

Dear Neighbor,

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 neighbor's rights and try to live harmoniously in our community. Another important aspect of living in such a community is to respect each homeowner's property and maintain our community in such a way to insure it's physical integrity and beauty that will in turn minimize the cost of maintenance of common areas and insure the optimum value of our homes.

This prepared booklet will easily explain our CC&Rs that were established by our builder New Urban West and any new rules that were adopted by the Board of Directors at the request of the Homeowners.

The Board of Directors of Surfcrest Corporation

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SURFCREST COMMUNITY
Rules and Regulations

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 Architectural Committee 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&Rs, 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&Rs, article XV, section 1&3)
4. Plant material must be placed in decorative pots. (Architectural Standards 3& 4) Empty pots and/or 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&Rs, 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 pages 5)
8. Window tinting requests will be considered by the Architectural Committee. However, mirror finishes will not be approved. (Architectural Standards page 5)
9. No sign or billboard of any kind may be displayed on any building, EXCEPT one sign per unit advertising the property for sale or rent. Signs may not be larger than 18"x24". (CC&Rs, article VII, section 3)
10. 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 Architectural Committee. (CC&Rs, article VII, section 9)
11. 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&Rs, article X, section 2)

OWNER RESPONSIBILITY

Each owner shall comply with the governing documents of the Association, those being; CC&Rs, By-Laws, Architectural Standards and Rules and Regulations governing the use of the project as are adopted by the Board. 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. 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&Rs, article X, sections 1 & 2 & 5)

NOISE AND NUISANCE CONTROL

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&Rs, 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&Rs, article VII, section 6)
3. Bicycle riding, roller blading, skateboarding or scooter riding on sidewalks is prohibited throughout the Surfcrest Community. (Resolution #9)
4. No person shall use or ride a skateboard upon or within any common area (sidewalks, streets, alleys, etc.) within Surfcrest. (Resolution #9)
5. Residents shall not use homes or garages for business or commercial purposes or other such non-residential purposes. (CC&Rs, article VII, section 2)

PET CONTROL

1. No animals, livestock, or poultry shall be kept on any Lot, except dogs, cats, or other household pets may be kept on the properties. (CC&RS, article VII, section 6)
 - 1a. Limit of (2) pets per residence.
2. Breeding or raising of animals for sale is not permitted within the Surfcrest Community. (CC&Rs, article VII, section 6)
3. Dogs are prohibited on Turf Common Area: No person shall allow their dog 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)

POOL RULES

Pool Use

1. Hours: The Pool Area facilities are closed between the hours of 11:00 P.M. and 5:00 A.M. Please be considerate and respectful of nearby residents prior to 7:00 A.M. and after 9:00 P.M.
2. Adult Supervision Required for Children under the Age of Fourteen. No child under the age of fourteen shall enter, nor remain within, the Pool Area without the supervision of an adult 18 years of age or older.
3. Residents and Guests Only: The Surfcrest Pool Area is for the use of residents and their guests only. Day guests must be accompanied by a resident 18 years of age or older.
4. Limited Number of Guests: No resident shall bring more than 10 guests into the Pool Area at one time, without prior notification to, and authorization from, the Management Company and approval from the Board of Directors. Such notice shall be provided to the Management Company no less than 15 business days prior to the event. The Management Company may deny authorization if prior reservations would cause the Pool Area capacity to be exceeded. After receiving Management Company approval, the Resident is responsible for posting their party date and time on the bulletin board in the Pool Area one week prior to the event. When the party has come to the approved end-time, the Resident's Guests should vacate the Pool Area. Trash must also be picked up and removed from the pool area at that time.
5. Responsible Persons: Residents are responsible for their own actions as well as those of their guests.
6. Children, Toddlers, and Babies: All children of any age must wear swim attire. No bare bottoms! Unless the child is "potty trained", "swim diapers" must be used in the Pool and Pool Area under a bathing suit. Parents of children wearing swim diapers have full responsibility for monitoring their children and removing them immediately from the Pool if their swim diapers become soiled.
7. Pool Toys: Devices for pool use, including; Noodles, Swim Vests, Kickboards, and single person floatation devices may be used in the Pool; provided that their use does not interfere with other Residents' use of the Pool.

Pool Area

1. Clean-Up: Residents and Guest must return pool furniture to their proper places, and return chair-backs to their upright positions.
2. Trash: All trash shall be deposited in appropriate receptacles: Residents are responsible for their own, as well as their guests clean up.

Prohibited Items

1. Glass items, bicycles, motorcycles, skateboards, scooters, boogie-boards, surfboards, roller- or inline skates of any kind, commercial vehicle inner tubes and large, multi-person flotation devices are prohibited in the Pool Area.
2. Pets And Animals Prohibited: No person shall bring any pet or animal into the Pool Area.

3. Nuisance Prohibited: No person shall disrupt the peaceful use of the Pool Area by others, nor disturb nearby residents, by engaging in any of the following behaviors: acting in a rowdy or boisterous manner, diving, playing loud music, running, or using profanity. Any other disruptive or offensive behavior not listed is also prohibited.
4. Smoking Prohibited: No person shall smoke within the Pool Area.
5. Wetsuits are prohibited in the Pool and Spa.
6. No Sand in the Pool Area: No person coming from the beach shall use the Pool or Spa without first showering in the Pool shower provided.

PARKING

1. All vehicles entering Surfcrest must have a residential or visitors parking pass properly displayed.
 - a) Residential parking pass must be displayed in the lower rear window on the left of the car (driver's side). Convertibles must display permits on the lower front window on the right (passenger side).
 - b) All visitors' vehicles must display a visitors tag hung from the rear-view mirror.
2. Vehicles in guest parking *without* Surfcrest parking decals will be tagged and notice to tow posted in accordance with city codes and Surfcrest rules and regulations.
3. Any vehicle in guest parking without a current vehicle license plate and / or registration will be tagged and notice to tow posted in accordance with city codes and Surfcrest rules and regulations.
4. Any vehicle left in the guest parking for over two weeks must submit a request to the management company for approval. If approved, the vehicle must be periodically driven; must be clean in appearance, have current license tags, and not in a state of disrepair.
5. No trailer, camper, motor home, recreational vehicle, mobile equipment, boat, commercial or inoperative vehicle shall be parked on any street or in any common area within the property. (CC&Rs, article VII, section 8)
6. Boats may not be stored in garages unless all automobiles owned by the Owner can be stored in the garage at the same time.
7. Temporary parking for a maximum of two (2) hours is allowed for house trailers, campers or motor homes. This temporary parking is for loading and unloading of these vehicles only.
8. Parking is restricted to garages and designated parking areas. Parking of vehicles along the streets, behind garages and in garage drive approaches is prohibited. (Huntington Beach City Ordinance) As well as being a nuisance to the other homeowners of our community, these areas are designated fire lanes.
9. The speed limit within Surfcrest Community is 15 MPH.

10. Surfcrest homes have at least a double garage for two (2) cars; therefore if the Owner has two or more registered cars, two (2) cars shall be parked in the garage. Overflow cars (vehicles in excess of 2 per residence) bearing a current valid registration sticker, may be parked in guest parking.
11. Other than an emergency (i.e. changing a flat tire) no maintenance work, general repairs, or modifications of a vehicle may be performed in the common parking areas of the community.
12. Residents shall not use common area guest parking spaces except:
 - a) When all of the resident's garage spaces are occupied by personal vehicles or
 - b) For temporary parking for less than two hours for loading or unloading or
 - c) For special circumstances as may be approved by the Association's management company under guidelines to be established by the Board of Directors of Surfcrest Corporation.

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.

In order to run the meetings efficiently, we would like to ask that those homeowners attending the Board meeting read over the outline for conduct presented below. This information can be found in the By-Laws for the Corporation, which was issued at the time of purchase.

Homeowners are invited to ask questions and present opinions to the Board during the "Homeowners' Forum" portion of the meeting. Once "Homeowners' Forum" has concluded, the Board 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 and answer questions prior to their decision making process. 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 so authorized by the vote of a majority of a quorum of the Directors.

SURFCREST CORPORATION VIOLATION PROCEDURE

1. Notice shall be sent to the homeowner advising the nature of the violation and time to rectify the violation.
2. Failure to comply with the request to rectify the violation, or respond to the Board of Directors, shall result in a Notice of Hearing. Such notice, requesting the appearance on a specified date to be heard by the Board of Directors, shall be sent at least fifteen (15) days prior to the Hearing.
3. If the violation is sanctioned at the Hearing, then the Board of Directors may take one or more of the following actions:
4. Hearing: The hearing shall be held before the Board in Executive Session, unless requested to be held in General Session by the homeowner.
5. Results: The results of the hearing, including any action to be taken, shall be delivered to the homeowner within seven (7) days following the date of hearing.

We, the Board of Directors of the Surfcrest Corporation, resolve to adopt this policy this 23rd day of February 1995.

***Members wishing to report violations must do so in writing to the Management Company. Violations 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 CORPORATION DELINQUENCY POLICY

BOARD OF DIRECTORS RESOLUTION

Upon motion duly made, seconded and carried, the following Resolution was adopted by the Board of Directors for Surfcrest Corporation, at its regular meeting held on August 23, 2000. This resolution supersedes the delinquency resolution adopted and dated October 28, 1998.

WHEREAS, the Covenants, Conditions and Restrictions of Surfcrest Corporation, require payment of regular and special assessments by all the owners of real property within said community in order to provide funds for payment of the expenses of upkeep, maintenance and preservation of the common areas therein, and for payment of the other expenses associated with the normal operation of said Association's business and affairs, and

WHEREAS, said Covenants, Conditions and Restrictions provide the Association's Board of Directors with the power and authority to require regular and special assessments levied against owners of real property within said community (all of whom are required to be members of the Association as a condition of ownership) to be fully and timely paid, and

WHEREAS, the Board of Directors deems it to be in the best interests of the Associations and all the Association's members to establish policies and practices relative to the Association's rights and remedies in event of default in payment of the Association's regular and special assessments by any of the Association's individual members, and

WHEREAS, California Civil Code 1350, et seq., requires a statement of the Association's assessment policies and practices be delivered to all the Association's members within sixty (60) days prior to the beginning of each succeeding fiscal year, and

WHEREAS, the Board of Directors has fully discussed and considered this matter.

NOW, THEREFORE, BE IT RESOLVED that the Association hereby adopts the following policies and practices relating to the enforcement of its rights and remedies in the event of any default in the timely payment of the Association's regular and special assessments to be effective the first day of November 2000:

1. Late Charges: In accordance with the Declaration of Covenants, Conditions and Restrictions (CC&R), Surfcrest, Tract 14647, Article V, Section 1, when any regular or special assessment remains unpaid fifteen (15) days past its due date, said assessment shall be subject to a late charge of ten dollars (\$10.00).
2. Interest: In accordance with California Civil Code 1366, section (d)(3), the Board of Directors shall impose interest on all sums, including the delinquent assessment, reasonable costs of collection, and late charges, at a rate not to exceed twelve percent (12%) per annum, commencing 30 days after the assessment becomes due.

3. Notice of Intent to Lien: When any assessment remains unpaid forty-five (45) days past its due date, the Association, through its Management Company, shall mail the delinquent member a Notice of Intent to Lien said member's real property, at a cost of \$35.00 which shall be charged to the delinquent member's account.
4. Notice of Delinquent Assessment: When any assessment remains unpaid fifteen (15) days following the date of mailing of the Association's Notice of Intent to Lien, a Notice of Delinquent Assessment, creating a valid and foreclosable lien on the delinquent member's real property, shall be recorded in the office of the County Recorder and mailed to the delinquent member. A fee not exceeding \$100.00 for lien processing work, and a fee not exceeding \$150.00 for preparation and mailing said Notice of Delinquent Assessment by the Agent, Trustee or Attorney employed by the Association, shall be charged to the delinquent member's account. No charge shall be made to release the Association's Lien upon full reinstatement of the delinquent member's account.
5. Method of Collection: When any member's account remains delinquent for the period of time specified in the Association's Covenants, Conditions and Restrictions, following the recordation and mailing of the Association's Notice of Delinquent Assessment, and in no event more than fifteen (15) days thereafter if such Covenants, Conditions and Restrictions are silent as to such a time limit, the Association's Trustee or Attorney shall commence foreclosure proceedings of the delinquent member's real property. Such proceedings shall seek a sale of the delinquent member's real property, the proceeds of which shall be used to recover the Association's delinquent assessments, late charges, interest (if any), Notice of Intent to Lien, Lien Processing fees, and the Trustee's or Attorney's fees and costs of sale. If the Association's lien rights are extinguished by foreclosure proceedings of a senior lienholder, or in some other manner, or should the Board of Directors elect to pursue alternative means of collection, the Board of Directors, at its sole option, may pursue such other cumulative remedies including, without limitation, obtaining a judgment against the former delinquent member, individually and personally, for any and all unpaid sums. The Association is authorized under California law to charge the owner the reasonable costs of collection.
6. Waiver of Interest: Upon a finding of extraordinary circumstances related to the default of payment of assessments, the Association's Board of Directors may waive interest charges on the amounts due.
7. The foregoing policies and practices shall remain in full force and effect until such time as they may be changed, modified, or amended in their entirety, by a duly adopted Resolution of the Board of Directors of Surfcrest Corporation.

BE IT FURTHER RESOLVED, that within sixty (60) days of the adoption of an amendment or modification to the collection policy, a copy of the Association's policies and practices, as adopted, or as subsequently modified or amended, shall be delivered to all the members of this Association in the manner and pursuant to the requirements of California Civil Code, Section 1350, et seq.