



SIERRA CLUB VENTANA CHAPTER

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COASTAL COMMISSION
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Please reply to: Rita Dalessio
16 Via Las Encinas, Carmel Valley, CA 93924

Katie Butler, Coastal Planner
California Coastal Commission
725 Front Street
Santa Cruz, CA 95060

March 27, 2011

**Re: April 12, 2012: Monterey County LCP Amendment No. MCO-1-12
Part 1 (Del Monte Forest LCP update and Pebble Beach Company
Concept Plan)**

Dear Ms. Butler

The Ventana Chapter of the Sierra Club represents 6,300 members and we have been following Pebble Beach Company expansion plans for almost 30 years. Thank you for the opportunity to comment on the latest version of LCP Amendment for the CCC hearing scheduled for April 12 in Ventura.

After reviewing the proposed project, our concerns are primarily for the impacts of development in and near the Huckleberry Hill Natural Habitat Area (HHNHA) and the S F B Morse Reserve (part of HHNHA). HHNHA, encompassing about 370 acres is one of the most important ecological systems on the Monterey Peninsula and the Del Monte Forest. This habitat is home to such sensitive species as federally threatened Gowen cypress, Eastwood's goldenbush, Hooker's manzanita, Sandmat manzanita, Pine rose and Monterey ceanothus (CNPS "Watch List"). It is largely populated by rare native Monterey Pine Forest in association with Bishop pine and federally listed Yadon's piperia. Wetland and creek areas support federally protected California red-legged frog. This mixed Monterey Pine/Bishop Pine/Gowen Cypress ecosystem is completely unique in the world and represents an irreplaceable living evolutionary classroom for us and our posterity. However, it is fragile and protecting it is essential. Therefore our specific concerns and suggestions are as follows:

- The proposal to build 10 housing units in the 23 acre Corporation Yard site (Area 10) would create a concentrated in-holding in the midst of this rich ecological treasure - the large preservation block of sensitive forest created by the Huckleberry Hill Natural Habitat Area (HHNHA,)

CCC Exhibit N
(page 1 of 99 pages)

SFB Morse Preserve and the additional preservation areas of Areas originally designated G and H and the adjacent PQR (Pescadero Canyon tract.) Please refer to PBC Exhibit 1 map which dramatically illustrates an aerial view of this in-holding. Many species of animals and plants would be vulnerable to potential negative impacts from this degree of human density. Predation from human owned cats and the danger of feral populations obtaining a foothold in that part of the forest is of tremendous concern. Ground nesting birds and a variety of other small native prey species will be at risk. Also, the effect of light pollution from that number of residences at night is of great concern, as is the potential for noise pollution in the stillness of that wild forest. The intrusion of non-native plant infestations is another concern. Already, the riparian area on the northwest border with the SFB Morse Preserve, is suffering exotic plant infestation from the dumping of soils from the Corporation Yard. In addition the aesthetic impact from HHNHA of housing in the Corporation Yard could be significant. It would be preferable to eliminate residential development here all together to avoid the creation of such an intrusive in-holding, and rather to restore the area to forest insuring the greatest possible degree of protection for this very sensitive and important block of forest habitat.

- Residential development in Area 16, across from Poppy Hills clubhouse is quite close to the SFB Morse Preserve on its northern border. There is need for a meaningful buffer zone to protect that sensitive Preserve.

Another concern we have regards residential development now proposed for a portion of Area 10, adjacent to Indian Village. The potential impacts of such development on the rare plant populations at Indian Village need to be addressed.

Thank you for this opportunity to contribute to the process of improving this project.

Very truly yours,



Rita Dalessio

Ventana Chapter Conservation Committee (RD/BBE)

cc: Tom Lippe, Lippe Gaffney Wagner LLP, San Francisco

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OUR FILE NO. 6504.01

March 28, 2012

VIA ELECTRONIC & REGULAR MAIL

Dan Carl
California Coastal Commission
Central Coast District Office
725 Front Street, Suite 300
Santa Cruz, CA 95060-4508

RE: Monterey County LCP Amendment No. MCO-1-12 (Del Monte Forest LCP update and Pebble Beach Company Concept Plan)

Dear Mr. Carl:

This firm represents Mr. and Mrs. Donald R. Scifres, owners and residents of the property located at 3310 Seventeen Mile Drive, Pebble Beach (Monterey County APN 008-423-004). The Scifres' parcel and residence ("Scifres' Parcel") is located adjacent to the proposed Fairway One project, a component of the Pebble Beach Lodge expansion in the Pebble Beach Company Concept Plan.

One of the two parcels comprising the proposed Fairway One project is known as the Beirne Parcel (Monterey County APN 008-423-002). The Scifres' Parcel is located adjacent to the Beirne Parcel. Both the Scifres' Parcel and the Beirne Parcel are presently designated and classified for residential use, which is consistent with the underlying private land use restrictions in existing private deed restrictions. The Del Monte Forest LCP Update and Pebble Beach Company Concept Plan, if approved, would re-designate and rezone the Beirne parcel to Coastal General Commercial, as a first step towards the construction and operation of a proposed commercial hotel adjoining the Scifres' residence.

Similar circumstances previously arose in connection with the Pebble Beach Company's Casa Palermo project and resulted in a 1997 agreement between the Del Monte Forest Neighborhood Preservation Association and Pebble Beach Company (the "NPA Agreement", copy attached). Under the NPA Agreement, Pebble Beach Company may not operate the Beirne Parcel for any uses other than residential, open space, landscaping and/or access. However, if the

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Company first obtains the written consent of the owners of the Scifres' Parcel, then it may conduct hotel and spa use or golf course use on the Beirne Parcel, provided they are ancillary to the Pebble Beach Lodge. The Scifres have not provided their consent to Pebble Beach Company under the NPA Agreement.

The NPA Agreement is premised on various existing deed restrictions that include, among others: (1) prohibitions of conduct of trade or business; and (2) limitations on use to private single family residential purposes as set forth in said deeds ("Deed Restrictions"). In the NPA Agreement, Pebble Beach Company has forever quitclaimed to the owners of the Scifres' Parcel all rights to terminate the Deed Restrictions affecting the Scifres' Parcel.

The Scifres have identified numerous potential adverse effects upon themselves and their property associated with the proposed Fairway One Project. The Scifres are in ongoing negotiations with Pebble Beach Company regarding modifications to the Fairway One Project and associated issues in an effort to address their concerns. Many of these effects are impacts recognizable under CEQA and are referenced in my letter to County planner Joe Sidor dated January 09, 2012 (copy attached). Other significant adverse effects upon the Scifres may not necessarily be cognizable under CEQA, but nevertheless must be resolved to the Scifres' satisfaction before they will provide the consent Pebble Beach Company desires under the NPA Agreement.

The land use re-designations and zoning re-classifications which are part of the Del Monte Forest LCP update and Pebble Beach Company Concept Plan would commit future uses of the Beirne Parcel to commercial uses. Such action, or the implementation of such commercial uses, would violate both the NPA Agreement and the Deed Restrictions absent the Scifres' prior written consent. Consequently, the Scifres object to the proposed land use re-designations and zoning re-classifications for the Beirne Parcel at this time. This objection is legally premised on the NPA Agreement, the Deed Restrictions and the CEQA equivalency process under the Coastal Act and the Coastal Commission's regulations.

From an environmental review standpoint, the LCP amendments are but one component of the larger Pebble Beach Company project application PLN100138, presently pending before Monterey County. Consequently, the actions requiring environmental review by the Coastal Commission include not only the Del Monte Forest LCP update and Pebble Beach Company Concept Plan, but also the proposed Pebble Beach Company build-out of the Del Monte Forest pursuant to application PLN100138.

Monterey County has incorrectly determined that the LCP amendment component of the larger Pebble Beach Company Project is statutorily exempt from CEQA, while the balance of the project is subject to CEQA. Although an LCP amendment standing alone may be exempt under CEQA Guidelines section 15265, that exemption is not applicable here, where the scope of the activity as a whole which constitutes the larger Pebble Beach Company Project is greater than just the LCP amendment and the Concept Plan components. Therefore, the County cannot rely

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on this exemption to relieve it of its responsibility to undertake an EIR for the entire Pebble Beach Company Project. (See *Association for a Cleaner Environment v. Yosemite Community College District* (2004) 116 Cal.App.4th 629, 640) [CEQA exemptions which might otherwise have been applicable to activities comprising parts of project did not apply because scope of entire project was greater than scope of exempt activities.] Nor is the Pebble Beach Company Project analogous to the circumstances in *Surfrider Foundation v. California Coastal Commission* (1994) 26 Cal.App.4th 151, where the court found that exemptions were applicable only because the combined exemptions applied to the entire scope of the activity in question. Consequently, the County's EIR for PLN100138, and the Coastal Commission's CEQA equivalency review, must include both the proposed LCP amendments and the larger Pebble Beach Company Project, in order to avoid an improper "piecemealing" of environmental review.

Thank you for your thoughtful consideration.

Respectfully submitted,



Mark A. Blum

MAB:mh

Enclosures

Cc: Clients
Mark Stilwell
Joe Sidor

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January 9, 2012

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APR 02 2012

OUR FILE NO. 6504.01

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CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

**RE: Comment to DEIR – Pebble Beach Company Project, Del Monte Forest Area
(PLN 100138; State Clearinghouse No. 2011041028)**

This firm represents Mr. and Mrs. Donald R. Scifres, owners and residents of the property located at 3310 17 Mile Drive, which is adjacent to the proposed Fairway One component of the Pebble Beach Company Project. This letter comments on the Draft Environmental Impact Report (“DEIR”) prepared for the Pebble Beach Company Project (PLN 100138; State Clearinghouse No. 2011041028).

A. Noise

Although noise levels in excess of the applicable thresholds would likely be associated with the Fairway One commercial development when measured at the nearby residential receptor area, particularly at the 3310 17 Mile Drive property, the DEIR does not present a clear and comprehensive analysis of the anticipated noise impacts. Appendix G of the CEQA Guidelines requires the review of “exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies.” The 1982 Monterey County General Plan¹ cites the U.S. Environmental Protection Agency’s (“USEPA”) thresholds of 55 dB Ldn for outside and 45 dB Ldn inside for protection of general health and welfare. General Plan Policy 22.2.1 states that new development must conform to the

¹ The DEIR fails to explain the following conclusions found on Pages 3.9-3 and 3.9-4: “The General Plan’s Noise Element contains planning guidelines relating to noise. It identifies goals and policies to support achievement of those goals, but it is not legally enforceable. The goals and policies contained in the General Plan apply throughout the jurisdiction. The Monterey County Noise Ordinance, part of the Monterey County Code, is legally enforceable.” The DEIR conclusion concerning the Noise Element is contrary to law. The 1982 Monterey County General Plan sets forth the mandatory standards for environmental review of this Project (See, e.g., *Endangered Habitats League v. County of Orange* (200) 131 CA4th 777), and is at the top of the County’s land use regulation hierarchy (*Neighborhood Action Group for the Fifth Dist. v. County of Calaveras* (1984) 156 CA3d 1176).

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noise parameters established in Table 6. Table 6, which is included as Table 3.9-2 in the DEIR, sets forth Land Use Compatibility for Exterior Community Noise Environments. For low density single-family residential dwellings, such as those near the Fairway One Project, Table 6 establishes 50-55 dB as the normally acceptable outdoor noise range. While this is intended to be the noise range required to be met in the construction of new residences, given the apparent absence of any other General Plan standard for the range of noise level that commercial development can generate at an adjoining residential receptor, this range, mirroring the USEPA thresholds should be considered the relevant performance standard for the Fairway One project.

The traffic noise exposure modeling in the DEIR for the road segment closest to the Fairway One Project, i.e., 17 Mile Drive South of Stevenson Drive, shows the existing noise level at 58 dB Ldn, which would increase with the Project. Both the baseline and "with project" noise levels are above the USEPA recommended levels referenced in the 1982 General Plan. Because noise is a "threat to physical and mental health" (P. 86, 1982 General Plan) and the baseline measurements are above those levels necessary to protect general health and welfare (P. 86, 1982 General Plan), any measurable level above the baseline must be considered significant. This is particularly important since the DEIR identifies "locations where people reside or where the presence of unwanted sound could adversely affect the use of land" as sensitive receptors. (P. 3.9-9, DEIR.)

To mitigate noise/health impacts, the 1982 General Plan sets forth several policies that should apply to the Fairway One Project. These include (1) Policy 22.2.5, which states that "the County, in accordance with Table 6, should require ambient sound levels to be less at night (10 p.m. to 7 a.m.) than during the day"; and (2) Policy 22.2.4, which requires the County to "specify working hours as part of the use permit for industries where on- and off-site noise is a concern to adjacent land uses."

Both the baseline and "with Project" noise levels are also within Noise Range II, Conditionally Accepted, of General Plan Table 6. Table 6 specifies that new development which falls within Noise Range II must prepare "detailed analysis of the noise reduction requirements" and include "noise insulation features" in the project design.

The General Plan policies and measures discussed in Table 6 should apply as mitigation measures for the Fairway One Project, which will not only address the significant noise/health impacts, but also make the Project consistent with the 1982 General Plan.

The DEIR also failed to adequately analyze interior noise and vibration impacts to nearby residential dwellings as a result of the Fairway One Project. The interior noise and vibration analysis must consider direct and cumulative; short (i.e., construction) and long term; and day and night time impacts. Events at the proposed Fairway One meeting facility must also be considered in the analysis. For determining the threshold of significance, the health-based standard of 45 dB should be

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considered, consistent with the USEPA threshold cited in the 1982 General Plan. The Office of Planning Research's *Thresholds of Significance, Criteria for Defining Environmental Significance* recommends a health-based standard of significance for noise.

Specific to noise generated from the on-site Fairway One parking lot, the DEIR concludes without discussion or evidence that "the noise from vehicle parking lot use is anticipated to be less than noise produced by passing vehicles". This bare conclusion cannot satisfy the requirement that the EIR serves as an informational document. (*Gray v. County of Madera* (2008) 167 Cal. App. 4th 1099, 1123.) The noise and vibration from the Project's parking lot which will be experienced by the nearby sensitive receptors, particularly during construction, meetings and events, may be more than those experienced from traffic on 17 Mile Drive. But the unsupported conclusion also misses the point. The threshold of significance is not whether the project noise, including the noise from the parking lot, is less than noise produced by passing vehicles. The appropriate question under CEQA is whether such noise, either directly or cumulatively, is above or below the applicable thresholds. As noted above, for the nearby residences, the threshold should be 55 dB for outside and 45 dB inside for protection of general health and welfare. More particularly, the standard should be expressed as dB(A), because industry practice is for community ambient noise levels to be measured in the A weighted sound pressure level. Further analysis, identification of appropriate thresholds and evaluation of feasible mitigation measures are necessary in order for it to comply with CEQA.

Finally, the closest monitoring site used to measure ambient noise levels (as shown on Figure 3.9-1 of the DEIR) is about 2,000 feet from the Fairway One Project. Due to distance of the ambient noise monitoring site from the Project, it is important to fully discuss in the body of the document the accuracy of the noise modeling, including uncertainty factors and margin of error. The DEIR is absent such discussion and fails, in that regard, to be a fully informational document.

In summary, the following are recommended to assess and address potentially significant noise/health impacts, and in order to achieve the necessary Project consistency with the 1982 General Plan:

- 1) Perform direct and cumulative analyses of the potential for direct and cumulative interior and exterior noise and vibration impacts of the Fairway One Project upon the nearby residential dwellings, particularly at the adjacent 3310 17 Mile Drive property. Such analyses must include short term and long term and day and night time noise exposures.
- 2) Fully describe in the body of the DEIR the uncertainty factors and margin of error of the noise modeling.

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- 3) Change the standard of significance to health-based standards of 55 dB(A) for outside and 45 dB(A) for inside; establish that any measurable level above these health-based thresholds is significant; and apply appropriate mitigation measures.
- 4) Establish lesser ambient sound levels at night (10 p.m. to 7 a.m.) than during the day as a mitigation measure, consistent with General Plan Policy 22.2.5.
- 5) Specify operating hours for the new meeting facility as a mitigation measure, consistent with General Plan Policy 22.2.4.

B. Aesthetics

The Fairway One Project includes removal of mature landscaping, including 66 trees, and construction of two-story buildings. As applicable to this Project, the standard of significance set forth in the DEIR is as follows: "Substantial degradation of existing visual character, or quality of the site or surrounding area or incompatibility with the development scale and style of the surrounding area." (P.3.1-12, DEIR.) This standard of significance is consistent with the Del Monte Forest Land Use Plan/Local Coastal Programs ("LUP/LCP"), which states as follows: "Particular attention is to be given towards siting and planning development to assure compatibility with existing resources and adjacent land uses." (p. 48)

Although the above standard of significance is described in the DEIR, the DEIR fails to adequately review the incompatibility of this large commercial development adjacent to residential uses. For example, the DEIR failed to adequately analyze the land use incompatibility impacts resulting from the increase in the allowable building heights and the narrower setbacks with the Project's proposed planning and zoning amendment from LDR to GDC. Also, the simulations included in the DEIR do not include "before" and "after" stimulations from the vantage point of nearby residential dwellings. Without a fuller analysis of potential land use incompatibility impacts, the standard of significance is not properly applied. Because the Fairway One project includes land use plan amendments and rezoning, the EIR must include analysis of the potential impacts to nearby residences associated with the differences in development standards between a residential and commercial project.

The DEIR concludes without sufficient basis that: "Overall, the proposed development at The Lodge at Pebble Beach would generally appear similar to existing facilities in scale and visual character and would not substantially alter the area's existing visual character and quality. Therefore, this impact would be less than significant." Again, this bare conclusion cannot satisfy the requirement that the EIR serves as an informational document. The Project includes a 40-unit complex with parking, a parking structure, and a 2,100-square foot meeting facility, which would be considered incompatible with nearby single family residential dwellings. In order to address this significant incompatibility impact, the EIR should recommend detailed site-specific mitigation

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measures of for landscape screening (such as requiring a landscape plan and establishing specific performance criteria) and exterior paint colors and materials for the Fairway One Project buildings in order to visually screen the Project from nearby residences. Moreover, the building heights and setbacks should be consistent with the current LDR zoning to lessen the impacts resulting from the Project's incompatible land uses.

Additionally, to avoid substantial degradation of the existing visual character and quality of the surrounding area, all utility lines for the Project should be underground to hide them from public view, consistent with LUP Policy 53. More specifically, the proposed LUP amendment of this policy should not be allowed for the Fairway One Project due to its potential to substantially degrade the character and quality of this mixed residential/commercial setting.

In addition to the Project's incompatibility with adjacent land uses, the Project will create light pollution impacting the health of the nearby residents and the environment. Light pollution, particularly during the nighttime, has been known to cause significant health impacts. The scientific article enclosed as Exhibit "A", states that the increasing prevalence of exposure to artificial light at night has significant social, ecological, behavioral, and health consequences. This health impact has not been evaluated in the DEIR.

Although Mitigation Measure AES-C1 requires light and glare reduction measures in design plans and specification, it cannot be determined if the measures are sufficient to reduce their direct and cumulative health impacts to less than significant without reviewing a lighting plan as part of the analysis. Consequently, the mitigation should include precise performance standards for the lighting plan, including but not limited to the locations, types, numbers, and wattages of the exterior lighting fixtures in order to reduce this impact to less than significant.

In summary, the following mitigation measures should apply to the Project's potentially significant land use incompatibility, aesthetics and light pollution/health impacts:

- 1) Specify with particularity performance standards for landscape screening to visually screen the Project buildings as viewed by the nearby residents, particularly the residents of the adjacent 3310 17 Mile Drive property.
- 2) Specify with particularity performance standards for exterior paint colors and materials of all structures (including roofing materials) as required to minimize visibility of the buildings from nearby residences.
- 3) Require all utility lines to be underground to hide them from public views consistent with LUP Policy 53 (i.e., a LUP amendment should not be allowed for the Fairway One Project).

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- 4) Require and specify with particularity performance standards for a lighting plan, including but not limited to locations, types, numbers and wattage of exterior lightning fixtures.

C. Parking, Traffic, Circulation and Associated Impacts

Although the DEIR states in a footnote (Footnote 5, Page 3.11-36) that parking is not considered a CEQA impact under the current guidelines, and the parking analysis is for information purposes only, the DEIR establishes a baseline, formally defines the standard of significance, includes an impact analysis, and applies mitigation measures for parking, and thus, the substantive provisions of CEQA apply irrespective of the conclusion in the footnote. The 1982 General Plan and the LUP/LCP policies also address parking, indicating that parking is a broader land use and environmental issue that requires attention.

The DEIR parking analysis is inadequate for the Fairway One Project. Of particular concern are (1) the high potential for impacts to the nearby residential use (such as at the 3310 17 Mile Drive property) due to increased demand for on-street parking and increased traffic associated with guests and visitors of the expanded lodge facilities; (2) idling delivery trucks, buses, and shuttles resulting in increased noise and toxic emissions exposure to nearby residents; and 3) circulation and traffic safety risks resulting from the placement of the exit driveway in close proximity to the residential driveway at 3310 17 Mile Drive. The Fairway One complex proposal consists of 40 guest units, and the project has a U-shape driveway that only provides 28 parking spaces. (P. 3.11-64, DEIR.) Although the DEIR notes that additional cars would be valet-parked at the new parking facility (P. 3.11-64, DEIR), there is no analysis of whether guests, visitors and employees may instead seek to park along 17 Mile Drive. It is reasonable to assume that the 28 on-site spaces, which are inadequate for the 40-guest unit complex under county codes, will be fully utilized and overflow demand may utilize the free and more proximately located parking situated on 17 Mile Drive as opposed to the more distant valet parking. This increased use may result in the impacts described above.

The proposed exit from the Fairway One complex is located close to the residential driveway at 3310 17 Mile Drive and may result in potentially significant circulation, traffic, noise and hazard emission impacts not fully evaluated in the DEIR. The EIR should evaluate the feasibility of reducing these impacts to less than significant with a redesign of the project driveway so it is not circular and the ingress and egress both occur where the present ingress is proposed (near the common boundary of the Beirne and Fairway One lots). This modification would also minimize noise impacts to the Scifres residence associated with guests exiting the Project site near the Scifres driveway entrance. Also, the use of the project driveway and 17 Mile Drive should be limited to avoid dangerous conditions for pedestrians and to limit emission exposure by nearby residents, particularly from idling taxis, trucks, buses and shuttles. As part of access control, only passenger

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vehicles should be allowed in the project driveway on a routine daily basis and idling engines between the Project driveway and the residences on 17 Mile Drive should be prohibited to lessen these impacts. =.

Under Impact TRA-F3 for parking conditions during special events, the DEIR concludes that the overall parking impact to the area is expected to remain the same with or without the project. There is inadequate discussion or information to support this conclusion for the Fairway One Project. A 40 unit hotel development on a commercial parcel will have a greater impacts than those associated with the existing Beirne residence. Additionally, the proposed 2,100-square foot meeting facility, any special event could further increase the overall parking demand over what was assumed in the DEIR. The parking space needs were calculated using the parking requirements set forth in section 20.58 of the Monterey County Code which are limited to "convention center, meeting hall, and exhibits." If the use of the project is not limited to only these uses in the application or by conditions of approval, then parking demand needs to be recalculated.

In summary, the following are recommended in order to address parking and its associated impacts:

- 1) Modify the U-shaped driveway to provide for one ingress/egress point near the presently proposed ingress between the Beirne and Fairway One parcels.
- 2) Limit daily use of the driveway to passenger vehicles.
- 3) If the 2,100-square foot meeting facility will not be limited to "convention center, meeting hall, and exhibits", reevaluate parking demand and impacts.
- 4) Prohibit the parking or staging of vehicles with idling engines on 17 Mile Drive between the Project entrance and the residential driveway at 3310 17 Mile Drive.

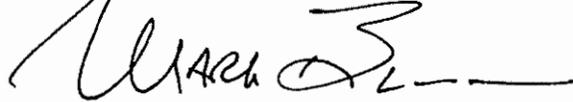
D. Health Impacts

Under CEQA, a lead agency must make a finding of significance if a project's impacts may cause substantial adverse effects on human beings. (Pub Res C §21083(b)(3); 14 CCR §15065(a)(4).) Under this standard, a change to the physical environment that might otherwise be minor must be treated as significant if people will be significantly affected. The adverse effects on human health associated with the Fairway One Project include noise, light pollution and vehicle emissions, particularly for the residents of 3310 17 Mile Drive. These potentially significant impacts to human health were not adequately evaluated in the DEIR. To mitigate the health impacts associated with noise, light pollution and vehicle emissions, the aforementioned mitigation measures for the Fairway One Project should be evaluated for feasibility and the ability to reduce potentially significant impacts to a level of insignificance.

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Thank you for this opportunity to comment on the DEIR.

Respectfully submitted,



Mark A. Blum

Enclosure

cc: clients
Mark Stilwell, Executive Vice President/General Counsel

4846-1477-2238, v. 1

MINI REVIEW

The dark side of light at night: physiological, epidemiological, and ecological consequences

Abstract: Organisms must adapt to the temporal characteristics of their surroundings to successfully survive and reproduce. Variation in the daily light cycle, for example, acts through endocrine and neurobiological mechanisms to control several downstream physiological and behavioral processes. Interruptions in normal circadian light cycles and the resulting disruption of normal melatonin rhythms cause widespread disruptive effects involving multiple body systems, the results of which can have serious medical consequences for individuals, as well as large-scale ecological implications for populations. With the invention of electrical lights about a century ago, the temporal organization of the environment has been drastically altered for many species, including humans. In addition to the incidental exposure to light at night through light pollution, humans also engage in increasing amounts of shift-work, resulting in repeated and often long-term circadian disruption. The increasing prevalence of exposure to light at night has significant social, ecological, behavioral, and health consequences that are only now becoming apparent. This review addresses the complicated web of potential behavioral and physiological consequences resulting from exposure to light at night, as well as the large-scale medical and ecological implications that may result.

Kristen J. Navara and Randy J. Nelson

Departments of Psychology and Neuroscience, Institute for Behavioral Medicine Research, The Ohio State University, Columbus, OH, USA

Key words: cancer, endocrine disruptor, immune, light pollution, melatonin

Address reprint requests to Kristen J. Navara, Poultry Science Department 216 Poultry Science Bldg Athens, GA 30602 – 2772 E-mail: knavara@gmail.com

Received April 20, 2007; accepted May 29, 2007.

Introduction

Successful organisms must adapt to temporal, as well as spatial niches. Endogenous biological clocks allow individuals to anticipate and adapt to the daily light-dark cycles in their environments to optimally time metabolism, physiology, and behavior each day. Rodents in nontropical environments, for example, alter reproductive, metabolic [1], and immunological activities [2] based on changes in day length throughout the seasons. The timing of avian reproduction and molt also often depends upon seasonal changes in day length [3], and many species, including some birds [4,5], rodents [6], bats [7], and marine animals [8], adjust foraging activities according to changes in the lunar cycle. Aside from seasonal adjustments, there is marked circadian variation in physiological functions. In many species, including some birds, rodents, fish, and humans, for example, circulating concentrations of sex steroids [9–11] and glucocorticoids [12] vary with the light/dark cycle throughout the day, causing corresponding changes in reproductive activities [13] and metabolic functions [14].

Responses to natural light cycles result in an adaptive temporal organization in humans and other animals. With the invention and use of electrical lights, beginning about a century ago, this temporal organization has been dramatically altered. Light at night has significant social, ecological, behavioral, and health consequences that are only now

becoming apparent. The extensive control that light-driven mediators exert upon multiple body systems, for example, creates numerous targets on which light-induced disruptions can act, resulting in a wide range of physiological changes and potentially serious medical implications. In a broader context, underpinning physiological mechanisms regulate a variety of behaviors, ranging from reproduction to foraging, creating expansive targets for light disruption. Assuming that adaptive processes have optimized the physiological and behavioral regulation of animals according to changing day lengths and circadian cycles, artificial changes in light cycles could have drastic fitness effects. This review summarizes the medical and ecological implications of exposure to artificial light at night, and related disturbances in normal seasonal and circadian physiological and behavioral functions.

Sources of light at night

Light pollution by urban development

Urban development has brought the need for artificial lighting of roadways, shopping centers, stadiums, and homes. Some of this light strays and scatters in the atmosphere, bringing about a brightening of the natural sky beyond background levels, called urban sky glow [15,16]. Light pollution has demonstrated effects on daily

human life. In 2001, the percentage of the world's population living under sky brightness higher than baseline levels was 62%, with the percentages of US and European populations exposed to brighter than normal skies lying at 99% [16]. In addition, > 80% of the US population and 2/3 of the population in the European Union regularly experience sky brightness greater than nights with a full moon. In these cases, true night darkness is never experienced because the brightness is slightly higher than the typical zenith brightness at nautical twilight [16]. Since the 1960s, artificial lighting has gradually changed from an incandescent-bulb form, which consists of mainly low-level yellow wavelengths, to a high-intensity discharge (HID) form that contains blue wavelengths (reviewed in [17]). Retinal ganglion cells responsible for detecting light and suppressing melatonin production in humans are most sensitive to blue/violet light (~459 nm) [18]. In addition, studies on the action spectrum for human melatonin regulation indicate that exposure to incandescent lighting for < 1 h can result in a 50% decrease in circulating melatonin levels, and exposure to even very low levels of blue spectrum light comparable in brightness to moonlight resulted in melatonin suppression in humans as well (reviewed in [17]). Thus, increasing levels of sky glow and exposure to street lighting can disrupt the 'natural' world to which the human body is currently adapted.

While humans live much of their lives based on artificially manipulated light cycles governed by electric lighting, wild species are entirely dependent upon and responsive to changes in natural day length. Thus, photic disturbances that alter the natural light cycle may have elevated physiological and behavioral effects in these species compared with humans. Many 'wild' or national parks are surrounded by or in close proximity to urban centers, causing increased incidence of sky glow over those areas

[15], thus exposing many wild species to an artificial and potentially disruptive light cycle.

Shift work

In addition to incidental light exposure resulting from night lighting, current society is experiencing an abolishment of 9-5 workdays in exchange for greater numbers of night shifts and resulting increases in productivity and profit. North American fast-food restaurants glean profits during the late night and early morning hours. In addition, in a survey conducted from 1985 to 2004, approximately 15% of surveyed American full-time wage and salary workers worked a shift other than a daytime schedule; over half of these workers reported that such hours resulted from 'the nature of the job' and not personal preference (US Dept. of Labor, Retrieved June 13, 2007 from <http://www.bls.gov/news.release/flex.pdf>). Such trends not only exist in the USA, but also in Canada where approximately 30% of employed individuals work alternative shifts [19]; overall, in any urban society, an estimated 20% of people work alternative shifts [20]. Shift-workers live much of their lives out-of-phase with 'normal' local time, but often cannot completely adjust their circadian rhythms due to the changing schedules of the shift-work, and the necessary readjustment to rest days [20]. Thus, shift-workers are experiencing intentional exposures to light at night that could disrupt normal circadian physiological and behavioral rhythms.

Physiological and medical implications

The circadian pacemaker is responsible for organizing the timing of the entire body, spanning multiple body systems [21-24]. Light is detected by photoreceptive ganglion cells

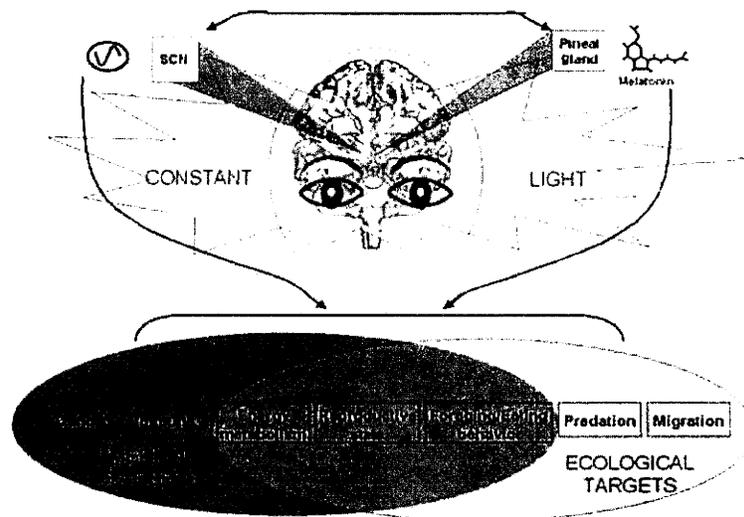


Fig. 1. Exposure to night-time lighting through urban sky glow and/or night shift work could mimic the documented physiological and behavioral effects associated with exposure to constant levels of light. These effects are complex and multi-tiered, and could have large-scale medical and/or ecological implications. Light detected by the retinal ganglionic cells (RGCs) programs the suprachiasmatic nuclei (SCN), or the circadian pacemaker. The SCN exerts direct effects on several body systems and stimulates rhythmic melatonin secretion from the pineal gland. Melatonin acts as a transducer of light:dark information into additional physiological signals that results in downstream effects on many body systems. (arrows are not meant to represent exact anatomical locations).

(pRGCs) in the eye. A cluster of pRGCs form the retino-hypothalamic tract that projects to and entrains a group of neurons that make up the circadian oscillators in the suprachiasmatic nuclei (SCN) [25], which control melatonin synthesis in the pineal gland. Melatonin is an indole-amine that is found throughout the animal kingdom and orchestrates changes in many physiological functions in response to variation in day length (reviewed in [26]), and the nightly duration of melatonin is the critical parameter responsible for transducing the effects of light on both the neuroendocrine axis and directly on individual body systems [27]. Exposure to extended periods of light alters melatonin levels in many species, including humans [28-31]. Thus, exposure to light at night could result in a variety of physiological effects, potentially mediated through varying levels of melatonin (Fig. 1). In addition, direct sympathetic control of physiological processes after variation in lighting conditions has been documented independently of melatonin synthesis [1]. Consequently, exposure to extended periods of light could alter physiological state through a variety of other mechanisms.

Disruptions of normal circadian timing can evoke a multitude of downstream effects, reorganizing the entire physiological state. Constant lighting conditions alter the rhythmicity of several hormones including prolactin [32], glucocorticoids [33,34], adrenocorticotropic hormone, corticotrophin releasing factor [35], serotonin [36], and melatonin [37]. Human exposure to a low-level incandescent bulb at night requires only 39 min to suppress melatonin levels to 50% [38]. Such changes in melatonin production and release regulates metabolism, immune function, and endocrine balances via the reproductive, adrenal, and thyroid hormone axes [27]. The ensuing effects of disrupted melatonin rhythms by chronic exposure to light at night are countless. In addition, the effects resulting from downstream consequences, such as sleeplessness, make the web of physiological changes resulting from constant light even wider. In the interest of space, the medical implications associated with sleep deprivation will not be considered in depth here. Recent work has largely focused on the potential link between exposure to artificial light at night and the prevalence of several cancers (see below). Such links, however, would likely result from a combination of upstream physiological effects originally triggered by the alteration of the circadian system, many of which could have drastic medical implications in addition to cancer. For example, melatonin and its metabolites have the ability to protect against oxidative stress and diseases resulting from oxidative attack (see below). Depression of melatonin could thus magnify the amount and results of oxidative damage. There is a need for a full understanding of the physiological and epidemiological impacts caused by increasing exposure to light at night through light pollution and shift work.

Metabolic disruption

Efficient energy metabolism is crucial to overall physiological function. Interruptions or difficulties with the efficiency of metabolic processes can result in a variety of disorders, including obesity, type II diabetes, and heart disease. There is an abundance of evidence illustrating an

effect of exposure to extended levels of artificial light both directly on metabolic processes, as well as on several of these epidemiological end-points.

Long-term exposure of rats to constant light had strong regulatory effects on metabolism, specifically on carbohydrate metabolism in the liver [39]. Experiments on broiler chickens demonstrated that constant light shifts metabolic efficiency; female broiler chickens reared in a constant light environment gained a significantly higher percentage of fat compared with controls reared on a 12 L:12 D light cycle. Male broiler chickens also gained significantly more weight when exposed to constant light, but the mechanism behind this effect differed (i.e. food intake was higher in males reared in constant light) [40]. Constant-light induced interruption in the nightly secretion of melatonin has also been shown to exert metabolic effects. Melatonin appears to affect body mass regulation, gut efficiency, metabolic rate, and nonshivering thermogenesis in some mammalian species (reviewed in [26]), and also improves ATP synthesis in the heart [41]. Thus, the basic processes associated with acquisition and utilization of energy are functionally altered after exposure to extended periods of artificial lighting.

Several studies suggest that humans are experiencing similar effects in response to artificial light exposure at night. For example, detrimental effects of shift work have been observed in carbohydrate and lipid metabolism, insulin resistance, hypertension, coronary heart disease, and myocardial infarction (reviewed in [42]). Such influences could result from either direct physiological effects of light exposure or indirect effects associated with a lack of sleep [42]. Sleep deprivation significantly alters endocrine and metabolic parameters associated with diabetes, obesity, and a cascade of other disorders [43]. On the other hand, melatonin levels, which reflect changes in light environment more directly, have been associated with coronary heart disease. For example, in a correlative study, patients with coronary heart disease had significantly lower melatonin concentrations at night compared with patients without heart disease [44]. Melatonin reduces the activity of the sympathetic nervous system and significantly reduces norepinephrine turnover in the heart, a potentially beneficial effect because norepinephrine and epinephrine accelerate the uptake of LDL cholesterol [45]. Because exposure to extended periods of low-level artificial night-time lighting decrease melatonin production in rodents [28,45] and humans (reviewed in [17]), the potential for a direct link between exposure to night-time light and metabolic disorders, such as heart disease, become clear. It remains to be determined the extent to which metabolic disorders reflect direct effects of light on circadian organizations or downstream processes such as sleep disruption.

Oxidative stress

Light exposure can also have indirect adverse effects through the promotion of oxidative stress, which can lead to a variety of other disorders, including damage to immune cells and other tissues in the body, elevated incidence of cancer, and an increase in the rate of physiological aging [46]. Exposure of living organisms to light and oxygen results in the production of toxic molecules, reactive oxygen

species, and photo-oxidants (reviewed in [47]). For example, rats maintained in constant light significantly increased lipid peroxidation in the liver, kidney, and brain [28]. Similarly, rats exposed to constant light significantly elevate levels of hepatic oxidative stress [48]. Oxidative stress is combated through numerous physiological mechanisms responsible for maintaining an oxidant:antioxidant balance within the body. Melatonin is a well-known antioxidant, playing a significant role in antioxidant defense and regulating antioxidant enzyme activity and production (reviewed in [49]). In humans, melatonin levels correlate with total antioxidant capacity of the blood [50]. Constant light reduces both melatonin levels and pineal weights to a minimum [28] and the pro-oxidative effects of constant light were preventable through simultaneous administration of melatonin [28]. Activity of glutathione peroxidase, an important antioxidant enzyme, decreased in rats maintained in constant light [28]. Similarly, constant light exposure reduces glutathione levels [51], suggesting a decrease in glutathione production as well. It is likely that suppression of melatonin in response to constant light exposure may at least partially mediate the regulation of glutathione peroxidase activity, as previous studies have shown that melatonin stimulates glutathione synthesis [52] and melatonin deficiency leads to decreased tissue glutathione peroxidase activity (discussed in [28]). Melatonin is unique in that the free radical scavenging capability extends to its secondary, tertiary, and quaternary metabolites, making it a highly effective antioxidant even at low concentrations (see [47] for review). Thus, decreased levels and durations of melatonin production resulting from exposure to constant lighting conditions may result in decrease in the level and duration of this potentially important antioxidant. Alternatively, influences of changing the light environment on oxidative stress could result from downstream consequences of resulting sleep deprivation as documented in the brains of rats [53]. Considered together, these documented reductions in melatonin concentrations in humans exposed to night-time light suggest an elevated risk of oxidative stress and many related disorders after exposure to light pollution, shift work, or both.

Immunological modulation

Exposure of an individual to chronic artificial night-time lighting could alter immune function, through some combination of oxidative, neural, or endocrine pathways. Numerous examples across taxa are available. For example, housing Japanese quail (*Coturnix coturnix japonica*) in constant lighting conditions significantly suppressed both cell-mediated immune responses to a challenge with phytohemagglutinin (PHA) and humoral responses to challenges with Chukar red blood cells (RBCs) [54]. Similarly, cockerels maintained in constant lighting conditions produced significantly fewer antibodies to a challenge with sheep RBCs and displayed significantly reduced delayed type hypersensitivity responses compared with controls maintained in 12 L:12 D lighting conditions [55]. In a mammalian model system, nocturnal light exposure suppressed the normal increase in cytotoxic activities of natural killer cells [56].

Because exposure to light at night is accompanied by a significant decrease in melatonin levels (see above), it is relevant to briefly discuss the potent effects that melatonin has on the immune system. The injection of Syrian hamsters with melatonin, or maintenance of hamsters in short photoperiods which increase melatonin levels resulted in increased splenic masses, total splenic lymphocyte counts, and macrophage numbers [57]. A number of studies have confirmed the existence of melatonin receptors in lymphatic tissue and on circulating cells of the immune system (reviewed in [26]). Although prevalence of splenic melatonin receptors typically fluctuate such that receptor numbers are low at night when melatonin levels are high, levels of binding sites during light at night remain high [58]. Melatonin has been reported to counteract drug or hormone-based immunosuppression and appears to have generally immunostimulatory properties (reviewed in [26]). Suppression of melatonin by exposure to light pollution or during shift work could suppress such immunostimulatory properties. On the other hand, constant light generally inhibits T-cell autoimmunity by eliminating melatonin [26], a potentially beneficial effect. Carrillo-Vico et al. provide an excellent review of the effects of melatonin on the immune system [59]. Based on these documented effects, the potential exists for artificial night-time light to have potent and multi-pathway modulatory effects on the immune system. Similar effects could result from decreases in sleep efficiency associated with exposure to constant levels of light. For example, in a study of humans, 40 h of wakefulness resulted in significant changes in several immune parameters, including a decrease in natural killer cell activity [60]. Sleep deprivation also activates the HPA axis in rats and alters subsequent responses to stress [61], which could exert indirect effects on the immune system as well. Thus, through either direct endocrine effects or indirect sleep-related effects, exposure to light at night has the potential to significantly modulate immune function, leading to large-scale medical implications.

Cancer

Resistance to cancer is often accomplished through endocrine, antioxidant, and immunological processes. It is now apparent that all of these processes can be altered by exposure to light at night; evidence is mounting that forms links between extended exposure to light and the incidence of several cancers in both humans and animals. For example, the risk of developing breast cancer is up to five times higher in industrialized nations than in underdeveloped countries [62]. Current evidence suggests that high levels of artificial light at night in industrialized societies may play a role in cancer risk. Multiple studies have documented a link between night shift work and an increased incidence of breast cancer (reviewed in [63]). In a nationwide study of 7035 Danish women with confirmed primary breast cancer, at least half a year of predominantly work during the night increased the risk of breast cancer 1.5 fold [64]. Other studies of women involved in various types of work during the night have consistently demonstrated an up to threefold increase in the relative risk of breast cancer ([64], also see [65] for review). Although night shift work

increased the incidence of breast cancer, an increased risk was also documented in individuals who reported not sleeping during the time of night when melatonin is typically elevated [66]. Importantly, there was an indication of increased risk in patients with the brightest bedrooms [66]. Although breast cancer is the most abundantly studied cancer type in relation to light at night and shift work, recent studies have begun examining links with other cancer types. For instance, in a study of 602 colorectal cancer cases among 78,586 women, it was determined that a rotating night shift at least three nights per month over at least 15 yr increases the risk of colorectal cancer [67]. Considered together, abundant evidence suggests that circadian disruption, and/or the changes in melatonin and other physiological systems may increase the risk of cancers.

Specific evidence of the role of light in tumor development was demonstrated in deer mice (*Peromyscus maniculatus*); mice maintained in long day lengths (16 L:8 D) were significantly more likely to develop tumors induced by 9,10-dimethyl-1,2,benzanthracene (DMBA) compared with animals maintained in short day lengths (8 L:16 D) [68]. Indeed, 90% of animals in long day lengths developed tumors, whereas animals maintained in short day lengths developed none. More recent studies have demonstrated that exposure to extended dim light can have similar effects on tumor incidence and growth. Exposure to constant dim light (0.21 lux) significantly increased the growth of MCF-7-induced tumors and significantly increased the total tumor fatty acid uptake, linoleic acid uptake, and 13-hydroxyoctadecadienoic acid (13-HODE) production (reviewed in [69]). Additionally, female rats with small DMBA-induced tumors were maintained in one of the four treatment groups, including a normal light cycle (12 L:12 D), a constant bright light cycle (24 h at 300 lux), a normal light cycle with a flash of bright light halfway through the dark period, and a normal cycle with low level incandescent lighting throughout the dark period [70]. Animals maintained in the normal light cycle (12 L:12 D) had significantly lower rates of tumor growth than all other treatments, and the animals experiencing dim light at night had the lowest survival probability. In summary, extended periods of exposure to even dim levels of light impair suppression of tumor development.

Both experimental and clinical reports suggest a link between cancer development and pineal function (reviewed in [26]). Under a majority of in vitro conditions, physiological levels of melatonin decrease the rate of cell proliferation, whereas elevated concentrations tend to be either cytostatic or cytotoxic (reviewed in [69]). Melatonin may shift the cell balance from proliferation to differentiation, and thus can prevent the proliferation of tumor cells. In addition, melatonin may promote apoptosis of cancer cells (reviewed in [69]). Pinealectomy accelerates the growth of transplanted melanoma in hamsters [71] and of transplanted Yoshida sarcoma in rats [72]. In addition, DMBA-induced mammary tumors grew more slowly in rats treated with melatonin when compared with control rats that did not receive melatonin ([73], reviewed in [74]). In a particularly elegant study, rats were implanted with either rat hepatomas or human breast cancer xenografts [62]. Resulting tumors were subsequently perfused in situ with human

blood collected from subjects during the daytime, during the night, or following exposure to 580 $\mu\text{W}/\text{cm}^2$ of white fluorescent light at night. In addition, some of the blood collected from individuals exposed to night-time light was also supplemented with a synthetic form of melatonin. Proliferative activity, linoleic acid production, 13-HODE production, and tumor cAMP levels significantly decreased when tumors were exposed to blood taken from individuals during the night-time. This suppressive effect disappeared when tumors were exposed to blood from individuals who experienced night-time light, leaving proliferation levels similar to those perfused in blood from daytime individuals. Interestingly, when melatonin was added to blood from light-exposed individuals, tumor proliferation and activity was again suppressed [62]. These data suggest that melatonin exerts a direct effect on tumor growth and proliferation.

Constant light may act on cancer through direct actions of depressed melatonin levels or through secondary endocrine modulation associated with either light exposure resulting from light exposure and/or sleep disruption [63,65]. 'The melatonin hypothesis' suggests that reduced pineal melatonin secretion might increase the risk of breast cancer through an interaction with high levels of estrogen, a known promoter of breast tissue proliferation [75]. Melatonin suppresses estrogen secretion in several species of mammals [76]. Melatonin completely blocks estradiol-induced stimulation of breast cancer cell proliferation, and melatonin loses its antiproliferative effects unless cells are co-cultured with estradiol or prolactin [77]. As mentioned, melatonin acts as a potent antioxidant, and thus may normally protect against estradiol-induced oxidative damage that could result in cancer (reviewed in [78]). Alternatively, melatonin may prevent the estradiol-induced suppression of the cell-mediated immune response, providing immunological protection against cancer development (reviewed in [78]). Estradiol is also responsible for upregulating telomerase activity, and melatonin may inhibit these effects. Thus, suppression of melatonin after exposure to constant light would inhibit these anti-cancer effects. Despite this evidence, rats exposed to constant light did not increase serum estradiol concentrations [62,68]. Furthermore, ovariectomy and estrogen treatment did not affect tumor formation [68]. Thus, although the 'melatonin hypothesis' seems plausible, current evidence suggests that light exposure likely acts on tumor formation and growth through one or more alternative mechanisms.

Ecological implications

Physiological responses to artificial light exposure result not only in the medical conditions listed above, but also in large-scale ecological changes. Natural departures from the rhythmic light:dark cycle, such as changes in the lunar cycle and white nights in the arctic region of the world, evoke a multitude of physiological and behavioral changes within animals experiencing them [79] (and see below). Because sky glow resulting from artificial lighting in urban environments can reach levels that exceed those seen in natural twilight [16], similar physiological and behavioral phenomena may result, altering reproductive activities, predator/

prey interactions, and even orientation capabilities. Such alterations in natural activities can result in large-scale ecological changes, and alterations in the survival of key species in the environment (See [80] for an excellent additional detailed review addressing ecological light pollution).

Reproduction

It has been well-established that the timing of breeding in wild animals could be altered by artificial lighting. For example, it has been known for centuries that domestic hens (*Gallus domesticus*) could be stimulated to lay more eggs during the winter by putting lights in the coops at night [81]. In one of the first studies of the effects of photoperiod on vertebrate biology, Rowan [82] exposed juncos (*Junco hyemalis*), maintained in outdoor aviaries in Edmonton, Alberta, to several minutes of electric illumination after the onset of dark each day (lights were illuminated at sunset) during the winter. Under these artificial lighting conditions, these birds came into reproductive condition despite the harsh Canadian winter temperatures. Thus, artificial lights were sufficient to adjust the reproductive phenotype of these birds to mimic summer-like conditions. Similarly, the initial demonstration that photoperiod regulates mammalian reproduction was reported for European field voles (*Microtus agrestis*) that received artificial illumination after the onset of dark [83]. Again, artificial illumination effectively mimicked natural light sources.

Given the level of control that variation in light cycles can exert on reproductive physiology and behavior, exposure to lighting durations beyond normal limits can impose disruptive effects on these processes. Melatonin, for example, has well-documented effects on reproductive behavior and physiology in many species [76], and exposure to extended periods of light depress production of pineal melatonin [28-31]. Such effects may mediate the documented changes in the reproductive systems of animals in response to extended exposure to light. For example, persistent exposure to constant dim light suspends estrous cycles in rats and induces persistent estrus [84]. Such disruption reduces fertility [80] by inhibiting periovulatory gonadotropin surges [85,86] and elevating plasma prolactin and estrogen concentrations [32,84,87]. Similarly, exposure of male South Indian gerbils (*Tatera indica cuvieri*) to constant light diminished reproductive efficiency, decreasing reproductive organ masses, epididymal sperm counts, and the proportion of ejaculating males [88]. Maintenance in constant light is a well-documented way of interrupting incubation in turkey hens, and results in significantly elevated prolactin concentrations in circulation [89] and trout exposed to either constant or 18 h of light advanced spawning up to 2 months compared with control fish exposed to ambient light [90]. Such changes in the timing of reproduction could disrupt synchrony of the breeding cycle in relation to changing environmental variables, such as temperature. In cases where sky brightness never gets below the level of a typical nautical twilight [16], reproductive disruption is a clear possibility for a number of species.

Evidence that light pollution and exposure to artificial lighting disrupts reproductive activities in the wild has been demonstrated in studies examining behaviors and activities associated with reproduction in a wide range of species. For example, artificial illumination influenced territorial singing behavior in mockingbirds (*Mimus polyglottos*); after mating, male mockingbirds only sang in artificially lighted areas, or during the full moon ([91]; reviewed in [80]). In frogs, male mating calls may be disrupted by artificial lighting, and female frogs *Physalaemus pustulosus*, are less selective about mate choice and mate earlier under increased lighting levels. It has been suggested that advancing reproduction is a method of avoiding predation due to extended exposure under well-lit conditions (reviewed in [80]). Black-tailed godwits (*Limosa l. limosa*) based their choices of nesting sites according to roadway lighting, choosing to nest approximately 300 m away from artificial roadway lighting (reviewed in [80]). Such disruptive effects of artificial lighting even extend into invertebrate animal classes. Female glowworms, for example, attract males with visual flashes that are less visible in lighted environments (reviewed in [80]). Interruptions in such critical reproductive behaviors mediated by exposure to artificial lighting could exert significant fitness consequences for a wide variety of animal species.

Foraging and predation

Predator-prey interactions are important determinants of many decisions made by animals, ranging from foraging behavior to mate choice (reviewed in [92,93]). It is well established that dynamics of predator-prey interactions change as a function of ambient light levels. For example, foraging behavior decreases during high lunar illumination in desert and temperate rodents [94,95], fruit eating bats (*Artibeus jamaicensis*) [96], small seabirds [93], and even in nonvisual predators, such as scorpions (*Buthus occitanus*) [97]. Light drives a number of animals to make activity decisions either directly by changing the risk of being seen by a predator (Predation Risk Hypothesis, reviewed in [93]) or indirectly by altering prey availability and thus changing the payoff of foraging during times of high illumination (Foraging Efficiency Hypothesis [98]). These ideas are not mutually exclusive and in some cases, illumination has both direct and indirect effects. For example, foraging efficiency of short-eared owls (*Asio flammeus*) increases in bright moonlight and, at the same time, the activity levels and foraging behavior of their prey, deer mice (*P. maniculatus*) decreases presumably to avoid the increased risk of being eaten in a highly illuminated environment [94]. Similarly, variation in light levels produces a significant shift in the capture rates of prey by the lined seahorse (*Hippocampus erectus* Perry) [99]. Thus, changes in illumination levels affect not only the behaviors of predators, but also the behaviors of their prey as well as any other species directly linked to their prey. Such a phenomenon could result in large-scale ecosystem changes (see [80] for review).

In some parts of the world, sky brightness resulting from urban sky glow is even greater than nights with a full moon [16]. Thus, if natural lunar cycles exert such dramatic effects on predator-prey interactions, then artificial light resulting

from sky glow could have equal, if not more dramatic, changes on ecological dynamics. Indeed, artificial lighting exerts strong effects on foraging behavior and predation. For example, artificial illumination increased the predatory risk for and reduced foraging behavior in three rodent species, including the Arizona pocket mouse (*Perognathus amplus*), Bailey's pocket mouse (*Perognathus baileyi*), and Merriam's kangaroo rat (*Dipodomys merriami*) [100]. Similar results were obtained in additional species of desert rodents [6] and artificial illumination also affects the foraging behavior of petrels [98].

In some cases, high levels of illumination are purposely used by animals to aid foraging abilities. Foraging northern bats (*Eptesicus nilssonii*) in Sweden are attracted to illuminated roadways in the Spring [101]. The numbers of insects congregating and bats foraging around three types of street lamps was monitored in one study [102]: 125 W Hg lamps which give off a bluish-white light, 100 W high pressure Na lamps which give off a light orange light, and 100 W low pressure Na lamps which give off a deep orange light. Insects were most abundant around the bluish-white light, and also significantly abundant around the light orange light, whereas insect numbers around the deep orange light were similar to lamps that were turned off. Additionally, several bat species foraged more in the areas illuminated by the bluish-white and light orange lights [103]. Thus, bright streetlamps emitting light in the blue wavelengths draws many insects towards a high risk of predation, and abundance of these lighting sources could result in a change in the survival and propagation of many insect species. The mechanistic basis for such changes in foraging behaviors remains elusive for most species. In some species of birds, constant lighting may alter foraging activities through the alteration of natural melatonin rhythms [104] and melatonin has also been shown to regulate food intake in mammals (reviewed in [26]). Thus changes in melatonin levels and/or other physiological signals resulting from constant light exposure may regulate foraging behavior in other species as well. The implications for large-scale ecological impacts resulting from artificial illumination in this manner are clear.

Migration and orientation

Migration is a critical event in the lives of many animals and is often necessary for successful reproduction and survival. Changes in ambient illumination drive migration patterns in a variety of species [82,103,105-107]. Silver eels (*Anguilla anguilla* L.), for example, exhibit 'light shyness' because they cease 'running' (migrating) when lunar illumination levels are high [108]. In salmonid fishes, exposure to the new moon triggers a thyroxine surge that is thought to trigger the onset of migration towards the sea [109]. Many aquatic invertebrates exhibit 'diel vertical migration', movement up and down the water column, according to changes in lunar illumination; some species of zooplankton and shrimp avoid surface water layers in response to light dimmer than that of a half moon (reviewed in [80]).

Exposure to sky glow and artificial lighting that is currently common can have severe effects on the migratory patterns of animals. Changes in migration patterns in

response to artificial light exposure were documented long ago in crows (*Corvus brachyrhynchos*) [82] and in some cases, migrating birds become attracted to and disoriented by artificial night lighting (reviewed in [80]). Silver eel (*Anguilla anguilla* L.) exposed to underwater electric lighting ceased migrating [107] and disruption of the circadian clock of monarch butterflies (*Danaus plexippus*) interfered with their orientation direction during migration [103]. Exposure of the zooplankton *Daphnia* to urban light pollution in the wild decreased the magnitude of migratory movements and the number of migrating individuals [106]. One markedly disruptive form of light pollution interference is the effect of artificial light on hatchling sea turtles. After hatching, sea turtles orient themselves towards the sea using a visual cue - they move away from the shadowy backdrop of the low sand dunes. Artificial lighting associated with beachfront urbanization removes that visual cue and disorients the young sea turtles [110].

The mechanistic basis behind such changes in migratory patterns and behaviors remains to be elucidated; however, studies in birds have shown that melatonin plays a crucial role in the timing and orientation aspects of avian migration [111,112]. Thus, changes in migratory behavior may result from alterations in melatonin levels or other circadian and seasonally based physiological signals. Changes in the timing and/or efficiency of migration and general orientation can be detrimental in terms of both survival and reproduction. Even low levels of artificial lighting effectively mimic the natural influences of the lunar cycle. Urban sky glow causes sky brightening long distances from the original lighting source, potentially affecting migrating individuals kilometers away [15]. Such large-scale changes could have drastic ecological impacts.

Future directions

Irregular light/dark patterns are now being considered as endocrine disruptors [45]. Indeed, the material summarized in this review illustrates a multitude of physiological effects, most of which occur through endocrine pathways after exposure to extended periods of light. Should exposure to light be regulated as endocrine disrupting compounds in the environment? Proposals have been put forth to decrease levels of urban sky glow through light shields, reduction in the number of lights, as well as through an adjustment of the color spectrum produced by external lighting towards low-level red lighting and away from the highly disruptive high-energy blue lighting. It is clear that increasing levels of urban sky glow can have serious medical and ecological repercussions (Fig. 1). Additionally, elevated numbers of night shifts worked could result in large-scale incidences of metabolic disorders, immunosuppression, oxidative stress, and cancer. Future work should examine both the epidemiological end-points associated with exposure to light pollution and circadian disruption, as well as the endocrine mediators that may be involved. A thorough understanding of the mechanisms by which exposure to unnatural patterns of light may alter specific components of physiology and behavior could be useful towards the implementation of plans to combat large-scale medical and ecological

disruptions associated with disturbances in the natural light cycle.

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Preservation Association
and
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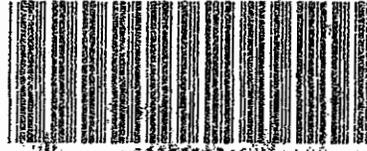
WHEN RECORDED MAIL TO:

Edward J. Keith, President
Del Monte Forest Neighborhood
Preservation Association
1495 Padre Lane
P.O. Box 770
Pebble Beach, CA 93953

Bruce A. Reeves
Monterey County Recorder
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Filor

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Fees 194.00
Taxes 0.00
Other 2.00
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AGREEMENT

This Agreement ("Agreement") is entered into as of this 5th day of December, 1997, by and between the PEBBLE BEACH COMPANY ("PBC"), a California general partnership, the DEL MONTE FOREST NEIGHBORHOOD PRESERVATION ASSOCIATION (the "Association"), a California non-profit mutual benefit corporation, and Edward J. Keith ("Keith"), the President of the Association and Trustee of the Edward J. Keith Trust, under Declaration of Trust, dated December 3, 1991, which trust is the fee interest owner of that certain parcel real property more particularly described in attached Exhibit I.

RECITALS

A. From and after 1913, the Del Monte Properties Company, a California corporation, developed, further subdivided, and sold parcels of land located in Pebble Beach, County Monterey, California. Some of said parcels were conveyed to third parties subject to various deed restrictions that included, among others, (1) prohibitions of conduct of trade or business and (2) limitations on use to private single family residential purposes, as more fully set forth in said deeds. Various versions of deeds and the restrictions were utilized by Del Monte Properties Company depending on the year of conveyance, and some later versions of deeds incorporated the Del Monte Forest Land Use Plan enacted by the County of Monterey.

B. PBC is the successor-in-interest to certain businesses and parcels from Del Monte Properties Company and, in this regard but without limitation of the foregoing, is the owner of those parcels of real property more particularly described on attached Exhibits B through H, inclusive.

C. The Association's membership consists of owners of parcels originally conveyed by the Del Monte Properties Company subject to Restrictions (defined below), which parcels have been continuously used solely for residential purposes.

D. A dispute has arisen between PBC and the Association concerning the effect and applicability of the Restrictions. PBC and the Association desire to settle said dispute on the terms and subject to the conditions hereinafter set forth.

WHEREFORE, the parties agree as follows:

AGREEMENT

1. **DEFINITIONS.** As used in this Agreement the defined terms shall have the following meanings:

"**Access Uses**" shall mean the use, construction, maintenance and repair of any streets, roads, hiking, walking, and bicycle paths, and equestrian trails, for access and egress through or to any Residential Parcel through all or any portion of the Del Monte Forest. Access Uses shall include (a) the right to own, use, operate, develop, improve, demolish, construct, repair and maintain the foregoing facilities and the appropriate and relevant signage, underground utilities, traffic signals, bumpers, rails and similar safety equipment and installations reasonably required for the Access Uses described above, and (b) the right to lease, to receive rents and income from, and to sell, subdivide, mortgage, hypothecate, and convey the relevant property for such use. In no event, however, shall Access Uses include (a) parking lots, (b) any structure or improvement other than those over which vehicular, bike, equestrian, or foot traffic may pass (except for appropriate and related safety signage for the permitted Access Uses, underground utilities, traffic signals, or bumpers, rails and similar safety equipment and installations for the permitted Access Uses), (c) any structure or improvement other than those which PBC is entitled to construct pursuant to this Agreement, and (d) any structure, improvement, or use which is not permitted by or is inconsistent with applicable Legal Requirements or this Agreement.

"**Ancillary Hotel and Spa Uses**" means (i) as to the Cypress Drive Parcels, Canary Cottage Parcel, Beirne Parcel, Catlin Parcel, and Wissemann Parcel, the use of said parcel(s) of real property, and/or any subdivided portions thereof, for uses ancillary or appurtenant to the operation of the Pebble Beach Lodge and/or the Casa Palmero Spa, or any successor hotel or spa operation on the Lodge Parcel or the Casa Palmero Parcel, and (ii) as to the Spanish Bay Parcels, the use of said parcel(s) of real property, and/or any subdivided portions thereof, for uses ancillary or appurtenant to the operation of the Spanish Bay Inn, or a successor hotel operation on the Spanish Bay Inn Parcel. Ancillary Hotel and Spa uses shall include, as to all of the foregoing, (a) hotel rooms, administrative space, meeting space, retail shops, restaurants, facilities serving alcoholic beverages, spas, recreational facilities, parking, signage, and similar structures and uses, (b) the right to own, use, operate, develop, improve, demolish, construct, repair and maintain the foregoing facilities and appropriate and related signage, underground utilities, and safety equipment and installations reasonably required for the other

Ancillary Hotel and Spa Uses described above, and (c) the right to lease, to receive rents and income from, and to sell, subdivide, mortgage, hypothecate and convey the relevant property for said uses.

"Beirne Parcel" is that parcel of real property which is depicted as the "Beirne Parcel" on Exhibit A-1 and may be more particularly described as:

That certain real property situate in the County of Monterey, State of California, described as follows: beginning at a point distant 476.23 feet south and 390.34 feet west from Monument No. 2303, which Monument is shown on the "Licensed Surveyors' Map of El Pescadero and Point Pinos Ranchos", filed at page 3, Volume 3 of Surveys, Monterey County Records, and running thence: (1) northeasterly and curving to the right 212.83 feet on the arc of a curve of 1680 feet radius (long chord bears north 39° 22' 15" east 212.69 feet); thence (2) tangentially curving to the left 107.23 feet on the arc of a curve of 160 feet radius (long chord bears north 23° 48' east 105.24 feet); thence (3) south 26° 30' east 344.14 feet; thence (4) south 86° 19' 15" west 109.87 feet; thence (5) south 45° 00' west 118.00 feet; thence (6) north 45° 00' west 194.90 feet to the point of beginning and being a portion of El Pescadero Rancho.

"Canary Cottage Parcel" is that parcel of real property which is depicted as the "Canary Cottage Parcel" on Exhibit A-1 and may be more particularly described as:

PARCEL I: Lots 16 and 124, as shown on the Map entitled "Amended Map of Pebble Beach, Monterey County, California", filed October 13, 1911, in the Office of the County Recorder of said County in Map Book Two, Cities and Towns, Page 31, 31-A and 31-B.

PARCEL II: In the County of Monterey, State of California, described as follows: Beginning at the most easterly corner of the Lot numbered 15, as shown on "Amended Map of Pebble Beach", filed for record in Volume 2 of "Cities and Towns", Page 31, 31-A and 31-B, Records of Monterey County, California, thence: (1) northeasterly and along the arc of a circular curve to the right described from a point which bears south 46° 30' 38" east, 138.31 feet distant from the point of beginning through a central angle of 26° 32' 46" for a distance of 64.08 feet; thence (2) tangentially north 70° 02' 08" east, 35.91 feet; thence (3) tangentially northeasterly along the arc of a circular curve to the left described from a point which bears north 19° 57' 52" west, 201.60 feet distant from the terminus of the preceding course through a central angle of 8° 49' 08" for a distance of 31.03 feet; thence (4) south 28° 47' east to a point on the line of mean ordinary low tide of the Pacific Ocean; thence (5) southwesterly and along the line of mean ordinary low tide to a point which bears south 46° 30' 38" east from the point of beginning; thence leaving the line of mean ordinary low tide; (6) north 46° 30' 38" west to the point of beginning.

"Casa Palmero Approvals" means (i) the Coastal Development Permit, dated October 22, 1997, approved by the California Coastal Commission under the California Coastal Act (a copy of which is attached hereto as Exhibit J), without giving effect to any amendment thereto (other than those which do not change the size, character, use, scope or mitigation measures of the Casa Palmero Project therein described in any material respect), and (ii) any and all Legal Requirements applicable from time to time to the construction, maintenance, and/or use of the Casa Palmero Project as described in said Coastal Development Permit.

"Casa Palmero Parcel" is that parcel of real property which is depicted as the "Casa Palmero Parcel" on Exhibit A-1 and which is more particularly described on Exhibit D.

"Casa Palmero Spa" means the Casa Palmero Inn and Spa Facility as defined in the Casa Palmero Approvals.

"Casa Palmero Project" is the construction, maintenance, and use of the Casa Palmero Spa and the Garage as herein expressly permitted.

"Catlin Parcel" is that parcel of real property which is depicted as the "Catlin Parcel" on Exhibit A-1 and may be more particularly described as:

BEGINNING at the northeast corner of Lot 41, as said lot is shown on the map entitled "Amended Map of Pebble Beach", etc., filed in the office of the County Recorder of the County of Monterey, State of California, in Map Book Two, Cities and Towns, at pages 31, 31-A and 31-B therein; and running thence (1) North 75° 45' 03" East, 15.99 feet; thence tangentially (2) Easterly and curving to the right 90.69 feet along the arc of a circle of 553.42 feet radius (long chord bears North 80° 26' 43" East, 90.59 feet) to a point of compound curvature; thence tangentially (3) Southeasterly and curving to the right 92.38 feet along the arc of a circle of 50 feet radius (long chord bears South 41° 55' 48½" East, 79.79 feet;) thence tangentially (4) South 11° 00' West, 190.00 feet; thence (5) Due West 226.86 feet; thence (6) North 05° 15' East, 205.89 feet; thence (7) North 75° 45' 03" East, 88.88 feet to the point of beginning, and containing 1.257 acres, more or less, and being portions of Lots 40 and 41, as shown on said Amended Map of Pebble Beach;

EXCEPTING therefrom that certain parcel of land conveyed by Jennie Crocker Henderson to Matthew C. Jenkins, a married man, by deed dated October 14, 1948, recorded October 16, 1948, in Book 1094 of Official Records, at page 457, particularly described as follows:

BEGINNING at a point (1), South 75° 45' 03" West 88.88 feet; thence (2) South 05° 15' West, 205.89 feet; thence (3) due East 206.86 feet from the northeast corner of Lot 41, as said lot is shown on "Amended Map of Pebble Beach", etc., filed in Map Book Two, Cities and Towns, at pages 31, 31-A and 31-B therein, Monterey County Records;

and running thence (1) Due East 20.00 feet; thence (2) North 11° 00' East, 35.00 feet; thence (3) South 37° 49' 45" West, 43.50 feet to the point of beginning, containing 0.008 of an acre, more or less.

"Collins Parcel" is that parcel of real property which is depicted as the "Collins Parcel" on attached Exhibit A-1 and which is more particularly described on attached Exhibit G.

"Cypress Drive Parcels" are those parcels of real property which are depicted as the "Arnold, DiGrazia, Farish, Moores, San Giacomo, and Taylor Parcels" on attached Exhibit A-1 and may be more particularly described as:

Parcel I - "The Arnold Parcel"

Parcel 1: Situated in the County of Monterey. Beginning at a point south 75 deg. 45' 03" west 88.88 feet; thence south 05 deg. 15' west 205.89 feet; thence due east 101.69 feet from the northeast corner of lot 41 as said lot is shown and so designated on that certain Map entitled, "Amended Map of Pebble Beach", etc., Filed for record at Pages 31, 31-A and 31-B in Volume 2 of Cities and Towns, Recorded of Monterey County, California, and Running thence due east 125.17 feet; thence south 11 deg. 00' west 391.20 feet; thence north 71 deg. 26' 30" west 150.00 feet; thence north 15 deg. 15' east 348.58 feet to the point of beginning, being portions of Lots 18, 19 and 40 of said Amended Map of Pebble Beach.

Parcel 2: Situate in the County of Monterey. Beginning at a point south 75 deg. 45' 03" west 88.88 feet; thence south 05 deg. 15' west 205.89 feet; thence due east 206.86 feet from the northeast corner of lot 41 as said lot is shown and so designated on that certain Map entitled, "Amended Map of Pebble Beach", etc., filed for record at Pages 31, 31-A and 31-B in Volume 2 of Cities and Towns, Records of Monterey County, California, and running thence due east 20.00 feet; thence north 11 deg. 00' east 35.00 feet; thence south 37 deg. 49' 45" west 43.50 feet to the point of beginning. Excepting therefrom that portion conveyed by Deed recorded February 1, 1965, in Reel 387, at Page 899.

Parcel 3: Commencing at the northeast corner of Lot 41, as said Lot Is shown and so designated on that certain Map entitled "Amended Map of Pebble Beach, Etc., Filed for Record in Volume 2 of Cities and Towns, at Page 31, 31-A and 31-B therein, Records of Monterey County, California and Running thence (1) south 75 deg. 45' 03" west, 88.88 feet; thence (2) south 5 deg. 15' west, 205. 89 feet; thence (3) east, 206.86 feet to a point due west, 20.00 feet distant from the terminus of course numbered (4) in that certain Deed to Richard M. Catlin and Patricia M. Catlin, his wife, dated May 8, 1964 and recorded June 22, 1964 in Reel 334 of Official Records, Page 355, Records of Monterey County, said point of being also the true point of beginning of this description, thence from said point of beginning. (1) West, 11.00 feet; thence (2) north 55 deg. 32'

53" east, 28.56 feet; thence (3) south 37 deg. 49' 45" west, 20.46 feet to the point of beginning. Comprising a portion of Ranch El Pescadero, Monterey County, California.

Parcel II - "The Moores Parcel"

The land referred to in this Report is situated in the County of Monterey, in the unincorporated area, State of California, and is described as follows: Beginning at a point distant 96.98 feet north 49° 49' west, from the southeasterly corner of Lot No. 40, which Lot is shown on the "Amended Map of Pebble Beach, Monterey County, California", and running thence (1) south 51° 30' east, 316.60 feet; thence (2) south 21° 00' west, 252.47 feet; thence (3) north 62° 53' west, 195.00 feet; thence (4) north 71° 26' 30" west 50.00 feet; thence (5) north 11° 00' east, 334.13 feet to the point of beginning. Being a portion of the property shown on Amended Map of Pebble Beach, filed for record October 13, 1911, in the Office of the County Recorder of the County of Monterey, State of California, in Volume 2 of Maps, "Cities and Town", at Page 31.

Parcel III - "The DiGrazia Parcel"

Parcel I: Beginning at a point South 57° 02' 33" West, 1768.10 feet from Monument No. 2313, as said monument is shown and so designated on that certain map entitled, "Licensed Surveyors' Map of El Pescadero and Point Pinos Ranchos", filed for record at Page 3, Volume 3 of Surveys, Records of Monterey County, California, and running thence (1) south 25° 30' west, 15.00 feet; thence (2) north 88° 59' west, 184.64 feet; thence (3) north 21° 00' east, 126.69 feet; thence (4) south 51° 30' east, 127.25 feet; thence (5) southeasterly and curving to the left 54.46 feet along the arc of a 240 foot radius curve (long chord bears south 58° 00' east, 54.34 feet) to the point of beginning. Containing 0.273 acres and being a portion of El Pescadero Ranch, Monterey County, California.

Parcel II: Beginning at a point distant 134.51 feet south and 173.69 feet east from the southeasterly corner of Lot No. 40, which lot is shown on the "Amended Map of Pebble Beach, Monterey County, California, a Subdivision of a Portion of Rancho El Pescadero owned by Pacific Improvement Co., designed and surveyed by T. B. Hunter Assoc. M.A. Soc. C.E., October 1909, showing portion resubdivided by Lott D. Norton, October 1910," filed for record October 13, 1911 in the Office of the County Recorder of the County of Monterey, State of California, in Volume 2 of Maps, "Cities and Towns", at Page 31; and running thence: (1) south 51° 30' east, 273.42 feet; thence (2) south 21° 00' west, 166.69 feet; thence (3) north 69° 47' west, 260.79 feet; thence (4) north 21° 00' east 252.47 feet to the point of beginning, containing 1.254 acres and being a portion of El Pescadero Rancho.

Parcel IV - "The San Giacomo Parcel"

Beginning at a point S. 55° 00' 07" W., 1715.55 feet from Monument No. 2313, as said Monument is shown and so designated on that certain map entitled, "Licensed Surveyor's Map of El Pescadero and Point Pinos Ranchos", filed for record at Page 3, Volume 3 of Surveys, Records of Monterey County, California, and running thence (1) S. 84° 00' E., 90.00 feet; thence (2) S. 38° 30' W., 285.00 feet; thence (3) N. 56° 00' W., 130.00 feet; thence (4) N. 33° 47' 40" W., 165.19 feet; thence (5) N. 21° 00' E., 40.00 feet; thence (6) S. 88° 59' E., 184.64 feet; thence (7) N. 25° 30' E., 15.00 feet; thence (8) Easterly and curving to the left, 81.68 feet along the arc of 240.00 feet radius curve (long chord bears S. 74° 15' E., 81.29 feet) to the point of beginning, being a portion of El Pescadero Rancho, Monterey County, California.

Parcel V - "The Taylor Parcel"

Beginning at a point south 65° 51' 10" west, 1493.58 feet and north 77° 20' 30" west 136.22 feet from Monument No. 2313, as said Monument is shown and so designated on that certain Map entitled, "Licensed Surveyor's Map of El Pescadero and Point Pinos Ranchos," etc., filed for record at Page 3 in Volume 3 of Surveys, Records of Monterey County, California, and running thence (1) south 38° 30' west 256.55 feet; thence (2) north 51° 30' west 320.00 feet; thence (3) north 38° 30' east 101.57 feet; thence (4) south 77° 20' 30" east 355.55 feet to the point of beginning, and being a portion of El Pescadero Rancho, Monterey County, California.

Parcel VI - "The Farish Parcel"

Beginning at a point south 65° 51' 10" west 1493.58 feet from Monument No. 2313, as said monument is shown and so designated on that certain Map entitled "Licensed Surveyor's Map of El Pescadero and Point Pinos Ranchos", etc., filed for record at Page 3 in Volume 3 of Surveys, Records of Monterey County, California, and running thence (1) south 02° 05' west 180.00 feet; thence (2) south 50° 40' west 175.00 feet; thence (3) north 51° 30' west 192.57 feet; thence (4) north 38° 30' east 256.55 feet; thence (5) south 77° 20' 30" east 136.22 feet to the point of beginning, containing 1.331 acres and being a portion of El Pescadero Rancho, Monterey County, California.

"Del Monte Forest" means all of those parcels of real property depicted on the following Maps recorded in the Official Records of Monterey County California: (1) Amended Map of Pebble Beach, Monterey County, California, a Subdivision of a portion of Rancho El Pescadero, Volume 2, Maps of Cities and Towns, pages 31, 31-A and 31-B, and (2) the Licensed Surveyor's Map of El Pescadero, filed at Page 3, Volume III of Surveys.

"Fairway One Parcel" is that parcel of real property which is depicted as the "Fairway One Parcel" on attached Exhibit A-1 and which is more particularly described on attached Exhibit F.

"**Garage**" means a vehicle garage consisting of one level of surface parking and two levels of subsurface parking as described in the Casa Palmero Approvals.

"**Garage Parcel**" is that parcel of real property which is depicted as the "Garage Parcel" on attached Exhibit A-1 and which is more particularly described on attached Exhibit E.

"**Golf Use**" means enhancements, improvements, and modifications to golf course fairways, tee boxes, putting greens, cart paths, and similar golf hole amenities at the golf holes constituting the existing Pebble Beach, Spyglass, or the Spanish Bay golf courses or which will constitute the golf holes of one new eighteen-hole golf course to be constructed by PBC on its Retained Parcels located on the relevant parcel or any subdivided portion thereof. Golf Uses shall also include (i) the right to own, use, develop, operate, improve, demolish, construct, repair and maintain the foregoing enhancements, improvements, and modifications and appropriate and related signage, underground utilities, and safety equipment and installations as is reasonably required for the other Golf Uses described above, and (ii) the right to lease, to receive rents and income from, and to sell, subdivide, mortgage, hypothecate, and convey the relevant property for said uses. In no event, however, shall such enhancements, improvements, or modifications increase the number of golf holes at such courses nor shall such Golf Use be construed to permit (a) lighting (other than ground level lighting for paths, garden accents, and the like), (b) parking lots, (c) permanent manmade structures or improvements which exceed five feet from the contour of the ground surface, or (d) any structure, improvement or use which is not permitted by or is inconsistent with applicable Legal Requirements or with this Agreement.

"**Jenkins Parcel**" is that parcel of real property which is depicted as the "Jenkins Parcel" on attached Exhibit A-1 and which is more particularly described on attached Exhibit H.

"**Legal Requirements**" means any and all governmental laws, rules, regulations, codes, governmental restrictions, legal requirements, and court and administrative orders, including, without limitation, zoning, land use, and building laws.

"**Lodge Parcel**" is that parcel of real property which is depicted as the "Lodge Parcel" on Exhibit A-1 and which is more particularly described on Exhibit B.

"**Open Space and Landscaping Uses**" means the use of a parcel of real property, or any subdivided portion thereof, in its natural, open space condition, for landscaping with plants, and for landscaping and parkland features such as stairs, fountains, water features, fences, gardens, tables, and benches. Open Space and Landscaping Uses shall also include (i) the right to own, use, operate, develop, improve, demolish, construct, repair and maintain the foregoing enhancements, improvements, and modifications and appropriate and related signage, underground utilities, and safety equipment and installations as is reasonably required for the other Open Space and Landscaping Uses described above, and (ii) the right to lease, to receive rents and income from, and to sell, subdivide, mortgage, hypothecate, and convey the relevant property for said uses. In no event, however, shall Open Space and Landscaping Uses be construed to permit (a) swimming pools, (b) tennis courts, (c) lighting (other than ground level lighting for paths, garden accents, and the like), (d) parking lots, (e) permanent

manmade structures or improvements which exceed five feet from the contour of the ground surface, or (f) any structure, improvement, or use which is not permitted by or is inconsistent with applicable Legal Requirements or with this Agreement.

"Parcel Adjacent to the Beirne Parcel" is depicted as the "Stinson Parcel" on attached Exhibit A-1 and is that one Residential Parcel which, as of the date of this Agreement, shares a common boundary with the Beirne Parcel. If said adjacent Residential Parcel should in the future be subdivided in accordance with applicable Legal Requirements, then "Parcel Adjacent to the Beirne Parcel" shall mean each of the subdivided portions of said subdivided Residential Parcel.

"Parcel Adjacent to the Canary Cottage Parcel" is depicted as the "Bingaman Parcel" on attached Exhibit A-1 and is that one Residential Parcel which, as of the date of this Agreement, shares a common boundary with the Canary Cottage Parcel. If said adjacent Residential Parcel should in the future be subdivided in accordance with applicable Legal Requirements, then "Parcel Adjacent to the Canary Cottage Parcel" shall include each of the subdivided portions of the aforesaid subdivided Residential Parcel.

"Parcels Adjacent to the Wissemann and Catlin Parcels" with respect to the Wissemann Parcel are depicted as the "Catlin Parcel" and the "Arnold Parcel" on attached Exhibit A-1 and are those two Residential Parcels which, as of the date of this Agreement, share a common boundary with any portion of the Wissemann Parcel; and with respect to the Catlin Parcel are depicted as the "Arnold Parcel" and the "Wissemann Parcel" on attached Exhibit A-1 and are those two Residential Parcels which, as of the date of this Agreement, share a common boundary with any portion of the Catlin Parcel. If any of said adjacent Residential Parcels should in the future be subdivided in accordance with applicable Legal Requirements, then "Parcels Adjacent to the Wissemann and Catlin Parcels" shall not only include each of the aforesaid Residential Parcel which is not subdivided, but also each of the subdivided portions of the aforesaid Residential Parcel which is subdivided.

"Residential Use" means the use of a parcel of real property for construction, maintenance, and use of not more than one single family residence with appurtenant guest and servant's quarters, greenhouses, garages and the like, as defined and permitted by the applicable Legal Requirements established by the County of Monterey for single family residential uses. Residential Uses shall also include (i) the right to own, use, operate, develop, improve, demolish, construct, repair and maintain the foregoing enhancements, improvements, and modifications and appropriate and related signage, underground utilities, and safety equipment and installations as is reasonably required for the other Residential Uses described above, and (ii) the right to lease, to receive rents and income from, and to sell, subdivide, mortgage, hypothecate, and convey the relevant property for said uses. In no event, however, shall "Residential Use" permit (i) the construction of any permanent manmade structures or improvements other than a single family dwelling and ancillary structures auxiliary to the use of the dwelling for single family residential purposes as permitted by applicable Legal Requirements, (ii) any commercial use of a parcel such as, without limiting the generality of the foregoing, hotel, retail, short term rental by a commercial enterprise, tennis, golf, equestrian, and similar recreational uses nor any other use which is not consistent with use of the dwelling on the parcel as a single family residence, nor

(iii) any structure, improvement or use which is not permitted by or is inconsistent with applicable Legal Requirements or this Agreement.

"Residential Parcels" are those parcels of real property located within the Del Monte Forest which have heretofore been conveyed to third persons by the Del Monte Properties Company, Pebble Beach Corporation, or the Pebble Beach Company pursuant to deeds containing some form of the Restrictions.

"Restrictions" are only those covenants, conditions and restrictions (1) prohibiting the conduct of trade or business and (2) limiting use to private single family residential purposes as the same are actually set forth in any deed from the Del Monte Properties Company, Pebble Beach Corporation, or the Pebble Beach Company for any parcel of real property located within the Del Monte Forest. The term "Restrictions," as used in this Agreement, does not apply to any other restriction or limitation present in any deed from the Del Monte Properties Company, Pebble Beach Corporation, or Pebble Beach Company, all of which are beyond the scope of this Agreement.

"Retained Parcels" means the Lodge Parcel, the Spanish Bay Inn Parcel, the Garage Parcel, and any other parcels of real property which are located within the Del Monte Forest, which were never sold pursuant to a deed containing some form of the Restrictions and which are owned at any time and from time to time by PBC or its Successors and Assigns.

"Spanish Bay Inn Parcel" is that parcel of real property whereon the Spanish Bay Inn is located which is depicted as the "Spanish Bay Inn Parcel" on attached Exhibit A-2 and which is more particularly described on attached Exhibit C.

"Spanish Bay Parcels" are those parcels of real property which are depicted as the "Spanish Bay Parcels" on attached Exhibit A-2.

"Successors and Assigns" means heirs, successors-in-interest and their successors-in-interest, devisees, administrators, representatives, lessees, transferees, mortgagees, assigns, and grantees of the principal.

"Wissemann Parcel" is that parcel of real property which is depicted as the "Wissemann Parcel" on Exhibit A-1 and may be more particularly described as the real property situate in Monterey County, California described as follows:

Parcel I: Beginning at a point distant 88.88 feet south 75° 45' 03" west, from the northeast corner of Lot 41, as said Lot is shown and so designated on that certain Map entitled, "Amended Map of Pebble Beach, Monterey County, California, a subdivision of a portion of Rancho El Pescadero owned by Pacific Improvement Co., designed and surveyed by T.B. Hunter, Assoc. M. AM. Soc. C.E., October 1909", showing portion resubdivided by Lott D. Norton, October 1910, filed October 13, 1911, in the Office of the County Recorder of the County of Monterey, State of California, in Volume 2 of

Maps, Cities and Towns, at page 31, and running thence (1) south 05° 15' west, 205.89 feet; thence (2) due east 101.69 feet; thence (3) south 15° 15' west, 348.58 feet; thence (4) north 71° 26' 30" west, 145.07 feet; thence (5) north 20° 19' east, 270.94 feet; thence (6) north 05° 15' east, 234.26 feet; thence (7) north 75° 45' 03" east, 31.83 feet to the point of beginning containing 1.128 acres and being portions of Lots 18, 19, 40 and 41 of said Amended Map of Pebble Beach.

Parcel II: Beginning at a point distant South 75° 45' 03" West, 88.88 feet from the Northeast corner of Lot 41, as shown on map entitled "Amended Map of Pebble Beach, Monterey County, California, filed October 13, 1911, in the Office of the County Recorder of the County of Monterey, State of California, and now on file in said Office in Map Book Two, Cities and Towns, at pages 31, 31A and 31B therein, and running thence (1) South 05° 15' West, 205.89 feet; (2) East 25.00 feet; thence (3) North 0° 22' West, 206.26 feet; thence (4) South 75° 45' 03" West, 5.00 feet to the point of beginning, and containing 3.064 square feet more or less.

2. RESTRICTIONS ON PBC USE OF RESIDENTIAL PARCELS.

(a) General Restriction. Subject to Subsections 2(a) through 2(j), inclusive, and Section 5, below, and in consideration of the promises by the Association and Keith set forth in Section 4, below, PBC, on behalf of itself and its Successors and Assigns, (i) hereby agrees for the benefit of the Association, Keith, and the other owners of each of the Residential Parcels and their respective Successors and Assigns that neither PBC nor any of its Successors and Assigns will conduct any activities on any Residential Parcel that it has heretofore acquired or may hereafter acquire (including without limiting the generality of the foregoing, those parcels described in attached Exhibits D through I, inclusive, and the Cypress Drive, Canary Cottage, Beirne, Wissemann, and Catlin Parcels) other than Residential Uses, Open Space and Landscaping Uses, and/or Access Uses; and (ii) hereby releases and forever quitclaims to the owners of the Residential Parcels, and each of them, to have and to hold forever, any right, title and interest PBC or its Successors or Assigns may now or hereafter possess to terminate the Restrictions, by reacquisition of fee title to said parcels or by any other means.

(b) Casa Palmero Project. Notwithstanding the limitations set forth in Subsection 2(a) above:

(1) With Respect to the Casa Palmero Spa: The Association agrees that PBC and its Successors and Assigns shall have the right (i) to demolish existing improvements and construct the Casa Palmero Spa on the Casa Palmero Parcel and the Garage Parcel or any subdivided portion thereof, (ii) to demolish existing improvements and construct the Garage on the Garage Parcel or any subdivided portion thereof, and (iii) to own, use, operate, develop, improve, demolish, construct, repair and maintain the Casa Palmero Spa and the Garage, and appropriate and related signage, underground utilities, and safety equipment and installations reasonably required for the Casa Palmero Spa and Garage on the Casa Palmero Parcel and the Garage Parcel, or any subdivided portions thereof, and (iv) to lease, to receive rents and income from, and sell, subdivide, mortgage, hypothecate, and convey Casa Palmero

Spa and/or the Garage for the aforesaid uses, in each case as permitted by and subject to compliance with the Casa Palmero Approvals, including without limitation all mitigation measures and other requirements of the Casa Palmero Approvals (such as, without limitation, the footpaths and landscaping therein required), provided the Casa Palmero Parcel and the Garage Parcel are under common ownership and part of a common enterprise with the Lodge Parcel.

(2) With Respect to the Garage: PBC, on behalf of itself and its Successors and Assigns, hereby agrees for the benefit of the Association, Keith and the other owners of each of the Residential Parcels and their respective Successors and Assigns that (i) the Garage shall not hereafter be expanded by adding any additional floors above or below ground in excess of the one surface level and two below ground levels of parking now described in the Casa Palmero Approvals, and (ii) PBC and its Successors and Assigns shall take such actions as may be required to prohibit parking along that portion of Cypress Drive located adjacent to the boundaries of the Cypress Drive Parcels.

(c) Collins Property. Notwithstanding the limitations set forth in Subsection 2(a) above, the Association agrees that Golf Use may be conducted on and with respect to the Collins Parcel as permitted by, and subject to compliance with, any and all Legal Requirements applicable to such uses.

(d) Jenkins Property. Notwithstanding the limitations set forth in Subsection 2(a) above, the Association agrees that PBC may subdivide the Jenkins Parcel into up to three parcels and Golf Use may be conducted on one of said parcels as permitted by, and subject to compliance with, any and all Legal Requirements applicable to such uses.

(e) Cypress Drive Parcels. Notwithstanding the limitations set forth in Subsection 2(a) above, the Association agrees that any Ancillary Hotel and Spa Use and/or Golf Use may be conducted on and with respect to any Cypress Drive Parcel as permitted by, and subject to compliance with, any and all Legal Requirements applicable to such uses, provided all of the following are met: (1) PBC installs and maintains at least a five foot wide landscaping barrier which, when mature, will obscure observation of the Ancillary Hotel and Spa Use from privately owned Cypress Drive Parcel(s), (2) obtains the prior written consent of all owners of record of the Catlin, Wissemann, and Cypress Drive Parcels for the aforesaid uses, and (3) the Cypress Drive Parcel in question and the Lodge Parcel are under common ownership and are being used in a common enterprise.

(f) Spanish Bay Parcels. Notwithstanding the limitations set forth in Subsection 2(a) above, the Association agrees that any Ancillary Hotel and Spa Use and/or Golf may be conducted on and with respect to any Spanish Bay Parcel as permitted by, and subject to compliance with, any and all Legal Requirements applicable to such uses, provided all of the following are met: (1) PBC obtains the prior written consent of all owners of record of the Spanish Bay Parcels for the aforesaid uses, and (2) the Spanish Bay Parcel in question and the Spanish Bay Inn Parcel are under common ownership and are being used in a common enterprise.

(g) Canary Cottage Parcel. Notwithstanding the limitations set forth in Subsection 2(a) above, the Association agrees that any Ancillary Hotel and Spa Use and/or Golf Use

may be conducted on and with respect to the Canary Cottage Parcel as permitted by, and subject to compliance with, any and all Legal Requirements applicable to such uses, provided all of the following are met: (1) access to the parcel for such uses shall be only from that portion of Cypress Drive located between the Canary Cottage Parcel and the Lodge Parcel, (2) PBC installs and maintains at least a five foot wide landscaping barrier which, when mature, will obscure observation of any Ancillary Hotel and Spa Use on said Parcel from Seventeen Mile Drive, (3) PBC first obtains the written consent of all owners of record of the Parcel Adjacent to the Canary Cottage Parcel, and (4) the Canary Cottage Parcel and the Lodge Parcel are under common ownership and are being used in a common enterprise.

→ (h) **Beirne Parcel.** Notwithstanding the limitations set forth in Subsection 2(a) above, the Association agrees that any Ancillary Hotel and Spa Use and/or Golf Use may be conducted on and with respect to the Beirne Parcel as permitted by, and subject to compliance with, any and all Legal Requirements applicable to such uses, provided all of the following are met: (1) PBC first obtains the written consent of all owners of record of the Parcel Adjacent to the Beirne Parcel, and (2) the Beirne Parcel and the Lodge Parcel are under common ownership and are being used in a common enterprise.

(i) **Wissemann and Catlin Parcels.** Notwithstanding the limitations set forth in Subsection 2(a) above, the Association agrees that any Ancillary Hotel and Spa Use and/or Golf Use may be conducted on and with respect to the Wissemann Parcel and/or the Catlin Parcel as permitted by, and subject to compliance with, any and all Legal Requirements applicable to such uses, provided all of the following are met: (1) access to the Parcel for such uses shall be from means other than from that portion of Cypress Drive running along the boundaries of the Cypress Drive Parcels up to the point where Cypress Drive intersects Palmero Drive, (2) PBC installs and maintains at least a five foot wide landscaping barrier which, when mature, will obscure observation of the Ancillary Hotel and Spa Use from Cypress Drive, (3) PBC first obtains the written consent of all owners of record of the Parcels Adjacent to the Wissemann and Catlin Parcels, and (4) the Wissemann or Catlin Parcel, as appropriate, and the Lodge Parcel are under common ownership and are being used in a common enterprise.

(j) **Fairway One Parcel.** Notwithstanding the limitations set forth in Subsection 2(a) above, the Association acknowledges that Ancillary Hotel and Spa Uses and Golf Uses have been conducted on the Fairway One Parcel and agrees that any Ancillary Hotel and Spa Use or Golf Use may hereafter be conducted on and with respect to the Fairway One Parcel as permitted by, and subject to compliance with, any and all Legal Requirements applicable to such uses, provided the Fairway One Parcel and the Lodge Parcel are under common ownership and are being used in a common enterprise.

3. **CONVERSION OF USE.** Notwithstanding any other provision of this Agreement, nothing herein shall in any manner restrict the right of PBC, at any time, to utilize the Residential Parcels for any Access Use, Open Space and Landscaping Use, and/or Residential Use as otherwise permitted by applicable Legal Requirements, the provisions of any agreement between PBC and the owner of a Residential Parcel, and any other covenants, conditions, restrictions, or encumbrances of said Residential Parcel.

4. **AGREEMENT NOT TO SUE.** The Association and Keith hereby agree to withdraw and desist from any and all objections and protests before any applicable governmental agencies and courts, including but not limited to the County of Monterey and California Coastal Commission, with respect to the development, demolition, improvement, construction, repair, maintenance, leasing, operation, receipt of rents and income from, and all other rights of PBC with respect to the Casa Palmero Project, so long, but only so long as, such activities with respect to the Casa Palmero Project are conducted and completed in accordance with the terms and conditions of the Casa Palmero Approvals.

5. **AMENDMENT.** Any amendment imposing burdens on Keith or modifying his rights hereunder shall require the written consent of Keith and PBC. This Agreement may otherwise be amended, from time to time, as provided below in this section.

(a) **Amendment With Consent of Association.** This Agreement may be amended at any time with the mutual written and recorded consent of the Association and PBC.

(b) **Amendment By Vote of Interested Parcels.** In the event that PBC proposes any amendment to this Agreement (i) at any time after the tenth annual anniversary of the recordation of this Agreement, (ii) which is not approved by the mutual agreement of PBC and the Association at any time after the fifth annual anniversary of this Agreement, or (iii) when the Association no longer exists, then an Amendment may be adopted only in accordance with the following procedures:

(1) **Retention of Accountant.** PBC shall retain, at its own cost, a recognized firm of certified public accountants to perform the mailings, collect votes, and perform the ballot counting described herein (the "Accountant"). The Accountant shall provide all notices, information, and ballots described herein to the owners of all Residential Parcels, any portion of which is located within a one-half mile radius of the boundaries of any Residential Parcels described or referenced in or affected by such proposed amendment (herein the "Interested Parcels"), via U.S. mail utilizing, as the address for such owners, the then current assessor's role of the County of Monterey for such Interested Parcels and any more current addresses for such owners as PBC has actual knowledge. Notices shall be deemed delivered on the third day after deposit in the U.S. mail.

(2) **Notice of Intent to Offer Amendment and Solicitation of Voter Information.** The Accountant shall first send notice to the owners of the Interested Parcels that an amendment to this Agreement shall be submitted for approval by majority vote, and shall include in such notice the text of the proposed amendment and notification that any owner of an Interested Parcel, or any association of owners of the Residential Parcels, may circulate to the owners of the Interested Parcels with the ballot, additional information and arguments favoring acceptance or disapproval of the proposed amendment by submitting the same to the Accountant within thirty (30) days after delivery of the Accountant's initial notice of an intent to circulate a ballot for an amendment. Subject to the conditions set forth below concerning sharing of distribution cost, the Association shall be entitled in all cases to submit additional information and arguments favoring acceptance or disapproval of the proposed amendment. If the amount of information requested to be included with such ballot by the

Association, owner(s) of Interested Parcels, or any association of the owners of the Residential Parcels more than doubles the cost of mailing of the ballot and related materials over what would have been incurred absent such additional information, then the Association, the owners of the Interested Parcel(s), or association(s) requesting inclusion of their materials in the ballot shall first submit their pro rata share of such additional cost of postage (in excess of 200% of the postage cost that would have otherwise been incurred) as a condition of submission of their materials. When such prorata share of said additional cost, if any, is so submitted by the Association, an owner of an Interested Parcel, or an association of owners of Residential Parcels requesting inclusion of their materials, the Accountant shall submit to the owners of the Interested Parcels with the ballot their information and arguments favoring acceptance or disapproval.

(3) Voting. The Accountant shall thereafter deliver a ballot (in the manner described above for the initial notice) to the owners of Interested Parcels, including therein a return envelope and notice that each such owner of the Interested Parcels is required to return his or her response by a specified date which is not earlier than thirty (30) days of the date of delivery of such ballot (as determined above) for its vote to be counted. The Accountant shall thereafter tabulate the ballots returned within such thirty (30) day period and duly report the result of such votes to PBC and to the owners of the Interested Parcels. The Amendment shall be deemed approved only if votes are cast by the owners of at least 30% of the Interested Parcels and the owners of a majority of the Interested Parcels for which votes are cast timely deliver an affirmative vote in favor of the amendment. In determining whether votes favoring the amendment were cast with respect to the number of Interested Parcels required for approval of an amendment, the vote(s) cast for any Interested Parcel owned by PBC and/or any or its Successors and Assigns shall not be counted.

(4) Effectiveness of Amendment. The Agreement shall be deemed amended pursuant to this section only if and when a certificate of the Accountant containing the following information is recorded by the Accountant in the Official Records of Monterey County, California: (a) acknowledgment by the Accountant that the foregoing procedures were followed; (b) the number of the Interested Parcels entitled to vote; (c) the number of votes in favor of the amendment which were timely received; (d) and the text of the amendment as circulated with the ballot. PBC shall bear all costs and expense of the mailing and/or delivery of notices, tabulation, and fees of the Accountant incurred in connection therewith. No amendment shall be effective until it is adopted in accordance with the foregoing procedures and recorded, together with the Accountant's certificate, as specified above.

(c) Limitations. Notwithstanding the foregoing, in no event shall (a) any amendment of this Agreement nor any vote by any owner of an Interested Parcel deprive such owner of any rights it may have under the terms of any Restriction or any other covenant, condition, restriction, or encumbrance forth in the deed(s) in its chain of title or under any other deed or other agreement entered into or otherwise benefitting said owner, or (b) any Amendment modify this Section 5 or any provision of Sections 8, 9, and 10 below.

6. **COVENANTS RUNNING WITH THE LAND.** This Agreement is made with reference to the parcels of real property described in the attached exhibits and relates to the use and improvement of real property, as described herein, and is intended to run with the land. This Agreement shall be recorded in the Office of the Recorder of the County of Monterey and, upon such recordation, all of the provisions, agreements, rights, powers, covenants, conditions, restrictions, and obligations contained in this Agreement (a) shall become binding in perpetuity upon and inure to the benefit of the parties and the real property herein described as provided in Section 7, and (b) shall be equitable servitudes and/or covenants running with the land pursuant to applicable law (including without limitation California Civil Code Sections 1460, 1462 and 1468). The benefits herein granted are not personal to any owner or its Successors and Assigns, but, instead, can be used only in connection with the ownership and use of the benefitted parcel. The rights and obligations conferred pursuant to this Agreement shall not be transferred or assigned to any other party, except together with the sale or assignment of the benefitted or burdened parcel. In this regard, PBC, for itself and its Successors and Assigns, (a) agrees that the covenants and restrictions contained in this Agreement relating to the Residential Parcels, including without limitation those described in Sections 2 and 3 above with respect to the parcels identified in said sections (herein the "Restrictions Contained In this Agreement") satisfy the requirements of covenants running with the land under both Civil Code Sections 1462 and 1468, (b) agrees that neither PBC nor its Successors and Assigns will take any position in any suit, action, or administrative or other proceeding to the effect that the Restrictions Contained in this Agreement are not enforceable as covenants running with the land and/or equitable servitudes, and (c) waives all rights and defenses that it may now or hereafter have to claim that the Restrictions Contained In this Agreement are not enforceable by each of the parties herein benefitted.

7. **SUCCESSORS, ASSIGNS, AND BENEFITTED PARTIES.** The covenants, terms, conditions, and restrictions of this Agreement shall inure to the benefit of the parties hereto, the members of the Association who are owners of the Residential Parcels, and each of the other owners of the Residential Parcels (whether or not a member of the Association), and their respective Successors and Assigns. Subject to Section 8, the covenants, terms, conditions, and restrictions of Sections 2 and 4 of this Agreement shall be binding upon the Association, Keith, and the other members of the Association. The other covenants, terms, conditions, and restrictions of this Agreement shall also inure to the benefit of and be binding upon the parties hereto and their respective Successors and Assigns. The covenants, terms, conditions, and restrictions on PBC's part to be performed under the terms of this Agreement shall be binding on PBC and its Successors and Assigns and shall continue as restrictive covenants running in perpetuity for the benefit of the Residential Parcels and as a burden on the Lodge, Spanish Bay Inn, Casa Palmero, Garage, Collins, and Fairway One Parcels, the Jenkins Parcels (except such subdivided portions thereof as are sold by PBC solely for Residential Uses in accordance with the Restrictions), and all other Residential Parcels which PBC or its Successors and Assigns may now or hereafter own or acquire within the Del Monte Forest. PBC shall include in any conveyance of the aforesaid burdened parcels a statement that the conveyance is subject to this Agreement. In no event shall this Agreement be limited, modified, or in any manner impaired by the dissolution, winding up, bankruptcy, insolvency, or other arrangement for creditors of any party hereto or its Successors and Assigns.

8. **RESERVATION OF RIGHTS.** Notwithstanding anything to the contrary in this Agreement, the Association, its members, Keith, and all other existing and future owners of the Residential Parcels expressly reserve, and shall be deemed for all purposes to have reserved, the right to bring such legal actions, to take such positions, and to make such objections, statements, and demands before, to, and in any official or unofficial legal, administrative, or other proceeding or forum as any of them shall deem advisable in their discretion with respect to (i) any failure of the Casa Palmero Project to be constructed, maintained, or used in accordance with any or all provisions of the Casa Palmero Approvals or any other Legal Requirement applicable to PBC, the Casa Palmero Spa, and/or the Casa Palmero Project, (ii) any violation or threatened violation by PBC or its Successors and Assigns of any provision of this Agreement, (iii) any other matter which is not covered by this Agreement or which does not concern the Restrictions, and/or (iv) any other matter concerning this Agreement or the Restrictions, provided the position taken is not inconsistent in a material way with the provisions of this Agreement.

9. **EFFECT ON RESIDENTIAL PARCELS.** It is intended that this Agreement shall not in any way or manner be deemed to adversely affect, burden, encumber, or limit the use by any person (other than PBC and its Successors and Assigns as herein set forth) of, any Residential Parcel nor impose any new covenant, condition, restriction, or other encumbrance of any type upon any such parcel. Rather, this Agreement is intended to provide a benefit to the owners of the Residential Parcels and their Successors and Assigns, by insuring that neither PBC nor its Successors and Assigns will now or hereafter have the power or right (by reacquisition of a Residential Parcel, by use of such parcel in a manner inconsistent with the Restrictions, or by any other means), to ignore or terminate the Restrictions or to otherwise use the Residential Parcels in a manner inconsistent with the Restrictions and this Agreement. Notwithstanding anything to the contrary in this Agreement, except for the agreement of the Association, Keith, and the other members of the Association to desist from making objections and protests before governmental agencies as provided in Sections 2 and 4 of this Agreement, in no event shall this Agreement (1) deprive Keith or any other owner of a Residential Parcel, or its Successors and Assigns (whether or not such owner is a member of the Association), of any right appurtenant to his/her/its Residential Parcel (including without limitation any rights arising in connection with the Restrictions), or (2) impose any obligation on said owners or any of their respective Successors and Assigns.

10. **THIRD PARTY BENEFICIARIES, CONVERSION OF STATUS TO A PARTY, AND EXTINGUISHMENT.** This Agreement and the covenants, conditions, and restrictions set forth herein are expressly intended to benefit and be enforceable by all current and future owners of the Residential Parcels and their Successors and Assigns as third party beneficiaries of this Agreement against PBC and its Successors and Assigns, without regard to the membership of such persons in the Association. If at any time any such third party beneficiary fee interest owner of a Residential Parcel desires to become a party to this Agreement, it may do so, without the necessity of any action on any other party's part, by (a) executing an instrument in the form of attached Exhibits K-1, indicating such intent, (b) delivering a copy of such executed instrument via U.S. mail to the persons entitled to receive notices of tax assessments for the Lodge Parcel and the Spanish Bay Inn Parcel, as shown on the records of the Monterey County Tax Assessor, and (c) recording such instrument in the Official Records of

Monterey County California. Upon the completion of such actions, said owner shall be deemed a party to this Agreement and entitled to the same rights and remedies as Keith shall have hereunder, retroactive to the date the Agreement is executed and recorded. Similarly, notwithstanding any action taken at any time pursuant to this section, if at any time or for any reason Keith or any other owner of a Residential Parcel (other than PBC or its Successors and Assigns or a person acting for the benefit of PBC or its Successors and Assigns) desires to no longer be a party and/or a third party beneficiary of this Agreement and/or to delete its Residential Parcel from any mention by this Agreement, it may do so, without the necessity of any action on any other party's part, by (a) executing an instrument in the form of attached Exhibit K-2 or K-3, as appropriate indicating such intent, (b) delivering a copy of such executed instrument via U.S. mail to the persons entitled to receive notices of tax assessments for the Lodge Parcel and the Spanish Bay Inn Parcel, as shown on the records of the Monterey County Tax Assessor, and (c) recording such instrument in the Official Records of Monterey County California. Upon the completion of such actions, said owner shall be deemed to no longer be a party and/or a third party beneficiary of this Agreement and, as appropriate, its Residential Parcel shall be entirely deleted from this Agreement. Further, notwithstanding any action taken at any time pursuant to this section, if at any time or for any reason Keith or any other owner of a Residential Parcel (other than PBC or its Successors and Assigns or a person acting for the benefit of PBC or its Successors and Assigns) desires to rescind a prior election to be deleted as a third party beneficiary of the Agreement, it may do so, without the necessity of any action on any other party's part, by (a) executing an instrument in the form of attached Exhibit K-4, indicating such intent, (b) delivering a copy of such executed instrument via U.S. mail to the persons entitled to receive notices of tax assessments for the Lodge Parcel and the Spanish Bay Inn Parcel, as shown on the records of the Monterey County Tax Assessor, and (c) recording such instrument in the Official Records of Monterey County California. Upon the completion of such actions, said owner shall be deemed to again be a third party beneficiary of this Agreement. Notwithstanding the foregoing, in no event shall the recording by any owner(s) of Residential Parcel(s) of an instrument pursuant to the foregoing modify any of the rights, remedies, and obligations of Pebble Beach Company, Keith (except to the extent that Keith is the party taking the action) or the Association under this Agreement.

11. CONTROLLING LAW AND CONSTRUCTION. The interpretation and performance of this Agreement shall be governed by the laws of the State of California. This Agreement contains the entire agreement between the parties with respect to the settlement of their dispute. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purposes of this Agreement that would render the provision valid shall be favored over any interpretation that would render it invalid. This Agreement shall be construed in accordance with its fair meaning and it shall not be construed against either party on the basis that such party prepared this Agreement. The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation. All exhibits referred to in this Agreement are attached hereto and incorporated herein by this reference.

12. NO WAIVER. Exercise of any rights granted herein and the enforcement of the conditions and restrictions of this Agreement shall be at the discretion of each owner of the benefitted parcels, and any forbearance by such owner to exercise his/her/its respective rights under this Agreement

in the event of any breach of any condition or restriction of this Agreement shall not be deemed or construed to be a waiver of any such conditions or restrictions or of any subsequent breach of the same or any other obligation under this Agreement. No delay or omission by the benefitted party in the exercise of any right or remedy upon any breach of this Agreement shall impair such right or remedy or be construed as a waiver of the rights and remedies available under this Agreement.

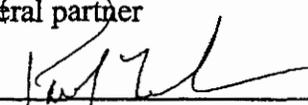
13. **CONDITION SUBSEQUENT.** In the event that any person files or brings an action in any court that invalidates the Casa Palmero Project on any basis or otherwise prevents said project from being constructed and operated as permitted by the Casa Palmero Approvals, including allegations founded upon the Restrictions, this Agreement shall be null and void. As used in this Section 13, "person" means every individual, entity, or association of every description, including the Association, any of its members, and any other person without regard to that person's affiliation with the Association, and "invalidates" or "prevents" does not include any deferral or delay of the Casa Palmero Project or the use thereof, but rather a complete inability to proceed with such project.

[Signatures on Following Page]

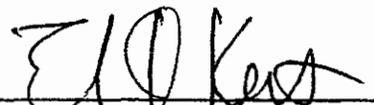
WHEREFORE, the parties have executed this Agreement as of the date first above written.

PEBBLE BEACH COMPANY,
a California general partnership

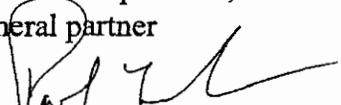
By: Cypress I Company,
a Delaware corporation,
its general partner

By: 
Paul Leach, Managing Director

DEL MONTE FOREST NEIGHBORHOOD
PRESERVATION ASSOCIATION,
a non-profit mutual benefit corporation

By: 
Edward J. Keith, President

By: Cypress II Company,
a Delaware corporation,
its general partner

By: 
Paul Leach, Managing Director


EDWARD J. KEITH, Trustee
of the Edward J. Keith Trust,
under the Declaration of Trust,
dated December 3, 1991,
the owner of the Residential Parcel
described on attached Exhibit I

[Add Notary Acknowledgments]

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

No. 5907

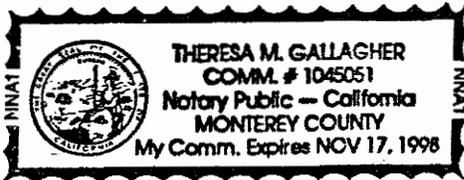
State of California

County of Monterey

On January 6, 1998 before me, Theresa M. Gallagher
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared Edward J. Keith
NAME(S) OF SIGNER(S)

personally known to me - OR - proved to me on the basis of satisfactory evidence to be the person ~~(s)~~ whose name ~~(s)~~ is/~~a~~e subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity ~~(ies)~~, and that by his/~~her~~/~~their~~ signature ~~(s)~~ on the instrument the person ~~(s)~~, or the entity upon behalf of which the person ~~(s)~~ acted, executed the instrument.



WITNESS my hand and official seal.

Theresa M. Gallagher
SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

INDIVIDUAL
 CORPORATE OFFICER
President
TITLE(S)

PARTNER(S) LIMITED
 GENERAL

ATTORNEY-IN-FACT
 TRUSTEE(S)

GUARDIAN/CONSERVATOR
 OTHER: _____

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY (IES)
Del Monte Forest Neighborhood
Preservation Association

DESCRIPTION OF ATTACHED DOCUMENT

Agreement
TITLE OR TYPE OF DOCUMENT

20 + Exhibits A-1 to K-4
NUMBER OF PAGES

December 5, 1997
DATE OF DOCUMENT

Paul Leach
SIGNER(S) OTHER THAN NAMED ABOVE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

No. 5907

State of California

County of Monterey

On January 6, 1998 before me, Theresa M. Gallagher

DATE

NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared Paul Leach

NAME(S) OF SIGNER(S)

[X] personally known to me - OR - [] proved to me on the basis of satisfactory evidence to be the person(x) whose name(x) is/a(x) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(x) on the instrument the person(x), or the entity upon behalf of which the person(x) acted, executed the instrument.



WITNESS my hand and official seal.

Theresa M. Gallagher
SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- Individual, Corporate Officer (Managing Director), Partner(s), Limited/General, Attorney-in-fact, Trustee(s), Guardian/conservator, Other.

DESCRIPTION OF ATTACHED DOCUMENT

Agreement
TITLE OR TYPE OF DOCUMENT
20 + Exhibits A-1 to K-4
NUMBER OF PAGES
December 5, 1997
DATE OF DOCUMENT

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)
Cypress I & Cypress II Companies,
Delaware corporations

Edward J. Keith
SIGNER(S) OTHER THAN NAMED ABOVE

List of Exhibits

- A-1 Vicinity Map of the Area Surrounding the Lodge Parcel
- A-2 Vicinity Map of the Area Surrounding the Spanish Bay Inn Parcel

- B Legal Description of the Lodge Parcel

- C Legal Description of the Spanish Bay Inn Parcel

- D Legal Description of the Casa Palmero Parcel

- E Legal Description of the Garage Parcel

- F Legal Description of the Fairway One Parcel

- G Legal Description of the Collins Parcel

- H Legal Description of the Jenkins Parcel

- I Legal Description of the Keith Parcel

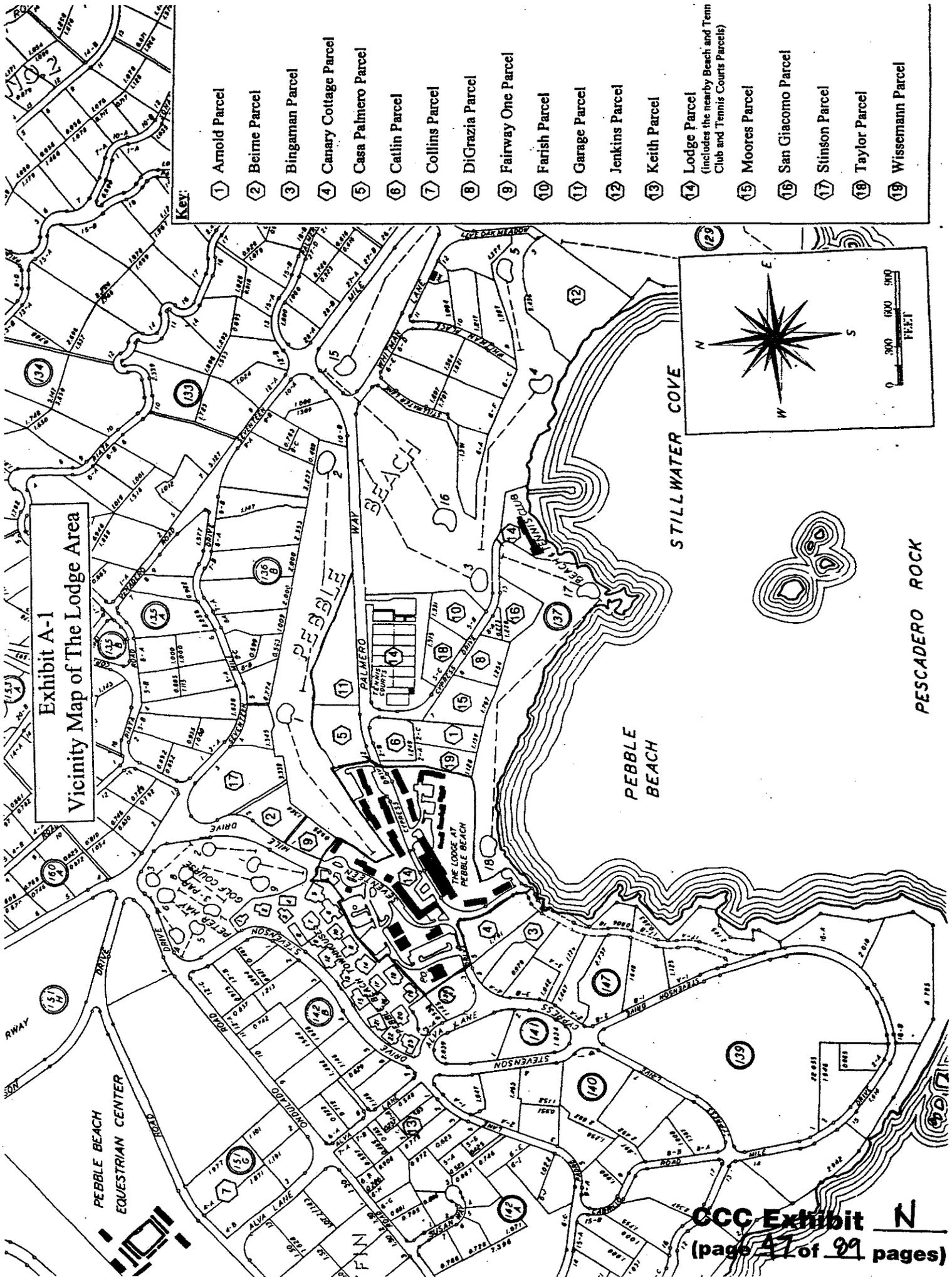
- J Copy of Casa Palmero Spa Permit

- K-1 Instrument to Add a Party

- K-2 Instrument to Terminate Third Party Beneficiary Status

- K-3 Instrument to Delete a Party

- K-4 Instrument to Rescind Termination of Third Party Beneficiary Status



Key:

- ① Arnold Parcel
- ② Beime Parcel
- ③ Bingaman Parcel
- ④ Canary Cottage Parcel
- ⑤ Casa Palmero Parcel
- ⑥ Catlin Parcel
- ⑦ Collins Parcel
- ⑧ DiGrazia Parcel
- ⑨ Fairway One Parcel
- ⑩ Farish Parcel
- ⑪ Garage Parcel
- ⑫ Jenkins Parcel
- ⑬ Keith Parcel
- ⑭ Lodge Parcel
(Includes the nearby Beach and Tennis Club and Tennis Courts Parcels)
- ⑮ Moores Parcel
- ⑯ San Giacomo Parcel
- ⑰ Stinson Parcel
- ⑱ Taylor Parcel
- ⑲ Wissemann Parcel

Exhibit A-1
Vicinity Map of The Lodge Area

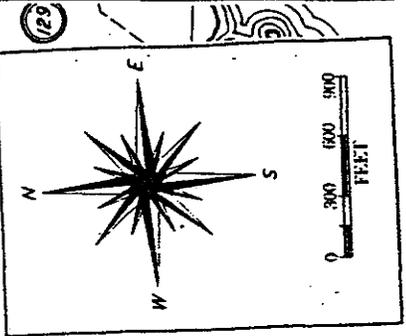
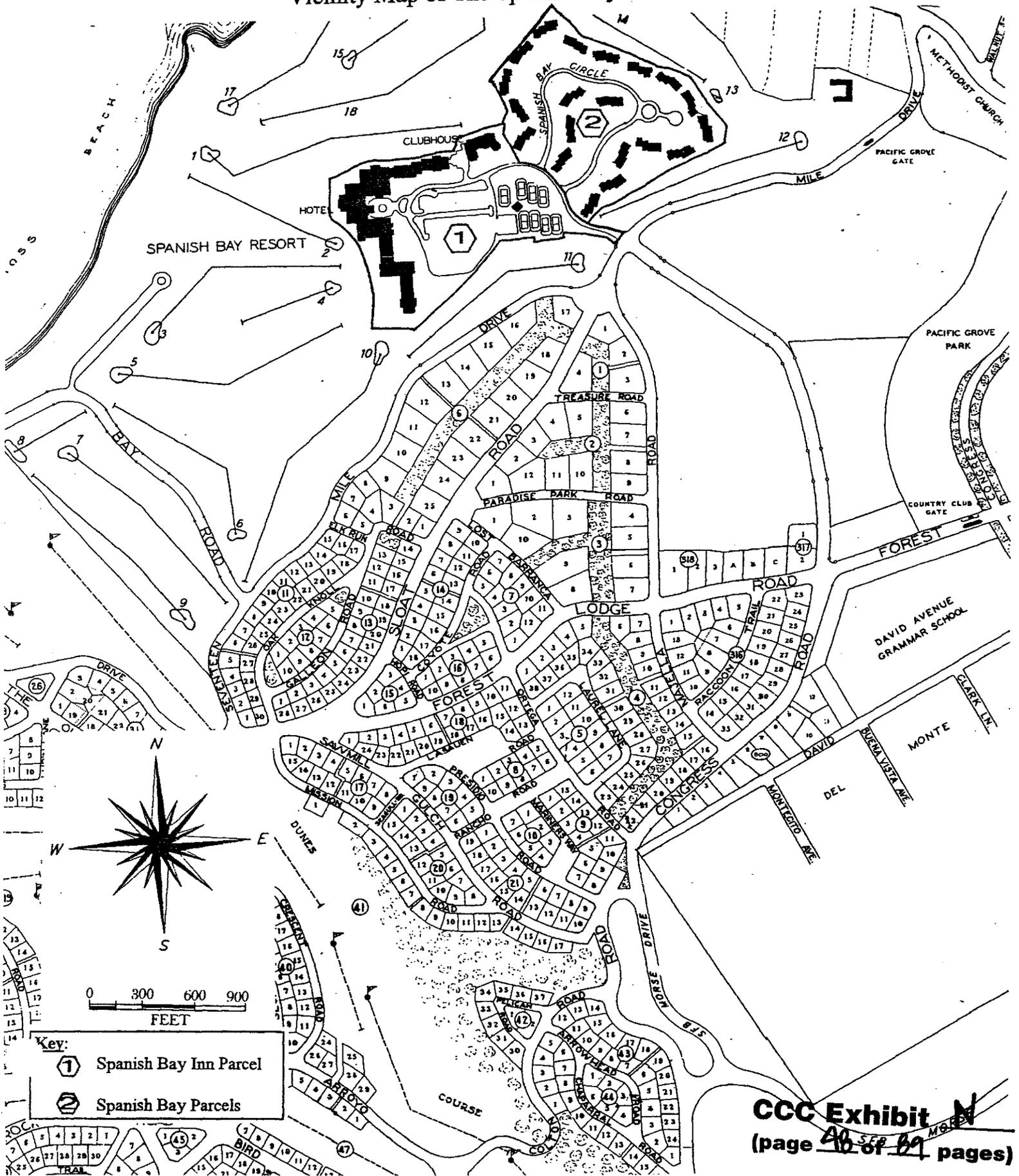


Exhibit A-2 Vicinity Map of The Spanish Bay Area



Key:
 ① Spanish Bay Inn Parcel
 ② Spanish Bay Parcels

Exhibit B
Legal Description of the Lodge Area Parcels

Those parcels in and around the vicinity of The Lodge, described as follows:

CERTAIN real property situate in El Pescadero Rancho, County of Monterey, State of California, particularly described as follows:

BEGINNING at a point distant 599.51 feet, S. 24° 51' 33" E., from that certain monument shown and designated as "P.M. #2" on that certain map entitled, "Amended Map of Pebble Beach, etc...", filed October 13, 1911 in Volume 2 of Cities and Towns, at Page 31, 31-A, and 31-B, Records of Monterey County, California; thence

- (1) Northerly, 127.37 feet along the arc of a curve to the right (center bears N. 58° 06' 37" E., 171.11 feet distant), through a central angle of 42° 38' 57"; thence tangentially
- (2) N. 10° 45' 34" E., 64.58 feet; thence
- (3) Northeasterly, 52.11 feet along the arc of a tangent curve to the right having a radius of 55.00 feet, through a central angle of 54° 16' 48"; thence tangentially
- (4) N. 65° 02' 22" E., 238.53 feet; thence
- (5) N. 74° 29' 23" E., 132.57 feet; thence
- (6) Easterly, 61.14 feet along the arc of a tangent curve to the right having a radius of 150.00 feet, through a central angle of 23° 21' 19" to a point of reverse curvature; thence
- (7) Easterly, 61.25 feet along the arc of a reverse curve to the left having a radius of 150.00 feet, through a central angle of 23° 23' 42"; thence tangentially
- (8) N. 74° 27' E., 183.33 feet; thence
- (9) Northeasterly, 98.43 feet along the arc of a tangent curve to the left having a radius of 344.95 feet, through a central angle of 16° 21' 26" to a point of reverse curvature; thence
- (10) Northeasterly, 107.06 feet along the arc of a reverse curve to the right (center bears S. 31° 54' 07" E., 344.95 feet distant), through a central angle of 17° 46' 56"; thence
- (11) S. 5° 18' 23" W., 234.34 feet; thence
- (12) S. 20° 29' 02" W., 140.15 feet; thence
- (13) N. 83° 09' 32" W., 348.07 feet; thence
- (14) N. 76° 45' W., 160.00 feet; thence

- (15) S. 65° 02' 22" W., 265.00 feet; thence
- (16) S. 24° 57' 38" E., 260.00 feet; thence
- (17) S. 65° 04' 04" W., 60.01 feet; thence
- (18) Northerly, 31.00 feet along the arc of a curve to the left (center bears S. 77° 50' 37" W., 90.00 feet distant), through a central angle of 19° 44'; thence tangentially
- (19) N. 31° 53' 23" W., 154.03 feet to the POINT OF BEGINNING.

and continuing to include:

CERTAIN real property situate in El Pescadero Rancho, County of Monterey, State of California, particularly described as follows:

BEGINNING at a point distant 2286.13 feet, N. 77° 24' 43" W., from that certain monument shown and designated as "P.M. #11" on that certain map entitled, "Amended Map of Pebble Beach, etc...", filed October 13, 1911 in Volume 2 of Cities and Towns, at Page 31, 31-A, and 31-B, Records of Monterey County, California, said point of beginning also being the terminus of course (4) of Parcel One as described in deed recorded in Reel 327 at Page 130, Official Records of Monterey County, California; thence

- (1) N 76° 00' W., 324.09 feet; thence
- (2) S. 60° 30' W., 249.10 feet; thence
- (3) S. 21° 05' E., 143.51 feet to a point in the "Shore Line Traverse" as said line is shown and so designated on that certain map entitled, "Licensed Surveyor's Map of El Pescadero and Point Pinos Ranchos, etc..." filed January 12, 1922 in Volume 3 of Surveys at Page 3, Records of Monterey County, California; thence along said line
- (4) S. 59° 02' W., 203.58 feet; thence leaving said line
- (5) N. 28° 47' W., 10.47 feet; thence
- (6) Northerly, 43.05 feet along the arc of a curve to the left (center bears N. 28° 47' W., 40 feet distant), through a central angle of 61° 39' 48"; thence tangentially
- (7) N. 00° 26' 48" W., 47.63 feet; thence
- (8) Northwesterly, 18.39 feet along the arc of a tangent curve to the left, having a radius of 90.00 feet, through a central angle of 11° 42' 35"; thence
- (9) N. 65° 04' 04" E., 60.01 feet; thence

- (10) N. 24° 57' 38" W., 260.00 feet; thence
- (11) N. 65° 02' 22" E., 265.00 feet; thence
- (12) S. 76° 45' 00" E., 160.00 feet; thence
- (13) S. 83° 09' 32" E., 348.07 feet; thence
- (14) S. 20° 22' 03" W., 130.39 feet to the POINT OF BEGINNING.

APN 008-411-018 (commonly referred to as The Lodge parcel)

CERTAIN real property situate in El Pescadero Rancho, County of Monterey, State of California, particularly described as follows:

BEGINNING at a point distant 1141.77 feet, N. 89° 37' 04" E., from that certain monument shown and designated as "P.M. #2" on that certain map entitled, "Amended Map of Pebble Beach, etc...", filed October 13, 1911 in Volume 2 of Cities and Towns, at Page 31, 31-A, and 31-B, Records of Monterey County, California; thence

- (1) S. 75° 40' 57" W., 190.65 feet; thence
- (2) Southwesterly, 32.95 feet along the arc of a curve to the left (center bears S. 14° 14' 57" E., 80.00 feet distant), through a central angle of 23° 36' 03" to a point of reverse curvature; thence tangentially
- (3) Southwesterly, 33.08 feet along the arc of a reverse curve to the right having a radius of 85.00 feet, through a central angle of 22° 18' 00"; thence tangentially
- (4) S. 74° 27' W., 302.34 feet; thence
- (5) Southwesterly, 34.27 feet along the arc of a tangent curve to the left having a radius of 833.82 feet, through a central angle of 2° 21' 17"; thence
- (6) N. 5° 04' 01" W., 104.29 feet; thence
- (7) N. 65° 10' E., 24.00 feet; thence
- (8) N. 65° 07' 26" E., 589.49 feet; thence
- (9) S. 5° 55' 42" E., 195.78 feet to the POINT OF BEGINNING.

APN 008-423-030 (commonly referred to as the Upper Lodge parcel)

CERTAIN real property situate in El Pescadero Rancho, County of Monterey, State of California, particularly described as follows:

BEGINNING at a point distant 451.35 feet, N 84° 17' 12" E from that certain monument shown and designated as "P.M. #11" on that certain map entitled "Amended Map of Pebble Beach, etc...", filed October 13, 1911 in Volume 2 of Cities and Towns, at Page 31, 31-A, and 31-B, Records of Monterey County, California; thence

- (1) Northwesterly, 213.93 feet along the arc of a curve to the left (center bears N 55° 43' 15" W, 1160.00 feet distant), through a central angle of 10° 34' to a point of reverse curvature; thence tangentially
- (2) Northwesterly, 124.37 feet along the arc of a reverse curve to the right having a radius of 1680.00 feet, through a central angle of 4° 14' 30"; thence
- (3) S 49° 00' E, 151.02 feet; thence
- (4) S 41° 00' W, 120.00 feet; thence
- (5) S 30° 00' W, 150.50 feet; thence
- (6) S 16° 00' E, 72.14 feet; thence
- (7) S 65° 10' W, 24.00 feet; thence
- (8) S 5° 04' 01" E, 104.29 feet; thence
- (9) Southwesterly, 102.68 feet along the arc of a curve to the left (center bears S 17° 54' 17" E, 833.82 feet distant), through a central angle of 7° 03' 21"; thence
- (10) N 9° 54' 03" W, 113.64 feet; thence
- (11) N 37° 05' 04" E, 101.97 feet; thence
- (12) N 55° 43' 15" W, 86.50 feet to the POINT OF BEGINNING.

APN 008-423-031 (commonly known as the golf pro shop/cart barn parcel)

That certain piece or parcel of land described as beginning at a point distant 451.45 feet North 84° 16' 14" East from that certain monument designated "P.M. #2", as said monument is shown on that certain map entitled, "Amended Map of Pebble Beach, Monterey County, California", etc., filed for record October 13, 1911, in Map Book 2 of "Cities and Towns", at pages 31, 31-A and 31-B, therein, Records of Monterey County, California; and running thence

- (1) South 55° 43' 15" East, 86.50 feet; thence
- (2) South 37° 05' 04" West, 101.97 feet; thence
- (3) South 9° 54' 03" East, 113.64 feet; thence
- (4) South 65° 02' 22" West, 261.14 feet; thence

(5) Tangentially northwesterly along the arc of a circular curve to the right described from a point bearing North 24° 47' 38" West, 28.31 feet distant from the terminus of the preceding course through a central angle of 113° 31' 51" for a distance of 56.10 feet; thence

(6) Tangentially northerly along the arc of a circular curve to the left described from a point bearing South 88° 34' 13" West, 140 feet distant from the terminus of the preceding course through a central angle of 11° 39' 13" for a distance of 28.48 feet; thence tangentially

(7) North 13° 05' West, 52.60 feet; thence

(8) Tangentially northeasterly along the arc of a circular curve to the right described from a point bearing North 76° 55' East, 60 feet distant from the terminus of the preceding course through a central angle of 70° 12' for a distance of 73.51 feet; thence tangentially

(9) North 57° 07' East, 202.77 feet; thence

(10) Tangentially northeasterly along the arc of a circular curve to the left described from a point bearing North 32° 53' West, 166.97 feet distant from the terminus of the preceding course through a central angle of 20° 53' 15" for a distance of 60.87 feet; thence

(11) Tangentially northeasterly along the arc of a circular curve to the left described from a point bearing North 53° 46' 15" West; 1160 feet distant from the terminus of the preceding course through a central angle of 1° 57' for a distance of 39.48 feet to the point of beginning, comprising a portion of Pescadero Rancho.

APN 008-423-029 (commonly known as the Lodge retail spaces parcel)

CERTAIN real property situate in El Pescadero Rancho, County of Monterey, State of California, particularly described as follows:

BEGINNING at that certain monument shown and so designated as "P.M. #2" on that certain map entitled, "Amended Map of Pebble Beach, etc...", filed October 10, 1911 in Volume 2 of Cities and Towns, at Page 31, 31-A, and 31-B, Records of Monterey County, California; thence along the southwesterly boundary of Tract No. 595, Pebble Beach Townhouses No. 2, filed in Volume 10 of Cities and Towns at Page 13, Records of Monterey County, California.

(1) N. 54° 02' 02" E., 64.21 feet; thence

(2) N. 36° 03' 04" W., 75.13 feet; thence

(3) N. 53° 58' 27" E., 199.85 feet; thence

(4) N. 67° 59' 33" E., 93.82 feet to the most easterly corner of said Tract No. 595; thence along the southerly boundary of Tract No. 567, Pebble Beach Townhouses, filed in Volume 9 of Cities and Towns at Page 47, Records of Monterey County, California

(5) N. 67° 54' 55" E., 96.12 feet; thence

- (6) S. 20° 20' 04" E., 37.34 feet; thence
- (7) N. 51° 45' E., 137.00 feet; thence
- (8) N. 0° 30' W., 60.10 feet; thence
- (9) Southeasterly, 39.04 feet along the arc of a curve to the left (center bears N. 18° 46' 44" E., 330.00 feet distant), through a central angle of 6° 46' 44" to a point of reverse curvature; thence tangentially
- (10) Southeasterly, 30.96 feet along the arc of a reverse curve to the right having a radius of 106.10 feet, through a central angle of 16° 43' 12"; thence
- (11) S. 61° 16' 48" E., 0.72 feet; thence leaving said southerly boundary of Tract No. 567
- (12) Southerly, 41.65 feet along the arc of a curve to the right (center bears S. 28° 43' 12" W., 28.08 feet distant) through a central angle of 84° 59' 33"
- (13) S. 23° 38' 13" W., 233.13 feet; thence
- (14) Southwesterly, 209.88 feet along the arc of a curve to the right (center bears N. 66° 17' 15" W., 360.00 feet distant), through a central angle of 33° 24' 15"; thence tangentially
- (15) S. 57° 07' W., 142.68 feet; thence
- (16) Southwesterly, 115.80 feet along the arc of a tangent curve to the left having a radius of 94.51 feet, through a central angle of 70° 12'; thence tangentially
- (17) S. 13° 05' E., 52.60 feet; thence
- (18) Southeasterly, 22.37 feet along the arc of a tangent curve to the right having a radius of 110.00 feet, through a central angle of 11° 39' 13" to a point of compound curvature; thence
- (19) Southwesterly, 79.94 feet along the arc of a compound curve to the right having a radius of 71.25 feet through a central angle of 64° 17' 23"; thence
- (20) S. 61° 13' 25" W., 8.19 feet to the southeasterly corner of Lot 46, as said lot is shown and so designated on first said map; thence along the northeasterly line of said lot
- (21) N. 19° 37' 16" W., 373.74 feet to the POINT OF BEGINNING.

APN 008-431-009 (commonly known as the service station and upper parking parcel)

CERTAIN real property situate in El Pescadero Rancho, County of Monterey, State of California, particularly described as follows:

BEGINNING at the most northerly corner of that certain lot numbered 46, as said corner and lot are shown on that certain map entitled "Amended Map of Pebble Beach, etc.." filed October 13, 1911 in Volume 2 of Cities and Towns at Page 31-A, Records of Monterey County, California; thence along northeasterly boundary of said lot

- (1) S 19° 37' 16" E, 373.74 feet (S 19° 38' 43" E, 373.64 feet per Map) to the most easterly corner of said lot; thence along the southeasterly boundary thereof
- (2) Southwesterly, 34.26 feet along the arc of a curve to the right (center bears N 20° 19' 30" W, 190.28 feet distant), through a central angle of 10° 18' 58"; thence tangentially
- (3) S 79° 59' 28" W, 167.01 feet to the most southerly corner of said lot; thence along the southwesterly boundary thereof
- (4) N 29° 47' 07" W, 274.68 feet (N 29° 45' 09" W, 274.76 feet per Map) to the most westerly corner of said lot; thence along the northwesterly boundary thereof
- (5) N 53° 58' 05" E, 257.75 feet (N 53° 59' 35" E, 257.41 feet per Map) to the POINT OF BEGINNING and being all of said Lot 46.

APN 008-431-010 (commonly known as the post office parcel) and APN 008-431-011 (commonly known as the Market parcel)

CERTAIN real property situate in Rancho El Pescadero, County of Monterey, State of California, particularly described as follows:

COMMENCING at that certain monument shown and designated as "P.M. #11", on that certain map entitled, "Amended Map of Pebble Beach, Monterey County, California, etc...", filed October 13, 1911 in Volume 2 of "Cities and Towns", at pages 31, 31-A, and 31-B, Records of Monterey County, California; thence

- (a) N. 88° 32' 36" W., 634.15 feet; thence
 - (b) S. 76° 47' 11" W., 226.53 feet; thence
 - (c) S. 56° 06' 27" W., 284.36 feet to the TRUE POINT OF BEGINNING; thence
- (1) N. 14° 01' 45" E., 218.53 feet; thence
 - (2) N. 37° 00' E., 162.32 feet; thence

- (3) Northerly, 56.83 feet along the arc of a tangent curve to the left having a radius of 36.58 feet, through a central angle of $89^{\circ} 01' 15''$ to a point of compound curvature; thence tangentially
- (4) Westerly, 33.49 feet along the arc of a compound curve to the left having a radius of 60 feet, through a central angle of $31^{\circ} 58' 45''$; thence radically
- (5) N. $6^{\circ} 00'$ E., 40.00 feet; thence
- (6) Southeastely, 55.81 feet along the arc of a curve to the right (center bears S. $6^{\circ} 00'$ W., 100.00 feet distant), through a central angle of $31^{\circ} 58' 45''$; thence tangentially
- (7) S. $52^{\circ} 01' 15''$ E., 35.35 feet; thence
- (8) Easterly, 45.34 feet along the arc of a tangent curve to the left having a radius of 100 feet, through a central angle of $25^{\circ} 58' 45''$; thence
- (9) S. $77^{\circ} 57' 51''$ E., 195.78 feet; thence
- (10) S. $11^{\circ} 55' 40''$ E., ¹⁷⁰ 350 feet, more or less, to the mean high tide line of the Pacific Ocean (at 135 feet, more or less, a point on said "Shore Line Traverse"); thence
- (11) Westerly, along said mean high tide line, ³⁷⁰ 370 feet, more or less to a point which bears S. $75^{\circ} 58' 15''$ E., 8 feet, more or less, from a point on said "Shore Line Traverse"; thence leaving said mean high tide line
- (12) N. $75^{\circ} 58' 15''$ W., ⁸ 150 feet, more or less to the TRUE POINT OF BEGINNING.

APN 008-411-020 (commonly referred to as The Beach Club parcel)

CERTAIN real property situate in Rancho El Pescadero, County of Monterey, State of California, particularly described as follows:

BEGINNING at a point distant 1817.58 feet N $69^{\circ} 32' 02''$ W from that certain monument designated "P.M. #11" as said monument is shown on that certain map entitled "Amended Map of Pebble Beach, Monterey County, California etc...", filed October 13, 1911, in Map Book 2 of "Cities and Towns" at Pages 31, 31-A and 31-B, Records of Monterey County, California; and running thence

- (1) N $51^{\circ} 21' 23''$ W, 58.87 feet; thence
- (2) Northwesterly, 218.17 feet along the arc of a curve to the right (center bears N $38^{\circ} 30'$ E, 200.00 feet distant), through a central angle of $62^{\circ} 30'$; thence tangentially
- (3) N $11^{\circ} 00'$ E, 101.94 feet; thence

- (4) Northeasterly, 78.08 feet along the arc of a tangent curve to the right having a radius of 54.72 feet, through a central angle of $81^{\circ} 45' 33''$; thence
- (5) S $87^{\circ} 15' 20''$ E, 814.30 feet; thence
- (6) S $32^{\circ} 00'$ W, 430.43 feet; thence
- (7) N $77^{\circ} 20' 30''$ W, 491.77 feet; thence
- (8) S $38^{\circ} 36' 14''$ W, 101.70 feet to the POINT OF BEGINNING.

APN 008-401-018 (commonly referred to as the Tennis Courts parcel)

Exhibit C
Legal Description of the Spanish Bay Inn Parcel

State of California, County of Monterey, Parcel 2 as said parcel is shown and so designated on that certain map filed in Volume 16, of Parcel Maps at Page 155, Records of Monterey County, as recorded April 25, 1986.

21.165 acres, more or less
APN 007-091-028

Exhibit D
Legal Description of the Casa Palmero Parcel (original)

PARCEL I:

BEGINNING at a point distant 1.83 feet N. 75 degrees 45' 03" East, from the Southwesterly corner of Lot No. 50, which lot is shown on the "Amended Map of Pebble Beach, Monterey County, Calif.," recorded October 13, 1911, in Book 2 of Maps, Cities and Towns, at Page 31, 31-A, and 31-B, in said Monterey County Records, and running thence

- 1) S. 75 degrees 45' 03" W., 84.68 feet; thence
- 2) N. 5 degrees 55' W., 195.55 feet; thence
- 3) N. 71 degrees 30' E., 225.71 feet; thence
- 4) N. 78 degrees 47' 30" E., 153.32 feet; thence
- 5) S. 6 degrees 30' W., 262.00 feet; thence
- 6) N. 87 degrees 14' 27" W., 58.00 feet; thence
- 7) Tangentially curving to the left 176.20 feet on the arc of a curve of 593.42 feet radius to the point of beginning, and being a portion of El Pescadero Rancho.

PARCEL II:

BEGINNING at a point distant 174.13 feet North and 100.44 feet West from the Southwest corner of Lot 50, which lot is shown on the "Amended Map of Pebble Beach, Monterey County, California" recorded October 13th, 1911, in Book 2 of Maps, Cities and Towns, at Pages 31, 31-A and 31-B, in said Monterey County Records, and running thence,

- 1) North 55 degrees 48' 15" East 95.25 feet; thence
- 2) North 61 degrees 15' East 93.35 feet; thence
- 3) North 77 degrees 15' East 47.41 feet; thence
- 4) South 71 degrees 45' East 66.64 feet; thence
- 5) South 89 degrees 55' East 103.35 feet; thence
- 6) South 78 degrees 47' 30" West 153.32 feet; thence
- 7) South 71 degrees 30' West 225.71 feet to the point of beginning, and being a portion of El Pescadero Rancho.

Containing 1.976 acres, more or less.

APN 008-423-035

CCC Exhibit N
(page 59 of 99 pages)

Exhibit E
Legal Description of the Garage Parcel

CERTAIN real property situate in El Pescadero Rancho, County of Monterey, State of California, particularly described as follows:

BEGINNING at a point distant 2061.44 feet, North 58 deg 39 min. 49 sec. West, from that certain amount shown and designated as "P.M. #11" on that certain map entitled, "Amended Map of Pebble Beach, etc....", filed October 13, 1911 in Volume 2 of Cities and Towns, at Page 31, 31-A, and 31-B, Records of Monterey County, California, said point of beginning also being the southwest corner of that 1.997 acre parcel of land numbered "2" as shown and so designated on that "Parcel Map of a portion of Block 136-B, Pebble Beach, Rancho El Pescadero, etc....", filed in Volume 7 of Parcel Maps at Page 6, Records of Monterey County, California; thence

- (1) North 6 deg 37 min. 01 sec. East, 261.95 feet; thence
- (2) South 89 deg. 55 min. 00 sec. East 132.60 feet to the North east; thence
- (3) South 67 deg. 16 min. 39 sec. East 783.70 feet to Northerly right-of-way of Palmero Way; thence along said Northerly right-of-way
- (4) North 87 deg. 14 min. 27 sec. West 886.17 feet to the POINT OF BEGINNING.

Containing 3.118 acres, more or less.

APN 008-423-032, as adjusted October 1997.

Exhibit F
Legal Description of the Fairway One House Parcel

CERTAIN real property situate in El Pescadero Rancho, County of Monterey, State of California, particularly described as follows:

BEGINNING at a point distant 697.42 feet, N 60° 28' 27" E from that certain monument shown and designated as "P.M. #11" on that certain map entitled "Amended Map of Pebble Beach, etc...", filed October 13, 1911 in Volume 2 of Cities and Towns, at Page 31, 31-A, and 31-B, Records of Monterey County, California; thence

- (1) S 44° 57' 27" E, 193.44 feet (S 45° 00' E, 193.28 feet per Record); thence
- (2) S 45° 00' W, 92.00 feet; thence
- (3) S 41° 00' 00" W, 110.00 feet; thence
- (4) N 49° 00' W, 151.02 feet; thence
- (5) Northeasterly, 218.50 feet along the arc of a curve to the right (center bears S 62° 04' 56" E, 1680.00 feet distant), through a central angle of 7° 27' 07" (218.32 feet and 7° 26' 45" per Record) to the POINT OF BEGINNING.

Containing 0.825 acres, more or less.
APN 008-423-019

Exhibit G
Legal Description of the Collins Parcels

PARCEL I:

Beginning at the most Northerly corner of Lot Numbered 171, as said Lot is shown and so designated on that certain map entitled, "Amended Map of Pebble Beach", filed in Volume 2 of Maps, "Cities and Towns", at Pages 31, 31-A and 31-B, Monterey County Records, and running thence

- (1) South 35° 40' 54" East, 449.18 feet; thence
- (2) South 56° 15' 22" West, 187.50 feet; thence
- (3) North 34° 54' 39" West, 434.65 feet; thence
- (4) North 51° 43' 00" East, 181.73 feet, to the point of beginning, and comprising all of said Lot Numbered 171.

PARCEL II:

Beginning at the most Westerly corner of Lot Numbered 170 as said Lot is shown and so designated on that certain map entitled, "Amended Map of Pebble Beach", filed in Volume 2 of Maps, "Cities and Towns", at Pages 31, 31-A, and 31-B, Monterey County Records, and running thence

- (1) Northeasterly along the arc of a circular curve to the right described from a point bearing South 38° 17' East, 553.57 feet distant from the point of beginning, through a central angle of 20° 00' 38" for a distance of 193.33 feet, thence
- (2) South 36° 21' 59" East, 431.06 feet; thence
- (3) South 56° 15' 22" West, 196.02 feet; thence
- (4) North 35° 40' 54" West, 449.18 feet to the point of beginning and comprising all of said Lot Numbered 170.

Containing 3.848 acres, more or less.
APN 008-321-008 and 008-321-009

Exhibit H
Legal Description of the Jenkins Parcel

That certain real property situate in the El Pescadero Rancho, in the County of Monterey, State of California, described as follows:

Beginning at a point lying in the Southerly line of the 17 Mile Drive as it existed on the 13th day of May, 1915, distant 148.62 feet South 75° 35' East, from the Southeasterly corner of lot 28, of Pebble Beach, Monterey County, California, thence along the southerly line, above mentioned, of the said 17 Mile Drive as it existed on the 13th day of May, 1915 North 87° 38 1/2' East 197.10 feet to the beginning of a curve in said 17 Mile Drive as it existed on the 13th day of May, 1915; thence to the right 246.79 feet on the arc of a circle of 230 feet radius to the end of said curve; thence South 30° 53' East 42.99 feet to a point; thence leaving the said 17 Mile Drive as it existed on the 13th day of May, 1915, South 42° 29' West 613.89 feet to a point lying at the foot of a bluff bank and approximately on the high tide line of the Pacific Ocean; thence along the said High Tide Line at the foot of said Bluff Bank North 40° 36 1/2' West 155 feet to a point; thence North 27° 31 1/2' West 140 feet to a point; thence North 53° 21 1/2' West 206 feet to a point; thence leaving said high tide line North 44° 57' East 132.49 feet to a point; thence North 78° 38 1/2' East 116.06 feet to a point; thence North 45° 04' East 158.55 feet to the point of beginning.

Excepting therefrom the following described real property:

Beginning at a point distant 718.76 feet South and 264.96 feet West from Monument No. 2314 as said Monument is shown and so designated on that certain map entitled, "Licensed Surveyor's Map of El Pescadero and Point Pinos Ranchos", etc., filed for record in Volume 3 of "Surveys" at Page 3, Records of Monterey County, California; said point being also the terminus of the first course of that 5.436 acre parcel of land described in Volume 176 of Deeds, Page 433, Records of Monterey County, and running thence

- (1) Tangentially easterly along the arc of a circular curve to the right, having a radius of 230 feet, through a central angle of 25° 10' for a distance of 101.03 feet thence
- (2) South 85° 22' 27" West, 18.97 feet; thence
- (3) North 76° 32' 30" West, 40.26 feet; thence
- (4) North 87° 02' 30" West, 40.26 feet; thence
- (5) South 87° 42' 30" West, 66.58 feet; thence
- (6) South 61° 27' 30" West, 21.91 feet; thence
- (7) South 87° 42' 30" West, 10.00 feet; thence
- (8) North 66° 02' 30" West, 40.00 feet; thence
- (9) North 87° 42' 30" East, (in aforementioned deed: North 87° 38' 30" East), 132.10 feet to the point of beginning, comprising a portion of El Pescadero Rancho.

Containing 5.346 acres, more or less.
APN 008-401-021

CCC Exhibit N
(page 63 of 89 pages)

Exhibit I
Legal Description of the Keith Parcel

Beginning at the most easterly corner of Lot 105, as said Lot 105 is delineated and so designated on that certain map entitled, "Amended Map of Pebble Beach, Monterey County, California" Recorded October 13, 1911 in Book 2 of Maps "Cities and Towns" at Page 31, 31-A and 31-B in said Monterey County Records, and running thence

- (1) North 32° 51' 48" West, 252.97 feet; thence
- (2) South 56° 15' 30" West, 99.90 feet; thence
- (3) South 32° 56' 10" East, 259.49 feet; thence
- (4) Northeasterly curving to the right 70.53 feet along the arc of a circle of 403.44 feet radius (long chord bears North 51° 01' 57" East 70.44 feet); thence
- (5) Tangentially North 56° 02' 27" East, 29.51 feet to the point of beginning, and being a portion of said Lot 105.

APN 008-441-007

Exhibit J
Casa Palmero Inn, Spa, and Parking Facilities
California Coastal Commission Approval No. A-3-MCO-97-037

See attached nine (9) page document.



CALIFORNIA COASTAL COMMISSION

CENTRAL COAST AREA OFFICE

125 FRONT STREET, STE. 300

SANTA CRUZ, CA 95060

408) 427-6863

SIG IMPAIRED: (415) 904-5200

Page 1 of 2

Date: October 22, 1997Permit Application No. A-3-MCO-97-037**NOTICE OF INTENT TO ISSUE PERMIT**

On October 10, 1997, by a vote of 7 to 4, the California Coastal Commission granted to Pebble Beach Company Permit A-3-MCO-97-037 subject to the attached conditions, for development consisting of: Partial demolition, reconstruction, and addition to an existing single family dwelling to create a 24 unit inn and 24 room spa ("Casa Palmero"). Project includes a lot recombination and the replacement of an existing parking area with a parking garage with one level at grade and two levels below grade requiring 31,000 cubic yards of excavation; more specifically described in the application file in the Commission offices.

The development is within the coastal zone in Monterey County at 1518 Cypress Drive near the intersection of Cypress Drive with Palmero Way in Pebble Beach; Del Monte Forest area. (APN's: 008-423-32,-35 and -36).

The actual development permit is being held in the Commission office until fulfillment of the Special Conditions 7 and 8, imposed by the Commission. Once these conditions have been fulfilled, the permit will be issued. For your information, all the imposed conditions are attached.

Issued on behalf of the California Coastal Commission on October 22, 1997.

PETER DOUGLAS
Executive Director

By: Lee Otter
Lee Otter
District Chief Planner

ACKNOWLEDGMENT:

The undersigned permittee acknowledges receipt of this notice of the California Coastal Commission determination on Permit No. A-3-MCO-97-037, and fully understands its contents, including all conditions imposed.

Oct. 31, 1997
Date

David Y. Brown
Permittee

Please sign and return one copy of this form to the Commission office at the above address.

CCC Exhibit N
(page 66 of 89 pages)

NOTICE OF INTENT TO ISSUE PERMIT

Page 2 of 2

Permit Application No. A-3-MCO-97-037

STANDARD CONDITIONS:

1. Notice of Receipt and Acknowledgment. The permit is not valid and development shall not commence until a copy of the permit, signed by the permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
2. Expiration. If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.
3. Compliance. All development must occur in strict compliance with the proposal as set forth in the application for permit, subject to any special conditions set forth below. Any deviation from the approved plans must be reviewed and approved by the staff and may require Commission approval.
4. Interpretation. Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.
5. Inspections. The Commission staff shall be allowed to inspect the site and the project during its development, subject to 24-hour advance notice.
6. Assignment. The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.
7. Terms and Conditions Run with the Land. These terms and conditions shall be perpetual, and it is the intention of the Commission and the permittee to bind all future owners and possessors of the subject property to the terms and conditions.

SPECIAL CONDITIONS: 1-9 -- please see on the attached adopted staff report.

cspalmcp.doc



COMMISSION NOTIFICATION OF FINAL APPEAL ACTION

TO: Bill Phillips, Planning Director
Monterey County Planning and Building Inspection Department
P.O. Box 1208
Salinas, CA 93902

FROM: Charles Lester, District Manager
Dan Carl, Coastal Planner

DATE: October 22, 1997

RE: *Appeal of Monterey County permit PC96024 to the California Coastal Commission*

Commission appeal number...A-3-MCO-97-037

Applicant.....Pebble Beach Company

Appellants.....James Miller, Carl Nielsen, Jody Bunn, Nathalie Bunn, Ted Hunter,
and Paul Byrne

Local government.....Monterey County

Local decisionApproved with conditions

Project location1518 Cypress Drive near the intersection of Cypress Drive with
Palmero Way in Pebble Beach; Del Monte Forest area of Monterey
County (APNs: 008-423-32, 008-423-35, 008-423-36).

Project description.....Partial demolition, reconstruction, and addition to an existing single
family dwelling to create a 24 unit inn and 24 room spa ("Casa
Palmero"). Project includes a lot recombination and the replacement of
an existing parking area with a parking garage with one level at grade
and two levels below grade requiring 31,000 cubic yards of excavation.

Pursuant to Title 14, Section 13120 of the California Administrative Code, please be advised that the California Coastal Commission, on October 10, 1997 and by a vote of 7-4, took the following final action on this appeal:

The Commission, after public hearing, **approved with conditions** a permit for the proposed development. The adopted conditions of this approval are attached.

Please contact us if you have any questions.

cc: Applicant (Pebble Beach Company, Attn: Ed Brown)
Appellants (James Miller, Carl Nielsen, Jody Bunn, Nathalie Bunn, Ted Hunter, and Paul Byrne)



ADOPTED

**STAFF REPORT: APPEAL
DE NOVO HEARING**

Filed: 5/6/97
49th day: 6/24/97 (Waived)
180th day: 11/2/97
Staff: DC-SC
Staff report: 9/18/97
Hearing date: 10/10/97

Note: The Coastal Commission previously found a substantial issue on July 9, 1997.

Appeal number..... **A-3-MCO-97-037, Casa Palmero Inn, Spa, and Parking Facility**
Applicant..... **Pebble Beach Company**
Appellants..... **James Miller, Carl Nielsen, Jody Bunn, Nathalie Bunn, Ted Hunter, and Paul Byrne**
Local government..... **Monterey County**
Local decision **Approved with conditions**
Project location **1518 Cypress Drive near the intersection of Cypress Drive with Palmero Way in Pebble Beach; Del Monte Forest area of Monterey County (APNs: 008-423-32, 008-423-35, 008-423-36).**
Project description **Partial demolition, reconstruction, and addition to an existing single family dwelling to create a 24 unit inn and 24 room spa ("Casa Palmero"). Project includes a lot recombination and the replacement of an existing parking area with a parking garage with one level at grade and two levels below grade requiring 31,000 cubic yards of excavation.**
File documents..... **Monterey County Permit File PC96024 (Casa Palmero); Monterey County Local Coastal Program (Del Monte Forest Area Land Use Plan and LCP Implementation Plan); Monterey County Local Coastal Program Major Amendment 2-94; 3-84-226 (Spanish Bay).**
Staff recommendation **Approval with conditions**

Staff Summary: Staff recommends approval with conditions. As conditioned, the proposed project provides a net public access enhancement in the Stillwater Cove area. As discussed in the summary chart following, all impacts of the project are mitigated. Project benefits include (1) a comprehensive, well signed, public pedestrian accessway through the Pebble Beach Lodge area and to the beach at Stillwater Cove, (2) well signed public parking areas for visitor access, and (3) traffic reduction within the Lodge area on 17 Mile Drive. The recommended conditions maximize coastal public access in this special visitor destination and, as discussed in this report, the proposed project is consistent with the access and recreation policies of Chapter 3 of the Coastal Act and the policies of the certified Monterey County LCP.

The primary LCP and Coastal Act public access issues for this project can be summarized as follows:

| Issue | Impacts | Mitigation/Conditions |
|-----------------------------|---|---|
| Pedestrian/shoreline access | Localized increased traffic on designated Stillwater Cove public access route. Increased conflict with pedestrians who currently have to walk in Cypress Way roadway. | Implementation of Pedestrian Access Enhancement Program, to provide complete, off-street pedestrian circulation system for the Pebble Beach Lodge area. Signs to direct visitors to the beach, trails and other points of interest. |
| Parking | Loss of LUP-designated unreserved 130 space parking area for Stillwater Cove public access. | Preservation and enhancement of visitor parking capacity within the new parking facility and in nearby existing parking areas. |
| Traffic | Incremental traffic increase on 17 Mile Drive and localized impacts on Palmero Way. | Localized traffic circulation enhancement on 17 Mile Drive by shifting employee parking away from Lodge and encouraging more pedestrian trips by developing a safe trail system. Trip reduction program consistent with LCP requirement. Left turn lane on 17 Mile Drive and fair share contribution to Highway 1/68 intersection improvements (per County conditions). |

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Exhibits

Exhibit A: Standard Conditions

Exhibit B: Monterey County's Conditions of Approval

Exhibit C: Casa Palmero Location Maps and Project Plans

Exhibit D: Pebble Beach Company's Proposed Public Access Enhancement Program

Exhibit E: Stillwater Cove Beach Access Management Plan, Figure 12 (DMF LUP, Appendix B)

Exhibit F: Casa Palmero Traffic and Parking Study (Summary Version), September 15, 1997

Exhibit G: California Health and Safety Code Section 40929

Exhibit H: Representative Examples of Correspondence Received Since Substantial Issue Hearing (7/9/97)

1. STAFF RECOMMENDATION ON COASTAL DEVELOPMENT PERMIT

The staff recommends that the Commission, after public hearing, adopt the following resolution:

Approval with Conditions. The Commission hereby grants a permit for the proposed development, as modified by the conditions below, on the grounds that the modified development will be in conformance with the provisions of the Monterey County certified Local Coastal Program (LCP), the public access and recreation policies of the California Coastal Act of 1976 (Coastal Act), and will not have any significant adverse impact on the environment within the meaning of the California Environmental Quality Act (CEQA).

2. CONDITIONS OF APPROVAL

A. Standard Conditions (see Appendix A)

B. Special Conditions

- 1. Pedestrian Access.** WITHIN 120 DAYS OF ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the permittee shall submit to the Executive Director for review and approval a pedestrian access plan for the development of pedestrian access improvements as part of a mitigation program for the Casa Palmero development. Except as modified by this condition, such access mitigation plan provides for the pedestrian access improvements listed by the applicant in correspondence dated September 10, 1997 (attached as Exhibit D). Such improvements shall provide for a continuous, pedestrian, off-road (sidewalk or footpath, minimum 4 feet in width) wheelchair compatible route extending from Peter Hay Golf Course through to the Stillwater Cove beach area (from the visitor parking areas along 17 Mile Drive on Peter Hay hill to the Pebble Beach Lodge, from the Pebble Beach Lodge to Casa Palmero, and from Casa Palmero to the shoreline at Stillwater Cove). The pathway system shall include all routes marked as "Pedestrian Access" on the drawing labeled "Preliminary Pedestrian Access Plan/The Lodge at Pebble Beach," dated September 1997 (reduced copy attached as Page 4 of Exhibit D). These routes include the existing path to the Pebble Beach shoreline at the Sloat Building, and alternate paths from Casa Palmero through the Tennis Center, and along Cypress Drive, to the Stillwater Cove pier.

The Executive Director may approve minor adjustments in these route alignments and/or deletion of duplicative parallel trail segments, as long as the continuity of the pathway system from the visitor parking areas (as described in Special Condition Two (2) below) to the shoreline at Pebble Beach and Stillwater Cove is maintained. The required improvements shall be provided in accordance with all measures in Monterey County Local Coastal Program Implementation Plan Section 20.147.130 (Public Access Development Standards). The pathway system shall also include a connecting hiking trail segment from the Peter Hay Golf Course to the nearest portion of the Del Monte Forest equestrian and hiking trail system (Figure 15, Del Monte Forest Area Land Use Plan). The construction standards for this particular segment of the pathway system may, but are not required to, accommodate wheelchair and equestrian users. The entire pathway system shall be open to the general public, subject to the temporary suspension provisions identified below in Special Condition Two (2).

The required pedestrian access improvements shall be installed and ready for use PRIOR TO occupancy of the Casa Palmero project; provided that the Executive Director may extend the deadline for completion of any particular trail segment up to one year for good cause (such as the need to coordinate with other construction projects or signage programs).

2. **Parking Plan.** WITHIN 120 DAYS OF ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the permittee shall submit to the Executive Director for review and approval a parking plan whereby it can be assured that:

Peter Hay Hill Parking: The ninety-nine (99) parking spaces at Peter Hay hill along 17 Mile Drive shall be exclusively available for Pebble Beach visitor, guest, or resident parking provided that re-striping and pedestrian improvements (i.e., walkways through parking spaces to the pedestrian path) may remove up to ten (10) parking spaces to make way for these improvements. No employees will be allowed to park in any of the ninety-nine (99) parking spaces along 17 Mile Drive at Peter Hay hill.

Casa Palmero Parking Facility: The eighty-five (85) parking spaces on the first level of the parking facility (at grade) shall be exclusively for visitor parking. No more than forty-eight (48) of these first level parking spaces will be specifically reserved for use by Casa Palmero Inn and Spa guests. No employees will be allowed to park in any of the first level parking spaces in the facility. The two-hundred-thirty (230) parking spaces on the lower two levels of the parking structure (below grade) will be available for visitors, spa and inn guests, or employee parking on a first-come, first-serve (unreserved) basis. No portion of the garage facility shall be used to fulfill parking requirements for future commercial development within the Lodge area without first obtaining approval of the California Coastal Commission.

Stillwater Cove Parking: Ten (10) unreserved visitor parking spaces shall be available and marked specifically for beach access to Stillwater Cove, either (1) in the Tennis Center parking lot in the location nearest to the beach or (2) along the hedge adjacent to the 17th tee box next to the existing six (6) reservable Stillwater Cove parking spaces. These ten (10) parking spaces shall be available to Stillwater Cove beach users at all times, on a first-come, first-served basis, without any requirement for advance reservations. Clear directional signage shall be provided at Palmero Way. No employees will be allowed to park in any of the ten (10) Stillwater Cove parking spaces.

These parking requirements shall be installed, adequately signed and ready for use PRIOR TO occupancy of the Casa Palmero project. These parking requirements can be temporarily suspended during special event periods (not to exceed four (4) events per year and a maximum of twenty-eight (28) days annually).

3. **Transportation Demand Management.** PRIOR TO OCCUPANCY of the Casa Palmero project, the permittee shall submit to the Executive Director for review and approval a trip reduction checklist which describes the proposed design elements or facilities, such as described in Monterey County Local Coastal Program Implementation Plan Section 20.64.250(D)(2) parts (a) through (u), that encourage alternative transportation usage by employees and users of the Casa Palmero development.
4. **Sign Plan:** WITHIN 120 DAYS OF ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the permittee shall submit to the Executive Director for review and approval a final signing plan in conformance with Monterey County Local Coastal Program Implementation Plan Sections 20.147.130 (Public Access Development Standards) and 20.60.070 (Design Control District Sign Regulations) which identifies all signs that will be used for the Casa Palmero complex, and that will be used to clearly identify the pedestrian pathway system and public parking described in Special Conditions One (1) and Two (2) of this approval as being for general visitor (i.e., public) use. This signing plan shall include information and direction as to the location and availability of Stillwater Cove beach for public use, including adequate signs at the Palmero Way/17 Mile Drive intersection. The required signing improvements shall be installed and ready for use PRIOR TO occupancy of the Casa Palmero project, subject to any extensions approved by the Executive Director in accordance with the procedures specified in Special Condition One (1) above. All signs shall be maintained consistent with the approved sign plan.
- i. **Final Landscape Plan:** WITHIN 120 DAYS OF ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the permittee shall submit to the Executive Director for review and approval the final landscape plan prepared for conformance with the County's permit conditions. Such plan shall indicate the location, size and species of the proposed plantings, including the mix of Monterey cypress, Coast live oak, and Monterey pine to be used for native tree replantings on the Casa Palmero site, and shall provide for use of other native plants as feasible. The landscape plan shall provide for adequate screening of the parking facility ventilation towers.

In addition, the permittee shall evaluate the native tree replantings at least once every five years for the life of the project. Any trees that have died, or have been otherwise removed, shall be replaced with a native tree (either Monterey cypress, Coast live oak, or Monterey Pine); at no time shall the number of such native trees be allowed to fall below twenty-one (21). Unless a satisfactory pitch canker resistant strain of Monterey pine becomes available, any dead and/or removed Monterey pine on the site shall be replaced by either a Monterey cypress or a Coast live oak.

Non-Point Source Pollution Control Plan: WITHIN 120 DAYS OF ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the permittee shall submit to the Executive Director for review and approval a final erosion control and drainage plan that includes provisions for sediment, grease, and oil-traps in the parking area or similar measures to prevent non-point source pollutants (surface contaminants) from entering Carmel Bay. The Plan shall also identify permanent measures for the maintenance and operation of all non-point source controls and these measures shall be recorded on a deed restriction in a form and content acceptable to the Executive Director. This document shall be recorded free of prior liens and any other encumbrances except for tax liens and shall run with the land, binding all successors and assignees of the landowner.

RWQCB Approval: PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the permittee shall submit to the Executive Director for review and approval either:

- a. Evidence that collected groundwater at the site will be used for irrigation or reclamation purposes; or

- b. In the event that the collected groundwater will be filtered through the Casa Palmero drainage system and into the Carmel Bay, a waste discharge permit or a waiver of waste discharge requirements or other evidence of the review and approval by the Regional Water Quality Control Board of the discharge generated by the Casa Palmero project. All Regional Water Quality Control Board monitoring requirements and/or programs shall be submitted to the Executive Director at the same time they are submitted to the Regional Water Quality Control Board.
8. **Previous Conditions:** All previous conditions of approval from Monterey County remain in effect (Permit File PC96024, Monterey County Board of Supervisors Resolution 97-138) with the exception of Condition Forty (40) which is replaced by Special Condition Two (2) of this approval (see Exhibit B of this report for a copy of the local conditions of approval). **PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT**, the permittee shall submit to the Executive Director for review and approval evidence that those conditions requiring action prior to the commencement of any work have been signed-off by the appropriate Monterey County official. Evidence of subsequent condition compliance must also be submitted to the Executive Director at the required stage. In the event that Monterey County officials do not exercise such authority, permittee shall submit condition compliance materials to the Executive Director for review and approval.
 9. **Del Monte Forest Area LCP Report:** **WITHIN 120 DAYS OF ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT**, the permittee shall prepare a report for submittal to the California Coastal Commission. The document shall cover:
 - a. Del Monte Forest Area LCP history, including LUP planning maps, and amendments;
 - b. Del Monte Forest Area current as-built condition (including development under permit review);
 - c. Pebble Beach Company's planned developments;
 - d. Identification of any discrepancies between the plans and what has happened and is planned, particularly with respect to traffic impacts; and
 - e. Pebble Beach Company's assessment of whether or not it would be appropriate for Monterey County to undertake an update of the Del Monte Forest Area LCP segment.

EXHIBIT K-1

**ADDENDUM TO ADD OWNERS OF RESIDENTIAL PARCEL AS PARTIES TO
AGREEMENT BETWEEN PEBBLE BEACH COMPANY AND
THE DEL MONTE FOREST NEIGHBORHOOD
PRESERVATION ASSOCIATION**

This Addendum to Add Owners of Residential Parcel as Parties To Agreement Between Pebble Beach Company and the Del Monte Forest Neighborhood Preservation Association is executed by the Undersigned(s) as of this _____ day of _____, in the year _____. The Undersigned(s) each acknowledge the truthfulness of and intend each of the following:

1. The Undersigned(s) are all of the fee interest owners of that certain parcel of residential real property located in Pebble Beach, County of Monterey, State of California more particularly described on attached Exhibit A ("Undersigned's Parcel"), which is described in that certain Agreement, executed by the Pebble Beach Company ("PBC"), the Del Monte Forest Neighborhood Preservation Association, and others, and dated as of December 5, 1997 and recorded in the Official Records of Monterey, California in Book ____, beginning at Page _____, Instrument No. _____ (the "Agreement").
2. On or about the ____ day of _____, in the year _____, the Undersigned's Parcel was conveyed by the Del Monte Properties Company, Pebble Beach Corporation, or the Pebble Beach Company, to the Undersigned(s) or their predecessor(s)-in-interest pursuant to a grant deed which contained restrictions which, among other things (1) prohibited the conduct of trade or business and (2) limited the use of the Undersigned's Parcel to private single-family residential purposes, as more fully set forth in said deed (the "Original Deed").
3. Since the date of the Original Deed, the fee interest in the Undersigned's Parcel has never been owned, directly or indirectly, by the Pebble Beach Company or any of its heirs, devisees, administrators, representatives, transferees, assigns, grantees, or other successors-in-interest or their successors-in-interest (herein "Successors and Assigns").
4. This Addendum is executed for each of the Undersigneds' own purposes and not for the benefit of the Pebble Beach Company or any of its Successors and Assigns.

5. As permitted by Section 10 of the Agreement, each of the Undersigned(s) hereby elects to be deemed a party to the Agreement and be entitled to all of the rights and remedies provided to Mr. Ed Keith in said Agreement, effective upon the recording of this instrument retroactively to the date the Agreement was executed and recorded.

6. This Addendum is not intended by the Undersigned(s) to in any manner modify the rights, obligations, and remedies of the Pebble Beach Company, the Association, any other party to or benefitted by the Agreement, or their respective Successors and Assigns, and affects only the rights and remedies of the Undersigned.

7. In no event shall the execution or recordation of this instrument by the Undersigned(s) impose on the Undersigned(s) any obligations or liabilities of any kind, provided, however, that the Undersigned(s) shall be bound by the provisions of the Agreement.

[Signature Page(s) Follow]

IN WITNESS WHEREOF, each of the Undersigneds has executed this Agreement intending to be bound thereby as of the date specified above.

Printed
Name: _____

*{Include One Signature Page For Each Fee Title Owner
&
Attach Notary Acknowledgment For Each Signature}*

EXHIBIT K-2

**ADDENDUM TO TERMINATE THIRD PARTY BENEFICIARY STATUS UNDER
AGREEMENT BETWEEN PEBBLE BEACH COMPANY AND
THE DEL MONTE FOREST NEIGHBORHOOD
PRESERVATION ASSOCIATION**

This Addendum To Terminate Third Party Beneficiary Status under Agreement Between Pebble Beach Company and the Del Monte Forest Neighborhood Preservation Association is executed by the Undersigned(s) as of this _____ day of _____, in the year _____. The Undersigned(s) each acknowledge the truthfulness of and intend each of the following:

1. The Undersigned(s) are all of the fee interest owners of that certain parcel of residential real property located in Pebble Beach, County of Monterey, State of California more particularly described on attached Exhibit A ("Undersigned's Parcel"), which is described in that certain Agreement, executed by the Pebble Beach Company ("PBC"), the Del Monte Forest Neighborhood Preservation Association, and others, and dated as of December 5, 1997 and recorded in the Official Records of Monterey, California in Book ____, beginning at Page _____, Instrument No. _____ (the "Agreement").
2. On or about the ____ day of _____, in the year _____, the Undersigned's Parcel was conveyed by the Del Monte Properties Company, Pebble Beach Corporation, or the Pebble Beach Company, to the Undersigned(s) or their predecessor(s)-in-interest pursuant to a grant deed which contained restrictions which, among other things (1) prohibited the conduct of trade or business and (2) limited the use of the Undersigned's Parcel to private single-family residential purposes, as more fully set forth in said deed (the "Original Deed").
3. Since the date of the Original Deed, the fee interest in the Undersigned's Parcel has never been owned, directly or indirectly, by the Pebble Beach Company or any of its heirs, devisees, administrators, representatives, transferees, assigns, grantees, or other successors-in-interest or their successors-in-interest (herein "Successors and Assigns").
4. This Addendum is executed for each of the Undersigneds' own purposes and not for the benefit of the Pebble Beach Company or any of its Successors and Assigns.

5. As permitted by Section 10 of the Agreement, each of the Undersigned hereby declare that they no longer wish to be a third party beneficiary of the Agreement and, accordingly, the Undersigned's Parcel is hereby deleted from any mention in the Agreement, effective as of the ____ day of _____, of the year _____. [Note: date may be as early December 5, 1997, the date of the Agreement.]

6. This Addendum is not intended by the Undersigned(s) to in any manner modify the rights, obligations, and remedies of the Pebble Beach Company, the Association, any other party to or benefitted by the Agreement, or their respective Successors and Assigns, and affects only the rights and remedies of the Undersigned.

7. In no event shall the execution or recordation of this instrument by the Undersigned(s) impose on the Undersigned(s) any obligations or liabilities of any kind.

[Signature Page(s) Follow]

IN WITNESS WHEREOF, each of the Undersigneds has executed this Agreement intending to be bound thereby as of the date specified above.

Printed

Name: _____

*{Include One Signature Page For Each Fee Title Owner
&
Attach Notary Acknowledgment For Each Signature}*

EXHIBIT K-3

**ADDENDUM TO DELETE PARCEL OWNERS OF RESIDENTIAL PARCEL AS PARTIES
TO THE AGREEMENT BETWEEN PEBBLE BEACH COMPANY AND
THE DEL MONTE FOREST NEIGHBORHOOD
PRESERVATION ASSOCIATION**

This Addendum To Delete Owners of Residential Parcel As Parties To the Agreement Between Pebble Beach Company and the Del Monte Forest Neighborhood Preservation Association is executed by the Undersigned(s) as of this _____ day of _____, in the year _____. The Undersigned(s) each acknowledge the truthfulness of and intend each of the following:

1. The Undersigned(s) are all of the fee interest owners of that certain parcel of residential real property located in Pebble Beach, County of Monterey, State of California more particularly described on attached Exhibit A ("Undersigned's Parcel"), which is described in that certain Agreement, executed by the Pebble Beach Company ("PBC"), the Del Monte Forest Neighborhood Preservation Association, and others, and dated as of December 5, 1997 and recorded in the Official Records of Monterey, California in Book ____, beginning at Page _____, Instrument No. _____ (the "Agreement").

2. On or about the ____ day of _____, in the year _____, the Undersigned's Parcel was conveyed by the Del Monte Properties Company, Pebble Beach Corporation, or the Pebble Beach Company, to the Undersigned(s) or their predecessor(s)-in-interest pursuant to a grant deed which contained restrictions which, among other things (1) prohibited the conduct of trade or business and (2) limited the use of the Undersigned's Parcel to private single-family residential purposes, as more fully set forth in said deed (the "Original Deed").

3. Since the date of the Original Deed, the fee interest in the Undersigned's Parcel has never been owned, directly or indirectly, by the Pebble Beach Company or any of its heirs, devisees, administrators, representatives, transferees, assigns, grantees, or other successors-in-interest or their successors-in-interest (herein "Successors and Assigns").

4. This Addendum is executed for each of the Undersigneds' own purposes and not for the benefit of the Pebble Beach Company or any of its Successors and Assigns.

5. On or about the ____ day of _____, in the year _____, the Undersigned(s), or their predecessor(s)-in-interest, either executed the Agreement, as a party thereto, or executed an "Addendum To Add Owners of Residential Parcel As Parties To Agreement Between Pebble Beach Company and the Del Monte Forest Neighborhood Preservation Association" as permitted by Section 10 of the Agreement. Each of the Undersigneds now elects to no longer be a party to this Agreement effective as of the ____ day of _____, in the year _____. [Note: *the date may be as early as the date the Undersigneds originally became parties to the Agreement .*]

6. This Addendum is not intended by the Undersigned(s) to in any manner modify the rights, obligations, and remedies of the Pebble Beach Company, the Association, any other party to or benefitted by the Agreement, or their respective Successors and Assigns, and affects only the rights and remedies of the Undersigned(s).

7. In no event shall the execution or recordation of this instrument by the Undersigned(s) impose on the Undersigned(s) any obligations or liabilities of any kind.

[Signature Page(s) Follow]

IN WITNESS WHEREOF, each of the Undersigneds has executed this Agreement intending to be bound thereby as of the date specified above.

Printed

Name: _____

*{Include One Signature Page For Each Fee Title Owner
&
Attach Notary Acknowledgment For Each Signature}*

EXHIBIT K-4

ADDENDUM TO RESCIND TERMINATION OF THIRD PARTY BENEFICIARY STATUS
UNDER AGREEMENT BETWEEN PEBBLE BEACH COMPANY AND
THE DEL MONTE FOREST NEIGHBORHOOD
PRESERVATION ASSOCIATION

This Addendum To Rescind Termination of Third Party Beneficiary Status Under Agreement Between Pebble Beach Company and the Del Monte Forest Neighborhood Preservation Association is executed by the Undersigned(s) as of this _____ day of _____, in the year _____. The Undersigned(s) each acknowledge the truthfulness of and intend each of the following:

1. The Undersigned(s) are all of the fee interest owners of that certain parcel of residential real property located in Pebble Beach, County of Monterey, State of California more particularly described on attached Exhibit A ("Undersigned's Parcel"), which is described in that certain Agreement, executed by the Pebble Beach Company ("PBC"), the Del Monte Forest Neighborhood Preservation Association, and others, and dated as of December 5, 1997 and recorded in the Official Records of Monterey, California in Book ____, beginning at Page _____, Instrument No. _____ (the "Agreement").

2. On or about the ____ day of _____, in the year _____, the Undersigned's Parcel was conveyed by the Del Monte Properties Company, Pebble Beach Corporation, or the Pebble Beach Company, to the Undersigned(s) or their predecessor(s)-in-interest pursuant to a grant deed which contained restrictions which, among other things (1) prohibited the conduct of trade or business and (2) limited the use of the Undersigned's Parcel to private single-family residential purposes, as more fully set forth in said deed (the "Original Deed").

3. Since the date of the Original Deed, the fee interest in the Undersigned's Parcel has never been owned, directly or indirectly, by the Pebble Beach Company or any of its heirs, devisees, administrators, representatives, transferees, assigns, grantees, or other successors-in-interest or their successors-in-interest (herein "Successors and Assigns").

4. This Addendum is executed for each of the Undersigneds' own purposes and not for the benefit of the Pebble Beach Company or any of its Successors and Assigns.

5. On or about the ____ day of _____, in the year _____, each of the Undersigneds, or their predecessor(s)-in-interest, executed an "Addendum To Terminate Third Party Beneficiary Status Under Agreement Between Pebble Beach Company and the Del Monte Forest Neighborhood Preservation Association" as permitted by Section 10 of the Agreement. Each of the Undersigneds now elects to rescind that election to terminate third party beneficiary status and to now be a third party beneficiary of the Agreement, providing to the Undersigned(s) and its successors and assigns all of the rights and benefits for the Undersigned's Parcel that are afforded by the terms of the Agreement to the owners of other Residential Parcels, effective as of the ____ day of _____, in the year _____. [Note: date may be as December 5, 1997, the date of the Agreement.]

6. This Addendum is not intended by the Undersigned(s) to in any manner modify the rights, obligations, and remedies of the Pebble Beach Company, the Association, any other party to or benefitted by the Agreement, or their respective Successors and Assigns, and affects only the rights and remedies of the Undersigned.

7. In no event shall the execution or recordation of this instrument by the Undersigned(s) impose on the Undersigned(s) any obligations or liabilities of any kind, provided, however, that subject to the terms of the Agreement, the Undersigned(s) shall be entitled to any rights of a third party beneficiary under the Agreement.

[Signature Page(s) Follow]

IN WITNESS WHEREOF, each of the Undersigneds has executed this Agreement intending to be bound thereby as of the date specified above.

Printed
Name: _____

*{Include One Signature Page For Each Fee Title Owner
&
Attach Notary Acknowledgment For Each Signature}*

END OF DOCUMENT

Butler, Katie@Coastal

From: David [David8@1hope.org]
Sent: Monday, January 03, 2011 2:25 PM
To: Dan Carl
Cc: Katie Morange
Subject: RE: HOPE: Pebble Beach Project version 5 - HOPE's Views

Attachments: PBC-ver5.pdf



PBC-ver5.pdf (41 KB)

Hello Dan and Katie,

So sorry.

Thank you for bringing that to my attention.

Here are two resources that I missed.

1. HOPE's position -- is now attached.
2. And this is the correct web address --

www.1hope.org/pbc.htm

I had omitted the trailing ".htm"

Wishing you and your families Happy, Healthy New Year, -David

At 01:24 PM 1/3/2011, you wrote:

>Hi David, the link doesn't work. Please send an updated and/or info on
>your position. Thanks...

>
>-----Original Message-----
>From: David [mailto:David8@1hope.org]
>Sent: Tuesday, December 21, 2010 12:46 PM
>To: Dan Carl; Katie Morange
>Subject: HOPE: Pebble Beach Project version 5 - HOPE's Views

>Hello Dan and Katie,

>Here are HOPE's views on the latest version of the Pebble Beach Company
>Forest Destruction project.

>
>For more information please see --

>
>www.1hope.org/pbc

>
>Thank you,
>David Dilworth

>
>PS As you saw, the project has already started off with an illegal
>action. At the PB LUAC meeting you both attended on Dec 2, even though
>a decision on the project was Not Noticed or agendized - they voted to
>favor the project - after only asking the public for questions - not
>for their views.

**Bringing you HOPE -
Helping Our Peninsula's Environment**
Box 1495, Carmel, CA 93921 info7 at 1hope.org
831/ 624-6500 www.1hope.org

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Science Advisors
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- Acoustics
Susan Kegley, Ph.D.
- Hazardous Materials &
Pesticides
Arthur Partridge, Ph.D.
Forest Ecology

Pebble Beach Forest Destruction Project - Version 5

HOPE is the organization that lead the successful 15 year effort to protect the native Monterey pine forest from PBC's chainsaws. The effort succeeded when the Coastal Commission rejected Supervisor Dave Potter's motion to approve the project (8-4).

HOPE is the only group which filed a lawsuit against the project; who attended and participated in every one of the hundreds of meetings, lead hundreds of people on ecosystem tours of the native Monterey pine forest, and who provided written objections with the best available science at every one of the dozens of comment opportunities over the 15 year timespan when the first version of the project was announced in 1992.

And of course HOPE is the group that was able to persuade "Mark Twain" himself to testify on behalf of the endangered red-legged frogs at a Coastal Commission hearing. ☺

Here are the problems the project faces --

1. **Water:** Though they do correctly call it an "entitlement" PBC falsely implies they obtained a "right" to 360 acre feet of water to use for development. This claim is not unlike the for-profit companies who will sell you the "right" to name a star - that is wholly unrecognized by the International Astronomical Union. Those companies have no recognized "right" to sell you a star name.

The PBC so called "water entitlement" arises out of water given to them by an agency that had no legal right or authority to give water away. This "science fiction" claim has not yet been decided by a court.

In addition, three major changes have occurred since the PBC project was first filed in 1999 and then rejected by the Coastal Commission in June 2007.

2. **Traffic:** Event Traffic inside the Forest has dramatically worsened because the Coastal Commission (gently reminded by HOPE annually for a decade) finally forced PBC to permanently close the Haul Rd.

Now most Golf Event Traffic must use the Highway 1 gate - instead of the Haul Rd as they did heavily until a few years ago. Now during Golf Events using roads inside the Forest is much more congested and has many more detours and outright prohibitions.

(Incidentally No Golf event in Pebble Beach has ever obtained a Coastal Permit, yet if you or I hold an outside event with more than 50 people - we have to at least get a county permit.)

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3. Lots: PBC has only provided evidence of only 43 lots of record - but they claim they have 90.
4. Endangered Species: Due to the Coastal Act (and the Commission decision) and its mutual support of Endangered species laws - PBC must avoid, not just minimize, harm to Native Monterey pine forest which is vital habitat for Yadon's piperia and two dozen other formally protected endangered species.

Water Conservation Ignored

What water conservation methods are all PBC's 7 golf courses using?

- Does PBC compact their soil? (No. Yet, compacting alone has reduced water use by as much as 49%.)
- Do PBC golf courses get watered only when needed - or on a clock schedule? (Hint Spanish Bay and PBC operate on a clock causing shallow rooting and increases water need.)
- Does PBC water deeply and infrequently? (No.)
- Did PBC lower their mowing height? (No.)
- Does PBC use dull mowing blades? (Not on purpose ;-)
- Did PBC reduce fertilizer use to save water? (No.)

According to the US Golf Association all these methods significantly reduce water use.

David Dilworth, Monday, December 20, 2010

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