installed on any residential building. (CC&R's, Article VII, Section 7)
7. Outdoor furniture shall be complimentary to the exterior color scheme of the buildings. Furniture in a state of disrepair, (i.e., torn cushions, rusting frames, faded or torn umbrellas) is specifically prohibited. (Architectural Standards page 5)
8. Window tinting requests will be considered by the Board of Directors. However, mirror finishes will not be approved. (Architectural Standards page 5)
9. No sign or billboard of any kind may be displayed to the public view on any portion of the Properties or any lot, EXCEPT one (1) sign for each building site (an individual unit) advertising the property for sale or rent. Signs may not be larger than 18"x24". (CC&R's, Article VII, Section 2) The Association does allow a homeowner to place one additional flag or sign inside the front patio area during an open house event. The one 18"x24" sign allowed by the CC&R's may be placed anywhere on an individual property, most commonly in a window or on the property iron fence. If placed on the iron fence, care must be taken to use an attachment method that does not damage the painted surfaced.
10. The area outside of patio spaces are Association maintained areas and under no circumstances is it permitted to alter, adapt, or encroach into these areas. (Architectural Standards page 6)
11. All clotheslines, refuse containers, wood piles, storage areas, and machinery equipment must be obscured from view of adjoining lots and/or streets by a fence or appropriate screen approved by the Board of Directors. (CC&R's, Article VII, Section 9)
12. Each owner shall maintain and keep in a state of good repair and attractive condition his Lot, the landscaping thereon and the exterior surfaces of the improvements thereon, including any fences or walls facing the public streets or common areas. (Except to the extent that such matters are to be maintained by the Association. (CC&R's, Article X, Section 2)

Owner Responsibility

1. Each owner shall comply with the governing documents of the Association, those being CC&R's, By-Laws, Architectural Standards, and Rules and Regulations governing the use of the project as are adopted by the Board.
2. Any damage caused by misuse by the owner's family, guests or tenants is the responsibility of the owner. If repair or maintenance is required due to such misuse, the cost will be charged to the owner.
3. Every owner must perform promptly all maintenance, replacement, and repair work, within his lot, which if omitted would adversely affect the properties in its entirety or in part. (CC&R's, Article X, Sections 1 & 2 & 5).
4. Owners wanting to rent their unit must complete the "Owner Tenant Form" located on the website and return to management via email.

Pet Control

Due to the landscaping damage caused by repetitive pet waste, Surfcrest One, Inc. recommends all dogs are walked outside the community grounds.

1. No animals, livestock, or poultry shall be kept on any Lot, except dogs, cats, or other household pets, and no more than two (2) of any of them may be kept on the properties. (CC&R's, Article VII, Section 6).
2. Breeding or raising of animals for sale is not permitted within the Surfcrest Community. (CC&R's, Article VII, Section 6).
3. Dogs are prohibited from excreting pet waste on all Turf/Grass Common Areas: No person shall allow their dog to eliminate waste on common area turf (grass) within Surfcrest. (Resolution #22).
4. Pet owners are required to remove pet waste. All persons exercising pets in common areas are required to remove pet waste immediately. (Resolution #22).
5. Pets must be kept on a leash and public leash laws apply within the Surfcrest Community. (Huntington Beach City Ordinance).

Noise and Nuisance Control

Surfcrest Corporation does not support, condone, or recommend the use of streets or alleyways for any recreational or sports activities.

1. No noxious or offensive activity shall be carried on upon any part of the properties, nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the owners of his respective dwelling unit. (CC&R's, Article VII, Section 4).
2. No animals or fowl may be kept on the properties, which result in an annoyance or are obnoxious to the residents in the vicinity. (CC&R's, Article VII, Section 6).
3. Trash receptacles may not be placed on the street before noon the day before trash day. Trash receptacles must be returned to the garage by 10 PM trash day. (Huntington Beach Municipal Code 8.21.100).
4. Remodeling Projects: Homeowner construction, maintenance, and do-it yourself repairs are restricted to the hours of 8:00 a.m. to 5:00 p.m. Monday through Friday and 9:00 a.m. to 3:00 p.m. on Saturdays. This includes the repetitive use of all motorized and non-motorized equipment for all indoor projects. All interior and/or exterior construction, maintenance, and DIY projects that produce repetitive noise are prohibited on Sundays and the celebrated Federal Holidays including New Year's Day, Martin Luther King Jr. Day, Presidents' Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving and Christmas. Emergency repairs for health and safety reasons are excluded from this requirement. (Resolution #34 adopted December 2017).

Surfcrest One, Inc. Violation Procedure

1. When a violation occurs the homeowner or resident will receive a letter stating the nature of the violation along with an invitation to attend a hearing, the fine imposed or a time frame to correct stated violation.
2. Failure to attend the hearing will result in a penalty of \$100 for each individual infraction noted in the violation.
3. If the violation is confirmed at the hearing as a onetime event, the Board of Directors may levy a \$100 penalty for each individual infraction noted in the violation.
4. If the violation is confirmed at the hearing as a continuing violation that has not been corrected, the Board of Directors may take one or more of the following actions:
 - a. Levy a \$100 penalty for initial occurrence of violation.
 - b. Levy an additional \$100 after 30 days following the initial violation.
 - c. Levy a \$200 penalty for the second thirty-day period and each 30 days following the initial violation.
 - d. Suspend the Homeowners Association privileges which include, voting in elections, use of common area, and automated gate access for a period of not more than 30 days.
 - e. Submit the matter to binding arbitration in accordance with the rules of the American Arbitration Association.
5. The hearing shall be held before the Board in Executive Session, unless requested to be held in General Session by the homeowner(s).
6. Results of the hearing, including any monetary penalties, or action to be taken, shall be delivered to the homeowner within seven (7) days following the date of hearing.

*Members wishing to report violations must do so in writing to the Management Company. Violation reports may not be anonymous and must include the name or address of the party in alleged violation and the name of the person making the complaint.

SURFCREST ONE, INC. DELINQUENT ASSESSMENT COLLECTION POLICY

Prompt payment of assessments by all owners is critical to the financial health of the Association and to the enhancement of our property values. Your Board of Directors takes very seriously its obligation under the CC&Rs and California Civil Code to enforce the members' obligation to pay assessments. The Board has adopted this Collection Policy in an effort to discharge that obligation in a fair, consistent and effective manner. Therefore, pursuant to the CC&Rs and Civil Code §4040, 5310(a)(7), and 5650 through 5740, the following are the Association's assessment collection practices and policies, which Optimum Professional Property Management has been directed to strictly enforce without exception. Owners are advised that you do not have a legal right to withhold assessments, or any portion thereof, on the grounds that the owner is entitled to recover money or damages from the Association or for any alleged failure of the Association to maintain the common area (Park Places Estates HOA v. Nabor (1994) 20 Cal. App. 4th 427).

1. Regular monthly assessments are due and payable on the first (1st) day of every month and are due **whether or not a billing statement is received**. If a statement is not received, mail your check payable to SURFCREST ONE, INC. to P.O. Box 513626, Los Angeles, CA 90051-3626. Overnight payments are accepted Monday through Friday at 230 Commerce, Suite 250, Irvine, CA 92602.
2. All other assessments, including Special Assessments, are due and payable on the date specified by the Board in the notice of assessment.
3. Assessments, late charges, interest and collection costs, including 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 §5650(a) and 5660), and continue as a personal obligation of the owner even after foreclosure.
4. Unpaid assessments are delinquent 15 days after they are due (Civil Code §5650(b)), (CC&Rs Art V, Sec. 1). Any installment of annual assessments and special assessments not received within thirty (30) days after the due date, plus all reasonable costs of collection (including attorneys' fees) and late charges, shall bear interest commencing **30 days** from the due date until paid at the rate of **12% per annum** (CC&Rs Art. V, Sec. 1).

PROCEDURES FOR COLLECTION OF PAST DUE ASSESSMENTS

1. **15 DAYS PAST DUE**: LATE CHARGE of **10% or \$10.00, whichever is greater** will be assessed to the owner's account for any assessment that is not received on or before the 15th of the month (Civil Code §5650(b)(2)), (CC&Rs Art. V, Sec. 1). PAST DUE STATEMENT is mailed to the owner notifying them of the delinquency.
2. **45 DAYS PAST DUE**: NOTICE OF INTENT TO RECORD ASSESSMENT LIEN letter is mailed as required by Civil Code §4040 and 5650 through 5740 via Certified and First Class Mail to the owners of record at the address of record with the Association stating the intent to either lien the property or file a legal action (at the Association's discretion) if payment in full is not received within 30 days. If legal action is taken, the letter may be titled NOTICE OF INTENT TO COMMENCE COLLECTION ACTION. INTENT TO LIEN PROCESSING FEE of \$150.00 will be assessed to the owner's account.

LIEN PROCESSING ACTIONS

1. After issuing the NOTICE OF INTENT TO RECORD ASSESSMENT LIEN letter, the Board of Directors shall decide in an open meeting of the Board to file a lien against the property.
2. **NO SOONER THAN 90 DAYS PAST DUE**: A LIEN for the amount of any delinquent assessments, late charges, interest and costs of collection, may be recorded against the owner's real property if the

amount set forth in the NOTICE OF INTENT TO RECORD ASSESSMENT LIEN is not received within 45 days of the postmark of said letter and said lien was approved by the Board. A copy of the lien will be sent to the owner(s) at his/her address of record via certified and first class mail. The lien may be enforced in any manner permitted by law, including without limitation, a small claims judgment, judicial or non-judicial foreclosure. A LIEN PROCESSING FEE of \$300.00 plus any notary and/or recording fees will be assessed to the owner's account. Additional notary and/recording fees may be charged when the lien is released.

3. **NO SOONER THAN 15 DAYS AFTER THE LIEN HAS BEEN RECORDED:** PRE-ATTORNEY LETTER will be mailed to the owner requesting payment in full within thirty (30) days. A fee of \$100.00 will be assessed to the owner's account.
4. **NO SOONER THAN 30 DAYS AFTER THE PRE-ATTORNEY LETTER HAS BEEN MAILED:** ACCOUNT IS REFERRED TO COLLECTION ATTORNEY at the expiration of thirty (30) days following Pre Attorney Letter. The lien may be enforced in any manner permitted by law, including but not limited to, judicial or non-judicial foreclosure (Civil Code §5700(a)). The owner will also be responsible for all reasonable costs of collection, including attorney's fees to collect any delinquent sums (Civil Code §5650(b)(1)). ATTORNEY PACKAGE FEE of \$300.00 will be assessed to the owner's account.

LEGAL ACTION

The Association, at any point during the collection process may REFER THE MATTER TO THE COLLECTION ATTORNEY to file a legal action in court to collect the past due assessments owing. The owner will be responsible for, including, but not limited to, any delinquent assessments, late charges, interest, attorneys' fees, collection fees plus all court costs. If Association decides to pursue collection in small claims court, a \$750.00 fee plus all court costs will be charged to the owner's account. If a judgment is obtained in court the judgment may be reported to the credit reporting agencies. In addition, all costs of collection shall be considered due and payable and added to the judgment. Assessments owing after the date of the judgment will remain due and payable according to the collection policy set forth herein. THE COLLECTION ATTORNEY may seek any and all methods of collecting the judgment, including but not limited to wage garnishment and levying bank accounts.

OWNERS RIGHTS REGARDING PAST DUE ASSESSMENTS

Owners have the right under California law to dispute the debt. Said dispute must be in writing in accordance with the Association's meet and confer program required by Article 2 (commencing with Section §5900) of Chapter 10 of the Civil Code or pursuant to Article 3 (commencing with Section §5925) of Chapter 10 of the Civil Code. If it is ever proven that the Owner did in fact pay the assessments on time, the Owner will not be liable for any late charges, interest and costs of collection.

PAYMENT PLANS FOR PAST DUE ASSESSMENTS

Owners have the right to request a payment plan in writing by postmarking said request within fifteen (15) days of the postmark of the NOTICE OF INTENT TO RECORD ASSESSMENT LIEN LETTER. In addition to requesting a payment plan, owners also have the right to request a meeting with the Board of Directors in executive session to discuss the payment plan. Payment plans will be approved on a case-by-case basis. Accounts that have an approved payment plan shall be assessed \$25.00 a month for payment plan monitoring. The submission of a payment plan request to the Association does not delay the collection proceedings – a lien will be recorded against the property as a condition of the payment plan in accordance with the Association's collection policy. Should the owner default on the payment plan, collection will

continue in accordance with the Association's collection policy. Upon receipt of payment in full, the lien will be released. Furthermore, a payment plan does not constitute a waiver by the Association of any default, and does not relieve the owner of the obligation to pay all assessments, late charges, collection costs, and interest when due. The owner should submit the request in writing, and should describe in the request any circumstances, which the owner wishes the Association to consider. The owner should attach to the request copies of all documents the owner wishes the Association to consider. The owner should also attach to the proposed payment plan a cashier's check for the amount of the first payment as proposed in the payment plan. If the owner wishes to submit a payment plan request after the owner has been contacted by the Association's attorney regarding the delinquent account, the request for a payment plan with all attachments should be submitted by the owner directly to that attorney. The Association shall charge a fee of \$25.00 if the owner defaults on the payment plan then proceed with resuming the collection policy.

Nothing herein limits or otherwise affects the Association's right to proceed in any other lawful manner to collect any delinquent sums owed to the Association.

The Association will charge \$35.00 to the owner for any returned payment.

* Fees are subject to change without notice.

Delinquent Assessment Collection Policy Adopted 01/28/2021

Meeting Conduct

The Board of Directors meets for the purpose of conducting the business of the association. The governing documents for the association outline the procedure for the meetings and the Board of Directors is obligated to follow the meeting format as written.

To run the meetings efficiently, it is asked that those homeowners attending the Board meeting read the outline for conduct presented below. This information can be found in the By-Laws for the Corporation.

Homeowners are invited to ask questions and present opinions to the Board during the “Homeowners’ Forum” portion of the meeting. Time allocated during the Homeowner forum will be limited based on the Board Meeting agenda. Once “Homeowners’ Forum” has concluded, the Board of Directors must be free to conduct business amongst themselves and decisions are made by a majority vote of the Board only. Agendas are available prior to the meeting for all homeowners upon request. If you see an item on the Agenda that the Board will be discussing and have an opinion to express, we ask that it be expressed during “Homeowners’ Forum” only. Homeowners’ Forum allows the Board to hear opinions related to issues regarding Association issues. If you have a concern regarding an action taken by the Board during open meeting, we ask that you place your concern or opinion in writing and submit it to the Board through the Management Company. The correspondence will be placed in the next Board Package and the Board may or may not choose to revisit the issue.

Regular and special meetings of directors shall be open to all members of the Association. However, Association members who are not on the Board of Directors may not participate in any deliberation of discussion unless expressly authorized by the vote of a majority of a quorum of the Directors.