

RECEIVED

1991 0036798

Recording Requested by:

MAY 15 1991

THE SEA RANCH ASSOCIATION



OFFICIAL RECORDS OF
SONOMA COUNTY
BERNICE A. PETERSON

When Recorded, Return To:

PAYNE, THOMPSON, WALKER & TAAFFE
235 MONTGOMERY STREET, SUITE 760
SAN FRANCISCO, CA 94104

AT REQUEST OF
07/23/1991

FEE: \$ 63.00
TT : \$.00

15:15:08
PGS:

31

DECLARATION OF RESTRICTIONS FOR
SEA RANCH LODGE AND GOLF COURSE PROPERTIES

This Declaration of Restrictions ("Declaration") is made this 30th day of March, 1991, by and between The Sea Ranch Association, a California mutual benefit corporation (hereinafter "TSRA") and Sea Ranch Village Limited Partnership, a California limited partnership (hereinafter "SRVI").

RECITALS

A. In 1963, Oceanic California, Inc, a California Corporation (hereinafter "OCI") purchased 5200+ coastal acres in northwest Sonoma County, and pursuant to governmental approvals obtained initially in 1964, and thereafter from time to time amended, developed a planned community known as The Sea Ranch.

B. Pursuant to The Sea Ranch Amended Precise Development Plan Policy Statement, adopted July 7, 1982 by the Sonoma County Board of Supervisors as Resolution 72194 (the "Amended Precise Plan"), The Sea Ranch is comprised of a golf course, lodge, commercial area, up to 2429 residential lots, certain common facilities, common open space, and related infrastructure.

C. TSRA is a California mutual benefit corporation whose membership is comprised of the owners of The Sea Ranch residential lots and beneficial owners of TSRA commons.

D. The affairs of the TSRA are controlled by a Board of Directors existing pursuant to the Bylaws of TSRA and The Sea Ranch Restrictions, meaning that certain Declaration recorded in

the Office of the Recorder of the County of Sonoma, State of California, on May 10, 1965, in Book 2127 of the Official Records beginning at Page 238 and following, as amended from time to time (the "Restrictions").

E. SRVI is a California Limited Partnership. Pursuant to the grant deed between OCI and SRVI dated November 28, 1988 and recorded November 29, 1988 as Instrument No. 88102186 in the Official Records of Sonoma County, SRVI is the record owner of: 1) those parcels of real property, described in Exhibit 1 attached hereto, which are zoned for commercial uses and currently are utilized as a lodge facility and adjacent parking areas and undeveloped open space (collectively the "Lodge Property"), and 2) those parcels of real property, described in Exhibit 2 attached hereto, which are devoted to a nine-hole golf course, an adjacent pro shop, and undeveloped open space upon which the development of an additional nine golf-course holes is contemplated (collectively, the "Golf Course Property").

F. OCI is the deed of trust beneficiary of the Lodge Property and the Golf Course Property under that certain deed of trust dated November 28, 1988 and recorded in the Office of the Recorder of the County of Sonoma, State of California, on November 29, 1988, as Instrument No. 88102187 ("Deed of Trust").

G. TSRA, OCI, and SRVI are parties in the litigation entitled The Sea Ranch Association v. Oceanic Properties, et al., Sonoma County Superior Court Civil Action No. 162431 (the "Complaint"), and SRVI v. The Sea Ranch Association (the "Complaint in Intervention"). The Complaint contains a number of causes of action, some of which pertain to the Lodge Property and Golf Course Property. A lis pendens has been filed against said properties by TSRA and a copy of that document is attached hereto as Exhibit 3.

H. TSRA owns for the benefit of TSRA property owners the fee simple absolute title to certain properties which abut the Lodge Property and the Golf Course Property (TSRA "Common Area"). TSRA-owned Common Area abutting the Lodge Property is described in Exhibit 4 attached hereto. TSRA-owned Common Area abutting the Golf Course Property is described in Exhibit 5 attached hereto.

I. By this Declaration TSRA and SRVI desire and intend as between themselves to resolve and settle those issues in the Complaint and the Complaint in Intervention that pertain to the Lodge Property and the Golf Course Property, to withdraw the lis pendens as against the Lodge Property and the Golf Course Property, and to dismiss with prejudice the Complaint in Intervention, all in accordance with paragraph three (3) hereof; provided, however, that TSRA and SRVI by this agreement do not intend to settle, waive, or in any way relinquish any claims

whatsoever that they have together or individually against OCI or OCI's successors in interest, other than SRVI and its successors in interest, with respect to the Lodge Property, and the Golf Course Property.

J. TSRA and SRVI intend further by this Declaration, to establish a general plan of covenants, conditions, and restrictions to run with the land and inure to the benefit of and be binding upon SRVI, TSRA, and their successors in interest and inure to the benefit of and be binding upon the Lodge Property, the Golf Course Property, and all lots and common areas located within The Sea Ranch, to govern and restrict the development, improvement, and use of the Lodge Property and the Golf Course Property in order to assure that improvements constructed thereon are compatible with physical development of The Sea Ranch and with The Sea Ranch philosophy as reflected in the Restrictions.

K. It is the further intent and desire of TSRA and SRVI that the benefits and burdens of the covenants, conditions, and restrictions herein set forth do and shall constitute equitable servitudes which shall run with the Lodge Property and the Golf Course Property and all lots and common areas within The Sea Ranch and shall be binding upon and inure to the benefit of TSRA, SRVI, and each owner of other properties within The Sea Ranch, or any part thereof, and each successor in interest of any such owner.

AGREEMENT

In consideration of the premises and the mutual covenants herein contained, including those contained in the Recitals which are incorporated herein by this reference, TSRA and SRVI agree as follows:

1. Lodge Property

1.1. The Lodge Property may be used only for the purposes and at the densities as follows: 1) the addition of up to one hundred (100) lodge rooms with a reception area, up to forty (40) rooms of which may be transferred to the Golf Course Property under paragraph 2.1 hereof, 2) one (1) additional dwelling unit not to exceed 1200 square feet for use by a caretaker to be attached to and be a part of a Lodge structure, 3) restaurant and bar/cocktail lounge facilities, 4) a health club facility, 5) a swimming pool, 6) four (4) unlighted tennis courts, 7) conference facilities (including meeting rooms and a multipurpose auditorium, the seating capacity of which shall be limited to 250 persons), 8) modest tourist commercial facilities (including two (2) art galleries, a convenience/general store, and other retail facilities), 9) a bank, post office, and business service facility, 10) an outdoor amphitheatre, and 11) appurtenant signs and/or a marker-type identification structure;

provided, however, that such uses are and must be consistent with the Sonoma County Land Use Plan dated January 1981 and The Sea Ranch Geographic Area Land Use Plan approved by the California Coastal Commission respectively December 1980 and October 24, 1982 (collectively, the "LUP"). Except as provided hereinabove, SRVI shall not develop or make any improvement on the Lodge Property for which a governmental approval is required without the prior express written approval of TSRA, nor shall SRVI obtain or seek to obtain any change in the LUP without the prior express written approval of TSRA.

1.2. It is the express intent and understanding of TSRA and SRVI that no development whatsoever is or shall be permitted in the area commonly known as Black Point or Bihler's Point and described more fully in Exhibit 6 attached hereto, and that those premises shall remain undeveloped open space and in their natural state in perpetuity; provided, however, that, subject to the prior express written approval of TSRA, SRVI may to a limited extent develop/improve the existing Black Point Barn.

1.3. SRVI hereby declares that any and all development of the Lodge Property, including development permitted by the LUP, is and shall be subject to section 3.03 of The Sea Ranch Restrictions, a copy of which is attached hereto as Exhibit 7; provided, however, that the Design Committee existing pursuant to Article IV of the Restrictions, in its sole discretion, may waive specific requirements of section 3.03 upon a finding that the same are unnecessary or inappropriate by reason of the nature of the facilities to be developed, and may impose additional limitations, restrictions, covenants, and conditions upon a finding that the same are necessary or desirable by reason of the nature of the facilities to be developed. Any and all plans to be submitted to the Design Committee for any proposed construction, reconstruction, refinishing, or alteration of any improvement on the Lodge Property shall, at the request of the Design Committee, be prepared by an architect(s).

1.4. TSRA members, guests, and renters ("Members") shall and hereby do have access to and use of the trails on the Lodge Property, including without limitation, the existing trails on Black Point and Bihler's Point and that certain bluff-top trail across the Lodge Property connecting The Sea Ranch Unit 1 with Unit 2, all of which are described more fully in Exhibit 8 attached hereto; provided, however, that diving, fishing, and/or climbing from the bluff areas shall be and is prohibited. Additional restrictions may be placed on said access to and use of the Lodge Property by TSRA Members with the mutual consent of TSRA and SRVI.

1.5. Overnight Lodge patrons may use TSRA trails to the same extent and in the same manner as TSRA Members; provided, however, that such use is and shall be limited to patrons of up to one

hundred twenty (120) Lodge rooms.

2. Golf Course Property.

2.1. The Golf Course Property shall be operated as a public golf course only, available for use by TSRA Members on the same basis as it is available to members of the general public or any preferred patrons. TSRA Members may be charged green fees not to exceed the minimum green fees charged to other golf course patrons. If the property is not operated as a golf course, then it shall revert to open space maintained in its natural undeveloped state, indistinguishable from adjacent TSRA commons, which commons within 200 feet of the edge of the playing areas shall be maintained in their natural undeveloped state. Nothing herein shall prohibit SRVI from reestablishing said Property as a golf course after any cessation in operation; it being the express intent and purpose hereof to limit permissible land use to either golf course or open space. As long as the Golf Course Property is operated as a golf course the following golf-course-related uses may be permitted thereon: 1) driving range; 2) clubhouse; 3) clubhouse restaurant/bar/cocktail lounge; 4) putting green; 5) pro shop, 6) up to forty (40) Lodge rooms which may be transferred from the Lodge Property allocation of one hundred (100) additional rooms; provided that such rooms are located in the general vicinity of Salal Creek between Leeward Road and State Highway 1, and 7) a small swimming pool and one (1) unlighted tennis court to be a part of the lodging facility. Development of such related facilities is and shall be subject to section 3.03 of The Sea Ranch Restrictions; provided, however, that the Design Committee, in its sole discretion, may waive specific requirements of section 3.03 upon a finding that the same are unnecessary or inappropriate by reason of the nature of the facilities to be developed, and may impose additional limitations, restrictions, covenants, and conditions upon a finding that the same are necessary or desirable by reason of the nature of the facilities to be developed. Any and all plans to be submitted to the Design Committee for any proposed construction, reconstruction, refinishing, or alteration of any improvement on the Golf Course Property shall, at the request of the Design Committee, be prepared by an architect(s).

2.2. TSRA Members shall and hereby do have access to and use of undeveloped open areas on the Golf Course Property. If the golf course reverts to its undeveloped state under paragraph 2.1 hereof, then Members shall have access to and use of that area to the same extent that Members by this paragraph 2.2 have access to existing undeveloped areas of the Golf Course Property during such period when said property is not operated as a golf course.

2.3. The Golf Course Property shall not be used for any other purposes than those set forth in section 2.1 hereof without

the prior express written approval of TSRA, which approval, if any, shall be in writing and may be subject to such conditions as TSRA may deem necessary in order to protect common areas or the interests of TSRA Members.

2.4. SRVI shall operate the golf course with due consideration for the TSRA Members quiet enjoyment of TSRA commons and private areas and SRVI shall take reasonable actions to require golf course patrons to refrain from trespassing on such areas. TSRA shall take reasonable actions to discourage TSRA Members from entering the playing areas of the golf course for any reason other than playing golf as a paying patron.

3. Effective Date. This Declaration shall be effective upon its execution and recordation with the Office of the Recorder of the County of Sonoma, State of California. It shall be recorded only upon the dismissal with prejudice of the Complaint in Intervention. Thereafter, at such time as the Deed of Trust is reconveyed to SRVI and SRVI pays to OCI any debt secured by the Deed of Trust, TSRA shall concurrently withdraw the lis pendens as it applies to the Lodge Property and the Golf Course Property. TSRA shall, in connection with such transaction, upon twenty (20) days prior written notice, deposit a good and sufficient instrument, in recordable form, into an escrow established for purposes of such reconveyance with a reputable escrow company, together with appropriate escrow instructions, authorizing and instructing the escrow company to record the instrument withdrawing the lis pendens when: a) it records the aforesaid reconveyance; b) a title report documents that there are no encumbrances or liens against the Lodge Property and/or the Golf Course Property which are not subject to this Declaration of Restrictions, except for those which do not relate to the protection of this Declaration of Restrictions; and c) it is prepared to issue a CLTA policy of title insurance in favor of TSRA insuring that there are no liens against the Lodge Property or the Golf Course Property except: (1) those junior to and subject to this Declaration of Restrictions, and (2) those which do not reasonably relate to the protection of this Declaration of Restrictions.

4. Notice of Applications. SRVI shall notify TSRA of its intent to file any applications or requests for governmental approvals of any kind pertaining to the Lodge Property and the Golf Course Property at least ten (10) business days prior to requesting or applying for any such approval. SRVI shall make the notice by delivering to TSRA in person or by certified mail notification stating the nature of the governmental approval to be sought, the expected date of the request or application, the name and address of the approving agency(ies), and the responsible persons at the approving agency(ies) to whom the application is to be directed. The notification shall be addressed as follows or as TSRA may hereafter from time to time

designate:

Jerrold Gonce
Community Manager
The Sea Ranch Association
975 Annapolis Road
Box 16
The Sea Ranch, CA 95497

5. Amendment. This Declaration and any condition, covenant, or restriction hereof may from time to time be amended only with the written consent of SRVI and TSRA or their successors in interest in the properties affected by this Declaration.

6. Termination. Subject to the right to amend as provided for in paragraph 3 above, the covenants, conditions, and restrictions set forth herein shall continue and remain in full force and effect at all times with respect to the Lodge Property and the Golf Course Property and each of them until termination of The Sea Ranch Restrictions pursuant to section 9.01 thereof, at which time such limitations, restrictions, covenants, and conditions shall thereupon automatically terminate.

7. Severability. The provisions hereof shall be deemed independent and severable and the enforceability or partial enforceability or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision.

8. Effect on Other Restrictions. As between TSRA and SRVI this Declaration shall and does supersede and take the place of that certain document entitled Declaration of Restrictions for Golf Course Parcel in The Sea Ranch No. 35-A and recorded in the Office of the Recorder of the County of Sonoma on July 20, 1973 in Book 2783 of Official Records at page 651 ("1973 Declaration"); provided, however, that this Declaration is not intended to and shall not supercede or affect in any way the 1973 Declaration insofar as it applies to any person or entity not a party or a successor to a party hereto.

9. Relationship to Other Easements. The provisions of this Declaration shall be subject and subordinate to the rights of any utility easements heretofore granted, and to the rights of the County of Sonoma under that certain Grant of Conservation and Scenic Easement for Golf Course Parcels "A" and "B" in The Sea Ranch No. 35-B recorded in the Office of the Recorder of the County of Sonoma on October 26, 1972, in Book 2705 of Official Records at page 88; under that certain Grant of Conservation and Scenic Easement for Golf Course Parcel "A" in The Sea Ranch No. 35-C recorded in the Office of the Recorder of the County of Sonoma on November 7, 1972, in Book 2709 of the Official Records

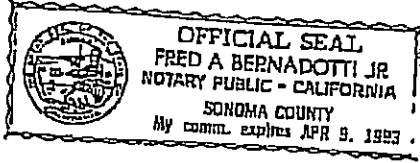
at page 35; under the Grant of Effluent Disposal Easement for The Sea Ranch No. 35-A recorded in the Office of the Recorder of the County of Sonoma on October 13, 1972, in Book 2702 of Official Records at page 56; under that certain Grant of Effluent Disposal Easement for The Sea Ranch No. 35-C recorded in the Office of the Recorder of the County of Sonoma on November 7, 1972, in Book 2709 of Official Records at page 11; under the Grant of Effluent Disposal Easement for The Sea Ranch No. 35-B recorded in the Office of the Recorder of the County of Sonoma on October 26, 1972, in Book 2705 of Official Records at page 860; and under the Public Pedestrian Access Easement dedicated and accepted on the subdivision map entitled "The Sea Ranch No. 35-A, Tract No. 435" filed in the Office of the Recorder of the County of Sonoma on October 13, 1972, in Book 179 of Maps at page 18.

10. Successors and Assigns. The benefits conferred and the burdens imposed by each of the covenants, conditions, and restrictions herein contained shall run with the land and shall inure to the benefit of and be binding upon SRVI and its successors and assigns with respect to the Lodge Property and the Golf Course Property and inure to the benefit of and be binding upon TSRA and its successors and assigns with respect to Common Area.

11. Remedies. The promises in this Declaration shall be construed as covenants, including without limitation paragraphs 2.1 and 2.2. The breach of any promise in this Declaration may be enforced by an action for damages or injunctive relief. A breach of any of the promises contained herein shall not defeat or render invalid the lien of any deed of trust, mortgage, or similar instrument made in good faith and for value as to the property affected hereby or any part thereof; but said promises shall be binding upon and effective against any owner of said property where title is acquired by foreclosure, trustee's sale, or otherwise. If any party breaches this Declaration, any lien, charge, or claim arising from such breach which any party may have shall be subject and subordinate to the lien or equivalent security interest of any deed of trust, mortgage, or similar instrument made in good faith and for value and recorded prior to the recording of an instrument in the Official Records of Sonoma County, California, sufficient to impart constructive notice of such lien, charge, or claim.

12. Covenant of Good Faith and Fair Dealing. The parties to this Declaration hereby acknowledge a mutual obligation to exercise good faith and fair dealing in connection with the foregoing agreement and the performance thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Declaration the day and year first above written.

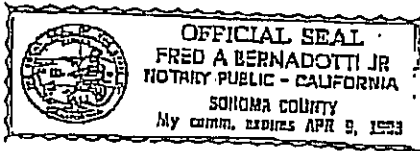


THE SEA RANCH ASSOCIATION

By: Howard J. George
Its: Treasurer

State of California
County of Sonoma SS.

On this 23 day of April, in the year 1991, before me Fred A. Bernadotti Jr., personally appeared Howard J. George, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as Treasurer or on behalf of the corporation therein named and acknowledged to me that the corporation executed it.
WITNESS my hand and official seal.



Fred A. Bernadotti Jr.
Signature

Sea Ranch Village Limited Partnership

BY: SEA RANCH VILLAGE, INC.,
a California Corporation

Its: General Partner

By: J. G. Lockman }

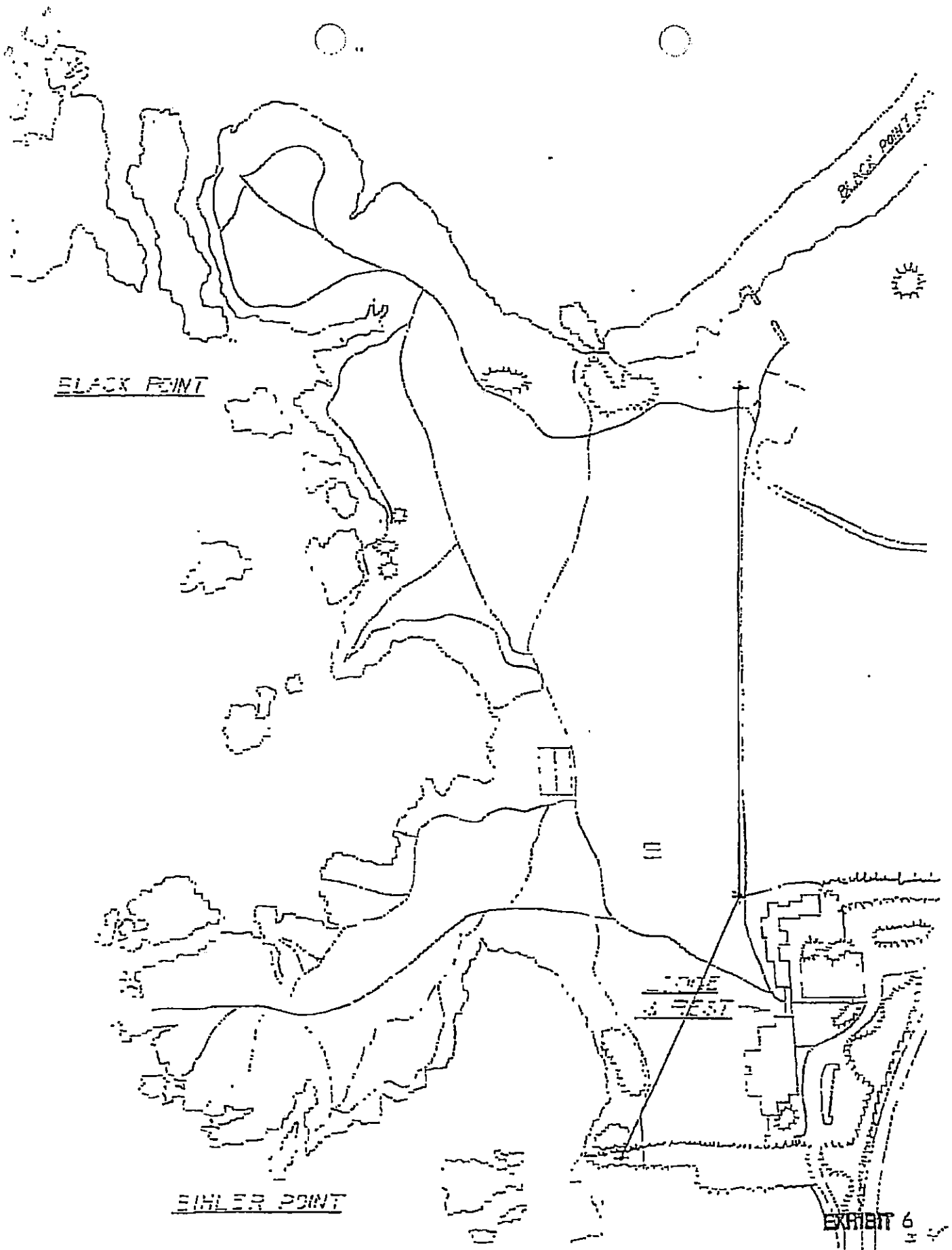
Its: Secretary/Treasurer }

State of California
County of Sonoma SS.

On this 30 day of MARCH, in the year 1991, before me
Fred A. Bernadotti Jr., personally appeared THOMAS E. COCHRANE
personally known to me (or proved to me on the basis of satisfactory
evidence) to be the person who executed the within instrument as
SECRETARY or on behalf of the corporation therein named and
acknowledged to me that the corporation executed it.
WITNESS my hand and official seal.



Fred A Bernadotti Jr.
Signature



BLACK POINT

EXHIBIT 6