



The Sea Ranch Restrictions

A Declaration of Restrictions, Covenants and Conditions

Recorded in the Office of the Recorder, County of Sonoma, on May 10, 1965, in Book 2127 of Official Records at Page 237, as amended by the Certificates of Amendment recorded on October 14, 1969, in Book 2422 of Official Records at Page 567, and on September 16, 1971, in Book 2565 of Official Records at Page 510, on July 19, 1994 of Official Record Number 1994-0087620, and on November 26, 2013 of Official Record 2013-112657.

Printing of October 2013

If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

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The Sea Ranch Association Board of Directors, at a duly noticed meeting on October 26, 2013, voted unanimously to amend The Sea Ranch Restrictions, as authorized by California Civil Code section 4235, to correct cross-references to repealed provisions of the Davis-Stirling Act for the purpose of making The Sea Ranch Restrictions compliant with the 2014 rewrite of Davis-Stirling, adopted by the California Legislature, which takes effect on January 1, 2014.

ERRATA

Page 9, 1st column, third paragraph from the bottom, under the heading "Project" – the words "any project as defined in paragraph 3 of Section 1350 of the Civil Code of the State of California" are deleted, and replaced by the words "**the entire parcel of real property divided, or to be divided into condominiums, including all structures thereon**".

Page 10, 1st column, 2nd paragraph from bottom, under the heading "Subdivision Map", 6th & 7th lines from top – the words "Division 2, Part 4, Title 6" are deleted, and replaced by the words "**Division 4, Part 5**".

Frank M. Bell
Community Manager
The Sea Ranch Association
November 2013

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A Declaration of Restrictions, Covenants and Conditions

This Declaration is made this 29th day of April 1965, by Oceanic Properties, Inc., a Hawaii corporation, as owner and developer of portions of a unique coastal ranch which is described in the deed referred to in section 2.02 and which, since the date of its original grant in 1861, has been beautifully preserved in its natural and unspoiled state. The purpose of this declaration is to perpetuate, with respect to such developed portions, the rich variety of this rugged coastal, pastoral, and forested environment for the benefit of all who acquire property within The Sea Ranch (as hereinafter defined).

Through The Sea Ranch, Oceanic Properties, Inc. seeks to meet the increasing and highly sophisticated recreational demands of a portion of the burgeoning population of the United States in a manner which insures the full enjoyment of the historical traditions and natural advantages of the area for all who acquire property therein and yet which encourages controlled diverse individual expression within the environment. Oceanic Properties, Inc. believes that this fundamental concept which underlies the development and use of The Sea Ranch serves both public and private interests by fostering a beneficial land use which retains the unique beauty of the land and creates an atmosphere enriching the spirit of its participants.

It must be assumed that all owners of property within The Sea Ranch, by virtue of their purchase of such property, are motivated by the character of the natural environment in which their property is located, and accept, for and among themselves, the principle that the development and use of The Sea Ranch must preserve that character for its present and future enjoyment by other owners.

It is also assumed that those who are entrusted with the administration of The Sea Ranch will discharge their trust in full

recognition of that principle and, to the extent consistent therewith, will foster maximum individual flexibility and freedom of individual expression.

It is to promote the foregoing that this declaration is made and it is the intention of Oceanic Properties, Inc. that it will be in recognition of the foregoing that the limitations, restrictions, covenants and conditions of this declaration and of all other declarations supplemental hereto will be understood and construed.



Article I. Definitions.

Unless the context otherwise specifies or requires, the terms defined in this Article I shall, for all purposes of The Sea Ranch Restrictions, have the meanings herein specified.

Architect.

The term "architect" shall mean a person holding a certificate to practice architecture in the State of California under authority of Division 3, Chapter 3, of the Business and Professions Code of the State of California; provided, however, that for the purposes of Article IV, the term "architect" shall mean a person appropriately licensed to practice architecture or landscape architecture in any of the United States.

Articles.

The term "Articles" shall mean the Articles of Incorporation of The Sea Ranch Association which are or shall be filed in the Office of the Secretary of State of the State of California. Such Articles of Incorporation may from time to time be amended.

Assessed Value.

The term "assessed value" shall mean the

aggregate value of any lot and improvements located thereon, as from time to time shown on the latest Assessment Roll of the County of Sonoma.

Association.

The term "Association" shall mean The Sea Ranch Association, the nonprofit membership corporation described in Article V, its successors and assigns.

Board.

The term "Board" shall mean the Board of Directors of the Association.

Bylaws.

The term "Bylaws" shall mean the bylaws of the Association which are or shall be adopted by the Board. Such bylaws may from time to time be amended.

Common Area.

The term "common area" shall mean all of the real property designated "Common Area" on a subdivision map which has been conveyed in fee to the Association pursuant to section 9.05, together with all of the improvements from time to time constructed thereon.

Condominium.

The term "condominium" shall mean a condominium as defined in Section 783 of the Civil Code of the State of California.

Cost of Living Index.

The term "Cost of Living Index" shall mean the United States Department of Labor's Bureau of Labor Statistics Consumer Price Index, all items, U.S. City Average (1957-59 equals 100), or the successor of such Index.

Design Committee.

The term "Design Committee" shall mean the committee created pursuant to Article IV.

Design Committee Rules.

The term "Design Committee Rules" shall mean rules adopted by the Design Committee pursuant to section 4.04.

Development Assessment Certificate.

The term "Development Assessment Certificate" shall mean any certificate recorded pursuant to paragraph (h) of section 7.03.

Development Fund.

The term "development fund" shall mean the fund created pursuant to section 6.05.

Excavation.

The term "excavation" shall mean any disturbance of the surface of the land (except to the extent reasonably necessary for planting) which results in the removal of earth, rock or other substance from a depth of more than eighteen (18) inches below the natural surface of such land.

File; Filed.

The term "file" or "filed" shall mean, with respect to the subdivision map, that said subdivision map shall have been filed in the Office of the Recorder of the County of Sonoma, State of California.

Fill.

The term "fill" shall mean any addition of rock or earth materials to the surface of the land which increases the natural elevation of such surface by more than eighteen (18) inches.

Fiscal Year.

The term "fiscal year" shall mean the year from May 1 through April 30.

Grantor.

The term "Grantor" shall mean Oceanic Properties, Inc., its successors and assigns.

Guest.

The term “Guest” shall mean any invitee of a participating facility, including the members of such invitee’s immediate family, using, in the regular course of the operations thereof, its accommodations or services.

Improvements.

The term “improvements” shall include buildings, outbuildings, roads, driveways, parking areas, fences, retaining walls, stairs, decks, hedges, windbreaks, poles, signs, and any structures of any type or kind.

Indigenous Specie.

The term “indigenous specie” shall mean a specie of ground cover, shrub or tree listed in the Design Committee Rules.

Lot.

The term “lot” shall mean any lot designated on a subdivision map for residential use, or, with respect to a project, any condominium; provided, however, that (a) upon the splitting of any lot pursuant to paragraph (a) of section 9.04, “lot” shall mean each parcel or condominium into which such lot has been split, and (b) upon consolidation of two or more lots pursuant to paragraph (b) of section 9.04, “lot” shall mean the parcel consisting of the lots so consolidated.

Lot Splitting.

The term “lot splitting” shall mean the division of any lot within The Sea Ranch into two or more parcels or condominiums, and shall include a “subdivision” within the meaning of Division 4, Part 2, Chapter 1 of the Business and Professions Code of the State of California.

Maintenance Assessment.

The term “maintenance assessment” shall mean any assessment levied pursuant to section 6.02.

Manager.

The term “manager” shall mean the person or corporation appointed as such pursuant to paragraph (e) of section 5.05.

Miscellaneous Fee.

The term “miscellaneous fee” shall mean any fee charged pursuant to sections 3.03, 4.06, or 6.08.

Mortgage; Mortgagee.

The term “mortgage” shall mean a deed of trust as well as a mortgage, and the term “mortgagee” shall mean a beneficiary under, or a holder of a deed of trust as well as a mortgagee.

Notice.

The term “notice” shall mean a notice delivered pursuant to section 9.09.

Operating Fund.

The term “operating fund” shall mean the fund created pursuant to section 6.01.

Owner.

The term “Owner” shall mean the person or persons holding the beneficial ownership of a lot; provided, however, that

- (a) for the purposes of the limitations and restrictions set forth in Article III, “Owner” shall not include Grantor with respect to any lots held by Grantor; and
- (b) “Owner” shall include for the purposes of Article III and sections 7.01 and 7.04, unless the context otherwise requires, the family, invitees, licensees and lessees of any Owner.

Participating Facility.

The term “participating facility” shall mean any organization or institution, whether profit or nonprofit, which has entered into an agreement with Grantor

or the Association pursuant to Article VIII. (Note: Article VIII was repealed by vote of the membership and adopted by Resolution No. 1 on July 9, 1988.)

Permitted User.

The term “permitted user” shall mean any Owner permitted to use a private recreational facility pursuant to section 7.04.

Private Area.

The term “private area” shall mean any real property designated as a residential lot on a subdivision map, exclusive of the portion thereof designated, “Restricted Private Area,” which is conveyed to an Owner by means of a deed, together with all improvements from time to time constructed thereon.

Private Facility Development Assessment.

The term “private facility development assessment” shall mean any assessment levied pursuant to section 6.07.

Private Recreational Facility.

The term “private recreational facility” shall mean any recreational facility developed or proposed to be developed pursuant to section 7.03.

Project.

The term “project” shall mean the entire parcel of real property divided, or to be divided into condominiums, including all structures thereon.

Project Area.

The term “project area” shall mean all of the real property within The Sea Ranch lying within the boundaries of any project and designated “Project Area” on a subdivision map.

Project Committee.

The term “Project Committee” shall mean the governing body of any project.

Public Facility Development Assessment.

The term “public facility development assessment” shall mean any assessment levied pursuant to section 6.06.

Public Recreational Facility.

The term “public recreational facility” shall mean any recreational facility developed or proposed to be developed pursuant to section 7.02.

Record; Recorded.

The term “record” or “recorded” shall mean, with respect to any document, that said document shall have been recorded in the Office of the Recorder of the County of Sonoma, State of California.

Recreational Assessment.

The term “recreational assessment” shall mean any assessment levied pursuant to section 6.03.

Recreational Facility.

The term “recreational facility” shall mean any improvement used for or in connection with any recreational purpose.

Refinish.

The term “to refinish” shall include to paint and to resurface.

Residence.

The term “residence” shall mean the building or buildings, including any garage, carport, or similar outbuilding, used for residential purposes.

Restricted Common Area.

The term “restricted common area” shall mean all of the real property designated “Restricted Common Area” on a subdivision map which has been conveyed in fee to the Association pursuant to section 9.05, together with all of the improvements from time to time constructed thereon.

Restricted Private Area.

The term “restricted private area” shall mean the portion of each lot conveyed to an Owner by means of a deed which is designated “Restricted Private Area” on a subdivision map.

Road.

The term “road” shall mean any paved vehicular way constructed within or upon any portion of common area or restricted common area designated a private road on a subdivision map except any apron or other paved area constructed for the purpose of providing paved access from such way to any private area or project area.

Special Assessment.

The term “special assessment” shall mean any assessment levied pursuant to section 6.04.

Structure.

The term “structure” shall mean anything constructed or erected, the use of which requires location on the ground or attachment to something having location on the ground.

Subdivision Map.

The term “subdivision map” shall mean (a) any final map within the meaning of the provisions of Division 4, Part 2, Chapter 2, of the Business and Professions Code of the State of California, (b) any final plan within the meaning of the provisions of Division 4, Part 5 of the Civil Code of the State of California, or (c) any final record of survey map within the meaning of the provisions of Division 4, Part 2, Chapter 2, of the Business and Professions Code of the State of California, as such provisions may from time to time be amended.

The Sea Ranch.

The term “The Sea Ranch” shall mean all of the real property referred to in section 2.01

together with such other real property from time to time annexed thereto pursuant to the provisions of section 2.02.

The Sea Ranch Restrictions.

The term “The Sea Ranch Restrictions” shall mean, with respect to all property within The Sea Ranch, the limitations, restrictions, covenants, and conditions set forth in this declaration, as such declaration may from time to time be amended pursuant to section 9.01, and, with respect to any property within The Sea Ranch which is annexed pursuant to section 2.02, as such declaration may from time to time be supplemented or modified by the provisions of a declaration, if any, filed with respect to such property pursuant to paragraph (a) of section 2.02.

The Sea Ranch Rules.

The term “The Sea Ranch Rules” shall mean the rules from time to time in effect pursuant to the provisions of section 5.06.

Unallocated Balance.

The term “unallocated balance” shall mean that portion of the development fund which is not attributable to private facility development assessments or to public facility development assessments levied for the development of a given public recreational facility, and which has not been allocated pursuant to paragraph (g) of section 7.02.

Unit.

The term “unit” shall mean the portion of any condominium not owned in common with the owners of other condominiums in a project.

Use Fee.

(a) With respect to a participating facility, the term “use fee” shall mean any fee paid or to be paid by such participating facility pursuant to section 8.05.

(b) With respect to a public recreational facility, the term “use fee” shall mean any fee charged or to be charged Owners and Guests by the Association for the use thereof pursuant to paragraph (f) of section 7.02.

Visible from Neighboring Property.

The term “visible from neighboring property” shall mean, with respect to any given object or activity, that such object or activity is or would be in any line of sight originating from any point six feet above any other property, excluding contiguous property owned by the Owner of the property involved, but including common area and restricted common area, assuming that such other property has an elevation equal to the highest elevation of the ground surface of that portion of the property upon which such object or activity is located.



Article II. The Sea Ranch— Property Subject to The Sea Ranch Restrictions.

Section 2.01.

The Sea Ranch: Initial Development.

Grantor hereby declares that all of the real property located in the County of Sonoma, State of California, described as follows:

The Sea Ranch No. 1, all as shown on that certain subdivision map entitled “The Sea Ranch No. 1, Tract No. 342,” filed in the Office of the Recorder of the County of Sonoma, State of California, on the 10th day of May 1965, in Book 104 of Maps at Page 5.

is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved, subject to The Sea Ranch Restrictions, meaning the limitations, restrictions, covenants and conditions set forth in this declaration, all of which are

declared and agreed to be in furtherance of a plan for the subdivision, improvement and sale of said real property and are established and agreed upon for the purpose of enhancing and perfecting the value, desirability and attractiveness of said real property and every part thereof. All of The Sea Ranch Restrictions shall run with said real property and shall be binding upon and inure to the benefit of Grantor, the Association, each Owner of said real property, or any part thereof, and each successor in interest of such Owner. Said real property, together with such other real property from time to time annexed thereto and made subject to The Sea Ranch Restrictions pursuant to section 2.02 shall constitute The Sea Ranch.

Section 2.02. The Sea Ranch: Annexation of Subsequent Developments.

Grantor may, pursuant to the following provisions of this section, from time to time and in its sole discretion, annex to The Sea Ranch all or any part of the real property (not then constituting a part of The Sea Ranch) described in that certain deed from Elmer Ohlson, Ernest Ohlson, Edward J. Ohlson, individually, and Edward J. Ohlson, Executor of the Will of Chester L. Ohlson, Deceased, as grantors, and Oceanic Properties, Inc., as grantee, dated February 27, 1964, and recorded in the Office of the Recorder of the County of Sonoma, State of California, on February 28, 1964, in Book 2025, Page 870, of Official Records of said County of Sonoma, and such other real property from time to time acquired by Grantor.

(a) The annexation of any such property shall become effective when, and only when, the last of each of the following events occurs:

- (1) Grantor shall have recorded a declaration which may consist of more than one document and which shall, among other things:

(aa) describe the real property which is to be annexed to The Sea Ranch,

(bb) set forth or refer to such additional or other limitations, restrictions, covenants, conditions, applicable to such property, as provided in paragraph (d) below,

(cc) declare that such property is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved, subject to The Sea Ranch Restrictions, and

(dd) state that the provisions of paragraph (b) below have been complied with; and

(2) With respect to the real property described in said declaration, Grantor shall have filed a subdivision map.

(b) Prior to the annexation of any such property Grantor shall estimate the maintenance assessment that would be assessed for the first full fiscal year following annexation pursuant to paragraph (b) of section 6.02 assuming such property were annexed to The Sea Ranch. If such estimated maintenance assessment exceeds the limit set forth in paragraph (e) of section 6.02 (such limit also to be determined as if such property were annexed to The Sea Ranch), then such property shall not be annexed unless and until such annexation has been approved by the vote or written consent of Owners, other than Grantor, owning not less than fifty-one percent (51%) of the lots then within The Sea Ranch, exclusive of any lots owned by Grantor.

(c) Upon any annexation becoming effective the property covered by such annexation shall become and constitute a part of The Sea Ranch and the Association, subject to the provisions of section 9.05 with respect to common area or restricted common area, shall have and shall accept and exercise jurisdiction over such property as a part of The Sea Ranch.

(d) Any provision herein to the contrary notwithstanding, the declaration referred to in paragraph (a) above may, with respect to all or any part of the property described in said declaration, provide for, or refer to one or more documents creating any or all of the following:

(1) Such new land classifications not then provided for in section 3.01, and such limitations, restrictions, covenants and conditions with respect to the use thereof as Grantor may deem to be appropriate for the development of such property;

(2) With respect to the land classification then provided for in section 3.01, such additional or different limitations, restrictions, covenants and conditions with respect to the use thereof as Grantor may deem to be appropriate for the development of such property; provided, however, that such additional or different limitations, restrictions, covenants and conditions applicable to common areas and restricted common areas lying within such property shall not discriminate between Owners and Guests or between Owners of such property and other Owners of any other property within The Sea Ranch; and/or

(3) A declaration of restrictions, subordinated to The Sea Ranch Restrictions and applicable exclusively to a project.

The Sea Ranch Restrictions as applicable to such property upon the annexation thereof into The Sea Ranch, shall be deemed to include any and all additions and modifications thereto authorized by subparagraphs (1) and (2) above and set forth or referred to in said declaration.



Article III. Land Classifications, Use and Restrictive Covenants.

Section 3.01. Land Classifications.

All land within The Sea Ranch has been classified into the following areas:

(a) private area, (b) restricted private area, (c) common area, (d) restricted common area, and (e) project area.

Section 3.02.

Private Area: Uses; Restrictions.

The private area of each lot shall be for the exclusive use and benefit of the Owner thereof, subject, however, to all of the following limitations and restrictions:

(a) The Association, or its duly authorized agents, shall have the right at any time, and from time to time, without any liability to the Owner for trespass or otherwise, to enter upon any private area for the purpose:

(1) of maintaining such private area, as provided for in paragraph (e) of section 5.04,

(2) of maintaining restricted private area, common area and restricted common area,

(3) of removing any improvement constructed, reconstructed, refinished, altered or maintained upon such private area in violation of paragraph (a) of section 3.03,

(4) of restoring or otherwise reinstating such private area as authorized by paragraph (b) of section 3.03, and (5) of otherwise enforcing, without any limitation, all of the restrictions set forth in this section and in section 3.03.

(b) No improvement, excavation or other work which in any way alters any private area from its natural or improved state existing on the date such private area was first conveyed in fee by Grantor to an Owner shall be made or done except upon strict compliance with, and

within the restrictions of, the provisions of section 3.03.

(c) The private area of each lot shall be used exclusively for residential purposes, and no more than one family (including its servants and transient guests) shall occupy such private area; provided, however, that nothing in this paragraph (c) shall be deemed to prevent

(1) any artist, artisan or craftsman from pursuing his artistic calling upon private area if such artist, artisan or craftsman:

(aa) also uses such private area for residential purposes,

(bb) is self-employed and has no employees working in such private area, and

(cc) does not advertise or offer any product or work of art for sale to the public upon or from such private area;

(2) any medical doctor from using the private area of the lot described as Parcel 1 as shown on that certain parcel map entitled, "Parcel Map No. 61," filed in the Office of the Recorder of the County of Sonoma, State of California, on October 9, 1969, in Book 136 of Maps at Page 43 (being a portion of Lot 6, Block 6, as shown on that certain subdivision map entitled, "The Sea Ranch No. 1, Tract No. 342," filed in the Office of said Recorder on May 10, 1965, in Book 104 of Maps at Page 5) as a medical office so long as said medical doctor also uses said private area as his residence;

(3) the leasing of any lot from time to time by the Owner thereof, subject, however, to all of the restrictions of The Sea Ranch Restrictions; or

(4) subject to the provisions of paragraph (f) of this section, noncommercial agricultural uses of the private area of lots of three acres or more.

(d) Each private area, and any and all improvements from time to time located thereon, shall be maintained by the Owner thereof in good condition and repair, and in such manner as not to create a fire hazard to The Sea Ranch, or any part thereof, all at such Owner's sole cost and expense.

(e) No noxious or offensive activity shall be carried on upon any private area, nor shall anything be done or placed thereon which may be or become a nuisance, or cause unreasonable embarrassment, disturbance, or annoyance to other Owners in the enjoyment of their private or restricted private areas, or in their enjoyment of common, restricted common and project areas. In determining whether there has been a violation of this paragraph recognition must be given to the premise that Owners, by virtue or their interest and participation in The Sea Ranch, are entitled to the reasonable enjoyment of the natural benefits and surroundings of The Sea Ranch. Without limiting any of the foregoing, no exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively to protect the security of the private area and improvements located thereon, shall be placed or used upon any private area.

(f) No domestic animals or fowl other than a reasonable number of generally recognized house or yard pets shall be maintained on any private area; provided, however, that subject to the provisions of paragraphs (c) and (e) above, and subject to such limitations as may from time to time be set forth in The Sea Ranch Rules,

(1) horses may be maintained within an enclosed private area, or any part thereof, of any lot of three (3) acres or more, provided that there shall not be more than one such animal for each one acre of private area,

(2) cattle may be maintained within an enclosed private area, or any part thereof, of any lot of ten (10) acres or more, provided that there shall not be more than one such

animal for each two (2) acres of private area,

(3) sheep or goats may be maintained within an enclosed private area, or any part thereof, of lots of ten (10) acres or more, provided that there shall not be more than one such animal for each one acre of private area, and

(4) fowl may be maintained within an enclosed private area, or any part thereof, of lots of ten (10) acres or more.

(g) No tree or shrub shall be planted within any private area and be permitted to grow to a height in excess of eight (8) feet unless such tree or shrub was at the time of its planting an indigenous specie.

(h) No signs whatsoever, including but without limitation, commercial, political and similar signs, visible from neighboring property, shall be erected or maintained upon any private area, except

(1) such signs as may be required by legal proceedings,

(2) residential identification signs of a combined total face area of three (3) square feet or less for each residence,

(3) during the time of construction of any residence or other improvement, job identification signs having a maximum face area of six (6) square feet per sign and of the type usually employed by contractors, subcontractors and tradesmen, and

(4) not more than one "for sale" or "for rent" sign having a maximum face area of three (3) square feet, provided that if at the time of any such desired use the Association is providing "for sale" and "for rent" signs for the use of Owners, the sign provided by the Association and no other shall be used.

(i) No house trailer, mobile home, permanent tent, or similar facility or structure shall be kept,

placed or maintained upon any private area at any time; provided, however, that the provisions of this paragraph shall not apply to temporary construction shelters or facilities maintained during, and used exclusively in connection with, the construction of any work or improvement permitted by section 3.03.

(j) No trailer of any kind, truck camper, or boat shall be kept, placed or maintained upon any private area in such a manner that such trailer, truck camper or boat is visible from neighboring property; provided, however, that the provisions of this paragraph shall not apply to temporary construction shelters or facilities maintained during, and used exclusively in connection with, the construction of any work or improvement permitted by section 3.03.

(k) No accessory structures or buildings shall be constructed, placed or maintained upon any private area prior to the construction of the main structure of the residence; provided, however, that the provisions of this paragraph shall not apply to temporary construction shelters or facilities maintained during, and used exclusively in connection with, the construction of the main structure of the residence.

(l) No trailer, vehicle or boat shall be constructed, reconstructed or repaired upon any private area in such manner that such construction, reconstruction or repair is visible from neighboring property.

(m) Except as otherwise permitted by paragraph (o) below, all garbage and trash shall be placed and kept in covered containers. In no event shall such containers be maintained so as to be visible from neighboring property. The collection and disposal of garbage and trash shall be in strict compliance with The Sea Ranch Rules.

(n) Outside clotheslines or other outside clothes drying or airing facilities shall be maintained exclusively within a fenced service yard and shall not be visible from neighboring property.

(o) The maintenance of accumulated waste

plant materials is prohibited except as part of an established compost pile which shall be maintained in such manner as not to be visible from neighboring property.

(p) There shall be no exterior fires whatsoever except barbecue and incinerator fires contained within receptacles therefor and such other fires as may from time to time be permitted by The Sea Ranch Rules.

**Section 3.03. Private Area:
Construction and Alteration of
Improvements; Excavations; etc.**

The right of an Owner to construct, reconstruct, refinish, alter or maintain any improvement upon, under or above any private area, or to make or create any excavation or fill thereon, or to make any change in the natural or existing surface drainage thereof, or to install any utility line (wire or conduit) thereon or thereover, or to destroy or remove any tree therefrom, shall be subject to all of the following limitations and conditions of this section.

(a) Except to the extent permitted by paragraph (g) below, any construction or reconstruction of or the refinishing or alteration of any part of the exterior of, any improvement upon any private area is absolutely prohibited until and unless the Owner of such private area first obtains the approval therefor from the Design Committee as herein provided and otherwise complies with all of the provisions of this section. The Association shall remove any improvement constructed, reconstructed, refinished, altered or maintained in violation of this paragraph and the Owner thereof shall reimburse the Association for all expenses incurred in connection therewith.

(b) Except to the extent reasonably necessary for the construction, reconstruction or alteration of any improvement for which the Owner has obtained approved plans pursuant to this section,

(1) no excavation or fill which would be

visible from neighboring property shall be created or installed upon, and

(2) no change in the natural or existing drainage for surface waters upon, and

(3) no power, telephone or other utility line (wire or conduit) which would be visible from neighboring property shall be installed upon, and

(4) no living tree having a height of six (6) feet or more and having a trunk measuring six (6) inches or more in any diameter at ground level shall be destroyed or removed from, any private area until and unless the Owner of such private area first obtains the approval therefor from the Design Committee as herein provided and such Owner otherwise complies with all of the provisions of this section. The Association shall, in the event of any violation of clause (1) or clause (2) above, restore such private area to its state existing immediately prior to such violation, in the event of any violation of clause (3) above, remove all unauthorized power, telephone or other utility lines (wires or conduits) and, in the event of any violation of clause (4) above, replace any tree which has been improperly removed or destroyed with either a similar tree in type and size or with such other tree as the Association may deem appropriate. The Owner of such private area shall reimburse the Association for all expenses incurred by it in performing its obligations under this paragraph; provided, however, that with respect to the replacement of any tree the Owner shall not be obligated to pay an amount in excess of the expenses which would have been incurred by the Association had it elected to replace the destroyed or removed tree with a tree similar in type and size.

(c) Any Owner proposing to construct or reconstruct, or to refinish or alter any part of the exterior of, any improvement on or within his private area, or to perform any work which under paragraph (b) above requires the prior approval of

the Design Committee, shall apply to the Design Committee for approval as follows:

(1) The Owner shall notify the Design Committee of the nature of the proposed work, and the Design Committee shall thereupon furnish such Owner with a building guide which summarizes the ecological factors relevant to the design, construction and maintenance of improvements at The Sea Ranch and the various design controls and restrictions applicable to the Owner's private area. The Owner shall acknowledge by letter that he has read and studied the contents of the building guide, as shall any architect employed by the Owner to design the proposed work. If the Design Committee shall so request within ten (10) days following its receipt of said letter of acknowledgement, the Owner and his architect, if any, shall meet with a member of the Design Committee in order to benefit from such member's knowledge of and experience with The Sea Ranch Restrictions, the Design Committee Rules, and the ecology of The Sea Ranch. Such meeting shall be at a mutually convenient time not to exceed sixty (60) days following the Design Committee's request therefor, and shall be held at the office of the Association at The Sea Ranch or at some other mutually convenient place.

(2) Following receipt by the Design Committee of said letter of acknowledgement and following said meeting, if any, the Owner shall submit to the Design Committee for approval such plans and specifications for the proposed work as the Design Committee may from time to time request, including, when deemed appropriate by the Design Committee, but without limitation, the following:

(aa) a plot plan of the lot showing (i) contour lines, (ii) the location of all existing and/or proposed improvements, (iii) the proposed drainage plan, (iv) the proposed sanitary disposal facilities, (v) the location of all existing trees having a

height in excess of six (6) feet and having a trunk measuring six (6) inches or more in any diameter at ground level, (vi) such trees which the Owner proposes to remove, and (vii) the location of all proposed utility installations;

(bb) floor plans;

(cc) drawings showing all elevations;

(dd) description of exterior materials and color, with samples;

(ee) working drawings and construction specifications; and

(ff) the Owner's proposed construction schedule.

The Design Committee shall require that the submission of plans and specifications be accompanied by a reasonable plans inspection fee in an amount not to exceed One Hundred Dollars (\$100).

(3) If at any time following an Owner's notification of the Design Committee pursuant to clause (1) above of his proposed work the Design Committee shall determine that it would be in the best interests of The Sea Ranch for such Owner to employ an architect to design any improvement involved in the proposed work, the Design Committee shall inform such Owner in writing of its determination, whereupon all plans and specifications submitted pursuant to clause (2) above must be prepared by an architect.

(d) Subject to the provisions of paragraph (e) below, the Design Committee shall approve the plans, drawings and specifications submitted to it pursuant to paragraph (c) only if the following conditions shall have been satisfied:

(1) the Owner and the Owner's architect, if any, shall have strictly complied with the provisions of paragraph (c) above; and

(2) the Design Committee finds that the

plans and specifications conform to The Sea Ranch Restrictions, particularly to the requirements and restrictions of this section and to the Design Committee Rules in effect at the time such plans were submitted to the Design Committee.

All such approval shall be in writing and may be conditioned upon the submission by the Owner or the Owner's architect, if any, of such additional plans and specifications as the Design Committee shall deem appropriate for the purpose of insuring that the construction of the proposed improvement shall be in accordance with the approved plans; provided, however, that plans, drawings and specifications which have been neither approved nor rejected within forty-five (45) days from the date of submission thereof to the Design Committee shall be deemed approved. One set of plans as finally approved shall be retained and maintained by the Design Committee as a permanent record.

(e) Notwithstanding the provisions of paragraph (d) above, if within the forty-five (45) day period referred to in said paragraph (d) the members of the Design Committee, in their sole discretion, unanimously find that the proposed work would, for any reason whatsoever (including the design, height or location of any proposed improvement and the probable effect thereof on other Owners in the use and enjoyment of their private, restricted private, common, restricted common or project areas) be incompatible with The Sea Ranch, then the Design Committee shall not approve the plans, drawings and specifications submitted to it pursuant to paragraph (c) above and shall so notify the Owner concerned in writing setting forth the reasons for such disapproval.

(f) Grantor shall, upon the timely request of the Design Committee, file with the Design Committee copies of such of the plans and specifications described in paragraph (c) above, which have been prepared by Grantor and which are deemed by the Design Committee to be necessary for the purpose of maintaining

a permanent record of all Improvements constructed or being constructed by Grantor upon any private area at the time such private area became a part of The Sea Ranch.

(g) Any provision herein to the contrary notwithstanding, any Owner may at any time, and from time to time, without first obtaining the approval of the Design Committee and without otherwise complying with paragraph (c) above, reconstruct or refinish any improvement or any portion thereof, excavate or make any other installation, in such manner as may be set forth in the last plans thereof approved by the Design Committee and not revoked pursuant to paragraph (i) below or in the plans and specifications filed pursuant to paragraph (f) above.

(h) Upon receipt of the approval from the Design Committee pursuant to paragraph (d) above, the Owner shall, as soon as practicable, satisfy all conditions thereof and diligently proceed with the commencement and completion of all construction, reconstruction, refinishing, alterations and excavations pursuant to the approved plans.

(i) With reference to paragraph (h) above, Owner shall satisfy all conditions and commence the construction, reconstruction, refinishing, alterations or other work pursuant to the approved plans within one (1) year from the date of such approval. If the Owner shall fail to comply with this paragraph any approval given pursuant to paragraph (d) above shall be deemed revoked unless upon the written request of the Owner made to the Design Committee prior to the expiration of said one (1) year period and upon a finding by the Design Committee that there has been no change in circumstances, the time for such commencement is extended in writing by the Design Committee.

(j) With further reference to paragraph (h) above the Owner shall in any event complete the construction, reconstruction, refinishing or alteration of the foundation and all exterior surfaces (including the roof, exterior walls, windows and doors) of any improvement on his private area within one (1) year after commenc-

ing construction thereof, except and for so long as such completion is rendered impossible or would result in great hardship to the Owner due to strikes, fires, national emergencies or natural calamities. If Owner fails to comply with this paragraph, the Design Committee shall notify the Association of such failure, and the Association, at its option, shall either complete the exterior in accordance with the approved plans or remove the improvement, and the Owner shall reimburse the Association for all expenses incurred in connection therewith.

(k) Upon the completion of any construction or reconstruction of, or the alteration or refinishing of the exterior of, any improvement, or upon the completion of any other work for which approved plans are required under this section, the Owner shall give notice thereof to the Design Committee, and within sixty (60) days thereafter the Design Committee, or its duly authorized representative, may inspect such improvement to determine whether it was constructed, reconstructed, altered or refinished in substantial compliance with approved plans. If the Design Committee finds that such construction, reconstruction, alteration, or refinishing was not done in substantial compliance with approved plans, it shall notify the Owner of such noncompliance within such sixty (60) day period and shall require the Owner to remedy such noncompliance. If upon the expiration of sixty (60) days from the date of such notification the Owner shall have failed to remedy such noncompliance, the Design Committee shall notify the Association of such failure, and the Association, at its option, shall either remove the improvement or remedy the noncompliance, and the Owner shall reimburse the Association for all expenses incurred in connection therewith. If for any reason the Design Committee fails to notify the Owner of any such noncompliance within sixty (60) days after receipt of said notice of completion thereof from the Owner, the improvement shall be deemed to be in accordance with said approved plans.

(l) The following standards and restrictions are applicable to the construction, reconstruction, alteration and refinishing of any and all

improvements from time to time existing upon private areas:

(1) No more than one (1) residence shall be constructed on any lot; provided, however, that two (2) residences may be constructed on lots containing three (3) or more acres if:

(aa) such residences are designed as a single visual element and are visually connected by fences, berms, or other major landscape elements, and

(bb) the main structures of such residences are separated by not more than two hundred fifty (250) feet. A guest suite or like facility, without a kitchen, visually attached to the main residence structure with a minimum connecting structure of a wall or fence not less than six (6) feet high or a covered walk, shall be deemed to be included as part of the single residence.

(2) No corral, barn or other improvement to house horses, and no tennis court shall be constructed or maintained on any lot containing less than three (3) acres, and no structure to house sheep, goats, cattle or fowl shall be constructed or maintained on any lot containing less than ten (10) acres.

(3) All improvements shall be constructed in accordance with applicable building line, setback, and height provisions set forth on the subdivision map; provided, however, that with the consent of the Design Committee and if permissible by law, a carport or garage may be constructed on a property line if such carport or garage:

(aa) is designed together with, and as an integral part of, the carport or garage of an adjacent property owner, and

(bb) is detached from any part of the main residence structure by a minimum distance of twenty (20) feet. Height shall be measured from the natural grade on the highest side of the improvement to

the highest point of the roof or any projection therefrom.

(4) No reflective finishes (other than glass) shall be used on exterior surfaces (other than surfaces of hardware fixtures), including but without limitation, the exterior surfaces of any of the following: roofs, all projections above roofs, retaining walls, doors, trim, fences, pipes, equipment, mailboxes and newspaper tubes.

(5) The colors of all exterior surfaces shall be shades of grey or brown of values between black and white or shades of grey-greens or brown-greens (such as russet, citrine, and olive) of values between black and medium, and the value range for each lot shall be further limited by the applicable letter key, if any, set forth on a subdivision map, as follows:

(aa) the value range for "A" lots shall be white to medium;

(bb) the value range for "B" lots shall be medium light to medium dark; and

(cc) the value range for "C" lots shall be medium to dark.

(6) No roof shall be finished with built-up tar and gravel; provided, however, that built-up tar and dark gravel of values between brown and black may be used to finish that flat roof or a carport if in the opinion of the Design Committee such carport is designed as an integral part of a high fence.

(7) Except for nails, bolts, other approved connecting devices and hardware fixtures used in connection therewith, all fences, screens and similar exterior structures shall be constructed solely of wood; provided, however, that subject to the provisions of subparagraph (4) above, retaining walls, fences used to enclose animals and fowl as contemplated by paragraph (f) of section 3.02, and tennis court fencing may be constructed of other material.

(8) Each residence shall contain parking space within the private area for at least two (2) automobiles by one of the following means:

(aa) a garage either attached to or detached from the main structure of the residence;

(bb) a carport enclosed on not less than two (2) sides, either attached directly to the main structure of the residence or connected by a roof or major fence;

(cc) an exterior parking area enclosed on not less than two (2) sides by a five (5) foot fence or planted berm; or

(dd) an exterior parking area not visible from neighboring property.

(9) Each residence shall contain a fenced service yard enclosing all aboveground trash and garbage receptacles, exterior incinerators, clotheslines and other maintenance and service facilities used by the Owner.

(10) Each residence shall contain a sewage disposal system approved by the Design Committee and the public authority, if any, having jurisdiction. In no event shall sewage be discharged directly or indirectly, into the ocean, any creek, marsh, river, sound or beach or shoreline or bank thereof.

(11) All fuel tanks, water tanks or towers, or similar storage facilities shall either be constructed as an integral part of the main structure of the residence or shall be installed or constructed underground.

(12) No water well or other independent water supply works or facility shall be constructed or maintained within any private area of less than one (1) acre as long as there is available to such private area a source of water supplied through one or more water distribution systems owned and maintained by the Association, a public utility corporation, a mutual water company

or any governmental entity or organization.

(13) There shall be no exterior lighting of any sort either installed or maintained, the light source of which is visible from neighboring property.

(14) There shall be no antenna of any sort either installed or maintained, which is visible from neighboring property.

Section 3.04.

Restricted Private Area: Uses, Restrictions.

The restricted private area of each lot shall be for the exclusive use and benefit of the Owner thereof, subject to all of the following limitations and restrictions, the major purpose of which is to assure that restricted private area is maintained in its natural state, visually indistinguishable from adjacent common area:

(a) The Association, or its duly authorized agents, shall have the right at any time, and from time to time, without any liability to the Owner for trespass or otherwise, to enter upon any restricted private area for the purpose:

(1) of maintaining such restricted private area, as provided for in paragraph (d) of section 5.04.

(2) of maintaining private area, common area, and restricted common area,

(3) of removing any improvement constructed, reconstructed or maintained upon such restricted private area in violation of paragraph (a) of section 3.07, and

(4) of otherwise enforcing the restrictions set forth in this section and section 3.07.

(b) No improvement, excavation or other work which in any way alters such restricted private area (including the vegetation growing on such restricted private area) from its natural or existing state on the date such restricted private area was first conveyed to an Owner in fee shall be made or done except upon strict

compliance with, and within the restrictions and limitations of, the provisions of section 3.07.

(c) There shall be no use of restricted private area whatsoever except:

(1) any use contemplated by any improvement permitted under paragraph (b) above, and

(2) natural recreational uses which do not injure or scar the restricted private area or the vegetation thereon, increase the cost of maintenance thereof, or cause unreasonable embarrassment, disturbance or annoyance to other Owners in their enjoyment of their private and restricted private areas, or in their enjoyment of common and restricted common and project areas.

Section 3.05.

Common Area: Uses; Restrictions.

The exclusive use of common area shall be reserved equally to all Owners and to Guests, subject, however, to the following limitations and restrictions:

(a) The use of common area shall be subject to The Sea Ranch Rules.

(b) The use of common area shall be subject to such easements and rights of way reserved therefrom at the time of the conveyance thereof by Grantor to the Association, to such road and public utility easements and rights of way as may from time to time be taken under power of eminent domain and to such other road and public and private utility easements as may from time to time be granted or conveyed by the Association pursuant to the provisions of paragraph (d) of section 5.05.

(c) No improvement, excavation or other work which in any way alters any common area from its natural or existing state on the date such common area was conveyed by Grantor to the Association pursuant to section 9.05 shall be made or done except upon strict compliance with, and within the restrictions and limitations of, the provisions of section 3.07.

(d) Any portion of common area reserved on a subdivision map for development of a recreational facility may be developed into one or more recreational facilities pursuant to the provisions of Article VII. Such portion shall be used as common area until such time as any such recreational facility is developed. Upon the development of any public recreational facility by the Association pursuant to the provisions of section 7.02 such facility may be used by any Owner or Guest, subject to the provisions of The Sea Ranch Rules with respect to such use. Upon the development of any private recreational facility by Owners pursuant to the provisions of section 7.03, such facility shall be used exclusively by Owners who become permitted users, subject to the provisions of The Sea Ranch Rules with respect to such use.

(e) Except to the extent otherwise permitted pursuant to the provisions of paragraph (d) above and section 3.07, there shall be no use of common area, exclusive of roads, except natural recreational uses which do not injure or scar the common area or the vegetation thereon, increase the cost of maintenance thereof, or cause unreasonable embarrassment, disturbance or annoyance to Owners in their enjoyment of their private and restricted private areas, or in their enjoyment of common, restricted common and project areas. Without limiting the generality of the foregoing,

(1) there shall be no camping in common area except in areas developed therefor by the Association or by Owners pursuant to paragraph (d) above,

(2) there shall be no fires started or maintained on common area except:

(aa) fires started and controlled by the Association incidental to the maintenance and preservation of property within The Sea Ranch, and

(bb) cooking and campfires in picnic and other areas within recreational facilities developed therefor by the Association or by the Owners pursuant to paragraph (d) above, and

(3) no animals shall be permitted on common area except:

(aa) generally recognized house or yard pets when accompanied by and under the control of the Owners to whom they belong,

(bb) sheep, cattle or horses when used for grazing purposes by the Association, and

(cc) horses upon paths and other areas from time to time designated as bridle paths by the Association and upon such areas developed as equestrian recreational facilities by the Association or Owners pursuant to paragraph (d) above.

Section 3.06. Restricted Common Area: Uses, Restrictions.

The exclusive use of restricted common area shall be reserved equally to the Owners of condominiums within projects which are contiguous to such restricted common area, subject, however, to all of the following limitations and restrictions:

(a) All of the limitations and restrictions set forth in paragraphs (a), (b), (c) and (e) of section 3.05 with respect to the use of common area by Owners and Guests shall be applicable to the use of restricted common area by Owners of condominiums within projects which are contiguous to such restricted common area.

(b) Any portion of restricted common area reserved on the subdivision map for development of a recreation facility which is contiguous to common area may be developed into one or more recreational facilities pursuant to the provisions of Article VII. Such portion shall be used as restricted common area until such time as such recreational facility is developed. Upon the development of either a public recreational facility or a private recreational facility, such facility shall be used as if such recreational facility had been developed on common area, as provided for in paragraph (d) of section 3.05. Any portion of restricted common area reserved on the sub-

division map for development of a recreational facility which is not contiguous to common area may be developed into one or more private recreational facilities pursuant to the provisions of section 7.03, but only by Owners who are entitled to use the restricted common area involved. Until such development such portion shall be used as restricted common area.

Section 3.07. Common Area, Restricted Common Area, and Restricted Private Area: Construction and Alteration of Improvements; Excavations; etc.

No improvement, excavation or work which in any way alters any common or restricted common area from its natural or existing state on the date such common or restricted common area was conveyed by Grantor to the Association pursuant to section 9.05, or which in any way alters any restricted private area (including any vegetation growing thereon) from its natural or existing state on the date such restricted private area was first conveyed to an Owner in fee, shall be made or done except upon strict compliance with, and within the restrictions and limitations of the following provisions of this section.

(a) Except to the extent otherwise provided in paragraphs (d), (e) and (f) below, no person other than the Association or its duly authorized agents shall construct, reconstruct, refinish, alter or maintain any excavation or fill upon, or shall change the natural or existing drainage of, or shall destroy or remove any tree, shrub or other vegetation from, or plant any tree, shrub or other vegetation upon, restricted private area, common area or restricted common area.

(b) Except to the extent otherwise provided in paragraph (c) below, if the Association proposes to construct or reconstruct, or to refinish or alter the exterior of, any improvement located or to be located upon common area or restricted common area, or if the Association proposes to make or create any excavation or fill, or to change the natural or existing drainage of surface waters, or to remove any trees, shrubs or ground cover, or to plant any trees, shrubs or

ground cover upon any restricted private area, common area or restricted common area, the Association shall submit to the Design Committee for approval two sets of final plans and specifications for any such work in such form and containing such information as the Design Committee may from time to time require. The Design Committee shall approve the plans and specifications submitted to it pursuant to this paragraph only if all of the following conditions have been satisfied:

(1) If the plans are to construct any new improvement, including any alteration of the exterior appearance of any existing improvement, upon any common area or restricted common area, the Design Committee finds that such improvement complies with the standards and restrictions which are set forth in subparagraphs (4) through (7), inclusive, of paragraph (1) of section 3.03, with respect to private area, which standards and restrictions shall apply to common area and restricted common area, and that such improvement:

(aa) is reasonably necessary for any utility installation serving any property within The Sea Ranch or any participating facility,

(bb) is desirable in order to provide or improve access to or enhance the use and enjoyment of any property within The Sea Ranch,

(cc) is desirable to protect, support or preserve any property within The Sea Ranch, or

(dd) is reasonably necessary for the construction of a recreational facility pursuant to the provisions of Article VII;

(2) If the plans are to make any excavation, or to remove any trees or shrubs, or to plant any trees or shrubs upon any restricted private area, the written consent of the Owner of such restricted private area has been obtained; and

(3) The Design Committee finds in its sole discretion that the proposed work shall not materially prejudice The Sea Ranch or any Owner in the use and enjoyment of his property.

All such approval shall be in writing; provided, however, that plans which have neither been approved nor rejected within forty-five (45) days from the date of submission thereof to the Design Committee shall be deemed approved. One set of plans as finally approved shall be retained and maintained by the Design Committee as a permanent record. Rejection of plans by the Design Committee shall be in writing and shall set forth with particularity the reasons for such rejection. If plans which relate to the construction of a recreational facility pursuant to the provisions of Article VII are rejected for failure to satisfy the conditions set forth in clause (dd) to subparagraph (1) above or in subparagraph (3) above, such plans shall be deemed approved by the Design Committee if the Association reaffirms its approval of such recreational facility pursuant to paragraph (e) of section 7.02 or paragraph (e) of section 7.03.

(c) The Association may at any time, and from time to time

(1) reconstruct, replace or refinish any improvement or portion thereof upon common area or restricted common area in accordance with:

(aa) the last plans thereof approved by the Design Committee pursuant to paragraph (c) above,

(bb) the plans filed by Grantor with the Design Committee pursuant to paragraph (g) below, or

(cc) if neither of the foregoing clauses is applicable and if such improvement existed upon common area or restricted common area when such common area or restricted common area was conveyed

by Grantor to the Association, then in accordance with the original design, finish or standard of construction of such improvement when such common area or restricted common area was conveyed by Grantor to the Association;

(2) construct, reconstruct, replace or refinish any road improvement upon any portion of common area or restricted common area designated on a subdivision map as a private road;

(3) with respect to restricted private area, common area and restricted common area, replace destroyed trees or other vegetation, and, to the extent that the Association deems necessary for the conservation of water and soil, plant trees, shrubs and ground cover which at the time of such planting are of indigenous species; and

(4) place and maintain upon common area and restricted common area such signs and markers as the Association may, in its sole discretion, deem necessary for the identification of The Sea Ranch and of roads, the regulation of traffic, including parking, the regulation and use of common area, restricted common area and restricted private area, and for the health, welfare and safety of Owners and Guests.

(d) An Owner may at any time, and from time to time,

(1) install and maintain within common area, restricted common area or his restricted private area any subsurface sewage disposal or other utility system approved by the Design Committee pursuant to the provisions of section 3.03;

(2) construct or reconstruct on common area or his restricted private area a way which provides access between a road and his private area and which has been approved by the Design Committee pursuant to the provisions of section 3.03; provided, however, that if the Design Committee shall

so require, such way shall be paved; and provided further, that no more than one driveway shall be so constructed for any lot unless the Design Committee finds that one or more additional driveways are reasonably necessary for the use and enjoyment of the lot and will not adversely affect The Sea Ranch; and

(3) construct or reconstruct on common area, restricted common area or his restricted private area, as the case may be, any improvement which may be necessary to protect, support or preserve his private area or restricted private area; provided, however, that:

(aa) such Owner shall comply with the provisions of section 3.03 as if such improvement were to be constructed or reconstructed on private area, and

(bb) the Design Committee may require as a condition of its approval of such construction or reconstruction the submission, at the cost and expense of such Owner, of one or more opinions from such professional consultants as it deems to be appropriate in order to establish the necessity for such construction or reconstruction.

(e) A Project Committee may at any time, and from time to time,

(1) construct or reconstruct on common area and restricted common area a way which provides access between a road and the project area involved and which has been approved by the Design Committee pursuant to the provisions of section 3.09; provided, however, that if the Design Committee shall so require, such way shall be paved; and provided further, that no more than two driveways shall be so constructed for any project area unless the Design Committee finds that one or more additional driveways are reasonably necessary for the use and enjoyment of the project area and will not adversely affect The Sea Ranch; and

(2) construct or reconstruct on common area or restricted common area, as the case may be, any improvement which may be necessary to protect, support or preserve the project area involved; provided, however, that:

(aa) such Project Committee shall comply with the provisions of section 3.09 as if such improvement were to be constructed or reconstructed on project area, and

(bb) the Design Committee may require as a condition of its approval of such construction or reconstruction the submission of one or more opinions from such professional consultants as the Design Committee deems to be appropriate in order to establish the necessity for such construction or reconstruction.

(f) At any time, and from time to time, within two (2) years following conveyance of common area or restricted common area, as the case may be, by Grantor to the Association pursuant to section 9.05, Grantor may construct, reconstruct, refinish or alter any improvement upon, or make or create any excavation or fill upon, or change the natural or existing drainage of, or remove or plant any trees, shrubs or ground cover upon, such common area or restricted common area if Grantor shall determine that any such work:

(1) is reasonably necessary for any utility installation serving any property within The Sea Ranch or any participating facility,

(2) is reasonably necessary for the construction of any public recreational facility,

(3) is desirable in order to provide or improve access to or to enhance the use and enjoyment of such common area or restricted common area, or

(4) is desirable to protect, support or preserve any property which constitutes a part of The Sea Ranch.

(g) Grantor shall from time to time file with the Design Committee such plans and specifications as it may have in its possession and as the Design Committee may deem necessary for the purpose of maintaining a permanent record of improvements constructed by Grantor on common area or restricted common area prior to or within two (2) years following the time such common area or restricted common area was conveyed by Grantor to the Association.

Section 3.08. Project Area:

Uses; Restrictions.

Project area shall be for the exclusive use and benefit of the Owners of condominiums within the project involved, subject, however, to all of the following limitations and restrictions:

(a) The Association, or its duly authorized agents, shall have the right at any time, and from time to time, without any liability to the Project Committee or to the Owner of any condominium within the project for trespass or otherwise, to enter upon any project area for the purpose:

(1) of maintaining all or any part of the project area, as provided for in paragraph (e) of section 5.04,

(2) of maintaining private area, restricted private area, common area and restricted common area,

(3) of removing any improvement constructed, reconstructed, refinished, altered or maintained upon such project area in violation of paragraph (a) of section 3.09,

(4) of restoring or otherwise reinstating such project area as authorized by paragraph (a) of section 3.09, and

(5) of otherwise enforcing the restrictions set forth or incorporated in this section or in section 3.09.

(b) No improvement, excavation or other work may be made or done to or upon any project

area except upon strict compliance with, and within the restrictions and limitations of, the provisions of section 3.09.

(c) Project area shall be used exclusively for residential purposes, and no more than one family (including its servants and transient guests) shall occupy a unit; provided, however, that nothing in this paragraph (c) shall be deemed to prevent

(1) any artist, artisan or craftsman from pursuing his artistic calling within his unit if such artist, artisan or craftsman

(aa) also uses such project area for residential purposes,

(bb) is self-employed and has no employees working in such project area, and

(cc) does not advertise or offer any product or work of art for sale to the public upon or from such project area; or

(2) the leasing of any condominium from time to time by the Owner thereof, subject, however, to all the restrictions of The Sea Ranch Restrictions.

(d) Each project area, and any and all improvement from time to time located thereon, shall be maintained by the Owners of all the condominiums therein, in good condition and repair at such Owner's sole cost and expense.

(e) No noxious or offensive activity shall be carried on upon any project area, nor shall anything be done or placed thereon which may be or become a nuisance, or cause unreasonable embarrassment, disturbance, or annoyance to other Owners in the enjoyment of their condominiums or their private or restricted private areas, or in their enjoyment of common and restricted common areas. In determining whether there has been a violation of this paragraph, recognition must be given to the premise that Owners, by virtue of their interest and participation in The Sea Ranch, are entitled to the reasonable enjoyment of the natural benefits and

surroundings of The Sea Ranch. Without limiting any of the foregoing, no exterior speakers, horns, whistles, bells, or other sound devices, except security devices used exclusively to protect the security of the project area and improvements located thereon, shall be placed or used upon any project area.

(f) No domestic animals or fowl other than a reasonable number of generally recognized house or yard pets shall be maintained on or within any project area.

(g) No tree or shrub shall be planted within any project area and be permitted to grow to a height in excess of eight feet (8) feet unless such tree or shrub is of an indigenous specie.

(h) No signs whatsoever, including but without limitation, commercial, political and similar signs, visible from neighboring property, shall be erected or maintained upon any project area, except

(1) such signs as may be required by legal proceedings,

(2) project identifications signs of a combined total face area of two (2) square feet or less for each condominium,

(3) during the time of construction of any condominium or other improvement, job identification signs having a maximum face area of six (6) square feet per sign of the type usually employed by contractors, subcontractors and tradesmen, and

(4) for each condominium within a project, not more than one "for sale" or "for rent" sign having a maximum face area of three (3) square feet, provided that if at the time of any such desired use the Association is providing "for sale" and "for rent" signs for the use of the Owners, the sign provided by the Association and no other shall be used.

(i) All of the limitations and restrictions set forth in paragraphs (i) through (p), inclusive, of section 3.02 with respect to the use and enjoyment

of private area shall be applicable to the use and enjoyment of any project area by Owners of condominiums within the project; provided, however, that all references therein to section 3.03 shall be deemed to be references to section 3.09.

(j) Anything visible from neighboring property stored, maintained or planted in, placed upon or removed from the ground surface of project area lying between the exterior of the perimeter walls or foundations of any improvement constructed within such project area and contiguous common area or restricted common area shall be deemed to be an improvement, and the storing, maintaining, planting, placing or removal thereof shall be subject to the restrictions and limitations of section 3.09.

Section 3.09.

Project Area: Construction and Alteration of Improvements Excavations; etc.

The right of an Owner or Project Committee of the project involved to construct, reconstruct, refinish, alter or maintain any improvement upon, under or above any project area, or to make or create any excavation or fill thereon, or to make any change in the natural or existing drainage thereof, or to install any utility line (wire or conduit) thereon or thereover, or to destroy or remove any tree therefrom, shall be subject to all of the following limitations and conditions of this section:

(a) All of the limitations, restrictions and conditions set forth in paragraphs (a) through (k), inclusive, of section 3.03 with respect to private area shall apply to project area; provided, however, that all references in said paragraphs to the Owner shall include either the owner of the project area or the Project Committee of the project involved, whichever the case may be.

(b) The following standards and restrictions are applicable to the construction, reconstruction, alteration and finishing of any and all improvements from time to time and existing upon project areas:

(1) No reflective finishes (other than glass) shall be used on exterior surfaces (other than surfaces of hardware fixtures), including but without limitation, the exterior surfaces of any of the following: roofs, all projections above roofs, retaining walls, doors, trim, fences, pipes, equipment, mailboxes and newspaper tubes.

(2) The colors of all exterior surfaces shall be shades of grey or brown of values between black and white or shades of grey-greens or brown-greens (such as russet, citrine, and olive) of values between black and medium, and the value range for each project area shall be further limited by the applicable letter, if any, set forth on a subdivision map, as follows:

(aa) the value range for "A" project areas shall be white to medium;

(bb) the value range for "B" project areas shall be medium light to medium dark; and

(cc) the value range for "C" project areas shall be medium to dark.

(3) No roof shall be finished with built-up tar and gravel; provided, however, that built-up tar and dark gravel of values between brown and black may be used to finish the flat roof of a carport if in the opinion of the Design Committee such carport is designed as an integral part of a high fence.

(4) Except for nails, bolts, other approved connecting devices and hardware fixtures used in connection therewith, all fences, screens and similar exterior structures shall be constructed solely of wood; provided, however, that subject to the provisions of subparagraph (1) above, retaining walls may be constructed of other material.

(5) Each project shall contain parking space within the project area for at least one

automobile for each condominium within the project by one of the following means:

(aa) a garage either attached to or detached from the main structure of the project;

(bb) a carport enclosed on not less than two sides, either attached directly to the main structure of the project or connected by a roof or major fence; or

(cc) an exterior parking area enclosed on not less than two sides by a five (5) foot fence or planted berm.

(6) Each project shall contain a fenced service yard enclosing all aboveground trash and garbage receptacles, exterior incinerators, clotheslines and other maintenance and service facilities.

(7) Each project shall contain a sewage disposal system approved by the Design Committee and the public authority, if any, having jurisdiction. In no event shall sewage be discharged directly or indirectly, into the ocean, any creek, marsh, river, sound or beach or shoreline or bank thereof.

(8) All fuel tanks, water tanks or towers, or similar storage facilities shall either be constructed as an integral part of the main structure of the project or shall be installed or constructed underground.

(9) No water well or other independent water supply works or facility shall be constructed or maintained within any project area as long as there is available to such project area a source of water supplied through one or more water distribution systems owned and maintained by the Association, a public utility corporation, a mutual water company or any governmental entity or organization.

(10) There shall be no exterior lighting of any sort either installed or maintained, the light source of which is visible from neighboring property.

(11) There shall be no antenna of any sort either installed or maintained, which is visible from neighboring property.

Section 3.10. Presumption of Compliance.

All of the following improvements, excavations, fills and other work shall, for all purposes of The Sea Ranch Restrictions, be conclusively presumed to be in compliance with, and within the restrictions of, the provisions of this Article III:

(a) Those existing or maintained within or upon any property within The Sea Ranch at the time such property became a part of The Sea Ranch;

(b) Those existing or maintained within or upon any private area or restricted private area at the time such private area or restricted private area was first conveyed to an Owner by Grantor;

(c) Those from time to time constructed, reconstructed, refinished, altered, installed or maintained within or upon any property within The Sea Ranch by Grantor or pursuant to plans and specifications which have been approved by the Design Committee and which approval has not thereafter been revoked; and

(d) Those specified as complying with The Sea Ranch Restrictions in the estoppel certificate recorded by the Design Committee pursuant to section 4.06.



Article IV. Design Committee.

Section 4.01. Design Committee: Organization; Power of Appointment and Removal of Members.

**There shall be a Design Committee,
organized as follows:**

(a) The Design Committee shall consist of three (3) members. At least one member shall be an

architect who shall be designated the architect member. No other member shall be required to meet any qualification for a membership on the Design Committee.

(b) There shall also be three (3) alternate architect members of the Design Committee, any one of whom may be designated by the Design Committee to act in the place and stead of the architect member in the event of his absence or disability.

Each of said persons shall hold his office until such time as he has resigned or he has been removed or his successor has been appointed, as set forth herein.

(c) Except as provided in paragraph (d) below, the right from time to time to appoint and remove all members and alternate architect members of the Design Committee shall be, and is hereby reserved to and vested solely in Grantor.

(d) The right from time to time to appoint and remove members and alternate architect members of the Design Committee shall be reserved to and vested in the Association as follows:

(1) From and after twenty (20) years from the date first above written, the Association shall have the right to appoint and remove one member of the Design Committee, who shall be the member, other than the member designated the architect member, who, as of the date such right may be first exercised, is the most recently appointed member.

(2) From and after twenty-five (25) years from the date first above written, the Association shall have the right to appoint and remove the two (2) members of the Design Committee not designated the architect member.

(3) The Association shall have the right to appoint and remove all members and alternate architect members of the Design Committee from and after thirty (30) years from

the date first above written; provided, however, that if Grantor fails to exercise its rights under paragraph (c) above or records a declaration waiving such rights, the Association shall thereupon and thereafter have the right to appoint and remove all members and alternate architect members.

(e) Any member or alternate architect member of the Design Committee may at any time resign from the Design Committee upon written notice delivered to Grantor or to the Association, whichever then has the right to appoint and remove members.

Section 4.02. Design Committee: Duties.

It shall be the duty of the Design Committee to consider and act upon such proposals or plans from time to time submitted to it pursuant to sections 3.03, 3.07 and 3.09, to adopt Design Committee rules pursuant to section 4.04, and to perform such other duties from time to time delegated to it by The Sea Ranch Restrictions.

Section 4.03. Design Committee: Meetings; Action; Compensation; Expenses.

The Design Committee shall meet from time to time as necessary to properly perform its duties hereunder. The vote or written consent of any two (2) members shall constitute an act by the Design Committee unless the unanimous decision of its members is otherwise required by The Sea Ranch Restrictions; provided, however, approval of plans, drawings and specifications by the Design Committee pursuant to paragraph (d) of section 3.03 shall require the vote or written consent of the architect member and at least one other member. The Design Committee shall keep and maintain a record of all action from time to time taken by the Design Committee at such meetings or otherwise. The architect member and the alternate architect members shall receive from the Association reasonable fees for professional services rendered. Unless authorized by the Association, the other members of the Design Committee shall not receive any

compensation for services rendered. All members shall be entitled to reimbursement for reasonable expenses incurred by them in connection with the performance of any Design Committee function.

Section 4.04. Design Committee Rules.

The Design Committee may, from time to time and in its sole discretion, adopt, amend and repeal by unanimous vote, rules and regulations, to be known as "Design Committee Rules," which, among other things, interpret or implement the provisions of sections 3.03, 3.07 and 3.09 and which list species of ground covers, shrubs and trees. A copy of the Design Committee Rules, as they may from time to time be adopted, amended, or repealed, certified by any member of the Design Committee, shall be recorded and shall thereupon have the same force and effect as if they were set forth in and were a part of The Sea Ranch Restrictions.

Section 4.05. Non-Waiver

The approval by the Design Committee of any plans, drawings or specifications for any work done or proposed, or in connection with any other matter requiring the approval of the Design Committee under The Sea Ranch Restrictions, shall not be deemed to constitute a waiver of any right to withhold approval as to any similar plan, drawing, specification or matter whenever subsequently or additionally submitted for approval.

Section 4.06. Estoppel Certificate.

When thirty (30) days after written demand therefor is delivered to the Design Committee by any Owner, and upon payment thereof to the Association of a reasonable fee from time to time to be fixed by the Association, the Design Committee shall record an estoppel certificate executed by any two of its members, certifying with respect to any lot of said Owner, that as of the date thereof either (a) all improvements and other work made or done upon or within said lot by the Owner, or otherwise, comply with The Sea

Ranch Restrictions, or (b) such improvements and/or work do not so comply, in which event the certificate shall also:

(1) identify the noncomplying improvements and/or work and

(2) set forth with particularity the cause or causes for such noncompliance. Any purchaser from the Owner, or mortgagee or other encumbrancer shall be entitled to rely on said certificate with respect to the matters therein set forth, such matters being conclusive as between the Association, Grantor and all Owners and such purchaser, mortgagee or other encumbrancer.

Section 4.07. Liability.

Neither the Design Committee nor any member thereof shall be liable to the Association or to any Owner or Project Committee for any damage, loss or prejudice suffered or claimed on account of:

(a) the approval of any plans, drawings and specifications, whether or not defective,

(b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications,

(c) the development, or manner of development of any property within The Sea Ranch, or

(d) the execution and filing of an estoppel certificate pursuant to section 4.06, whether or not the facts therein are correct; provided, however, that such member has, with the actual knowledge possessed by him, acted in good faith.

Without in any way limiting the generality of the foregoing, the Design Committee, or any member thereof, may, but is not required to, consult with or hear the Association or any Owner with respect to any plans, drawings or specifications, or any other proposal submitted to the Design Committee.



Article V. The Sea Ranch Association.

Section 5.01. Organization.

(a) The Association is a nonprofit membership corporation charged with the duties and empowered with the rights set forth herein. It was created by the Articles and its affairs shall be governed by the Articles and Bylaws.

(b) In the event that the Association as a corporate entity is dissolved, a nonprofit, unincorporated association shall forthwith and without further action or notice be formed and succeed to all rights and obligations of the Association hereunder. Said unincorporated association shall be known as Del Mar Ranch Association and its affairs shall be governed by the laws of the State of California and, to the extent not inconsistent therewith, by the Articles and Bylaws, respectively, as if they were created for the purpose of governing the affairs of an unincorporated association.

Section 5.02. Membership.

(a) Each Owner, by virtue of being an Owner and for so long as he is an Owner, shall be a member of the Association, or, in the event of its dissolution, a member of the unincorporated association succeeding to the Association, as provided for in paragraph (b) of section 5.01.

(b) The rights, duties, privileges and obligations of an Owner as a member of the Association or its succeeding unincorporated association shall be those set forth in, and shall be exercised and imposed in accordance with, the provisions of The Sea Ranch Restrictions, the Articles and Bylaws.

(c) In the event of the dissolution of the Association and the formation of an unincorporated association, as provided for in paragraph (b) of section 5.01, each member of the unincorporated association shall have an equal, underlying beneficial interest in all of the Association's property transferred to or for the account or benefit of said unincorporated association in

direct proportion to the number of lots owned by such member; provided, however, that there shall be no judicial partition of such property, or any part thereof, nor shall any such member or other person acquiring any interest in said property, or any part thereof, seek any such judicial partition.

Section 5.03. Voting Rights.

Each Owner shall be entitled to one vote for each lot owned by such Owner on all matters properly submitted for vote to the membership of the Association; provided, however, that every Owner entitled to vote at any election of the members of the Board may cumulate his votes and give any one or more candidates a number of votes equal to the number of lots owned by the Owner multiplied by the number of directors to be elected. The right to vote may not be severed or separated from any lot, and any sale, transfer or conveyance of any lot to a new Owner shall operate to transfer the appurtenant vote without the requirement of any express reference thereto.

Section 5.04.

Duties and Obligations of the Association.

The Association shall have the obligations and duties, subject to The Sea Ranch Restrictions, to do and perform each and every of the following for the benefit of the Owners and for the maintenance and improvement of The Sea Ranch:

(a) The Association shall accept as part of The Sea Ranch, all property annexed to The Sea Ranch pursuant to section 2.02 and shall accept all Owners as members of the Association.

(b) The Association shall accept title to all common area and restricted common area from time to time conveyed to it pursuant to section 9.05.

(c) Notwithstanding anything to the contrary contained in paragraph (b) of section 5.01, immediately prior to any dissolution of the Association as a corporate entity the Association

shall convey all real property vested in it to Title Insurance and Trust Company or to its successor, or to any other independent corporate trustee, to hold such real property in trust for the benefit of the unincorporated association formed pursuant to said paragraph (b) and for the benefit of the Owners.

(d) The Association shall maintain, or provide for the maintenance of, common area, restricted common area, recreational facilities and restricted private area and all improvements of whatever kind and for whatever purpose from time to time located thereon in good order and repair; provided, however, that notwithstanding the foregoing, the Association shall have no obligation to maintain in good order and repair any improvement constructed upon common area, restricted common area, or restricted private area by any Owner or Project Committee pursuant to section 3.07. Roads shall be maintained in a condition of repair at least equal to that of comparable roads of the County of Sonoma.

(e) The Association shall enter upon and maintain, or provide for the maintenance of, any private area or project area which is not maintained by the Owner or Project Committee thereof in accordance with the requirements of sections 3.02 and 3.08, respectively.

(f) To the extent not assessed to or paid by the Owners, the Association shall pay all real property taxes and assessments levied upon any portion of common area or restricted common area or upon any recreational facility.

(g) Unless provided by a municipal, county or other governmental body and unless the cost thereof is assessed, directly or indirectly, against the Owners by such body, the Association shall contract for, employ, or otherwise provide police and refuse disposal services.

(h) The Association shall obtain and maintain in force the following policies of insurance:

(1) fire and extended coverage insurance on all improvements owned by the

Association and from time to time located upon or within any common area, restricted common area, or recreational facility, the amount of such insurance to be not less than ninety percent (90%) of the aggregate full insurable value, meaning actual replacement value (exclusive of the cost of excavations, foundations and footings), of such improvements as from time to time determined by the Association;

(2) bodily injury liability insurance with limits of not less than Two Hundred Thousand Dollars (\$200,000) per person and One Million Dollars (\$1,000,000) per occurrence insuring against any and all liability with respect to The Sea Ranch or any portion thereof, or arising out of the maintenance or use thereof; and

(3) property damage liability insurance with a deductible of not more than One Thousand Five Hundred Dollars (\$1,500) and a limit of not less than Five Hundred Thousand Dollars (\$500,000) per accident.

The policy or policies of insurance referred to in subparagraphs (2) and (3) above shall name as insureds (aa) the Association, the Board, the Design Committee, and their representatives, members and employees, and (bb) with respect to any liability arising out of the maintenance and use of common area, restricted common area or any recreational facility, the Owners. Such policy or policies shall protect each of the insureds as if each were separately insured under separate policies; provided, however, that such policy or policies shall not require the insured or insurers to pay any amount in excess of the maximum limits stated therein. Each and every policy of insurance obtained by the Association, whether or not required to be obtained pursuant to the provisions of The Sea Ranch Restrictions, shall expressly waive any and all rights of subrogation against Grantor, its representatives and employees, and any Owner.

(i) The Association shall accept and act upon

applications submitted to it for the development of public and private recreational facilities.

(j) The Association shall from time to time make, establish, promulgate, amend and repeal The Sea Ranch Rules, as provided for in section 5.06.

(k) To the extent provided for in section 4.01, the Association shall exercise its rights to appoint and remove members of the Design Committee to insure that at all reasonable times there is available a duly constituted and appointed Design Committee.

(l) The Association shall take such action, whether or not expressly authorized by The Sea Ranch Restrictions, as may reasonably be necessary to enforce the restrictions, limitations, covenants, and conditions of The Sea Ranch Restrictions, The Sea Ranch Rules and the Design Committee Rules.

Section 5.05.

Powers and Authority of the Association.

The Association shall have all of the powers set forth in the Articles, together with its general powers as a nonprofit corporation, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws and in The Sea Ranch Restrictions, to do any and all lawful things which may be authorized, required or permitted to be done by the Association under and by virtue of The Sea Ranch Restrictions and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association or for the peace, health, comfort, safety and/or general welfare of the Owners and Guests of The Sea Ranch. Without in any way limiting the generality of the foregoing:

(a) The Association shall have the power and authority at any time, and from time to time, and without liability to any Owner or Project Committee, to enter upon any private area or project area for the purpose of enforcing any and all of the provisions of sections 3.02, 3.03,

3.08 and 3.09, or for the purpose of maintaining and repairing any such area if for any reason whatsoever the Owner thereof or the Project Committee of the project involved fails to maintain and repair such area as required by paragraph (d) of section 3.02 and paragraph (d) of section 3.08, respectively. The Association shall also have the power and authority from time to time, in its own name, on its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of The Sea Ranch Restrictions and to enforce, by mandatory injunction or otherwise, all of the provisions The Sea Ranch Restrictions.

(b) In fulfilling any of its obligations or duties under The Sea Ranch Restrictions, including, without limitations, its obligations or duties for the maintenance, repair, operation or administration of common area, restricted common area, recreational facilities, restricted private area and, to the extent necessitated by the failure of the Owners thereof, private area and project area, the Association shall have the power and authority:

(1) to contract and pay for, or otherwise provide for, the maintenance, restoration and repair of all improvements of whatever kind and for whatever purpose from time to time located upon common area, restricted common area or within any recreational facility;

(2) to obtain, maintain and pay for such insurance policies or bonds, whether or not required by section 5.04, as the Association shall deem to be appropriate for the protection or benefit of The Sea Ranch, the Association, the members of the Board, the members of the Design Committee, Owners or Guests, including, but without limitation, war risk insurance, boiler insurance, workers' compensation insurance, malicious mischief insurance, automobile nonownership insurance, and performance and fidelity bonds;

(3) to contract and pay for, or otherwise provide for, such utility services, including, but without limitation, water, sewer, garbage, electrical, telephone and gas services, as may from time to time be required;

(4) to contract and pay for, or otherwise provide for, the services of architects, engineers, attorneys and certified public accountants and such other professional and nonprofessional services as the Association deems necessary;

(5) to contract and pay for, or otherwise provide for, fire, police and such other protection services as the Association shall from time to time deem necessary for the benefit of The Sea Ranch, any property located within The Sea Ranch, Owners and Guests;

(6) to contract and pay for, or otherwise provide for, such materials, supplies, furniture, equipment and labor as and to the extent the Association deems necessary; and

(7) to pay and to discharge any and all liens from time to time placed or imposed upon any common area, restricted common area or recreational facility on account of any work done or performed by the Association in the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration.

(c) In fulfilling any of its obligations, or in exercising any of its rights, to construct improvements or other work upon any common area, restricted common area or restricted private area, or in connection with the development of any recreational facility pursuant to Article VII, the Association shall have the right, power and authority:

(1) to contract and pay for, or otherwise provide for, the construction of such improvements or other work upon such terms and conditions as the Association shall deem appropriate;

(2) to obtain, maintain and pay for such insurance policies or bonds, in addition to those obtained by the Association pursuant to subparagraph (2) of paragraph (b) above, as the Association may deem appropriate for the protection or benefit of the Association, the members of the Board, the members of the Design Committee, Owners and Guests, including, but without limitation, builder's risk insurance, additional comprehensive liability insurance, workers' compensation insurance and performance and fidelity bonds;

(3) to contract and pay for, or otherwise provide for, the services of architects, engineers, attorneys and certified public accountants and other professional and non-professional services; and

(4) to pay and discharge any and all liens arising out of the construction of any such improvement.

(d) The Association shall have the power and authority from time to time to grant and convey to any third party such easements, rights of way, parcels or strips of land, in, on, over or under any common area, restricted common area or recreational facility, for the purpose of constructing, erecting, operating and maintaining thereon, therein and thereunder,

(1) public roads, streets, walks, driveways, parkways, and park areas,

(2) poles, wires, and conduits for the transmission of electricity for lighting, heating, power, telephone, television and other purposes and for the necessary attachments in connection therewith, and

(3) public and private sewers, storm water drains, land drains and pipe, water systems, sprinkling systems, water, heating and gas lines or pipes and any and all equipment in connection with the foregoing.

(e) The Association may, from time to time, employ the services of a manager to manage the

affairs of the Association and, to the extent not inconsistent with the laws of the State of California and upon such conditions as are otherwise deemed advisable by the Association, the Association may delegate to the manager any of its powers under The Sea Ranch Restrictions.

(f) The Association may, from time to time and upon such terms and conditions as it may deem appropriate, agree with the Project Committee of any project to manage the affairs of such Project Committee.

(g) The Association shall have the right from time to time to pay, compromise or contest any and all taxes and assessments levied against all or any part of any common area, restricted common area or recreational facility or upon any personal property belonging to the Association; provided, however, that prior to the sale or other disposition of any property to satisfy the payment of any such tax or assessment, the Association shall pay and discharge the lien imposed with respect to such property.

Section 5.06. The Sea Ranch Rules.

(a) The Association may, from time to time and subject to the provisions of The Sea Ranch Restrictions, adopt, amend, and repeal rules and regulations, to be known as "The Sea Ranch Rules," governing, among other things,

- (1) the use of common area, restricted common area, and recreational facilities;
- (2) the use of roads;
- (3) the collection and disposal of refuse;
- (4) the burning of open fires; and
- 5) the maintenance of animals within The Sea Ranch.

(b) With respect to subparagraph (a) (1) above, The Sea Ranch Rules may, without limitation and to the extent deemed necessary by the Association in order to preserve the benefits of The Sea Ranch for all Owners, their families,

invitees, licensees and lessees, and for Guests, restrict and/or govern the use of common area, restricted common area and recreational facilities by any Guest, by any Owner, by the family of such Owner, or by any invitee, licensee or lessee of such Owner; provided, however, that with respect to use of common area and public recreational facilities, The Sea Ranch Rules may not discriminate between Guests, Owners, and the families and lessees of Owners.

(c) With respect to subparagraph (a) (2) above, The Sea Ranch Rules may, without limitation, provide for:

- (1) parking restrictions and limitations;
- (2) maximum speeds for vehicular travel;
- (3) the time or times when commercial vehicles may be permitted to use the roads; and
- (4) the type or types of vehicles other than conventionally equipped passenger automobiles which may be permitted to use the roads.

(d) A copy of The Sea Ranch Rules, as they may from time to time be adopted, amended or repealed, certified by the Secretary or any Assistant Secretary of the Association, shall be recorded and duplicate copies thereof shall be delivered to each Owner and each participating facility. Upon such recordation and delivery The Sea Ranch Rules shall have the same force and effect as if they were set forth in and were a part of The Sea Ranch Restrictions.

Section 5.07. Liability of Members of Board.

No member of the Board shall be personally liable to any Owner, Guest, Project Committee, participating facility, or to any other person, including Grantor, for any error or omission of the Association, its representatives and employees, the Design Committee or the manager; provided, however, that such member has, with the actual knowledge possessed by him, acted in good faith.

**Section 5.08.
Exclusive Powers of the Association.**

The Association, through the Board and its duly authorized representatives, shall have the exclusive right to exercise the powers and authority referred to in paragraphs (b) through (g), inclusive, of section 5.05.



**Article VI.
Funds and Assessments.**

Section 6.01. Operating Fund.

There shall be an operating fund, into which the Association shall deposit all monies paid to it as:

- (a) maintenance assessments;
- (b) recreational assessments;
- (c) special assessments;
- (d) use fees paid by users of public recreational facilities;
- (e) use fees paid by participating facilities;
- (f) management fees paid by Project Committee under agreements entered into pursuant to paragraph (f) of section 5.05;
- (g) miscellaneous fees; and
- (h) income and profits attributable to the operating fund;

and from which the Association shall make disbursements in performing the functions for which the foregoing assessments are levied.

Section 6.02. Maintenance Assessment.

(a) Within thirty (30) days prior to the commencement of each fiscal year the Association shall estimate the costs and expenses to be incurred by the Association during such fiscal year in performing its functions under Article V (including a reasonable provision for contingencies and replacements), and shall subtract from such estimate:

(1) the estimate of costs and expenses referred to in section 6.03;

(2) an amount equal to the anticipated balance (exclusive of any reserves for contingencies and replacements) in the operating fund at the start of such fiscal year which is attributable to maintenance assessments; and

(3) the estimated receipts for all use fees to be collected from users of public recreational facilities and from participating facilities during the next fiscal year.

(b) The sum or net estimate determined pursuant to paragraph (a) above shall be assessed to the Owners as a maintenance assessment in the following manner:

(1) an equal amount, to be fixed by the Association but not more than three hundred sixty dollars (\$360) for any fiscal year, shall be assessed to the Owner of each lot in The Sea Ranch; provided that said maximum amount may be adjusted upward in direct proportion to any increase in the Cost of Living Index measured from January 1965, to the January immediately preceding the assessment, and

(2) if the assessments made pursuant to subparagraph (1) above are maximum assessments and if the aggregate of said assessments does not cover said sum or net estimate determined pursuant to paragraph (a) above, then the balance of said sum or net estimate shall be assessed to the Owner of each lot in The Sea Ranch in accordance with the proportion that the assessed value of such lot bears to the assessed value of all lots in The Sea Ranch at the time such assessment is made.

(c) If at any time and from time to time during any fiscal year the maintenance assessment proves inadequate for any reason, including nonpayment of any Owner's share thereof, the Association may levy a further assessment in the amount of such actual or estimated

inadequacy, which shall be assessed to the Owners in the manner set forth in paragraph (b) above.

(d) Maintenance assessments shall be due and payable by the Owners to the Association in equal monthly installments, on or before the first day of each month during the fiscal year, or in such other manner as the Association shall designate.

(e) Any provision in this section 6.02 to the contrary notwithstanding, the aggregate amount of all maintenance assessments from time to time levied during any fiscal year shall not, without first complying with the provisions of paragraph (f) below, exceed the sum of the following:

(1) the aggregate cost and expense incurred or to be incurred by the Association during such fiscal year in performing its functions under paragraphs (f), (g) and (h) of section 5.04 and paragraph (b) (5) of section 5.05;

2) three hundred sixty dollars (\$360) (as such figure may be adjusted upward in direct proportion to any increase in the Cost of Living Index measured from January 1965, to the January immediately preceding the start of the fiscal year involved) multiplied by the number of lots within The Sea Ranch at the time such assessment is made;

(3) Five percent (5%) of the aggregate assessed value of all lots within The Sea Ranch at the time such assessment is made; and

(4) the aggregate amount of all additional maintenance assessments from time to time theretofore approved pursuant to the provisions of paragraph (f) and which approval has not by its terms expired.

(f) No maintenance assessment which exceeds the sum determined pursuant to paragraph (e) above shall be levied unless the Association has approved such assessment by the

unanimous action of the Board or by the vote or written consent of Owners owning not less than fifty-one percent (51%) of the lots then within The Sea Ranch. Such approval shall set forth the dollar amount by which the maintenance assessment may exceed the sum determined pursuant to paragraph (e) above, and may by its terms be limited to a specified fiscal year or years; provided, however, that if such approval relates to the maintenance of one or more designated public recreational facilities, then such approval shall be deemed to have been given with respect to any and all maintenance assessments levied thereafter with respect to such public recreational facilities which do not exceed the dollar amount set forth in such approval.

Section 6.03. Recreational Assessment.

(a) Within thirty (30) days prior to the commencement of each fiscal year the Association shall estimate the costs and expenses to be incurred by the Association during such fiscal year in performing its functions with respect to each private recreational facility developed pursuant to Article VII, and shall subtract from each such estimate the amount, if any, of the anticipated balance in the operating fund at the start of the next fiscal year attributable to recreational assessments for each such private recreational facility.

(b) The sum or net estimate determined pursuant to paragraph (a) above for each private recreational facility shall be assessed equally to the Owners of the lots then listed in the Development Assessment Certificate recorded with respect to each such private recreational facility as a recreational assessment.

(c) If at any time and from time to time during the fiscal year any recreational assessment proves, or appears likely to prove, inadequate for any reason, including nonpayment of any Owner's share thereof, the Association may levy a further assessment in the amount of such actual or estimated inadequacy, which shall be assessed to each Owner in the manner and to the extent provided for in paragraph (b) above.

(d) Recreational assessments shall be due and payable by Owners to the Association in equal monthly installments, on or before the first day of each month during the fiscal year, or in such other manner as the Association shall designate.

Section 6.04. Special Assessment.

The Association shall levy a special assessment against any Owner as a direct result of whose acts, or failure or refusal to act or otherwise to comply with The Sea Ranch Restrictions, The Sea Ranch Rules or the Design Committee Rules, monies were expended from the operating fund by the Association in performing its functions under The Sea Ranch Restrictions. Such assessment shall be in the amount so expended, and shall be due and payable to the Association when levied.

Section 6.05. Development Fund.

There shall be a development fund, into which the Association shall deposit all monies paid to it as:

- (a) Public facility development assessments;
- (b) Private facility development assessments; and
- (c) Income and profits attributable to the development fund;

and from which the Association shall make disbursements in performing the functions for which the foregoing assessments are levied.

Section 6.06. Public Facility Development Assessment.

(a) To provide for the development of public recreational facilities, the Association may, subject to the provisions of paragraph (b) below, from time to time assess to the Owners as a public facility development assessment such amount or amounts as the Association may determine to be appropriate in the following manner:

(1) an equal amount, to be fixed by the Association but not more than thirty-six dollars (\$36) for any fiscal year shall be assessed to the Owner of each lot in The Sea Ranch; provided that said maximum amount may be adjusted upward in direct proportion to any increase in the Cost of Living Index measured from January 1965, to the January immediately preceding the assessment; and

(2) if the assessments made pursuant to subparagraph (1) above are maximum assessments, an amount shall be assessed to the Owner of each lot in The Sea Ranch in accordance with the proportion that the assessed value of such lot bears to the assessed value of all lots in The Sea Ranch at the time such assessment is made.

(b) No public facility development assessment pursuant to subparagraph (2) of paragraph (a) above shall be levied unless the Owners of lots equal to at least seventy-five percent (75%) of the assessed value of all lots in The Sea Ranch have approved such assessment by filing a written consent thereto with the Association or by voting in favor thereof at a meeting of the Association. No such assessment shall be made in an aggregate amount greater than the amount approved pursuant to this paragraph; provided, however, that approval hereunder of any assessment for the development of a given public recreational facility pursuant to section 7.02 shall also constitute approval of any subsequent public facility development assessment with respect to such facility.

(c) Public facility development assessments shall be due and payable by the Owners to the Association in such installments and during such period or periods as the Association shall designate.

Section 6.07. Private Facility Development Assessment.

Upon the recordation of a Development Assessment Certificate pursuant to section 7.03, the Association shall levy a private facility development assessment prorated

equally among all of the Owners of the lots then listed in such Development Assessment Certificate, in the aggregate amount of the estimated total cost of the private recreational facility referred to therein. Such assessment shall be due and payable by such Owners to the Association in such installments and during such period or periods as the Association shall designate.

**Section 6.08.
Default in Payment of Assessments.**

(a) Each assessment under this Article VI shall be a separate, distinct and personal debt and obligation of the Owner against whom it is assessed. If the Owner does not pay such assessment or any installment thereof when due, the Owner shall be deemed to be in default, and the amount of the assessment not paid, together with the amount of any subsequent default, plus interest at seven percent (7%), and costs, including reasonable attorneys' fees, shall become a lien upon the lot or lots of such Owner upon recordation by the Association of a notice of default. Such lien shall be subject and subordinate to the lien of any mortgage upon the lot or lots of such Owner which is made in good faith and for value and is recorded prior to the recordation of such notice of default. The Association shall record such notice of default within sixty (60) days following the occurrence of such default, and shall commence proceedings to enforce such lien within six (6) months following such recordation. The foregoing remedy shall be in addition to any other remedies provided by law for the enforcement of such assessment obligation.

(b) The Association shall execute and acknowledge a certificate stating the indebtedness secured by the lien upon any lot or lots, and such certificate shall be conclusive upon the Association and the Owners, in favor of all persons who rely thereon in good faith, as to the amount of such indebtedness on the date of the certificate. The Association shall furnish a copy of such certificate to any Owner upon request, at a reasonable fee.



**Article VII.
Development and Use
of Recreational Facilities.**

Section 7.01. Introduction.

In order to promote the beneficial recreational use of common and restricted common area in a manner which fosters the diverse recreational interests of Owners or groups of Owners and which is compatible with the rights of other Owners in their enjoyment of the environment of The Sea Ranch, provision is hereby made in this Article for the development by the Association of public recreational facilities, which shall be for the use and enjoyment of any Owner or Guest, and of private recreational facilities, which shall be for the use and enjoyment of those Owners who are permitted users pursuant to section 7.04.

**Section 7.02. Public Recreational
Facilities; Procedure for Development.**

(a) One or more Owners may from time to time petition the Association for the development of a public recreational facility on any portion of common area reserved on a subdivision map for such development, or on any portion of restricted common area reserved on a subdivision map for such development and contiguous to common area. Such petition shall be in such form and shall contain such information as the Association may require, including, among other things, the following:

- (1) the names and addresses of the petitioning Owners;
- 2) the location of the common or restricted common area; and
- (3) the type of public recreational facility which the petitioning Owners wish to have developed.

The Association may from time to time and on its own motion move for the development of a public recreational facility, in

which case such motion shall be treated as if it were a petition submitted by one or more Owners.

(b) The Association shall tentatively approve the petition if it finds that the proposed public recreational facility is financially feasible and is compatible with The Sea Ranch. Among the factors which the Association shall consider in making such finding are the following:

- (1) the suitability of the proposed use of the location;
- (2) the suitability of the proposed use as opposed to other possible recreational uses on such location;
- (3) the suitability of the public character of the proposed recreational facility as opposed to a private character;
- (4) the anticipated volume of use; and
- (5) the estimated cost of development and operation.

(c) After tentative approval of the petition the Association shall prepare, or cause to be prepared, and submit to the Design Committee pursuant to paragraph (b) of section 3.07, two sets of plans and specifications for the proposed recreational facility. Upon the request of the Design Committee, such plans and specifications shall be prepared by an architect and/or engineer.

(d) If the Design Committee approves such plans and specifications, the Association shall obtain firm bids on the total cost of constructing and otherwise developing the proposed public recreational facility, and the lowest acceptable bid or bids shall be deemed the estimated total cost of development of such facility.

(e) If the Design Committee rejects such plans and specifications for failure of the same to satisfy the conditions set forth in clause (dd) of subparagraph (1) or in subparagraph (3), both of paragraph (b) of section 3.07, the Associa-

tion shall reconsider the petition in the light of the reasons given for such rejection by the Design Committee. If upon such reconsideration the Association reaffirms the finding made pursuant to paragraph (b) above, such plans and specifications shall be deemed approved by the Design Committee.

(f) The Association shall give final approval to the petition if it finds on the basis of the plans and specifications approved by the Design Committee and the estimated total cost of development that the proposed public recreational facility is financially feasible and is compatible with The Sea Ranch. In its final approval the Association may impose such restrictions upon the use and operation of the facility, including reasonable use fees to be charged Owners and Guests for the use thereof, as it may deem advisable to assure the satisfactory functioning and financial stability of the facility, or to protect other Owners in their use and enjoyment of The Sea Ranch.

(g) After its final approval of the petition, the Association shall allocate for the development of the proposed public recreational facility an amount equal to the total estimated cost of development of such facility (including a reasonable provision for contingencies) from the portion, if any, of the development fund attributable to public facility development assessments levied for the development of such facility. If no such assessments have been made, the Association shall allocate such amount from the unallocated balance of such fund.

(h) After allocation of monies pursuant to paragraph (g) above, the Association, at such time and on such terms and conditions as it may deem appropriate but not exceeding the estimate total cost of development determined pursuant to paragraph (d) above, shall commence or contract for the development and construction of the public recreational facility in accordance with the plans and specifications approved by the Design Committee.

(i) If the amount allocated from the development fund pursuant to paragraph (g) above

from time to time proves or appears to be inadequate to cover the actual cost of development of the public recreational facility, the Association shall at its option and from time to time:

(1) levy an additional public facility development assessment pursuant to section 6.06 in an amount sufficient to cover such actual or estimated inadequacy and allocate such amount to the development of such facility; or

2) allocate an amount sufficient to cover such actual or estimated inadequacy from the unallocated balance of the development fund to the development of such facility.

(j) Any monies allocated to the development of a given recreational facility pursuant to paragraph (g) or (i) above which are not expended for such purpose shall, upon completion of the development of such facility, become part of the unallocated balance of the development fund.

(k) If for any reason the Association does not give final approval to the petition pursuant to paragraph (f) above, all expenses incurred by the Association in obtaining plans and specifications pursuant to paragraph (c) above shall be paid out of the unallocated balance of the development fund.

(l) Any improvement constructed or to be constructed by Grantor on any portion of common area reserved on a subdivision map for development as a public recreational facility or on any portion of restricted common area reserved on a subdivision map for such development and contiguous to common area shall be deemed to be a public recreational facility developed by the Association upon completion of such improvement by Grantor.

Section 7.03. Private Recreational Facilities.

(a) One or more Owners may from time to time petition the Association for the development of a private recreational facility on any portion of common area reserved on a subdivision map for such development, and one or more Owners of condominiums within one or more projects

may petition the Association for the development of a private recreational facility on any portion of restricted common area which is contiguous to such project or projects and which is reserved on a subdivision map for such development. Such petition shall be in such form and shall contain such information as the Association may require, including among other things the following:

(1) the names and addresses of the petitioning Owners;

(2) the location of the common or restricted common area and the type of private recreational facility which the petitioning owners wish to have developed; and

(3) the maximum private facility development and recreational assessments the petitioning Owners are willing to pay.

(b) The Association shall tentatively approve the petition if it finds that the proposed private recreational facility is financially feasible and is compatible with The Sea Ranch. Among the factors which the Association shall consider in making such finding are the following:

(1) the suitability of the proposed use to the location;

(2) the suitability of the proposed use as opposed to other possible recreational uses on such location;

(3) the suitability of the private character of the proposed recreational facility as opposed to a public character;

(4) the proximity of the lots of the petitioning Owners to the location;

(5) the number of petitioning Owners;

(6) the anticipated volume of use;

(7) the estimated cost of development and operation; and

(8) the ability of the petitioning Owners to bear private facility development and recreational assessments.

(c) After tentative approval of the petition the Association shall prepare, or cause to be prepared, and submit to the Design Committee pursuant to paragraph (b) of section 3.07, two sets of plans and specifications for the proposed private recreational facility. Upon the request of the Design Committee, such plans and specifications shall be prepared by an architect and/or engineer.

(d) If the Design Committee approves such plans and specifications, the Association shall obtain firm bids on the total cost of constructing and otherwise developing the proposed private recreational facility, and the lowest acceptable bid or bids shall be deemed the estimated total cost of development of such facility.

(e) If the Design Committee rejects such plans and specifications for failure of the same to satisfy the conditions set forth in clause (dd) of subparagraph (1) or in subparagraph (3), both of paragraph (b) of section 3.07, the Association shall reconsider the petition in the light of the reasons given for such rejection by the Design Committee. If upon such reconsideration the Association reaffirms the finding made pursuant to paragraph (b) above, such plans and specifications shall be deemed approved by the Design Committee.

(f) The Association shall give final approval to the petition if it finds on the basis of the plans and specifications approved by the Design Committee and the estimated total cost of development that the proposed private recreational facility is financially feasible and is compatible with The Sea Ranch. In its final approval the Association may impose such restrictions upon the use and operation of the facility as it may deem advisable to assure the satisfactory functioning and financial stability of the facility, or to protect other Owners in their use and enjoyment of The Sea Ranch.

(g) If within three (3) months after the date of

final approval of the petition by the Association pursuant to paragraph (f) above, a number of Owners at least equal to the number of petitioning Owners shall file with the Association their consent to the development of the private recreational facility in accordance with the terms and conditions of said final approval, the development of the proposed private recreational facility shall be deemed approved. Each such written consent shall, among other things, identify the Owner's lot or lots to be benefited by the development and use of such facility. Each Owner by filing such consent shall be deemed to have consented to any and all private facility development assessments and recreational assessments from time to time levied in connection with such facility pursuant to Article VI.

(h) After the development of the proposed private recreational facility has been approved in the manner set forth in paragraph (g) above, the Association shall record a Development Assessment Certificate identifying each lot to be benefited by the development and use of such facility and certifying that the Owner of each such lot has consented to any and all private facility development assessments and recreational assessments to be levied in connection with such facility pursuant to Article VI.

(i) After the levy of the private facility development assessment pursuant to section 6.07, and at such time and upon such terms and conditions as the Association may deem to be appropriate, but not exceeding the estimated total cost of development determined pursuant to paragraph (d) above, the Association shall commence or contract for the development and construction of the private recreational facility in accordance with the plans and specifications approved by the Design Committee.

(j) If for any reason the Association does not give final approval to the petition pursuant to paragraph (f) above within six (6) months after the petition is filed, or if the development of the proposed recreational facility is not approved pursuant to paragraph (g) above, then in either event the petitioning Owners shall reimburse the Association for all expenses incurred by the

Association in obtaining plans and specifications pursuant to paragraph (c) above.

**Section 7.04.
Users of Private Recreational Facilities.**

(a) Any Owner who has filed a consent pursuant to paragraph (g) of section 7.03 with respect to any private recreational facility and is not in default in the payment of any private facility development assessment or any recreational assessment levied with respect thereto shall be permitted to use such facility.

(b) The right to use any private recreational facility may from time to time be extended to one or more Owners in addition to those referred to in paragraph (a) above if:

(1) seventy-five percent (75%) of the Owners then permitted to use a given private recreational facility shall file with the Association a written petition recommending that such additional Owners be permitted to use such facility,

(2) each such additional Owner shall file with the Association a written consent which identifies his lot to be benefited by the development and use of such facility and consents to any and all private facility development assessments and recreational assessments that may from time to time be levied in connection with such facility pursuant to Article VI, and

(3) the Association shall find that increased number of Owners permitted to use such facility is within the capacity of such facility and does not adversely affect other Owners in their use and enjoyment of The Sea Ranch.

Upon satisfaction of the foregoing conditions, the Association shall record an amendment to the Development Assessment Certificate previously recorded with respect to such facility, which amendment shall identify the additional lot or lots to be benefited by the development and use of such facility. Upon recordation of such

amendment such additional Owner shall be permitted to use such facility so long as he is not in default in the payment of any private facility development assessment or any recreational assessment levied with respect thereto.

(c) The right to use any given private recreational facility shall be appurtenant to the lot identified in the consent filed by each Owner pursuant to paragraph (b) above or paragraph (g) of section 7.03, and any sale, transfer or conveyance of such lot shall operate to transfer the appurtenant right to use such facility without the requirement of express reference thereto, and the transferee shall thereupon be permitted to use such facility; provided, however, that the right to use such facility may be severed from such lot by the Owner thereof and transferred separately if the proposed transferee of the right to use is an Owner and files with the Association a written consent which identifies the transferee Owner's lot to be benefited by the development and use of such facility and consents to any and all private facility development assessments and recreational assessments that may from time to time be levied in connection with such facility pursuant to Article VI. After the filing of such consent, the Association shall record an amendment to the Development Assessment Certificate previously recorded with respect to such facility, which amendment shall identify the lot to be benefited by the development and use of such facility and substitute such lot for the lot of the transfer or Owner. Upon recordation of such amendment, no further private facility development assessments or recreational assessments shall be levied against such transfer or Owner with respect to such facility, and the transferee Owner shall be permitted to use such facility so long as he is not in default in the payment of any private facility development assessment or any recreational assessment levied with respect thereto.



Article VIII. Participating Facilities.

(Note: This Article VIII was repealed by vote of the membership and adopted by Resolution No. 1 on July 9, 1988.)

Section 8.01. Introduction.

In order to permit persons other than Owners to partake in the many environmental and recreational benefits offered by The Sea Ranch, provision is hereby made in this Article for extending the privilege of using common area and public recreational facilities to Guests of participating facilities. In recognition of the rights and interests of Owners in their enjoyment of The Sea Ranch, however, provision is also made to insure that such use by Guests will not overburden common area and public recreational facilities. Among the benefits that may accrue to The Sea Ranch as a result of extending use privileges to Guests are:

(a) a more efficient use of common area and public recreational facilities and a broader base for sharing the costs of operating and maintaining the same, and

(b) the attraction to the vicinity of The Sea Ranch of the various services which participating facilities may offer and of which Owners may avail themselves as members of the public but which, because of the nature or cost of such services would not otherwise be available to Owners.

Section 8.02. Agreement Between Grantor or Association and Participating Facility.

(a) Grantor, in its sole discretion, may from time to time enter into an agreement with a participating facility, the purpose of which is to extend to the Guests of such facility, subject to the provisions of this Article, the privilege of using common area or portions thereof and public recreational facilities.

(b) Unless Grantor shall give its written consent for the Association to enter into an agreement

with a participating facility, the right to enter into any such agreement shall be, and is hereby reserved to, and vested solely in Grantor until such time as Grantor owns no property within The Sea Ranch or until Grantor has recorded a declaration waiving its rights hereunder, whichever is the first to occur. When Grantor waives or no longer has the right to enter into any such agreement, the right from time to time to enter into any such agreement shall be vested solely in the Association.

Section 8.03. Provisions of Agreement.

Any agreement entered into pursuant to section 8.02 shall

(a) be for a term not to exceed the termination of The Sea Ranch Restrictions as provided for in paragraph (b) of section 9.01;

(b) designate the common area and public recreational facilities which may be used by the Guests of the participating facility;

(c) subject to section 8.04, establish the allocation of Guest cards to the participating facility;

(d) establish the amount of the use fee to be paid by the participating facility to the Association for each fiscal year with respect to each Guest card allocated to it; and

(e) subject to The Sea Ranch Restrictions, set forth such other terms and conditions as may be appropriate concerning the use of common area and public recreational facilities by Guests.

Section 8.04. Limitation on Number of Guests; Guest Cards; Allocation.

(a) The total number of Guests which may at any given time use common area and public recreational facilities shall not exceed twice the number of lots then within The Sea Ranch. To that end each participating facility shall issue to each Guest a Guest card from its allocation thereof evidencing such Guest's privilege to use the common area and public recreational facilities designated in the agreement between such participating facility and Grantor or the Association. The aggregate number of such Guest

cards for all participating facilities shall not exceed twice the total number of lots then within The Sea Ranch. For the purpose of this section the use of roads for access to a participating facility shall not be deemed to be use of common area.

(b) The number of Guest cards which may be allocated to a participating facility in any agreement entered into pursuant to section 8.02 shall not exceed twice the number of lots then within The Sea Ranch minus the number of Guest cards allocated and outstanding in favor of other existing participating facilities.

(c) Any increase in the number of lots in The Sea Ranch by reason of the annexation of property pursuant to section 2.02 or lot splitting pursuant to section 9.04, shall result in a like increase in the aggregate number of permissible Guest cards. Grantor or the Association, whichever then has the right pursuant to paragraph (b) of section 8.02 to contract with a participating facility, may allocate such additional Guest cards to existing participating facilities which request such additional Guest cards.

Section 8.05. Use Fees; Default; Termination.

(a) Each participating facility shall pay to the Association for each fiscal year a use fee for each Guest card allocated to it. Use fees for Guest cards allocated after the commencement of a fiscal year shall be appropriately prorated. Use fees shall be payable in monthly installments or in such other reasonable manner as the Association may designate.

(b) The amount of the use fee for each Guest card shall be that established in the agreement between such participating facility and Grantor or the Association; provided, however, that such amount may, in the discretion of the Association, be adjusted as follows:

- (1) the Association may decrease the amount of the use fee upon such terms and conditions as it deems appropriate;
- (2) the Association may increase the

amount of the use fee each fiscal year in direct proportion to the increase, if any, in the Cost of Living Index measured from the January of the year in which such agreement was executed to the January immediately preceding the commencement of such fiscal year; or

(3) if the Association is not a party to the agreement, or, if the Association is a party to the agreement and the agreement was executed within a period ending five (5) years from the date and year first above written, the Association may increase the amount of the use fee to an amount which, when multiplied by the number of Guest cards allocated to such participating facility on the commencement of such fiscal year, bears the same relationship to the total costs incurred by the Association during the preceding fiscal year to maintain and to operate the common area and public recreational facilities which the Guests of such participating facility are permitted to use, as the number of Guest cards allocated to such participating facility bears to the sum of the number of lots then within The Sea Ranch and the total number of Guest cards allocated to participating facilities whose Guests are permitted to use such common area and public recreational facilities. Any dispute with respect to the proper amount of any increase hereunder shall be submitted to arbitration as follows. The Association and the participating facility shall each appoint an arbitrator and the two so chosen shall appoint a third. Within thirty (30) days after the appointment of the third arbitrator, the three arbitrators shall determine the proper increase, if any, in the amount of the use fee. Such determination shall be conclusive and binding upon the Association and the participating facility involved.

(c) If a participating facility does not pay any use fee or installment thereof when due, it shall be deemed to be in default. Upon the continuation of any default for two (2) or more successive months, the Board may terminate the agreement to which the default relates.

**Section 8.06. Use Privileges;
Condition; Revocation.**

After a participating facility and Grantor or the Association, as the case may be, have entered into an agreement pursuant to section 8.02 and prior to the termination of such agreement, the Guests of such participating facility, not to exceed the number of Guest cards allocated to such participating facility, shall have the privilege to use the common area and public recreational facilities designated in such agreement, subject to all of the limitations and restrictions

of section 3.05, section 3.06 and The Sea Ranch Rules; provided, however, that such privilege shall be abated during the period of any default pursuant to paragraph (c) of section 8.05; and provided further, that non-compliance by any Guest with the limitations and restrictions of section 3.05, section 3.06 and The Sea Ranch Rules shall automatically revoke such Guest's privilege to use such common area and public recreational facilities.



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Article IX. Miscellaneous Provisions.

Section 9.01.

Amendment or Repeal; Duration.

(a) In addition to the rights reserved to Grantor pursuant to section 2.02 to modify or supplement The Sea Ranch Restrictions with respect to property annexed to The Sea Ranch, and unless specifically provided to the contrary herein, The Sea Ranch Restrictions, or any part thereof, as from time to time in effect with respect to all or any part of The Sea Ranch, and any limitation, restriction, covenant or condition thereof, may, at any time with the written consent of Grantor, or at any time from and after five (5) years from the date and year first above written without the consent of Grantor, be amended or repealed upon the happening of the following events:

(1) the vote or written consent of Owners owning not less than three-fourths (3/4) of the lots within The Sea Ranch, approving the proposed amendment or amendments to The Sea Ranch Restrictions; and

(2) the recordation of a certificate of the Secretary or an Assistant Secretary of the Association setting forth in full the amendment or amendments to The Sea Ranch Restrictions so approved, including any portion or portions thereof repealed, and certifying that said amendment or amendments have been approved by Owners owning not less than three-fourths (3/4) of the lots within The Sea Ranch.

(b) All of the limitations, restrictions, covenants and conditions of The Sea Ranch Restrictions shall continue and remain in full force and effect at all times with respect to all property, and each part thereof, included within The Sea Ranch, to the Owners and to the Association, subject, however, to the right to amend and terminate as provided for in paragraph (a) above, for a period of twenty-one (21) years following the death of the survivor of all the living descendants of Lyndon B. Johnson, President

of the United States, but not beyond the year 2000 A.D.; provided, however, that unless within one (1) year prior to the expiration of said twenty-one (21) year period or prior to December 31, 1999, whichever occurs first, there shall be recorded an instrument directing the termination of The Sea Ranch Restrictions signed by Owners of not less than two-thirds (2/3) of the lots within The Sea Ranch, The Sea Ranch Restrictions in effect immediately prior to the expiration date shall, subject to the provisions of paragraph (a) above, be continued automatically, without any further notice, for an additional period of ten (10) years and thereafter for successive periods of ten (10) years unless within one (1) year prior to the expiration of any such period The Sea Ranch Restrictions are terminated as set forth above in this paragraph (b).

Section 9.02. Enforcement; Non-Waiver

(a) Except to the extent otherwise expressly provided herein, the Association or any Owner or Owners shall have the right to enforce any and all of the limitations, restrictions, covenants, conditions, obligations, liens and charges now or hereafter imposed by The Sea Ranch Restrictions upon other Owners, or upon any property within The Sea Ranch.

(b) Except to the extent otherwise expressly provided herein, any Owner or Owners shall have the right to enforce any and all limitations, restrictions, covenants, conditions and obligations now or hereafter imposed by The Sea Ranch Restrictions upon the Association.

(c) Every act or omission whereby any restriction, condition or covenant of The Sea Ranch Restrictions is violated in whole or in part is hereby declared to be and to constitute a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by the Association or by an Owner or Owners, as provided for in paragraphs (a) and (b) above; provided, however, that any provision to the contrary notwithstanding, only the Association or its duly authorized agents may enforce by self-help any limitation, restriction, covenant, condition or obligation herein set forth.

(d) Each remedy provided for in The Sea Ranch Restrictions is cumulative and not exclusive.

(e) The failure to enforce the provisions of any limitation, restriction, covenant, condition, obligation, lien or charge of The Sea Ranch Restrictions shall not constitute a waiver of any right to enforce any such provision or any other provision of The Sea Ranch Restrictions.

Section 9.03.

Construction; Compliance with Laws; Severability; Singular and Plural; Titles.

(a) All of the limitations, restrictions, covenants, and conditions of The Sea Ranch Restrictions shall be liberally construed, together, to promote and effectuate the fundamental concepts of The Sea Ranch, as set forth in the introductory paragraphs of this declaration.

(b) No provision of The Sea Ranch Restrictions shall be construed to excuse any person from observing any law or regulation of any governmental body having jurisdiction over such person or The Sea Ranch or any part thereof.

(c) Notwithstanding the provisions of paragraph (a) above, the limitations, restrictions, covenants and conditions of The Sea Ranch Restrictions shall be deemed independent and severable, and the invalidity or partial invalidity of any provision, or portion thereof, of any of such limitations, restrictions, covenants or conditions shall not affect the validity or enforceability of any other provision.

(d) The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine and neuter shall each include the masculine, feminine or neuter, as the context requires.

(e) All titles used in The Sea Ranch Restrictions including those of articles and sections, are intended solely for convenience of reference and the same shall not nor shall any of them affect that which is set forth in such articles, sections, nor any of the terms or provisions of The Sea Ranch Restrictions.

Section 9.04. Lot Splitting; Consolidation.

(a) No lot within The Sea Ranch of less than two (2) acres shall be split. No other lot within The Sea Ranch shall be split unless the minimum area of each resulting lot is one (1) acre, or if the lot splitting is for a project, the ratio of condominiums to acres within the resulting project area does not exceed eight (8) to one (1), and unless there is filed with respect to the lot being split a subdivision map on which at least two (2) of the three (3) members of the Design Committee shall have endorsed their consent and the Secretary or any Assistant Secretary of the Association shall have endorsed the consent of the Association.

(b) No two (2) or more lots within The Sea Ranch shall be consolidated into one (1) lot unless there is filed with respect to the lots being consolidated a subdivision map on which at least two (2) of the three (3) members of the Design Committee shall have endorsed their consent and the Secretary or any Assistant Secretary of the Association shall have endorsed the consent of the Association.

(c) Nothing contained in paragraph (a) or (b) above shall apply to the splitting of any lot by Grantor or the consolidation of two or more lots into one (1) lot by Grantor.

Section 9.05. Conveyance of Common Area and Restricted Common Area; Reservation of Easements and Rights of Way; Reclassification of Land Area.

(a) Grantor shall transfer and convey to the Association and the Association shall accept, the fee interest to all of the real property designated on a subdivision map as "Common Area" and "Restricted Common Area." Such real property may be subject to any or all of the following exceptions, liens and encumbrances:

(1) the lien of real property taxes and assessments not delinquent;

(2) such easements and rights of way on, over or under all or any part thereof as may be reserved to Grantor or granted to any

Owner or participating facility for the use thereof in accordance with the provisions of The Sea Ranch Restrictions;

(3) such easements and rights of way on, over or under all or any part thereof as may be reserved to Grantor for access to real property contiguous to common area or restricted common area;

(4) such easements and rights of way on, over or under all or any part thereof as may be reserved to Grantor or granted to or for the benefit of the United States of America, the State of California, or the County of Sonoma, any other political subdivision or public organization, any public utility corporation, any participating facility, any project, or any lot, for the purpose of constructing, erecting, operating and maintaining thereon, therein and thereunder, at that time or at any time in the future:

(aa) roads, streets, walks, driveways, parkways and park areas,

(bb) poles, wires and conduits for the transmission of electricity for lighting, heating, power, telephone, television and other purposes and for the necessary attachments in connection therewith, and

(cc) public and private sewers, sewage disposal systems, storm water drains, land drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes and any and all equipment in connection therewith;

(5) the obligations imposed, directly or indirectly, by virtue of any statute, law, ordinance, resolution or regulation of the United States of America, the State of California or any other political subdivision or public organization having jurisdiction over such property, or by virtue of any organization or body politic created pursuant to any such statute, law, ordinance or regulation;

6) the rights reserved to Grantor pursuant to paragraph (f) of section 3.07; and

(7) any other lien, encumbrance or defect of title of any kind whatsoever (other than of the type which would at any time or from time to time create a lien upon such property to secure an obligation to pay money) which would not materially and actually prejudice the Owners and Guests in their use and enjoyment of such property.

(b) The land classification of any real property within The Sea Ranch which is neither common area nor restricted common area may be changed to common area or restricted common area by the transfer of such property to the Association from all persons having any right, title or interest therein. The Association shall accept such property and shall file a subdivision map with respect thereto designating the same either "Common Area" or "Restricted Common Area," as it may elect. Such property shall thereupon become common area or restricted common area in accordance with such designation. Notwithstanding the foregoing, Grantor may change the land classification of any such property as to which it is the Owner by filing a subdivision map designating such property either "Common Area" or "Restricted Common Area," as Grantor may elect. Grantor shall convey such property to the Association which shall accept the same, and such property shall thereupon become common area or restricted common area, as the case may be.

Section 9.06. Assignment of Powers.

Any and all of the rights and powers vested in Grantor pursuant to The Sea Ranch Restrictions may be delegated, transferred, assigned, conveyed or released by Grantor to the Association, and the Association shall accept the same, effective upon the recording by the Grantor of a notice of such delegation, transfer, assignment, conveyance or release.

Section 9.07. Condemnation of Common Area and Restricted Common Area.

If at any time, or from time to time, all or any portion of common area or restricted common area, or any interest therein, be taken for any public or quasi-public use, under any statute, by right of eminent domain or by private purchase in lieu of eminent domain, the entire award in condemnation shall be paid to the Association and deposited into either the operating fund or the development fund as the Association may, in its sole discretion, determine. No Owner shall be entitled to any portion of such award and no Owner shall be entitled to participate as a party, or otherwise, in any proceedings relating to such condemnation, such right of participation being herein reserved exclusively to the Association which shall, in its name alone, represent the interests of all Owners; provided, however, that the portion of any award relating to improvements which constitute a private recreation facility shall be divided equally among the Owners who, at the time of such taking, are permitted users of such facility.

Section 9.08. Obligations of Owners; Avoidance; Termination.

(a) No Owner, through his nonuse of any common area, restricted common area, project area or recreational facility, or by abandonment of his lot, may avoid the burdens or obligations imposed on him by The Sea Ranch Restrictions by virtue of his being an Owner.

(b) Upon the conveyance, sale, assignment or other transfer of a lot to a new Owner, the transferring Owner shall not be liable for any assessments levied with respect to such lot after the date of such transfer, and no person, after the termination of his status as an Owner and prior to his again becoming an Owner, shall incur any of the obligations or enjoy any of the benefits of an Owner under The Sea Ranch Restrictions following the date of such termination.

Section 9.09. Notices; Documents; Delivery.

Any notice or other document permitted or required by The Sea Ranch Restrictions to be delivered may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered twenty-four (24) hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed as follows: if to the Association or to the Design Committee, at The Sea Ranch, Sonoma County, California; if to an Owner, then at any lot within The Sea Ranch owned by the Owner; if to The Sea Ranch, 975 Annapolis Road, The Sea Ranch, California 95497; provided, however, that any such address may be changed from time to time by any Owner, by the Design Committee, or by notice in writing; delivered to the Association, or by the Association, by notice in writing delivered to all Owners.

