

The Sea Ranch Association, 975 Annapolis Rd., P.O. Box 16, The Sea Ranch, CA 95497-0016  
PH: 707-785-2444 • Website: [www.tsra.org](http://www.tsra.org)

June 29, 2011

Dear Association Members,

This Supplement to the *Bulletin* provides notice that The Sea Ranch Association Board of Directors adopted changes to Rule 2.3 at their June 25, 2011 Board meeting. The proposed changes to Rule 2.3 were mailed to all Members in the March 11, 2011 *Bulletin* Supplement. Additional background information is available in the Agenda Packet for the 6/25/11 Board meeting date which is posted on the Association website at:  
<http://www.tsra.org/news.php?viewStory=1192>.

**The revised Rule 2.3 Policy and Procedures for Enforcement of Governing Documents becomes effective on August 1, 2011 and can be found on pages 2 - 11.**

In order to save on printing and mailing costs, we are taking advantage of this Supplement to the *Bulletin* to also send you the following legally required annual notification, which would typically be included in the regular monthly *Bulletin*:

• **Dispute Resolution Procedures (pages 12 - 15)**

If you have any questions about the notifications referenced above, please contact the Association by email at [info@tsra.org](mailto:info@tsra.org) or by phone at 707-785-2444. Thank you.

**ROADSIDE BRANCH COLLECTION SERVICE**  
***(Third Monday of each month-excluding August)***

**Note:** *There will be no collection in August  
due to the Roads Program preparation.*

**Please keep curbs and streets clear of any vegetation debris  
piles for upcoming Roads Program preparation and  
Slurry Seal.**



**Upcoming Collection Dates:**  
***July 18 and September 19***

Remember, you must sign up for this service by the Saturday preceding the collection date.

See the Association website for more information and to submit your service request online ([www.tsra.org](http://www.tsra.org)),  
or call the Association office at 707-785-2444.

## RULE 2.3 OF THE SEA RANCH RULES

### Rule 2.3 Policy and Procedures for Enforcement of Governing Documents

#### Resolution 320

##### 2.3.01 Preamble and Policy

This is a guide to Members of The Sea Ranch Association ("TSRA") concerning how compliance with the community standards embodied in TSRA's Governing Documents is encouraged and enforced at The Sea Ranch. The steps set forth in this guide may be initiated by Members to bring a complaint against TSRA or other Members, and by TSRA to bring a complaint against a Member.

The Sea Ranch vision of being a community of persons living lightly on the land is articulated in the opening declaration of *The Sea Ranch Restrictions* (the "Restrictions"):

*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 accepted, 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.*

The objectives of The Sea Ranch development set out in the opening declaration of the *Restrictions* include ensuring "full enjoyment of the historical traditions and the natural advantages of the area", encouraging "controlled diverse individual expression within the environment", and "fostering a beneficial land use which retains the unique beauty of the land and creates an atmosphere enriching the spirit of its participants."

The Governing Documents are *The Sea Ranch Restrictions*, *The Sea Ranch Rules*, *The Sea Ranch Design Manual and Rules*, and *TSRA Bylaws and Articles of Incorporation*. Copies of those documents are available for members at TSRA office. Among the applicable state laws are the Davis-Stirling Common Interest Development Act, California Civil Code Section 1350 et seq., and the Nonprofit Mutual Benefit Corporation Law, California Corporations Code Section 7110 et seq.

Compliance with the Governing Documents is a responsibility of each Member at The Sea Ranch. Each Member at The Sea Ranch is also responsible for violations of the Governing Documents by his or her licensees, including contractors, guests or renters occupying or using the property.

##### 2.3.02 Classification of Violations

The following guidelines provide for the proper identification, reporting, verification and resolution of violations of the Governing Documents. This policy delineates two classes of violations. One class of violations are those of property development, or environmental protection, rules and restrictions [generally encompassed within *The Sea Ranch Design Manual and Rules* and the *Restrictions* section 3.03]. Such violations normally require a more extensive resolution process. A second class is differentiated by the need and ability to address the violation promptly due to a safety or privacy risk [generally encompassed within *The Sea Ranch Rules*]. Any Member who is alleged to have committed any such violation retains the opportunity to pursue resolution using the processes described in 2.3.03 herein.

Related fees and monetary penalties (fines) for these different classes of violations are identified in Attachment C herein.

##### **2.3.02(a) Violations of *The Sea Ranch Design Manual and Rules* and *Restrictions* section 3.03.**

Violations of *The Sea Ranch Design Manual and Rules* and/or the *Restrictions* section 3.03 shall be resolved by bringing the violation into compliance through the approval process noted below, that the subject of the violation be removed from the property, or that another mitigation approved by TSRA is completed in a timely manner. Refer to Attachment C - section 2.3.02(a), numbers 1-4 for identification of such violations.

##### **2.3.02(b) Violations of *The Sea Ranch Rules* 4.3, 5.1, 6.1, 6.3, 6.5 and *Restrictions* section 3.02(e).**

The Association's Safety and Security Services Department enforces violations involving increased risk in safety and security, impacts to personal privacy, and noxious or offensive activities, as provided for in section 9.02 of the *Restrictions*. Refer to Attachment C - section 2.3.02(b), numbers 5-10 for identification of such violations.

## **2.3.03 Enforcement Procedures**

### **2.3.03(a) Report or Referral of Complaint; Initial Staff Efforts to Resolve**

- (a1) To report an alleged violation, use of the complaint form (Attachment B) available at TSRA office, or TSRA's website, is recommended, but not required. Once an alleged violation is reported to or observed by a TSRA employee, the appropriate TSRA Department ("Department") shall be responsible for informing the alleged violator of the complaint and investigating the matter. If the investigating Department finds that a violation appears to exist, it shall notify the Member in writing of the alleged violation and make a reasonable effort to obtain voluntary compliance.
- (a2) If the investigating Department determines that a fee should be levied against a Member pursuant to the Schedule of General TSRA Enforcement Fees ("Fee Schedule"), as set forth in Attachment C, the Member may: (i) agree to accept the imposition of the fee, (ii) request that the investigating Department refer the matter to the Community Manager, or (iii) pay the fee under protest as described in 2.3.04.
- (a3) The investigating Department shall promptly refer the matter, in writing when possible, to the Community Manager at the Member's request or if it is unable to resolve the alleged violation. In its referral, the investigating Department will describe the alleged violation and the efforts to resolve it.
- (a4) If an alleged violation requires immediate attention because it threatens the health, safety or welfare of TSRA, its Members, or invitees, any TSRA Department may take prompt remedial action before, during or after investigating the matter, as appropriate. Situations typically calling for such action are set forth in Attachment C - section 2.3.02(b), numbers 5-10.

### **2.3.03(b) Community Manager Review and Action**

Upon receipt of the written referral from the investigating Department pursuant to section 2.3.03(a3) hereof, the Community Manager shall promptly review the matter and, if the Community Manager finds that a violation appears to exist, make a reasonable effort to contact the alleged violator and to resolve the matter informally. If the alleged violation is not resolved informally in a reasonable time:

- (b1) The Community Manager or the Member may request that TSRA and the Member engage in a dispute resolution process pursuant to section 2.3.03(c) hereof (Civil Code section 1363.810 and following).

- (b2) If an alleged violation remains unresolved (with or without recourse to the procedure set forth in section 2.3.03(c) hereof), the Community Manager shall refer the matter in writing to the Board of Directors ("Board"), describing the alleged violation and the efforts to resolve it, and providing a copy of that referral to the alleged violator by personal delivery or first-class mail (with signature confirmation of delivery).

The Community Manager may engage legal counsel in the consideration and evaluation of the alleged violation.

### **2.3.03(c) Dispute Resolution Procedures**

(Civil Code section 1363.810 *et seq.*)

Except for disputes over Design Committee decisions, the appeal of which are subject to a separate procedure adopted pursuant to the requirements of Civil Code section 1378, in a dispute between a Member or Members and TSRA, either party may invoke the following procedure:

- (c1) Either TSRA or the Member may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing and describe the nature of the dispute.
- (c2) A Member may refuse a request by TSRA to meet and confer. TSRA may not refuse a request by a Member to meet and confer if the Member's written request describes the nature of the dispute.
- (c3) Within fifteen days of TSRA's receipt of a meet and confer request that complies with section 2.3.03(c1) hereof, the Board of Directors shall designate at least one member of the Board to meet and confer with the Member.
- (c4) The Member, the designated Board member(s) and the Community Manager or other staff person shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.
- (c5) A resolution or proposed resolution of the dispute shall be memorialized in writing and signed by the parties, including the Board designee on behalf of TSRA.
- (c6) An agreement reached under this section binds the parties and is judicially enforceable if both of the following conditions are satisfied:
  - (1) The agreement is not in conflict with law or the governing documents of TSRA, and
  - (2) The agreement is either consistent with the authority granted by the Board of Directors to its designees or the proposed agreement is subsequently agreed to by the Board of Directors.

- (c7) A Member may not be charged a fee to participate in this process.

#### **2.3.03(d) Board of Directors Review and Return or Action**

Upon receipt of a written referral from the Community Manager pursuant to section 2.3.03(b2) hereof, and after completion of Dispute Resolution Procedures pursuant to section 2.3.03(c) hereof, regarding an alleged violation that is unresolved, the Board of Directors in its discretion may resort to any remedy, or combination of remedies, available to it under the Governing Documents or applicable law including: (i) directing the Community Manager to enter upon any private or project area to take an enforcement or remedial action pursuant to *The Sea Ranch Restrictions*, subsection 5.05(a); (ii) returning the matter to the Community Manager for further efforts to resolve it; (iii) terminating the enforcement process as to the alleged violation; (iv) authorizing the Community Manager to serve upon the alleged violator a request for alternative dispute resolution (“ADR”) pursuant to California Civil Code subsection 1369.530(a); (v) scheduling the matter for a meeting of the Board or a committee of Board members (“Committee”); California Corporations Code section 7212 to consider or impose discipline (including monetary penalty (fine)) against the alleged violator pursuant to California Civil Code subsection 1363(h), and as set forth in subsection (h) of Attachment E, and/or requesting the Member to engage in the dispute resolution procedure set forth in section 2.3.03(c) hereof.

#### **Entry upon Area to Take Enforcement Action**

The Board may direct the Community Manager “to enter upon any private area or project area for the purpose of enforcing any and all of the provisions” specified in subsection 5.05(a) of *The Sea Ranch Restrictions* “or for the purpose of maintaining and repairing any such area” if the Member “fails to maintain and repair as required” (*The Sea Ranch Restrictions*, subsection 5.05(a), and relevant sections cross-referenced therein).

- (d1) **Return** If the Board returns the matter to the Community Manager for further efforts at resolving it, the Community Manager, after making such efforts, may refer the matter back to the Board or take other actions authorized by the Board.
- (d2) **Termination** If the Board terminates the enforcement process, it shall instruct the Community Manager to so notify the Member in writing.

#### **2.3.03(e) Alternative Dispute Resolution (“ADR”)**

If the Board so authorizes, the Community Manager may take action pursuant to California Civil Code section 1354 and either serve on the alleged violator a written Request for Resolution, pursuant to California Civil Code subsection 1369.530(a), calling for either binding or nonbinding ADR, or initiate a civil action. It is expected that ADR typically will be pursued against alleged violations relating to matters within the jurisdiction of the Design Committee (see, e.g., *The Sea Ranch Restrictions*, section 3.02). Refer to Attachment D for Civil Code sections 1369.510 - 1369.590, Alternative Dispute Resolution.

If compliance remains unresolved after the above request for resolution process has been pursued, the Community Manager, with Board authorization, may file a civil action to enforce the Governing Documents, pursuant to section 1354 of the California Civil Code. In such a civil action, the California Civil Code provides that “the prevailing party shall be awarded reasonable attorney’s fees and costs” (subsection 1354(c)).

#### **2.3.03(f) Board Imposed Discipline**

If the Board, pursuant to California Civil Code subsection 1363(h), schedules a meeting of the Board or a Committee of Board members to consider or impose discipline, it shall notify the alleged violator in writing, by either personal delivery or first-class mail (with signature confirmation of delivery), at least 15 days prior to the meeting. If a monetary penalty (fine) is imposed, it shall be in accordance with a schedule previously adopted and distributed to each TSRA Member by personal delivery or first-class mail.

#### **2.3.04 Reservation of Other Rights and Remedies**

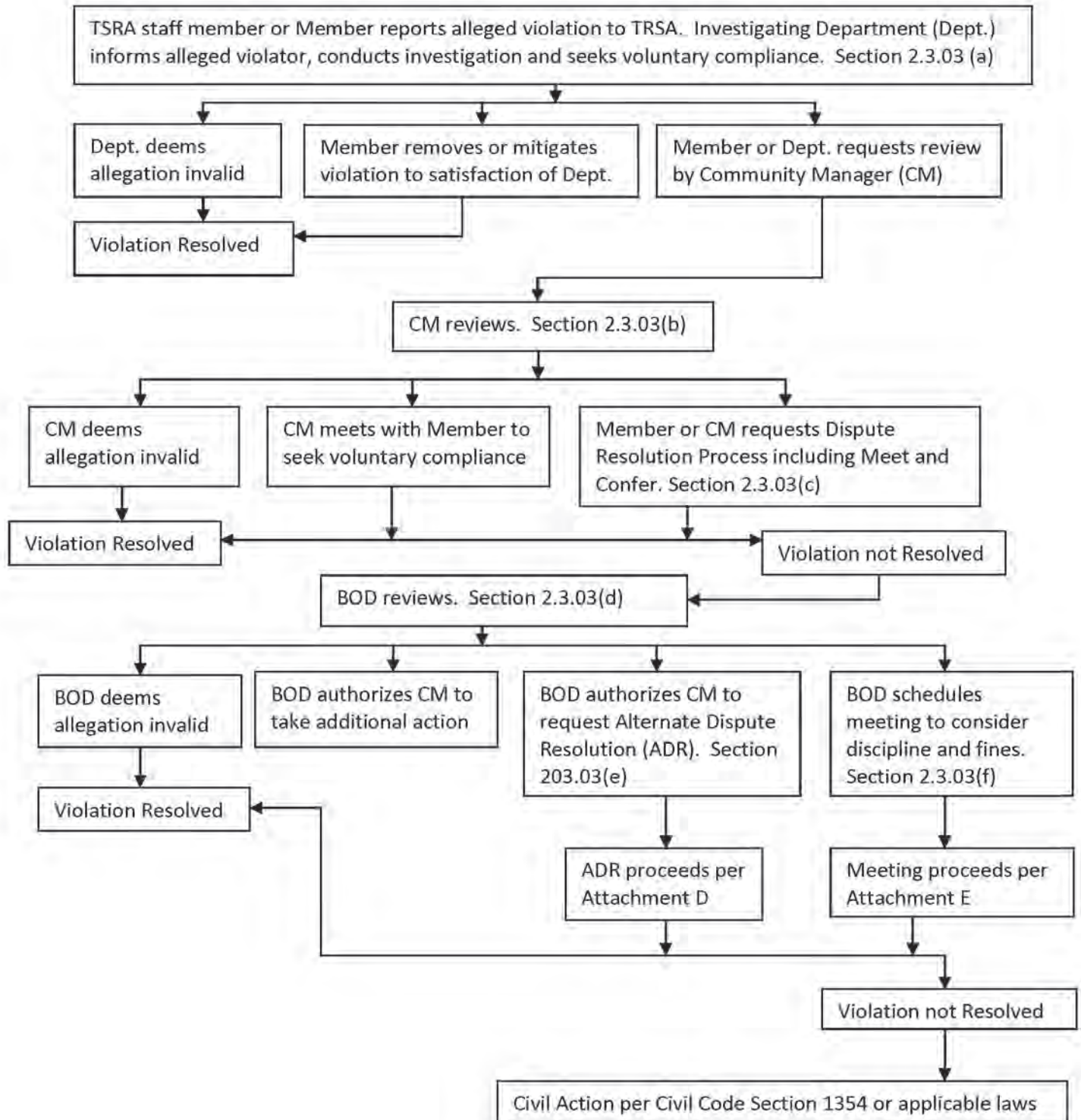
Nothing in the enforcement policy and procedure shall be deemed to limit any other rights and remedies that the Board or a Member of TSRA may have under TSRA Governing Documents or applicable law.

Pursuant to Civil Code Section 1367.6, if there is a dispute between a Member and TSRA regarding an assessment, fee or monetary penalty (fine) levied, the Member may pay the disputed amount under protest and then commence a small claims court action, provided that the disputed amount does not exceed the jurisdictional limit of the court.



**ATTACHMENT "A"**  
**FLOW CHART OF TSRA ENFORCEMENT PROCEDURES**

(For illustrative purposes only; text of Rule 2.3 controls. As per Section 2.3.04 Board and Members reserve rights and remedies.)



ATTACHMENT "B"

THE SEA RANCH ASSOCIATION  
REPORT OF RESTRICTIONS NON-CONFORMANCE FORM

DATE: \_\_\_\_\_

TRACKING # \_\_\_\_\_

Submitted by: Staff ☐ Member Complainant ☐

Complainant Information: (Optional)

Name: \_\_\_\_\_ Telephone: \_\_\_\_\_

Address: \_\_\_\_\_ Unit \_\_\_\_\_ Block \_\_\_\_\_ Lot \_\_\_\_\_

Alleged Violation Information:

Location: \_\_\_\_\_  
\_\_\_\_\_

Description: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FOR OFFICE USE ONLY

Referred To: Community Manager ☐  
DC&EM ☐  
Finance ☐  
Security ☐  
Another Agency ☐ (Name: \_\_\_\_\_)  
By: \_\_\_\_\_ Date: \_\_\_\_\_

Classification of Violation: Homeowner ☐ Renter ☐ Other ☐ \_\_\_\_\_

Home/Structure ☐ Tree/Vegetation ☐ Safety/Security ☐

By: \_\_\_\_\_ Date: \_\_\_\_\_

## ATTACHMENT “C”

### Schedule of Fees and Monetary Penalties (Fines) for Enforcement of Violations of TSRA Governing Documents

(These violations and related fees and/or fines shall apply to Members, who are responsible for their renters, guests, licensees and contractors.)

#### Schedule of General TSRA Enforcement Fees

##### 2.3.02 (a) Violations of *The Sea Ranch Design Manual and Rules, Restrictions* section 3.03 and The Sea Ranch Construction Performance Permit

1. **Failure to complete final inspection or other work, commencing 60 days after prescribed one-year period [CC&R Article 3.03 (i), (j), (k), (l)]** Member in violation proceeds through enforcement procedures detailed in 2.3.03 herein and is subject to associated fees and possible monetary penalties (fines) identified in the tables below. Fees for inspections/actions continue until work is complete. Fees are deducted from construction compliance deposit(s), or if no deposit or insufficient deposit remaining, billed to Member. Members are to refer to their Construction Performance Permit for specific requirements for construction activity.
2. **Changes in construction from approved plans without prior approval [CC&R 3.03 (k)] and Construction, Reconstruction, Refinishing, Alteration, or any Improvement without prior approval [CC&R 3.03 (a)]** Member in violation proceeds through enforcement procedures detailed in 2.3.03 herein and is subject to associated inspection fees and possible monetary penalties (fines) identified in the tables below. An initial fee is assessed when the unapproved change or improvement is discovered. Fees for subsequent inspections/actions continue until the unapproved change or improvement has been removed, or until approval has been granted for the change or improvement. Fees are deducted from construction compliance deposit(s), or if no deposit or insufficient deposit remaining, billed to Member. Members are to refer to their Construction Performance Permit for specific requirements for construction activity.

##### 3. **TSRA Construction Performance Permit and Deposit Agreement Violations [*Design Manual and Rules* – section 4.11 & 4.15]**

Member in violation proceeds through enforcement procedures detailed in 2.3.03 herein and is subject to associated fees and monetary penalties (fines) identified in the tables below. An initial fee is assessed when the violation is discovered. Fees for subsequent inspections/actions continue until the violation has been removed or non-compliant activity has ceased. Fees are deducted from construction compliance deposit(s), or if no deposit or insufficient deposit remaining, billed to Member. Members are to refer to their Construction Performance Permit for specific requirements for construction activity.

4. **Vegetation – (*Design Manual and Rules* – sections 7.4 and 9.0).** In all cases of vegetation issues, a notification and request for voluntary compliance will be sent to the responsible Member. If the situation is not resolved in a timely fashion as determined by Design, Compliance and Environmental Management, the following schedule shall apply:

- a. **Planting – (*Design Manual and Rules* – section 9.1)** Member in violation proceeds through enforcement procedures detailed in 2.3.03 herein and is subject to associated fees and possible monetary penalties identified in the tables below. An initial fee is assessed when the unapproved planting is discovered. Fees for subsequent inspections/actions will continue until the unapproved planting has been removed, or until approval has been granted for the planting.

**b. Planting Heights (*Design Manual and Rules – section 9.5.4*).** Member in violation proceeds through enforcement procedures detailed in 2.3.03 herein and is subject to associated inspection fees and possible monetary penalties identified in the tables below. If the vegetation is not brought into compliance within 90 calendar days of the written notice referenced above, or within the timeframes set forth in a completion schedule acceptable to TSRA, then fees for subsequent inspections/actions will continue until the vegetation is trimmed to meet height limit or, with approval, removed entirely.

**c. Stumps, Logs, Tree, or Other Planting Removal (*Design Manual and Rules – sections 7.4.1, 7.4.3, and 7.4.4*).** Member in violation proceeds through enforcement procedures detailed in 2.3.03 herein and is subject to associated fees and possible monetary penalties (fines) identified in the tables below. An initial fee is assessed when the removal of stumps, logs, trees, or other planting is discovered. Fees for subsequent inspections/actions will continue until the violation has been resolved through replanting or other approved mitigation.

*\*If the final calendar day of a time frame falls on a day that the Association offices are closed for business, the time frame shall automatically be extended to the next calendar day in which the Association offices are open for business.*

**2.3.02 (b) Violations of  
The Sea Ranch Rules 4.3, 5.1, 6.1, 6.3, 6.5 and  
Restrictions section 3.02(e)\*\***

- 5. False Home Alarms.** Homeowners having three or more false home alarms in a 12-month period.  
First and second occurrences: Written warning  
Third occurrence: \$50  
Fourth occurrence: \$75  
Subsequent occurrences: \$100
- 6. Illegal Parking.** Cars parked on TSRA roads without a current TSRA parking sticker/hangtag or in violation with Rule 6.1.06(a).  
First offense: Written warning  
Subsequent offenses: \$100
- 7. Traffic Violations.** Traffic violations include, but are not limited to, speeding, failure to stop at stop signs, driving without a license, and driving an unregistered vehicle.  
First offense: Written warning  
Subsequent offenses: \$100
- 8. Smoking on Commons.** Smoking on any Sea Ranch Trails or common areas is prohibited.  
First offense: Written warning  
Subsequent offenses: \$100
- 9. Noxious or Offensive Activity.** When noxious or offensive activity is reported or observed.  
First offense: Written warning  
Subsequent offenses: \$100
- 10. Loose Dogs.** Dogs found loose will be held in TSRA kennel pending owners' retrieval and payment of a fee. Additional daily boarding fees may be applicable.  
First offense: \$25  
Second offense: \$80  
Subsequent offenses: \$120

*\*\* For items 5 through 10 above, the time period for the determination whether the violation is to be considered a first, second, or a subsequent offense is whether three years have lapsed between the current and prior violation.*



## Fee Schedule

(These fees are assessed per action/inspection and subject to discretion by TSRA Community Manager and may be waived.)

Violation Number	Violation Description	Fee or Action at First Discovery	Staff Facilitation 2.3.03(a)	Community Manager/ Design Committee Facilitation 2.3.03(b)	Board of Directors/ Legal Counsel Facilitation 2.3.03(d)
1	Failure to Complete Final Inspection (beyond 14 months)	Not Applicable	\$180	\$500	\$1000
2	Construction, Changes, or Improvements without approval	\$180	\$180	\$500	\$1000
3	TSRA Construction Performance Permit	\$180	\$180	\$500	\$1000

Violation Number	Violation Description	Fee or Action at First Discovery	Subsequent Inspections
4a	Plantings	Written Warning	\$180
4b	Planting Heights	Written Warning	\$180
4c	Stumps, Logs, Trees, and other Plantings Removal or Destruction – See also Monetary Penalty Schedule	\$180	\$180

Violation Number	Violation Description	Fee or Written Warning at First Occurrence	Subsequent Occurrences
5	False Home Alarms	Written Warning	Written Warning/\$50/\$75/\$100
6	Illegal Parking	Written Warning	\$100
7	Traffic Violations	Written Warning	\$100
8	Smoking on Commons	Written Warning	\$100
9	Noxious or Offensive Activity	Written Warning	\$100
10	Loose Dogs	\$25	\$80/\$120

**Special Assessment for Fees.** As provided for in section 6.04 of the *Restrictions*, a special assessment (fee) may be levied upon a Member to compensate for monies expended from the operating fund of the Association in performing its functions under the *Restrictions*. Such assessment shall be in the amount so expended.

**Inflationary Clause.** All fees shall be adjusted each year to reflect the annual change in the Consumer Price Index that is appropriate for our area, published by the Bureau of Labor Statistics, United States Department of Labor.

## Monetary Penalties (Fines)

In addition to the fees set forth above, TSRA may impose a monetary penalty (fine) after compliance with the procedures set forth in subsection (h) of Attachment E. The intent of a monetary penalty is punitive in nature to serve as a deterrent to any non-compliant activity, and described as follows:

**A. Stumps, Logs, Trees, and Other Planting Removal (Design Manual and Rules – sections 7.4.1, 7.4.3, and 7.4.4).** Because the removal of stumps, logs, trees, or other plantings or alterations of trees (i.e. topping or limbing) without permission may not be a “correctable problem”, the Member in violation may be subject to a monetary penalty (fine)

that will depend on the extent of the violation and, if applicable, shall be levied to the Member when the removal is discovered. Factors to be considered would include, but not be limited to: the location (commons or private lot); the size and type of tree, log or stump; the amount of aesthetic impact and environmental damage; and the gain, if any, to the violator. These violations would be reviewed on a case by case basis and the Association will call in experts (Arborists, etc.) as necessary to determine value. These costs will be charged to the responsible Member.

**B. Other Violations.** The Board of Directors may impose monetary penalties (fines) for other violations of the Governing Documents.

## Monetary Penalty (Fine) Schedule

Description	Imposed by Board of Directors
A. Stumps, Logs, Trees, and other Plantings Removal or Destruction	\$1,000 minimum plus applicable fees
B. Other Violations	3X cost to remedy violation minimum plus 25% overhead fee

## ATTACHMENT “D”

### Civil Code Section 1369.510-1369.590, Alternative Dispute Resolution

**§1369.510** (a) “Alternative dispute resolution” means mediation, arbitration, conciliation, or other nonjudicial procedure that involves a neutral party in the decision making process. The form of alternative dispute resolution chosen pursuant to this article may be binding or nonbinding, with the voluntary consent of the parties.

(b) “Enforcement action” means a civil action or proceeding, other than a cross-complaint, for any of the following purposes: (1) Enforcement of this title. (2) Enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section §7110) of Division 2 of Title 1 of the Corporations Code). (3) Enforcement of the governing documents of a common interest development.

**§1369.520** (a) An association or an owner or a member of a common interest development may not file an enforcement action in the superior court unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to this article.

(b) This section applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in Sections §116.220 and §116.221 of the Code of Civil Procedure.

(c) This section does not apply to a small claims action.

(d) Except as otherwise provided by law, this section does not apply to an assessment dispute.

**§1369.530** (a) Any party to a dispute may initiate the process required by Section §1369.520 by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following: (1) A brief description of the dispute between the parties. (2) A request for alternative dispute resolution. (3) A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected. (4) If the party on whom the request is served is the owner of a separate interest, a copy of this article.

(b) Service of the Request for Resolution shall be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the request.

(c) A party on whom a Request for Resolution is served has 30 days following service to accept or reject the request. If a party does not accept the request within that period, the request is deemed rejected by the party.

**§1369.540** (a) If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties.

(b) Chapter 2 (commencing with Section §1115) of Division 9 of the Evidence Code applies to any form of alternative dispute resolution initiated by a Request for Resolution under this article, other than arbitration.

(c) The costs of the alternative dispute resolution shall be borne by the parties.

**§1369.550** If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation is tolled during the following periods:

(a) The period provided in Section §1369.530 for response to a Request for Resolution.

(b) If the Request for Resolution is accepted, the period provided by Section §1369.540 for completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Section §1369.540.

**§1369.560** (a) At the time of commencement of an enforcement action, the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions is satisfied: (1) Alternative dispute resolution has been completed in compliance with this article. (2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution. (3) Preliminary or temporary injunctive relief is necessary.

(b) Failure to file a certificate pursuant to subdivision (a) is grounds for a demurrer or a motion to strike unless the court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

**§1369.570** (a) After an enforcement action is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code.

(b) The costs of the alternative dispute resolution shall be borne by the parties.

**§1369.580** In an enforcement action in which fees and costs may be awarded pursuant to subdivision (c) of Section §1354, the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

**§1369.590** (a) An association shall annually provide its members a summary of the provisions of this article that specifically references this article. The summary shall include the following language:

*"Failure of a member of the association to comply with the alternative dispute resolution requirements of Section §1369.520 of the Civil Code may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."*

(b) The summary shall be provided either at the time the pro forma budget required by Section §1365 is distributed or in the manner prescribed in Section §5016 of the Corporations Code. The summary shall include a description of the association's internal dispute resolution process, as required by Section §1363.850.

## **ATTACHMENT "E" Civil Code Section 1363. Community Association Management Schedule of Monetary Penalties for Violations**

\* \* \* \* \*

(g) If an association adopts or has adopted a policy imposing any monetary penalty, including any fee, on any association member for a violation of the governing documents or rules of the association, including any monetary penalty relating to the activities of a guest or invitee of a member, the board of directors shall adopt and distribute to each member, by personal delivery or first-class mail, a schedule of the monetary penalties that may be assessed for those violations, which shall be in accordance with authorization for member discipline contained in the governing documents. The board of directors shall not be required to distribute any additional schedules of monetary penalties unless there are changes from the schedule that was adopted and distributed to the members pursuant to this subdivision.

h) When the board of directors is to meet to consider or impose discipline upon a member, the board shall notify the member in writing, by either personal delivery or first-class mail, at least 10 days prior to the meeting. The notification

shall contain, at a minimum, the date, time, and place of the meeting, the nature of the alleged violation for which a member may be disciplined, and a statement that the member has a right to attend and may address the board at the meeting. The board of directors of the association shall meet in executive session if requested by the member being disciplined.

If the board imposes discipline on a member, the board shall provide the member a written notification of the disciplinary action, by either personal delivery or first class mail, within 15 days following the action. A disciplinary action shall not be effective against a member unless the board fulfills the requirements of this subdivision.

\* \* \* \* \*

(j) Nothing in this section shall be construed to create, expand, or reduce the authority of the board of directors of an association to impose monetary penalties on an association member for a violation of the governing documents or rules of the association.

— End of Rule 2.3 of The Sea Ranch Rules —

# NOTICE OF DISPUTE RESOLUTION PROCEDURES

**This Sea Ranch Association Member Notification pertains to both Alternative Dispute Resolution (ADR) Rights (see pages 12 - 13) and Internal Dispute Resolution (IDR) Rights (see pages 13 - 15) in accordance with requirements of the Davis-Stirling Common Interest Development Act (California Civil Code).**

## ALTERNATIVE DISPUTE RESOLUTION SUMMARY

### Summary of Civil Code Sections 1369.510-1369.590

California Civil Code Sections 1369.510-590 set forth the Alternative Dispute Resolution (“ADR”) procedures that apply to The Sea Ranch Association (“Association”) and its members. These Civil Code Sections address the right to sue the Association or another member of the Association regarding the enforcement of the governing documents. The following is a summary of ADR provisions.

Civil Code sections 1369.510-590 mandate that the member and the Association endeavor to submit a dispute to ADR prior to filing an enforcement action lawsuit for declaratory, injunctive or writ relief or in connection with a claim for money damages under \$5,000. The ADR procedures include negotiation, mediation and binding or nonbinding arbitration. These requirements only apply to the filing of a complaint to initiate litigation and do not apply to the filing of cross-complaints or small claims actions.

Either the Association or a member can initiate the ADR process by serving a Request for Resolution upon the other party to the dispute. The Request must include (i) a brief description of the dispute, (ii) a request for ADR, (iii) a notice that a response must be received within thirty (30) days or it will be deemed rejected, and (iv) a copy of Civil Code Sections 1369.510 to 1369.590.

If the party receiving the request accepts it, the ADR process must be completed within ninety (90) days unless extended by agreement. The participating parties pay the cost of the ADR. Any party that files a lawsuit for enforcement of the Associations' governing documents must submit a certificate of compliance to the court stating that this ADR process has been completed. With only limited exceptions, the failure to do this would be grounds to challenge the lawsuit.

The party that prevails in the lawsuit is entitled to reasonable attorneys' fees and costs. However, the court may consider whether a party's refusal to participate in ADR was reasonable when determining the amount of the award.

**NOTE: Failure of a member of the Association to comply with the alternative dispute resolution requirements of Section 1369.520 of the Civil Code may result in the loss of your right to sue the Association or another member of the Association regarding enforcement of the governing documents or the applicable law.**

Rule 2.3, Attachment D of The Sea Ranch Rules contains the ADR provisions of Civil Code sections 1363.510-590 and is set forth below:

### ATTACHMENT “D”

#### Civil Code Section 1369.510-1369.590, Alternative Dispute Resolution

**§1369.510** (a) “Alternative dispute resolution” means mediation, arbitration, conciliation, or other nonjudicial procedure that involves a neutral party in the decision making process. The form of alternative dispute resolution chosen pursuant to this article may be binding or nonbinding, with the voluntary consent of the parties.

(b) “Enforcement action” means a civil action or proceeding, other than a cross-complaint, for any of the following purposes: (1) Enforcement of this title. (2) Enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section §7110) of Division 2 of Title 1 of the Corporations Code). (3) Enforcement of the governing documents of a common interest development.

**§1369.520** (a) An association or an owner or a member of a common interest development may not file an enforcement action in the superior court unless the parties have endeavored to

submit their dispute to alternative dispute resolution pursuant to this article.

(b) This section applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in Sections §116.220 and §116.221 of the Code of Civil Procedure.

(c) This section does not apply to a small claims action.

(d) Except as otherwise provided by law, this section does not apply to an assessment dispute.

**§1369.530** (a) Any party to a dispute may initiate the process required by Section §1369.520 by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following: (1) A brief description of the dispute between the parties. (2) A request for alternative dispute



resolution. (3) A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected. (4) If the party on whom the request is served is the owner of a separate interest, a copy of this article.

(b) Service of the Request for Resolution shall be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the request.

(c) A party on whom a Request for Resolution is served has 30 days following service to accept or reject the request. If a party does not accept the request within that period, the request is deemed rejected by the party.

**§1369.540** (a) If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties.

(b) Chapter 2 (commencing with Section §1115) of Division 9 of the Evidence Code applies to any form of alternative dispute resolution initiated by a Request for Resolution under this article, other than arbitration.

(c) The costs of the alternative dispute resolution shall be borne by the parties.

**§1369.550** If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation is tolled during the following periods:

(a) The period provided in Section §1369.530 for response to a Request for Resolution.

(b) If the Request for Resolution is accepted, the period provided by Section §1369.540 for completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Section §1369.540.

**§1369.560** (a) At the time of commencement of an enforcement action, the party commencing the action shall file with the initial

pleading a certificate stating that one or more of the following conditions is satisfied: (1) Alternative dispute resolution has been completed in compliance with this article. (2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution. (3) Preliminary or temporary injunctive relief is necessary.

(b) Failure to file a certificate pursuant to subdivision (a) is grounds for a demurrer or a motion to strike unless the court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

**§1369.570** (a) After an enforcement action is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code.

(b) The costs of the alternative dispute resolution shall be borne by the parties.

**§1369.580** In an enforcement action in which fees and costs may be awarded pursuant to subdivision (c) of Section §1354, the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

**§1369.590** (a) An association shall annually provide its members a summary of the provisions of this article that specifically references this article. The summary shall include the following language:

*"Failure of a member of the association to comply with the alternative dispute resolution requirements of Section §1369.520 of the Civil Code may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."*

(b) The summary shall be provided either at the time the pro forma budget required by Section §1365 is distributed or in the manner prescribed in Section §5016 of the Corporations Code. The summary shall include a description of the association's internal dispute resolution process, as required by Section §1363.850.

## INTERNAL DISPUTE RESOLUTION SUMMARY

California Civil Code Sections 1363.810 – 1363.850 applies to a dispute between The Sea Ranch Association (Association) and a member involving their rights, duties, or liabilities. The Association has adopted Rule 2.3 Policy and Procedures for Enforcement of Governing Documents of The Sea Ranch Rules to provide a fair, reasonable, and expeditious procedure for resolving disputes between the Association and its members. Rule 2.3.03 contains the Internal Dispute Resolution (IDR) procedures and is set forth below:

### 2.3.03 Enforcement Procedures

#### 2.3.03(a) Report or Referral of Complaint; Initial Staff Efforts to Resolve

(a1) To report an alleged violation, use of the complaint form (Attachment B) available at TSRA office, or TSRA's website, is recommended, but not required. Once an alleged violation is reported to or observed by a TSRA employee, the appropriate TSRA Department ("Department") shall be responsible for informing the alleged violator of the complaint and investigating the matter. If the investigating

Department finds that a violation appears to exist, it shall notify the Member in writing of the alleged violation and make a reasonable effort to obtain voluntary compliance.

(a2) If the investigating Department determines that a fee should be levied against a Member pursuant to the Schedule of General TSRA Enforcement Fees ("Fee Schedule"), as set forth in Attachment C, the Member may: (i) agree to accept the imposition of the fee, (ii) request that the investigating Department refer the

matter to the Community Manager, or (iii) pay the fee under protest as described in 2.3.04.

- (a3) The investigating Department shall promptly refer the matter, in writing when possible, to the Community Manager at the Member's request or if it is unable to resolve the alleged violation. In its referral, the investigating Department will describe the alleged violation and the efforts to resolve it.
- (a4) If an alleged violation requires immediate attention because it threatens the health, safety or welfare of TSRA, its Members, or invitees, any TSRA Department may take prompt remedial action before, during or after investigating the matter, as appropriate. Situations typically calling for such action are set forth in Attachment C – section 2.3.02(b), numbers 5-10.

### **2.3.03(b) Community Manager Review and Action**

Upon receipt of the written referral from the investigating Department pursuant to section 2.3.03(a3) hereof, the Community Manager shall promptly review the matter and, if the Community Manager finds that a violation appears to exist, make a reasonable effort to contact the alleged violator and to resolve the matter informally. If the alleged violation is not resolved informally in a reasonable time:

- (b1) The Community Manager or the Member may request that TSRA and the Member engage in a dispute resolution process pursuant to section 2.3.03(c) hereof (Civil Code section 1363.810 and following).
- (b2) If an alleged violation remains unresolved (with or without recourse to the procedure set forth in section 2.3.03(c) hereof), the Community Manager shall refer the matter in writing to the Board of Directors ("Board"), describing the alleged violation and the efforts to resolve it, and providing a copy of that referral to the alleged violator by personal delivery or first-class mail (with signature confirmation of delivery).

The Community Manager may engage legal counsel in the consideration and evaluation of the alleged violation.

### **2.3.03(c) Dispute Resolution Procedures**

(Civil Code section 1363.810 et seq.)

Except for disputes over Design Committee decisions, the appeal of which are subject to a separate procedure adopted pursuant to the requirements of Civil Code section 1378, in a dispute between a Member or Members and TSRA, either party may invoke the following procedure:

- (c1) Either TSRA or the Member may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing and describe the nature of the dispute.
- (c2) A Member may refuse a request by TSRA to meet

and confer. TSRA may not refuse a request by a Member to meet and confer if the Member's written request describes the nature of the dispute.

- (c3) Within fifteen days of TSRA's receipt of a meet and confer request that complies with section 2.3.03(c1) hereof, the Board of Directors shall designate at least one member of the Board to meet and confer with the Member.
- (c4) The Member, the designated Board member(s) and the Community Manager or other staff person shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.
- (c5) A resolution or proposed resolution of the dispute shall be memorialized in writing and signed by the parties, including the Board designee on behalf of TSRA.
- (c6) An agreement reached under this section binds the parties and is judicially enforceable if both of the following conditions are satisfied:
  - (1) The agreement is not in conflict with law or the governing documents of TSRA, and
  - (2) The agreement is either consistent with the authority granted by the Board of Directors to its designees or the proposed agreement is subsequently agreed to by the Board of Directors.
- (c7) A Member may not be charged a fee to participate in this process.

### **2.3.03(d) Board of Directors Review and Return or Action**

Upon receipt of a written referral from the Community Manager pursuant to section 2.3.03(b2) hereof, and after completion of Dispute Resolution Procedures pursuant to section 2.3.03(c) hereof, regarding an alleged violation that is unresolved, the Board of Directors in its discretion may resort to any remedy, or combination of remedies, available to it under the Governing Documents or applicable law including: (i) directing the Community Manager to enter upon any private or project area to take an enforcement or remedial action pursuant to *The Sea Ranch Restrictions*, subsection 5.05(a); (ii) returning the matter to the Community Manager for further efforts to resolve it; (iii) terminating the enforcement process as to the alleged violation; (iv) authorizing the Community Manager to serve upon the alleged violator a request for alternative dispute resolution ("ADR") pursuant to California Civil Code subsection 1369.530(a); (v) scheduling the matter for a meeting of the Board or a committee of Board members ("Committee"); California Corporations Code section 7212, to consider or impose discipline (including monetary penalty (fine)) against the alleged violator pursuant to

California Civil Code subsection 1363(h), and as set forth in subsection (h) of Attachment E, and/or requesting the Member to engage in the dispute resolution procedure set forth in section 2.3.03(c) hereof.

#### **Entry upon Area to Take Enforcement Action**

The Board may direct the Community Manager "to enter upon any private area or project area for the purpose of enforcing any and all of the provisions" specified in subsection 5.05(a) of *The Sea Ranch Restrictions* "or for the purpose of maintaining and repairing any such area" if the Member "fails to maintain and repair as required" (*The Sea Ranch Restrictions*, subsection 5.05(a), and relevant sections cross-referenced therein).

- (d3) **Return** If the Board returns the matter to the Community Manager for further efforts at resolving it, the Community Manager, after making such efforts, may refer the matter back to the Board or take other actions authorized by the Board.
- (d4) **Termination** If the Board terminates the enforcement process, it shall instruct the Community Manager to so notify the Member in writing.

#### **2.3.03(e) Alternative Dispute Resolution ("ADR")**

If the Board so authorizes, the Community Manager may take action pursuant to California Civil Code section 1354 and either serve on the alleged violator a written Request for Resolution, pursuant to California Civil Code subsection 1369.530(a), calling for either binding or nonbinding ADR, or initiate a civil action. It is expected that ADR typically will be pursued against alleged violations relating to matters within the jurisdiction of the Design Committee (see, e.g., *The Sea Ranch Restrictions*, section 3.02). Refer to Attachment D for Civil Code sections 1369.510 - 1369.590, Alternative Dispute Resolution.

If compliance remains unresolved after the above request for resolution process has been pursued, the Community Manager, with Board authorization, may file a civil action to enforce the Governing Documents, pursuant to section 1354 of the California Civil Code. In such a civil action, the California Civil Code provides that "the prevailing party shall be awarded reasonable attorney's fees and costs" (subsection 1354(c)).

#### **2.3.03(f) Board Imposed Discipline**

If the Board, pursuant to California Civil Code subsection 1363(h), schedules a meeting of the Board or a Committee of Board members to consider or impose discipline, it shall notify the alleged violator in writing, by either personal delivery or first-class mail (with signature confirmation of delivery), at least 15 days prior to the meeting. If a monetary penalty (fine) is imposed, it shall be in accordance with a schedule previously adopted and distributed to each TSRA Member by personal delivery or first-class mail.

#### **2.3.04 Reservation of Other Rights and Remedies**

Nothing in the enforcement policy and procedure shall be deemed to limit any other rights and remedies that the Board or a Member of TSRA may have under TSRA Governing Documents or applicable law.

Pursuant to Civil Code Section 1367.6, if there is a dispute between a Member and TSRA regarding an assessment, fee or monetary penalty (fine) levied, the Member may pay the disputed amount under protest and then commence a small claims court action, provided that the disputed amount does not exceed the jurisdictional limit of the court.

— End of Notice Of Dispute Resolution Procedures —

### **VOLUNTEERS NEEDED!** **for** **Communication Committee** **Planning Committee** **Website Committee**

The Volunteer Application can be picked up at the Association office or found on the website.

**WWW.TSRA.ORG**®

### **2011 ROADS PROGRAM INFORMATION**

*At press time the contract bids for a paving contractor had not yet been completed. In mid-July, information will be available via Infoalert and the Association website. The August Bulletin will have a complete listing of the roads and units to be included in this year's program.*

*John Prescott  
Operations Manager, Facilities and Resources*

## THE SEA RANCH ASSOCIATION



P. O. BOX 16

THE SEA RANCH, CA 95497-0016

*Address Service Requested*

Presorted  
First Class Mail  
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Permit 125  
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### HELP US HELP YOU

The Safety and Security Department would like to create a VOLUNTARY information file for full-time members with at-risk conditions. If you or any member of your household is in this category and you would like Security to be aware of it, we would be happy to hear from you. Below are some examples of these at-risk conditions, but don't hesitate to contact us about any other special need or concern.

- Confined to a wheelchair
- On oxygen
- Alzheimer's or related issues
- Hearing or vision impaired

Information provided could include photos, a contact list in case of emergency, etc. All information will be strictly confidential. This information is also important to have in a disaster for any search and rescue operation. Note that member information such as a change in street or email addresses or phone numbers should always be submitted directly to Member Services at [info@tsra.org](mailto:info@tsra.org).

Please call the Director of Security (785-2444, ext. 243) or email ([lplescia@tsra.org](mailto:lplescia@tsra.org)) if you are interested in providing Security with this information.

*Safety and Security Department*